THE CITY OF JACKSONVILLE

JACKSONVILLE CITY COUNCIL MEETING
JACKSONVILLE CITY HALL COUNCIL CHAMBERS
315 S. RAGSDALE
TUESDAY, MARCH 10, 2026
6:00 PM

*5:15 PM CLOSED EXECUTIVE SESSION CITY HALL EXECUTIVE CONFERENCE ROOM

Randy Gorham, Mayor
Tim McRae, Mayor Pro-tem - District 3
Letitia Horace - District 1
Mindy Gellock - District 2
Rob Gowin - District 4

1. **5:15 PM CLOSED EXECUTIVE SESSION CITY HALL CONFERENCE ROOM-PER OPEN MEETINGS ACT-PER TEXAS GOVERNMENT CODE SECTION:**
   - A. **551.071 CONSULT CITY ATTORNEY - CITY OF JACKSONVILLE V. BERRY AND CLAY, INC. ET AL**
   - B. **551.072 REAL PROPERTY**
2. **CALL TO ORDER**
3. **INVOCATION**
4. **PLEDGE OF ALLEGIANCE US & TEXAS FLAGS**
5. **SPECIAL PRESENTATION –**
   - A. **JEDCO PRESENTATION OF THE BUSINESS OF THE MONTH**
   - B. **JEDCO PRESENTATION OF THE JACKSONVILLE ISD CTE STUDENT OF THE MONTH**
   - C. **RECOGNITION OF JISD HONOR SOCIETY STUDENTS COMMUNITY SERVICE AT CITY CEMETERIES**
   - D. **PRESENTATION BY TPCA - ACCREDITATION REPORT**
   - E. **PRESENTATION BY POLICE CHIEF STEVEN MARKASKY - RACIAL PROFILING**
6. **CITIZEN PARTICIPATION**
7. **CONSENT AGENDA - ITEMS UNDER CONSENT AGENDA REQUIRE LITTLE OR NO DELIBERATIONS BY COUNCIL. APPROVAL OF CONSENT AGENDA AUTHORIZES THE CITY MANAGER OR HIS DESIGNEES TO PROCEED WITH CONCLUSION OF EACH ITEM IN ACCORDANCE WITH STAFF RECOMMENDATION**
   - A. **MINUTES APPROVAL - FEBRUARY 5, 2026 AGENDA WORKSHOP, FEBRUARY 10, 2026 CITY COUNCIL MEETING**
   - B. **APPROVE AN AGREEMENT WITH CHEROKEE COUNTY ELECTIONS OFFICE FOR THE RENTAL OF ELECTION EQUIPMENT FOR THE MAY 2, 2026, MUNICIPAL SPECIAL ELECTION**
   - C. **APPROVE THE APPOINTMENT OF ELECTION WORKERS FOR THE MAY 2, 2026, MUNICIPAL ELECTION**
   - D. **APPROVE A STREET CLOSURE FROM 5 PM ON FRIDAY, JUNE 12, UNTIL SATURDAY, JUNE 13, FOR THE 42ND ANNUAL TOMATO FEST**
   - E. **APPROVE A CERTIFICATION OF UNOPPOSED CANDIDATES AND AN ORDINANCE CANCELING THE MAY 2, 2026, FOR MAYOR AND DISTRICT 3 MUNICIPAL ELECTION**

8. **ANY ACTION OUT OF EXECUTIVE SESSION IF NECESSARY**
9. **A) PRESENTATION OF THE 2024-2025 FINANCIAL AUDIT BY PATILLO, BROWN AND HILL**
   B) CONSIDERATION AND POSSIBLE ACTION REGARDING THE FINDINGS OF THE 2024-2025 FINANCIAL AUDIT
10. **DISCUSS AND CONSIDER ACTION TO AWARD CONSTRUCTION CONTRACT, BASED ON THE ENGINEER'S RECOMMENDATION, TO PERFORM SEWER IMPROVEMENTS ASSOCIATED WITH THE CITY OF JACKSONVILLE'S TDA GRANT #CDV23-0193**
11. **CONSIDER WITH POSSIBLE ACTION CREATION OF A NEW MATCHING JEDCO GRANT PROGRAM TO ENCOURAGE INFILL HOUSING DEVELOPMENT**
12. **CONSIDER WITH POSSIBLE ACTION AN AMENDMENT TO THE HEALTH INSURANCE ORDINANCE 1363**
13. **DISCUSS AND AWARD CONSTRUCTION MANAGER AT RISK SERVICES AGREEMENT**
14. **DISCUSS AND AWARD HEALTH BENEFITS ADMINISTRATOR**
15. **A) <u>PUBLIC HEARING:</u> TO HEAR AND RECEIVE INFORMATION REGARDING A REQUESTED SPECIAL USE PERMIT TO ALLOW FOR AN EVENT CENTER LOCATED AT 536 NORTH JACKSON STREET, PROPERTY ID #221721000.**
    B) DISCUSS AND CONSIDER WITH POSSIBLE ACTION AN ORDINANCE GRANTING SAID SUP
16. **REVIEW AND CONSIDER APPROVAL OF A REPLAT OF LAKESHORE DRIVE SUBDIVISION, BLOCK B, LOTS 3R AND 4R.**
17. **OPEN FORUM FOR MAYOR AND COUNCIL**
18. **CITY MANAGER REPORT**
19. **ADJOURN**
20. **CONSIDER WITH POSSIBLE ACTION A RESOLUTION DELAYING THE CENTERPOINT GRIP RATE INCREASE 45 DAYS**

Posted this the 4th day of March 2026. **5:00 PM**

CERTIFICATION
I certify that this notice was posted at City Hall for public viewing on the date and time designated above.

_____
Dianah Surber, City Clerk

All items on the agenda are for possible discussion and action. The Jacksonville City Council or this board reserves the right to adjourn into executive session at any time during this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071(Consultation with Attorneys); 551.072 (Deliberations about Real Property); 551.073 (Deliberations about gifts and donations); 551.074 (Personnel Matters); 551.076(Deliberations about security devices); and 551.087(Deliberations regarding economic development negotiations). The City of Jacksonville is committed to compliance with the American with Disabilities Act (ADA). Reasonable accommodation and equal access to communications will be provided for those who provide notice to the City Clerk at (903)339-3306 at least 48 hours in advance.

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	5.A.
DEPARTMENT:	Jacksonville Economic Development Corporation	PREPARED BY:	
INITIATED BY:		EXHIBITS:	
ITEM TITLE:	JEDCO PRESENTATION OF THE BUSINESS OF THE MONTH		

EXECUTIVE SUMMARY:

The Business of the Month will be Tipton Air Conditioning

RECOMMENDED ACTION:

BID AND AWARD:

BUDGET DATA:

BUDGET JUSTIFICATION:

STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
1.2 Leverage the talent and input of citizens ☐	2.2 Parks, recreation, and community building ☐	3.2 Proactively seek process improvements ☐	4.2 Strengthen routine maintenance programs ☐	5.2 Leverage and maximize City facilities ☐
1.3 Transparent and engaging communication ☐	2.3 Community policing and crime prevention ☐	3.3 Ensure financial stability and stewardship ☐	4.3 Adopt a capital improvement program ☐	5.3 Disasters and emergencies ☐
1.4 Ensure value of services ☐	2.4 Preserve and revitalize existing neighborhoods ☐	3.4 Pursue partnerships and grants ☐	4.4 Protect natural resources ☐	5.4 Comprehensive community planning ☐

POLICY/GOAL CONSIDERATION:

LEGAL:

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	5.B.
DEPARTMENT:	Jacksonville Economic Development Corporation	PREPARED BY:	
INITIATED BY:		EXHIBITS:	
ITEM TITLE:	JEDCO PRESENTATION OF THE JACKSONVILLE ISD CTE STUDENT OF THE MONTH		

EXECUTIVE SUMMARY:

The Jacksonville ISD CTE Student of the Month will be Juan Antonio Rodriguez

RECOMMENDED ACTION:

BID AND AWARD:

BUDGET DATA:

BUDGET JUSTIFICATION:

STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
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POLICY/GOAL CONSIDERATION:

LEGAL:

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	5.C.
DEPARTMENT:	Administration	PREPARED BY:	
INITIATED BY:		EXHIBITS:	
ITEM TITLE:	RECOGNITION OF JISD HONOR SOCIETY STUDENTS COMMUNITY SERVICE AT CITY CEMETERIES		

EXECUTIVE SUMMARY:

RECOMMENDED ACTION:

BID AND AWARD:

BUDGET DATA:

BUDGET JUSTIFICATION:

STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
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POLICY/GOAL CONSIDERATION:

LEGAL:

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	5.D.
DEPARTMENT:	Police	PREPARED BY:	
INITIATED BY:		EXHIBITS:	
ITEM TITLE:	PRESENTATION BY TPCA - ACCREDITATION REPORT		

EXECUTIVE SUMMARY:

RECOMMENDED ACTION:

BID AND AWARD:

BUDGET DATA:

BUDGET JUSTIFICATION:

STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
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POLICY/GOAL CONSIDERATION:

LEGAL:

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	5.E.
DEPARTMENT:	Police	PREPARED BY:	
INITIATED BY:		EXHIBITS:	Submitted Report to TCOLE 2025, Racial Profiling Analysis 2025 SM Final
ITEM TITLE:	PRESENTATION BY POLICE CHIEF STEVEN MARKASKY - RACIAL PROFILING		

EXECUTIVE SUMMARY:

The Texas Code of Criminal Procedures 2.131 requires law enforcement agencies that conduct traffic stops to report the number of contacts, and the racial/ethnic background of those drivers stopped. The law enforcement agency must report the statistics to the Texas Commission on Law Enforcement prior to March 1st of each year. It is also required that the analysis is presented to the local governing body, each year. Beginning in 2021, it is required for an analysis of the traffic stop statistics compared to the local population to ensure the absence of bias.

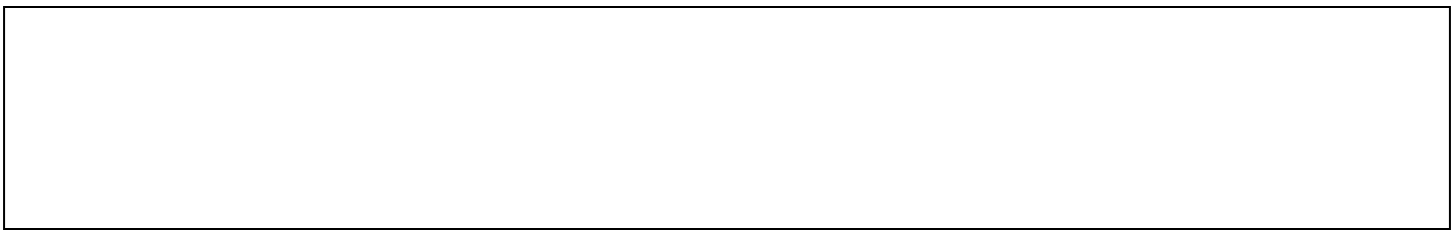
On February 11, 2026, Police Chief Steven Markasky submitted an open records request with the Texas Department of Public Safety (DPS) for a racial/ethnic breakdown of all persons with a Texas Driver's License associated with the zip code of 75766. I received data from DPS on February 13, 2026, showing a breakdown of race/ethnicity as derived from the race codes maintained in the Department of Public Safety's driver record file. Race codes are established for the purpose of driver license issuance and include Black, White, Indian, Asian, Hispanic, and Other. According to the Texas Law Enforcement Manual, "Other" is to be used for those of "mixed" races/backgrounds who refuse to accept any of these classifications, or for other unusual situations.

RECOMMENDED ACTION:

BID AND AWARD:

BUDGET DATA:

BUDGET JUSTIFICATION:



STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
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POLICY/GOAL CONSIDERATION:

LEGAL:

Racial Profiling Report | Full

Agency Name: JACKSONVILLE POLICE DEPT.
Reporting Date: 02/19/2026
TCOLE Agency Number: 073202

Chief Administrator: Steven R Markasky

Agency Contact Information:
Phone: (903) 339-3330
Email: steven.markasky@jacksonvilletx.org

Mailing Address:
911 S BOLTON ST, JACKSONVILLE, TX, 757662905

This Agency filed a full report

JACKSONVILLE POLICE DEPT. has adopted a detailed written policy on racial profiling. Our policy:

1) clearly defines acts constituting racial profiling;

2) strictly prohibits peace officers employed by the JACKSONVILLE POLICE DEPT. from engaging in racial profiling;

3) implements a process by which an individual may file a complaint with the JACKSONVILLE POLICE DEPT. if the individual believes that a peace officer employed by the JACKSONVILLE POLICE DEPT. has engaged in racial profiling with respect to the individual;

4) provides public education relating to the agency's complaint process;

5) requires appropriate corrective action to be taken against a peace officer employed by the JACKSONVILLE POLICE DEPT. who, after an investigation, is shown to have engaged in racial profiling in violation of the JACKSONVILLE POLICE DEPT. policy;

6) requires collection of information relating to motor vehicle stops in which a warning or citation is issued and to arrests made as a result of those stops, including information relating to:
a. the race or ethnicity of the individual detained;
b. whether a search was conducted and, if so, whether the individual detained consented to the search;
c. whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual;
d. whether the peace officer used physical force that resulted in bodily injury during the stop;
e. the location of the stop;
f. the reason for the stop.

7) requires the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision (6) to:
a. the Commission on Law Enforcement; and
b. the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

The JACKSONVILLE POLICE DEPT. has satisfied the statutory data audit requirements as prescribed in Article 2.133(c), Code of Criminal Procedure during the reporting period.

Executed by: Steven Markasky
Chief of Police

Date: 02/19/2026

Total stops: 11667

Street address or approximate location of the stop	
City street	3730
US highway	6987
County road	19
State highway	607
Private property or other	324
Was race or ethnicity known prior to stop?	
Yes	42
No	11625
Race / Ethnicity	
Alaska Native / American Indian	36
Asian / Pacific Islander	91
Black	2467
White	5837
Hispanic / Latino	3236
Gender	
Female	**4505**
Alaska Native / American Indian	13
Asian / Pacific Islander	25
Black	967
White	2384
Hispanic / Latino	1116
Male	**7162**
Alaska Native / American Indian	23
Asian / Pacific Islander	66
Black	1500
White	3453
Hispanic / Latino	2120
Reason for stop?	
Violation of law	**449**
Alaska Native / American Indian	1
Asian / Pacific Islander	2
Black	149
White	173

Hispanic / Latino	124
Preexisting knowledge	**25**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	8
White	8
Hispanic / Latino	9
Moving traffic violation	**8730**
Alaska Native / American Indian	28
Asian / Pacific Islander	77
Black	1726
White	4548
Hispanic / Latino	2351
Vehicle traffic violation	**2463**
Alaska Native / American Indian	7
Asian / Pacific Islander	12
Black	584
White	1108
Hispanic / Latino	752

Was a search conducted?

Yes	**805**
Alaska Native / American Indian	3
Asian / Pacific Islander	2
Black	276
White	323
Hispanic / Latino	201
No	**10862**
Alaska Native / American Indian	33
Asian / Pacific Islander	89
Black	2191
White	5514
Hispanic / Latino	3035

Reason for Search?

Consent	**209**
Alaska Native / American Indian	1
Asian / Pacific Islander	1
Black	42
White	110

Hispanic / Latino	55
Contraband	**36**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	11
White	10
Hispanic / Latino	15
Probable	**434**
Alaska Native / American Indian	2
Asian / Pacific Islander	1
Black	182
White	159
Hispanic / Latino	90
Inventory	**116**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	38
White	41
Hispanic / Latino	37
Incident to arrest	**10**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	3
White	3
Hispanic / Latino	4

Was Contraband discovered?

		Did the finding result in arrest? (total should equal previous column)	
Yes	**360**		
Alaska Native / American Indian	3	Yes 2	No 1
Asian / Pacific Islander	0	Yes 0	No 0
Black	117	Yes 35	No 82
White	147	Yes 41	No 106
Hispanic / Latino	93	Yes 21	No 72
No	**445**		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	159		
White	176		
Hispanic / Latino	110		

Description of contraband	
Drugs	**276**
Alaska Native / American Indian	2
Asian / Pacific Islander	0
Black	97
White	124
Hispanic / Latino	53
Weapons	**32**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	16
White	10
Hispanic / Latino	6
Currency	**2**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	1
Hispanic / Latino	0
Alcohol	**82**
Alaska Native / American Indian	1
Asian / Pacific Islander	0
Black	15
White	28
Hispanic / Latino	38
Stolen property	**3**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	1
Hispanic / Latino	1
Other	**8**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	2
White	1
Hispanic / Latino	5
Result of the stop	
Verbal warning	**34**

Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	9
White	19
Hispanic / Latino	6
Written warning	**8987**
Alaska Native / American Indian	26
Asian / Pacific Islander	68
Black	1820
White	4786
Hispanic / Latino	2287
Citation	**2248**
Alaska Native / American Indian	8
Asian / Pacific Islander	23
Black	499
White	889
Hispanic / Latino	829
Written warning and arrest	**231**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	78
White	86
Hispanic / Latino	67
Citation and arrest	**157**
Alaska Native / American Indian	2
Asian / Pacific Islander	0
Black	58
White	56
Hispanic / Latino	41
Arrest	**10**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	4
White	1
Hispanic / Latino	5

Arrest based on

Violation of Penal Code	**225**
Alaska Native / American Indian	1
Asian / Pacific Islander	0

Black	74
White	80
Hispanic / Latino	70
Violation of Traffic Law	**32**
Alaska Native / American Indian	1
Asian / Pacific Islander	0
Black	14
White	12
Hispanic / Latino	5
Violation of City Ordinance	**0**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
Outstanding Warrant	**141**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	52
White	51
Hispanic / Latino	38

Was physical force resulting in bodily injury used during stop?

Yes	**5**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	2
White	1
Hispanic / Latino	2
Resulting in Bodily Injury To:	
Suspect	1
Officer	0
Both	0
No	**11662**
Alaska Native / American Indian	36
Asian / Pacific Islander	91
Black	2465
White	5836
Hispanic / Latino	3234

Number of complaints of racial profiling

Total	0
Resulted in disciplinary action	0
Did not result in disciplinary action	0

Comparative Analysis

Use TCOLE's auto generated analysis	☐
Use Department's submitted analysis	☒

Optional Narrative

N/A

Submitted electronically to the

The Texas Commission on Law Enforcement

JACKSONVILLE POLICE DEPARTMENT

911 S. Bolton Street
Jacksonville, Texas 75766

Ph. 903.586.2549 Fax 903.586.1482

February 19, 2026

2025 Racial Profiling Analysis of Traffic Stops Conducted

The Texas Code of Criminal Procedures 2.131 requires law enforcement agencies that conduct traffic stops to report the number of contacts, and the racial/ethnic background of those drivers stopped. The law enforcement agency must report the statistics to the Texas Commission on Law Enforcement prior to March 1st of each year. It is also required that the analysis is presented to the local governing body, each year. Beginning in 2021, it is required for an analysis of the traffic stop statistics compared to the local population to ensure the absence of bias.

On February 11, 2026, Police Chief Steven Markasky submitted an open records request with the Texas Department of Public Safety (DPS) for a racial/ethnic breakdown of all persons with a Texas Driver's License associated with the zip code of 75766. I received data from DPS on February 13, 2026, showing a breakdown of race/ethnicity as derived from the race codes maintained in the Department of Public Safety's driver record file. Race codes are established for the purpose of driver license issuance and include Black, White, Indian, Asian, Hispanic, and Other. According to the Texas Law Enforcement Manual, "Other" is to be used for those of "mixed" races/backgrounds who refuse to accept any of these classifications, or for other unusual situations.

I have utilized the data provided by DPS to compare the number of stops on all races and/or ethnicities. The comparative data I am using is:

- There are 27,896 people with driver's licenses utilizing the 75766-zip code.
- Males comprise 52.6% of licensed drivers. Females are 47.4%.
- White drivers are 77.5% of licensees while Black drivers are 15.2%.
- Hispanic Drivers are 21% of licensees while Other drivers consist of 5.1%
- Alaska/ Native American/ Indian and Asian/Pacific islander represent 2.2% of drivers.

The Jacksonville Police Department conducted 11,667 traffic stops in 2025. I have compared the data from these traffic stops to the provided driver's license data to see if bias exists.

- White drivers were stopped 50.0% of the time. Black drivers were stopped 21.1% of the time. Hispanic or Latino drivers were stopped 27.7% of the time while Alaska/ Native American/ Indian/Pacific Islanders were stopped 1.1% of the time.
- Those drivers that were stopped were subjected to searches of their person or vehicles on 6.9% of all stops. Whites were searched 2.8%, Blacks were searched 2.4%, Hispanics or Latinos were searched 1.7%, and Alaska/ Native American/ Indian and Asian/ Pacific Islander were searched at a rate of 0.04% of all stops

Attached is a report generated from the TCLEDDS website for all of our department 's traffic stops conducted in 2025. These statistics were reported to TCOLE and made available to the public on their website.

The Jacksonville Police Department is an Accredited Police Department by the Texas Police Chief's Association. Many of the standards the department met to achieve the accreditation status is centered around policies and practices to ensure and prevent bias-based policing. All employees are aware of the policies and practices and receive training throughout the year regarding bias-based policing.

While percentage comparisons between traffic stop data and driver license demographics show variation among categories, these figures alone do not establish bias. Driver license data reflects residents of the ZIP code, whereas traffic enforcement includes non-resident motorists traveling through Jacksonville, particularly along major state and U.S. highway corridors. Additionally, 99.6% of stops were conducted without prior knowledge of the driver’s race. Based on the totality of the 2025 data, supervisory review, training standards, and the absence of sustained complaints alleging bias, there is no independent evidence that the Jacksonville Police Department engaged in bias-based policing practices. The department will continue annual monitoring and transparent reporting to ensure accountability and maintain public trust.

Please let me know if you or anyone else has any questions.



Steven Markasky, Chief of Police

JACKSONVILLE CITY COUNCIL MEETING
THURSDAY, FEBRUARY 5, 2026
JACKSONVILLE CITY HALL EXECUTIVE CONFERENCE ROOM
315 S. RAGSDALE
12:00 PM

[IGNORE_INDENT]
Meeting Items

CALL TO ORDER	**12:00 p.m.**
INVOCATION	**Mayor Randy Gorham**
CITIZEN PARTICIPATION	**None**
PRESENTATION BY DEEP BLUE INVESTMENTS TO PRESENT THE CITY'S QUARTERLY INVESTMENT REPORT	**Ken Couch and Dominique with Deep Blue Investments gave the quarterly investment review for the fourth quarter of 2025.**
QUARTERLY FINANCIAL REPORT BY FINANCE DIRECTOR ROXANNA BRILEY	**Finance Director Roxanna Briley presented the quarterly financial report to Council.**
PRESENTATION OF ZACTAX SALES TAX ANALYSIS	**City Manager James Hubbard gave a brief presentation over the sales tax analysis by ZacTax given at the JEDCO Board meeting.**
READING OF A RESOLUTION IN SUPPORT OF A JACKSONVILLE ECONOMIC DEVELOPMENT CORPORATION PROJECT INVOLVING AN EXPENDITURE BY JEDCO IN EXCESS OF $10,000 AND AN AMOUNT NOT TO EXCEED $350,000 TO TYTON HOLDINGS INC. WHICH SHALL INCLUDE IMPROVEMENTS TO THE EXISTING MANUFACTURING FACILITY AND CONDITIONED UPON THE CREATION OF AT LEAST THIRTY (30) NEW FULL-TIME PRIMARY JOBS IN THE CITY OF JACKSONVILLE	**JEDCO President Shane Pace presented the first reading of a resolution in support of a project involving an expenditure by JEDCO in excess of $10,000 and not to exceed $350,000 that will create jobs for Jacksonville. This company is a fabrication company that builds modular frames used in data centers and HVAC cooling systems.**
CONSIDER WITH POSSIBLE ACTION CREATION OF A NEW MATCHING GRANT PROGRAM TO ENCOURAGE INFILL HOUSING DEVELOPMENT	**JEDCO President Shane Pace spoke on the housing market being constrained and the importance of focusing on doing what we can to help our communities infill vacant lots with new homes. He would like to focus on all the districts with these grants. An overview of the program is to provide $10,000 in performance-based incentives per completed home at a cap of $250,000. This grant tops out at $150,000 and one builder can't build more than 10 homes. This incentivizes the blue-collar workers that we're trying to move to this town to build in our communities. These homes won't be in a new development, they will be built within established neighborhoods with maintained infrastructure. Mayor Pro-Tem asked a question about a minimum to this grant, mainly tiny homes. Mr. Pace verified that the JEDCO board put an 1,100 square foot minimum on new homes. Mayor Randy Gorham asked if this is restricted to builders only. Mr. Pace explained that this grant is only issued once the build is complete and a certificate of occupancy has been issued. Councilman Rob Gowin asked if the grant could be subject to duplexes for landlords to rent out. Mr. Pace explained that this is strictly for single-family homes. Councilwoman Letitia Horace asked about the verification process to ensure that builders aren't selling to entrepreneurs or businesses that intend to purchase homes to rent out. Mr. Pace explained that policing such a thing would be difficult but let the Council know he would speak more with the City Attorney, Brett Brewer, and come up with more guidelines to ensure that the buyer would be an individual and not a business. Councilman Rob Gowin asked if this would allow modular homes to be built. Mr. Pace said that the current application does exclude modular homes, but the board can add that this is for standard construction alone.** **The process goes as follows:** **1. A builder comes to the JEDCO Board and submits an application.** **2. The JEDCO Board will review the application to verify the home is being built in the spirit of the grant's intentions.** **3. Once the home is built and the certificate of occupancy is issued, the $10,000 will be issued to the builder.**

	No action was taken.
REVIEW AND DISCUSS THE AGENDA FOR REGULAR COUNCIL MEETING 10TH DAY OF FEBRUARY, 2026 (SEE ATTACHED PROPOSED AGENDA) NO ACTION TO BE TAKEN	**City Manager James Hubbard went over the February 10, 2026, City Council Agenda. No action taken.**
QUESTIONS, COMMENTS, DISCUSSION	**City Manager James Hubbard explained the next Agenda Workshop would be a little longer than usual due to the hefty presentations. Mr. Hubbard gave a brief update on the Canada Street and HWY 175 project. The full HWY 175 project is expected to be completed Fall 2028.**
ADJOURN	**1:29 PM**

_____
Randy Gorham, Mayor
City of Jacksonville

_____
Dianah Surber, City Clerk

JACKSONVILLE CITY COUNCIL MEETING
TUESDAY, FEBRUARY 10, 2026
JACKSONVILLE CITY HALL COUNCIL CHAMBERS
315 S. RAGSDALE
6:00 PM

[IGNORE_INDENT]
Meeting Items

5:15 PM CLOSED EXECUTIVE SESSION CITY HALL CONFERENCE ROOM-PER OPEN MEETINGS ACT-PER TEXAS GOVERNMENT CODE SECTION:	**5:30 PM** **Executive Session Adjourned at 5:42 PM**
551.071 CONSULT CITY ATTORNEY - CITY OF JACKSONVILLE V. BERRY AND CLAY, INC. ET AL	
551.072 REAL PROPERTY	
CALL TO ORDER	**6:00 PM**
INVOCATION	**Reverend John Bratt gave the invocation.**
PLEDGE OF ALLEGIANCE US & TEXAS FLAGS	**Pledge was led by Mayor Randy Gorham.**
SPECIAL PRESENTATION –	
JEDCO PRESENTATION OF THE BUSINESS OF THE MONTH	**Business of the Month was presented by JEDCO President Shane Pace to Options Quilt Shop.**
JEDCO PRESENTATION OF THE JACKSONVILLE ISD CTE STUDENT OF THE MONTH	**Sherri McDonald presented the Jacksonville ISD CTE Student of the Month to Emiliano Tavera.**
SPECIAL RECOGNITION RELATED TO WINTER STORM FERN RESPONSE	**Fire Chief Paul Findley recognized city staff, emergency management partners, and community volunteers for their response during the recent winter storm event.** **Recognition was given to:** **• Oncor's Victor and his utility team for outage response and coordination efforts.** **• District Six Texas Division of Emergency Management leadership for state-level coordination and support.** **• County Emergency Management representative Caleb Hamilton for local coordination and communication.** **• Jacksonville Police Department and Public Services Department staff for operational support during the emergency.** **• Community churches and volunteers for shelter operations and assistance.** **The Fire Chief reported that emergency shelter operations were conducted 24/7 during the event and expressed appreciation for the coordinated response among all agencies and community partners.**
CITIZEN PARTICIPATION	**None**
CONSENT AGENDA - ITEMS UNDER CONSENT AGENDA REQUIRE LITTLE OR NO DELIBERATIONS BY COUNCIL. APPROVAL OF CONSENT AGENDA AUTHORIZES THE CITY MANAGER OR HIS DESIGNEES TO PROCEED WITH CONCLUSION OF EACH ITEM IN ACCORDANCE WITH STAFF RECOMMENDATION	**A motion was made by Councilwoman Letitia Horace to approve the Concent Agenda items.** **Second, by Mayor Pro tem Tim McRae.** **All voted "Aye."**
MINUTES APPROVAL - JANUARY 8, 2026 AGENDA WORKSHOP, JANUARY 13, 2026 COUNCIL MEETING	
APPROVE A RESOLUTION CALLING FOR A MAY 2, 2026, MUNICIPAL ELECTION FOR THE POSITIONS OF MAYOR, DISTRICT 1, AND DISTRICT 3 OF THE JACKSONVILLE CITY COUNCIL	
APPROVE A CONTRACT WITH THE CHEROKEE COUNTY ELECTIONS OFFICE FOR ELECTION SERVICES	
APPROVE A JOINT ELECTION AGREEMENT BETWEEN THE CITY OF JACKSONVILLE AND THE JACKSONVILLE INDEPENDENT SCHOOL DISTRICT	
APPROVE PURCHASE OF AN AMBULANCE AS BUDGETED FOR FY 2026	
APPROVAL OF ANNUAL SPORT LEAGUE LICENSING AGREEMENTS – BASEBALL/SOFTBALL AND SOCCER	

APPROVAL OF INTERLOCAL AGREEMENT WITH JACKSONVILLE INDEPENDENT SCHOOL DISTRICT FOR USE OF THE BASEBALL/SOFTBALL COMPLEX	
ANY ACTION OUT OF EXECUTIVE SESSION IF NECESSARY	None.
DISCUSS WITH ACTION OF A SPECIAL USE PERMIT TO ALLOW FOR AN EVENT CENTER LOCATED AT 213 RAGSDALE STREET, CITY OF JACKSONVILLE. PROPERTY ID #222686000	City Manager James Hubbard went over the Event Center Special Use Permit. This matter went before the Planning and Zonzing Board and they all voted 'Yea' for the Event Center SUP. This permit would allow the facility to be open until 10:00 PM Sunday thru Thursday and 1:00 AM Friday thru Saturday. All voted "Aye."
QUARTERLY FINANCIAL REPORT PRESENTED BY FINANCE DIRECTOR ROXANNA BRILEY	Finance Director Roxanna Briley gave the quarterly financial report for the City of Jacksonville. This report shows us that we are at 25% of the year while our revenues have met 29.76% of the budget and the expenses are at 15.4% of the budget. Both being strong numbers.
A. SECOND READING OF A RESOLUTION IN SUPPORT OF A JACKSONVILLE ECONOMIC DEVELOPMENT CORPORATION PROJECT INVOLVING AN EXPENDITURE BY JEDCO IN EXCESS OF $10,000 AND AN AMOUNT NOT TO EXCEED $350,000 TO TYTON HOLDINGS INC. WHICH SHALL INCLUDE IMPROVEMENTS TO THE EXISTING MANUFACTURING FACILITY AND CONDITIONED UPON THE CREATION OF AT LEAST THIRTY (30) NEW FULL-TIME PRIMARY JOBS IN THE CITY OF JACKSONVILLE B. DISCUSS WITH ACTION ON A RESOLUTION IN SUPPORT OF A JACKSONVILLE ECONOMIC DEVELOPMENT CORPORATION PROJECT INVOLVING AN EXPENDITURE BY JEDCO IN EXCESS OF $10,000 AND AN AMOUNT NOT TO EXCEED $350,000 TO TYTON HOLDINGS INC. WHICH SHALL INCLUDE IMPROVEMENTS TO THE EXISTING MANUFACTURING FACILITY AND CONDITIONED UPON THE CREATION OF AT LEAST THIRTY (30) NEW FULL-TIME PRIMARY JOBS IN THE CITY OF JACKSONVILLE	A) JEDCO President Shane Pace presented the second reading of the resolution in support of Tyton Holdings' grant to improve the existing manufacturing facility. B) Motion made by Mayor Pro tem Tim McRae. Second by Councilman Rob Gowin. All voted "Aye."
DISCUSS AND ACT UPON BOARD APPOINTMENTS AND RE-APPOINTMENTS TO VARIOUS BOARDS, COMMISSIONS AND COMMITTEES	After deliberation by the Council, Councilwoman Mindy Gellock appointed Dana Peletier to the District 2 vacancy for KJB, leaving one vacancy on the Board. The Council appointed Tracey Wallace and Ferlich July Arrington to the Library Board. Councilwoman Mindy Gellock made a motion to appoint the named persons to the two boards. Second, by Mayor Pro tem Tim McRae. All voted "Aye."
OPEN FORUM FOR MAYOR AND COUNCIL	Mayor Randy Gorham announced a community exhibit currently on display and encouraged public attendance throughout the month of February.
CITY MANAGER REPORT	City Manager James Hubbard provided the following updates: • Bulk item collection scheduling information and temporary fee adjustment through February 13 to improve routing efficiency. • Parks and Recreation Open House scheduled for Tuesday, February 24, in the Council Chambers from 6:00 PM to 7:30 PM. • Great Jacksonville Clean-Up event scheduled for Saturday, April 11, from 8:00 AM to 12:00 PM at the John Alexander Gym. • Flamin' J BBQ Fest scheduled for Saturday, April 11, benefiting the Jacksonville Police Association. • Concerts in the Park series scheduled at Hazel Tilton Park, including the David Whiteman Band performance on May 22.
ADJOURN	6:43 PM

_____
Randy Gorham, Mayor

City of Jacksonville

_____
Dianah Surber, City Clerk

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	7.B.
DEPARTMENT:	Administration	PREPARED BY:	Dianah Surber, City Clerk
INITIATED BY:	Dianah Surber, City Clerk	EXHIBITS:	Cherokee County Election Equipment May 2, 2026
ITEM TITLE:	APPROVE AN AGREEMENT WITH CHEROKEE COUNTY ELECTIONS OFFICE FOR THE RENTAL OF ELECTION EQUIPMENT FOR THE MAY 2, 2026, MUNICIPAL SPECIAL ELECTION		

EXECUTIVE SUMMARY:

District 1 will have early voting between April 20, 2026 thru April 28, 2026. The election will be held on May 2, 2026. This equipment from Cherokee County Elections Office will cost $2,260 plus $0.185 per sheet of thermal paper used.

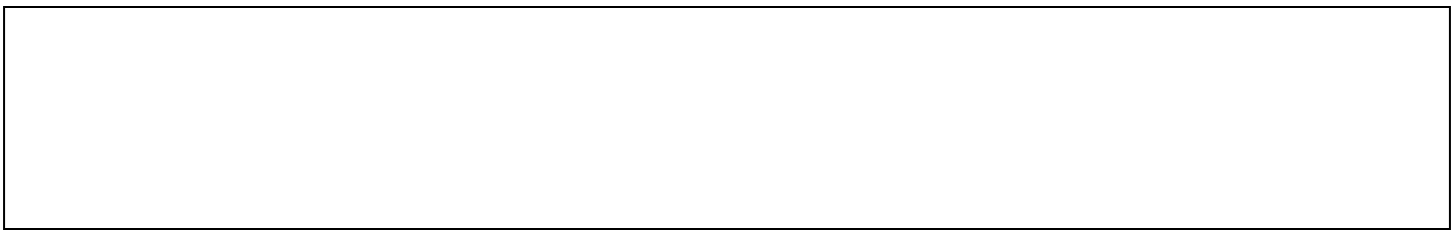
RECOMMENDED ACTION:

Staff recommends that City Council approves contract for election equipment.

BID AND AWARD:

BUDGET DATA:

BUDGET JUSTIFICATION:



STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
1.2 Leverage the talent and input of citizens ☐	2.2 Parks, recreation, and community building ☐	3.2 Proactively seek process improvements ☐	4.2 Strengthen routine maintenance programs ☐	5.2 Leverage and maximize City facilities ☐
1.3 Transparent and engaging communication ☐	2.3 Community policing and crime prevention ☐	3.3 Ensure financial stability and stewardship ☐	4.3 Adopt a capital improvement program ☐	5.3 Disasters and emergencies ☐
1.4 Ensure value of services ☐	2.4 Preserve and revitalize existing neighborhoods ☐	3.4 Pursue partnerships and grants ☐	4.4 Protect natural resources ☐	5.4 Comprehensive community planning ☐

POLICY/GOAL CONSIDERATION:

LEGAL:

CONTRACT FOR ELECTION EQUIPMENT RENTAL

May 2, 2026 ELECTION

This contract for election services made by and between City of Jacksonville, hereinafter called CITY and CHEROKEE COUNTY, hereinafter called COUNTY, is based on the following:

The CITY has determined that it is in the public interest of the inhabitants of the CITY that the following contract be made and entered into for the purpose of having the COUNTY furnish certain election equipment needed by the CITY for their UNIFORM ELECTION.

RESPONSIBILITIES OF THE COUNTY:

Equipment provided by County:

Early Voting: 3 Hart Intercivic Duo Touch Writer 2.5.3, 2 standard stands, 1 Disabled Access Unit (DAU) stand with ADA required headset and hand control.
1 Hart Intercivic Scanner 2.5.2 with collapsible ballot box and voted ballot bag.
1 Hart Intercivic Controller 2.5.3 and 3 daisy chain cables.
1 KnowInk electronic voter roll poll pad.

Election Day: 3 Hart Intercivic Duo Touch Writer 2.5.3,2 standard stands, 1 Disabled Access Unit (DAU) stand with ADA required headset and hand control.
1 Hart Intercivic Scanner 2.5.2 with collapsible ballot box and voted ballot bag.
1 Hart Intercivic Controller 2.5.3 and 2 daisy chain cables.
1 KnowInk electronic voter roll poll pad.

Services provided by County:

Prior to Early Voting and Election Day, the COUNTY will program equipment and arrange for the CITY to pick up at the Elections Department on a predetermined date.

After early voting and Election Day, the CITY Election Worker will bring the equipment, Statevoter registration roll, to the Elections Department.

RESPONSIBILITIES OF THE CITY:

The CITY will pay all programming fees and ballot costs directly to Hart Intercivic.

The CITY will be responsible for any misuse/damage to the voting equipment, including repair costs.

Only the actual expenses directly attributed to the Contract may be charged (Section 31.100b, Texas Election Code). The County Commissioners' Court has set a rate of 5% of the purchase price of the equipment for the use of the above listed devices. The entity agrees to pay $305.00 for the Scanner, $232.50 for the Controller, $197.50 per Duo, and $0.185 per sheet of thermal paper used. If a poll pad is used, there is a charge of $35.26. Entities will be charged for equipment used during Early Voting and Election Day. Payment is due within 30 days of receipt of a statement.

Dated this the 18 **day of** February, **2026**

City of Jacksonville

Elections Administrator
Cherokee County

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	7.C.
DEPARTMENT:	Administration	PREPARED BY:	
INITIATED BY:		EXHIBITS:	
ITEM TITLE:	APPROVE THE APPOINTMENT OF ELECTION WORKERS FOR THE MAY 2, 2026, MUNICIPAL ELECTION		

EXECUTIVE SUMMARY:

Election Judge will be Al Chavira. The other two workers will be Yolanda K Holsome and Janet Moore.

RECOMMENDED ACTION:

BID AND AWARD:

BUDGET DATA:

Election workers are hired at a $15 per hourly rate.

BUDGET JUSTIFICATION:

STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
1.2 Leverage the talent and input of citizens ☐	2.2 Parks, recreation, and community building ☐	3.2 Proactively seek process improvements ☐	4.2 Strengthen routine maintenance programs ☐	5.2 Leverage and maximize City facilities ☐
1.3 Transparent and engaging communication ☐	2.3 Community policing and crime prevention ☐	3.3 Ensure financial stability and stewardship ☐	4.3 Adopt a capital improvement program ☐	5.3 Disasters and emergencies ☐
1.4 Ensure value of services ☐	2.4 Preserve and revitalize existing neighborhoods ☐	3.4 Pursue partnerships and grants ☐	4.4 Protect natural resources ☐	5.4 Comprehensive community planning ☐

POLICY/GOAL CONSIDERATION:

LEGAL:

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	7.D.
DEPARTMENT:	Administration	PREPARED BY:	
INITIATED BY:		EXHIBITS:	
ITEM TITLE:	APPROVE A STREET CLOSURE FROM 5 PM ON FRIDAY, JUNE 12, UNTIL SATURDAY, JUNE 13, FOR THE 42ND ANNUAL TOMATO FEST		

EXECUTIVE SUMMARY:

RECOMMENDED ACTION:

BID AND AWARD:

BUDGET DATA:

BUDGET JUSTIFICATION:

STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
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1.4 Ensure value of services ☐	2.4 Preserve and revitalize existing neighborhoods ☐	3.4 Pursue partnerships and grants ☐	4.4 Protect natural resources ☐	5.4 Comprehensive community planning ☐

POLICY/GOAL CONSIDERATION:

LEGAL:

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	7.E.
DEPARTMENT:	Administration	PREPARED BY:	
INITIATED BY:		EXHIBITS:	Ordinance cancelling Mayor district 3 election 2026, 13-1 Certification of Unopposed Candidates
ITEM TITLE:	APPROVE A CERTIFICATION OF UNOPPOSED CANDIDATES AND AN ORDINANCE CANCELING THE MAY 2, 2026, FOR MAYOR AND DISTRICT 3 MUNICIPAL ELECTION		

EXECUTIVE SUMMARY:

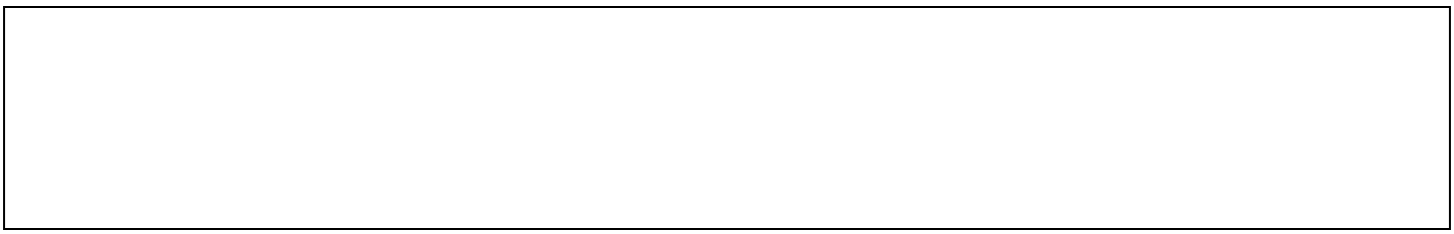
Ordinance 1699
Mayor and District 3 were uncontested will not be on the ballot.

RECOMMENDED ACTION:

BID AND AWARD:

BUDGET DATA:

BUDGET JUSTIFICATION:



STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
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1.4 Ensure value of services ☐	2.4 Preserve and revitalize existing neighborhoods ☐	3.4 Pursue partnerships and grants ☐	4.4 Protect natural resources ☐	5.4 Comprehensive community planning ☐

POLICY/GOAL CONSIDERATION:

LEGAL:

ORDINANCE NO. 1699

AN ORDINANCE OF THE CITY OF JACKSONVILLE, TEXAS, CANCELLING THE MAY 2, 2026 GENERAL ELECTION AS TO UNOPPOSED CANDIDATES AND DECLARING THE UNOPPOSED CANDIDATES ELECTED TO OFFICE; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Jacksonville, Texas is a Home Rule municipality located in Cherokee County, created in accordance with the provisions of Chapter 9 of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and,

WHEREAS, in accordance with law, a general election has been ordered for May 2, 2026, for the purpose of electing council members as to the positions of Council members for District 1, District 3 and Mayor to serve on the City Council in the City of Jacksonville, Texas; and,

WHEREAS, no proposition is to appear on the ballot in the municipal electoral districts subject to the above referenced ordered general election; and

WHEREAS, the City Clerk has certified in writing that the candidates on the ballot are unopposed for election to the Mayor and district 3 seat; and

WHEREAS, the filing deadlines for placement on the ballot and declaration of write-in candidacy has passed; and

WHEREAS, in these circumstances, Sub-chapter C. Election of Unopposed Candidates of Chapter 2 of the Texas Election Code authorizes a governing body to declare the unopposed candidates elected to office and cancel that portion of the election for said districts and hold the election as scheduled for the position of Council member for District 1.

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

SECTION I. The following candidates, who are unopposed in the May 2, 2026 General Election, are hereby declared elected to office, and shall be issued a certificate of election.

MAYOR	RANDALL ROBERT GORHAM
DISTRICT 3	WILLIAM TIMOTHY MCRAE

SECTION II. The City Clerk is directed to post a copy of this Ordinance at each designated polling places on May 2, 2026.

SECTION III. This Ordinance shall be cumulative of all provisions of Ordinances of the City of Jacksonville, Texas, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances.

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

SECTION V. This Ordinance shall be in full force and effect from and after its passage, and it is so ordained.

ADOPTED AND APPROVED ON THIS THE 10TH DAY OF MARCH, 2026.

_____
MAYOR, Randy Gorham

ATTEST:

_____
CITY CLERK, Dianah Surber

APPROVED AS TO FORM:

_____
CITY ATTORNEY, Brett Brewer

13-1
Prescribed by Secretary of State
Section 2.051 – 2.053, Texas Election Code
9/2023

CERTIFICATION OF UNOPPOSED CANDIDATES FOR OTHER POLITICAL SUBDIVISIONS (NOT COUNTY) *CERTIFICACIÓN DE CANDIDATOS ÚNICOS PARA OTRAS SUBDIVISIONES POLITICAS (NO EL CONDADO)*

To: Presiding Officer of Governing Body
Al: Presidente de la entidad gobernante

As the authority responsible for having the official ballot prepared, I hereby certify that the following candidates are unopposed for election to office for the election scheduled to be held on May 2, 2026.

Como autoridad a cargo de la preparación de la boleta de votación oficial, por la presente certifico que los siguientes candidatos son candidatos únicos para elección para un cargo en la elección que se llevará a cabo el 2 de mayo de 2026.

List offices and names of candidates:
Lista de cargos y nombres de los candidatos:

Office(s) *Cargo(s)*	Candidate(s) *Candidato(s)*
Mayor	Randy R Gorham
District 3	Tim McRae

_____
Signature *(Firma)*

_____
Printed name *(Nombre en letra de molde)* *(Seal) (sello)*

_____
Title *(Puesto)*

_____
Date of signing *(Fecha de firma)*

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	9.
DEPARTMENT:	Finance	PREPARED BY:	
INITIATED BY:		EXHIBITS:	Single Audit Report 2025, Annual Comprehensive Financial Report 2025
ITEM TITLE:	A) PRESENTATION OF THE 2024-2025 FINANCIAL AUDIT BY PATILLO, BROWN AND HILL B) CONSIDERATION AND POSSIBLE ACTION REGARDING THE FINDINGS OF THE 2024-2025 FINANCIAL AUDIT		

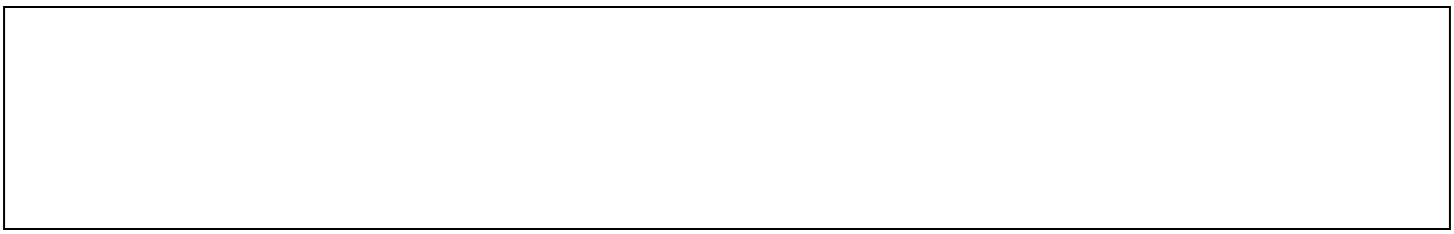
EXECUTIVE SUMMARY:

RECOMMENDED ACTION:

BID AND AWARD:

BUDGET DATA:

BUDGET JUSTIFICATION:



STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
1.2 Leverage the talent and input of citizens ☐	2.2 Parks, recreation, and community building ☐	3.2 Proactively seek process improvements ☐	4.2 Strengthen routine maintenance programs ☐	5.2 Leverage and maximize City facilities ☐
1.3 Transparent and engaging communication ☐	2.3 Community policing and crime prevention ☐	3.3 Ensure financial stability and stewardship ☐	4.3 Adopt a capital improvement program ☐	5.3 Disasters and emergencies ☐
1.4 Ensure value of services ☐	2.4 Preserve and revitalize existing neighborhoods ☐	3.4 Pursue partnerships and grants ☐	4.4 Protect natural resources ☐	5.4 Comprehensive community planning ☐

POLICY/GOAL CONSIDERATION:

LEGAL:

CITY OF JACKSONVILLE, TEXAS

SINGLE AUDIT REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2025

CITY OF JACKSONVILLE, TEXAS

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PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members
of the City Council and Citizens
City of Jacksonville, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Jacksonville, Texas ("the City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 10, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

OFFICE LOCATIONS
TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

AICPA GAQC Member

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 10, 2026

PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Honorable Mayor and Members
of the City Council and Citizens
City of Jacksonville, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Jacksonville, Texas' (the "City") compliance with the types of compliance requirements identified as subject to audit in the (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

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AICPA GAQC Member

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated March 10, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 10, 2026

CITY OF JACKSONVILLE, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Housing & Urban Development			
Passed through Texas Department of Agriculture:			
Community Development Block Grant - Downtown Revitalization	14.228	7220072	$ 20,904
Total U.S. Department of Housing & Urban Development			20,904
U.S Fish and Wildlife Services			
Passed through the Texas Parks and Wildlife Department			
Sport Fish Restoration Program	15.605	FD-TX F-328-B-1	950,000
Total Fish and Wildlife Cluster			950,000
Total U.S. Fish and Wildlife Services			950,000
U.S. Department of Justice			
Direct:			
Public Safety Partnership and Community Policing Grants	16.710	N/A	35,899
Total U.S. Department of Justice			35,899
U.S. Department of Transportation			
Passed through Texas Department of Transportation:			
National Priority Safety Programs	20.600	CIOT-00049	8,493
Total Highway Safety Cluster			8,493
Total U.S. Department of Transportation			8,493
U.S. Department of Treasury			
Passed through the Texas Department of Emergency Management:			
Coronavirus State and Local Fiscal Recovery (ARPA) - COVID-19	21.027	272021C0007239	963,584
Total U.S. Department of the Treasury			963,584
National Endowment for the Humanities			
Passed through Humanities Texas:			
Promotion of the Humanities	45.129	107490138	1,185
Total National Endowment for the Humanities			1,185
Institute of Museum and Library Services			
Passed through Texas State Library and Archives Commission (TSLAC):			
State Library Program	45.310	N/A	1,752
Total Institute of Museum and Library Services			1,752
U.S. Environmental Protection Agency			
Passed through Texas Water Development Board (TWDB):			
Clean Water State Revolving Fund	66.458	LF1001521	117,248
Clean Water State Revolving Fund	66.458	LF1001882	50,620
Clean Water State Revolving Fund	66.458	L1001883	134,916
Total Texas Water Development Board			302,784
Total U.S. Environmental Protection Agency			302,784
U.S. Department of Health and Human Services			
Passed through Texas Department of Health & Human Services:			
Supplemental Payment Program - Ambulance Services	93.778	N/A	19,019
Total Medicaid Cluster			19,019
Total U.S. Department of Health and Human Services			19,019
Total Expenditure of Federal Awards			$ 2,303,620

CITY OF JACKSONVILLE, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all applicable federal awards of the City of Jacksonville, Texas. The City's reporting entity is defined in Note I to the City's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the respective schedule.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using modified accrual basis of accounting, which is described in Note I to the City's basic financial statements.

3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Grant expenditure reports as of September 30, 2025, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

4. INDIRECT COSTS

The City has not elected to use the de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

5. PASS-THROUGH EXPENDITURES

None of the federal programs expended by the City were passed through to subrecipients.

6. LOAN AND LOAN GUARANTEES

The City is indebted to the Texas Water Development Board (TWDB) as a result of issuance of Combination Tax and Revenue Certificates of Obligation, Series 2022A, and Combination Tax and Revenue Certificates of Obligation, Series 2024B. The bonds were sold to provide financing to construct improvements and extensions to the City's wastewater collection system project. The amounts reflected in the Schedule of Expenditures of Federal Awards represent expenditures incurred during the year ended September 30, 2025. The balances for the 2022A and 2024B bonds are $5,144,000, and $3,455,000, respectively, at year end.

CITY OF JACKSONVILLE, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Section I: Summary of the Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered a material weakness?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered a material weakness?	None reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None
Identification of major federal programs:	
Assistance Listing Number(s):	Name of Federal Program or Cluster:
15.605	Fish and Wildlife Cluster - Sports Fish Restoration Program
The dollar threshold used to distinguish between type A and type B federal programs.	$1,000,000
Auditee qualified as low-risk auditee?	Yes

Section II: Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None reported

Section III: Findings and Questioned Costs for Federal Awards

None reported

CITY OF JACKSONVILLE, TEXAS

SCHEDULE OF PRIOR YEAR FINDINGS

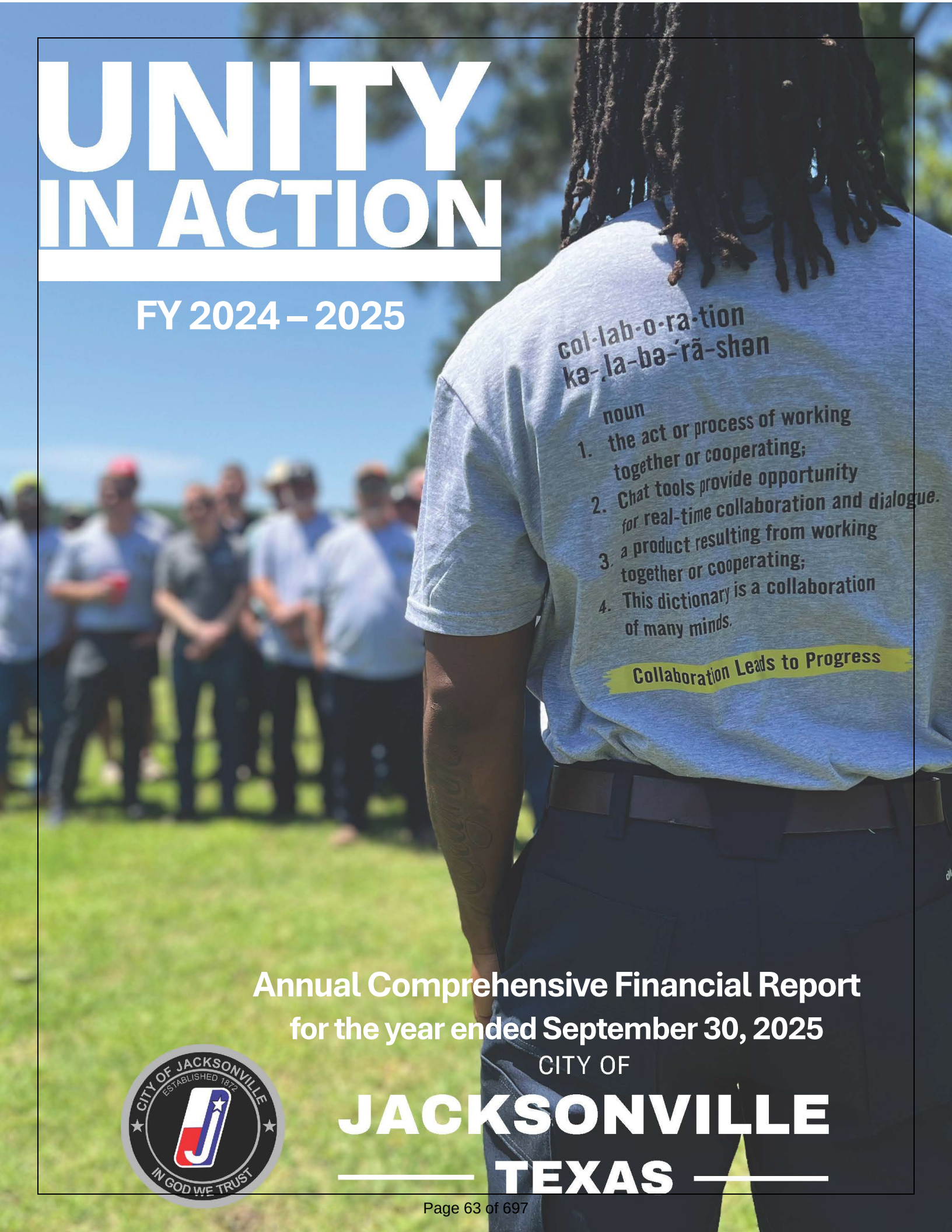
FOR THE YEAR ENDED SEPTEMBER 30, 2025

None

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UNITY IN ACTION

FY 2024 – 2025



Annual Comprehensive Financial Report
for the year ended September 30, 2025

CITY OF

JACKSONVILLE

TEXAS

CITY OF JACKSONVILLE, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED

SEPTEMBER 30, 2025

Prepared by:
Finance Department

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CITY OF JACKSONVILLE, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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INTRODUCTORY SECTION

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City of Jacksonville
215 E. Rusk
Jacksonville, Texas 75766
(903) 586-3510
www.jacksonvilletx.org

City Council:
Mayor Randy Gorham
Tim McRae Mayor Pro-Tem
Letitia Horace District 1
Mindy Gellock District 2
Rob Gowin District 4

City Manager:
James Hubbard

Letter of Transmittal

March 10, 2026

Honorable Mayor and City Council, and Citizens of Jacksonville, Texas:

The Annual Comprehensive Financial Report (ACFR) for the City of Jacksonville, Texas (the City of Jacksonville) for the fiscal year ended September 30, 2025, is hereby submitted. This report was prepared through the cooperative effort of the finance department and the City's independent auditor, in accordance with Section 103.001 of the Texas Local Government Code and Article II, Section 17 of the Charter of the City of Jacksonville. The purpose of the report is to provide the City council, management, staff, the public, and other interested parties with detailed information reflecting the City's financial condition.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control. In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements that are free of any material misstatements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Pattillo, Brown & Hill, L.L.P., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Jacksonville's financial statements for the year ended September 30, 2025. In addition to meeting City Charter requirements, the goal of the independent audit was to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended September 30, 2025, and that the financial statements are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

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Also included in the financial section is management's discussion and analysis (MD&A), which provides users of the basic financial statements a narrative introduction, overview, and analysis of the basic financial statements. The basic financial statements, including the accompanying notes, represent the core of the financial section. These financial statements present the financial condition of the City as a single entity, as well as the individual funds that account for the City's various governmental and business-type activities. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

City Profile

Jacksonville is the largest City in Cherokee County, Texas. Situated in the rolling hills of East Texas, it lies north of the county seat, Rusk, and south of Tyler in neighboring Smith County, along U.S. Route 69. The City covers approximately 14.2 square miles and had a 2020 census population of 13,997. As of 2025, the estimated population is 14,963. Jacksonville earned the title 'Tomato Capital of the World' due to its prolific tomato production and shipping in the early 20th century. The City continues to celebrate this heritage with the annual Tomato Fest each June. Additionally, the 'Tops in Texas Rodeo' is held every May, drawing visitors from across the region.

The City is a home rule City operating under the council-manager form of government. The City Charter was adopted on June 18, 1921. The home rule corporation status is granted under the Constitution and Laws of the State of Texas. The City council is comprised of the mayor and four council members who function as the policy-making body of the City's government, determining the overall goals, objectives, and direction for City services, and adopting the annual operating budgets for all City departments. The City manager is appointed by the City council and is responsible for the daily management and implementation of policy of the City including appointing the various key leaders and department heads. The mayor and council members may serve three consecutive three-year terms, with general council elections occurring as needed based upon district. The mayor is elected at large; the remaining council members are elected by district.

For financial reporting purposes, the City is a primary government. As previously mentioned, the City's governing body is elected by the citizens of Jacksonville. This report includes all organizations and activities for which the elected officials exercise financial control. The City is legally responsible for the Jacksonville Economic Development Corporation (JEDCO) which is reported separately within the government wide financial statements of the City.

The City is a full-service municipality including general government, public safety (police, fire, and EMS), streets, sanitation, parks, recreation, planning, zoning, code enforcement, a public library, and business-type activities, such as water and sewer.

City Council:
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Tim McRae Mayor Pro-Tem
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Rob Gowin District 4

City Manager:
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The City Charter provides that the City council shall adopt, by ordinance, an annual budget prepared by the City manager. This budget is presented to the City council and opportunities are provided for public comment during a series of public hearings before adoption. Budgetary control has been established at the office/department/agency level, which represents the legal level of control in accordance with Article VII of the City Charter. The City Council must approve transfers of appropriations between offices/departments/agencies. The City Manager is authorized to approve transfers within an office/department/agency between expenditure accounts.

In addition, if an amendment increases any item of appropriation by 10% or more, the City is required to publish notice and hold a public hearing in accordance with the Charter.

Although the budget is adopted and legally controlled at the department level, financial performance is monitored at both the fund and line-item levels through monthly and quarterly review to ensure compliance with appropriations and timely completion of projects.

Local Economy

The information presented in the budget document is best understood when considered within the broader context of the specific environment in which the City operates. The primary industries in and around Jacksonville include medical and surgical supply manufacturing, retail, electric utility delivery, auto sales, plastics manufacturing, health care, education, and government services. This economic diversification is reflected in the fact that no single taxpayer accounts for more than 2.75% of the assessed valuation in the City.

Sales tax revenues increased 6.71% in FY 2025 compared to FY 2024, reflecting continued economic resilience driven by retail growth, local business investments, and increased consumer activity. The unemployment rate as of September 30, 2025, was 4.7%, a decrease from 4.8% on September 30, 2024. This modest improvement reflects continued labor market stability consistent with broader regional and national trends.

The City of Jacksonville is served by the Jacksonville Independent School District (JISD). JISD includes one high school, one middle school, one intermediate school, four elementary schools, and one alternative school. Jacksonville is home to a privately-owned junior college offering Associates Degrees in Arts, Science, as well as a Junior College Diploma. Jacksonville College offers on-campus living, athletic programs, faith-based curriculum and small class sizes. A four-year degree can also be obtained with a 30-minute commute to neighboring Tyler.

Jacksonville is also the medical center of Cherokee County with two hospitals and other supporting clinics and practices. Additionally, Jacksonville has many tourist attractions. The annual Tomato Fest, celebrating Jacksonville’s world-famous tomatoes, attracts many visitors each year. One of East Texas' most breathtaking views, Love's Lookout, north of Jacksonville in Cherokee County, is part of a long flat-topped hill that extends north and south about nine miles. The east side looks over a broad valley - a wide expanse of beautiful scenery (30-35 miles).

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The City actively works with JEDCO and local industries to encourage business expansion and relocation within the community. Jacksonville is home to the premier 131-acre Summers A. Norman Industrial Park. The park has direct access to Highway 69, the main thoroughfare in Jacksonville. JEDCO is actively and consistently working to help businesses and commercial property owners make improvements with facade, demolition, and downtown redevelopment grants. Funding provided by one of the matching grants can drastically transform the look and feel of an existing business and create a more inviting and revitalized experience for the customer.

Since its inception in 2017, the Operation Facelift matching grant program has encouraged owners to reinvest in their buildings and property by defraying the cost of improvements. The Matching Grant Program provides funding for four project types:

- Façade Program (matching grant): provides up to $5,000 for exterior improvements to commercial structures.
- Demolition Program (matching grant): provides up to $10,000 for demolition of structures on commercially zoned property.
- Downtown Redevelopment Program (matching grant): provides up to $50,000 for the redevelopment of downtown structures. Requires a sales tax generating business occupy the redeveloped property.
- Parks and Recreation Program (matching grant).

Long-term Financial Planning

The City's fund balance policy sets the ideal reserve at 20% and the minimum reserve at 15% for the general fund, which is in line with the Government Finance Officers Association of the United States and Canada (GFOA) recommended best practice. GFOA recommends that "general-purpose governments, regardless of size, maintain unassigned fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures." This policy allows the City to better weather economic downturns and strategically handle contingencies and unforeseen emergencies. The City's unassigned General Fund balance is approximately $4.9 million or 33.6% of total general fund expenditures as of September 30, 2025. In addition, the City uses a five-year forecast in its budget process to guide decisions and assist in policy. The long-range view allows the City to plan appropriately for the future impact of current decisions.

The City maintains a five-year capital improvement program (CIP), with all planned capital projects reviewed annually by the City staff. This annual review allows the City to change and adjust priorities by responding to changing growth patterns, economic conditions, or federal and state mandates. The CIP is used exclusively as a planning tool and therefore does not commit the City to any project or project funding. The intent of the CIP is for the City staff to identify specific capital improvements needed during the subsequent five years and to project affordability (five-year forecast). The CIP is not a capital budget, and as such provides only recommended projects and the means of financing the improvements. Recommended improvements are not approved until official action has been taken by the City council.

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James Hubbard

Awards and Acknowledgements

This is the tenth year the City has submitted its ACFR to the GFOA for consideration of the Certificate of Achievement for Excellence in Financial Reporting. The City has received the Certificate for each fiscal year from FY 2017 through FY 2024 and believes the FY 2025 report meets all program requirements.

The City also submitted its FY 2025–2026 annual budget to the GFOA for the Distinguished Budget Presentation Award for the tenth consecutive year. The City received its ninth award for the fiscal year beginning October 1, 2024, and the current submission is under review.

The City participates in the Texas Comptroller's Transparency Stars program and has earned the Traditional Finances designation, with plans to pursue the remaining stars. The City also holds a Certificate of Distinction from the Government Treasurers' Organization of Texas (GTOT) Investment Policy Certification Program through February 28, 2028.

The completion of this report reflects the dedication of the City's Finance Department, independent auditors, and City leadership. We appreciate the Mayor and City Council's continued commitment to fiscal responsibility. The City remains dedicated to sound financial management, long-term planning, and transparent communication to ensure continued fiscal sustainability.

Respectfully submitted,

James Hubbard
City Manager

Roxanna Briley
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

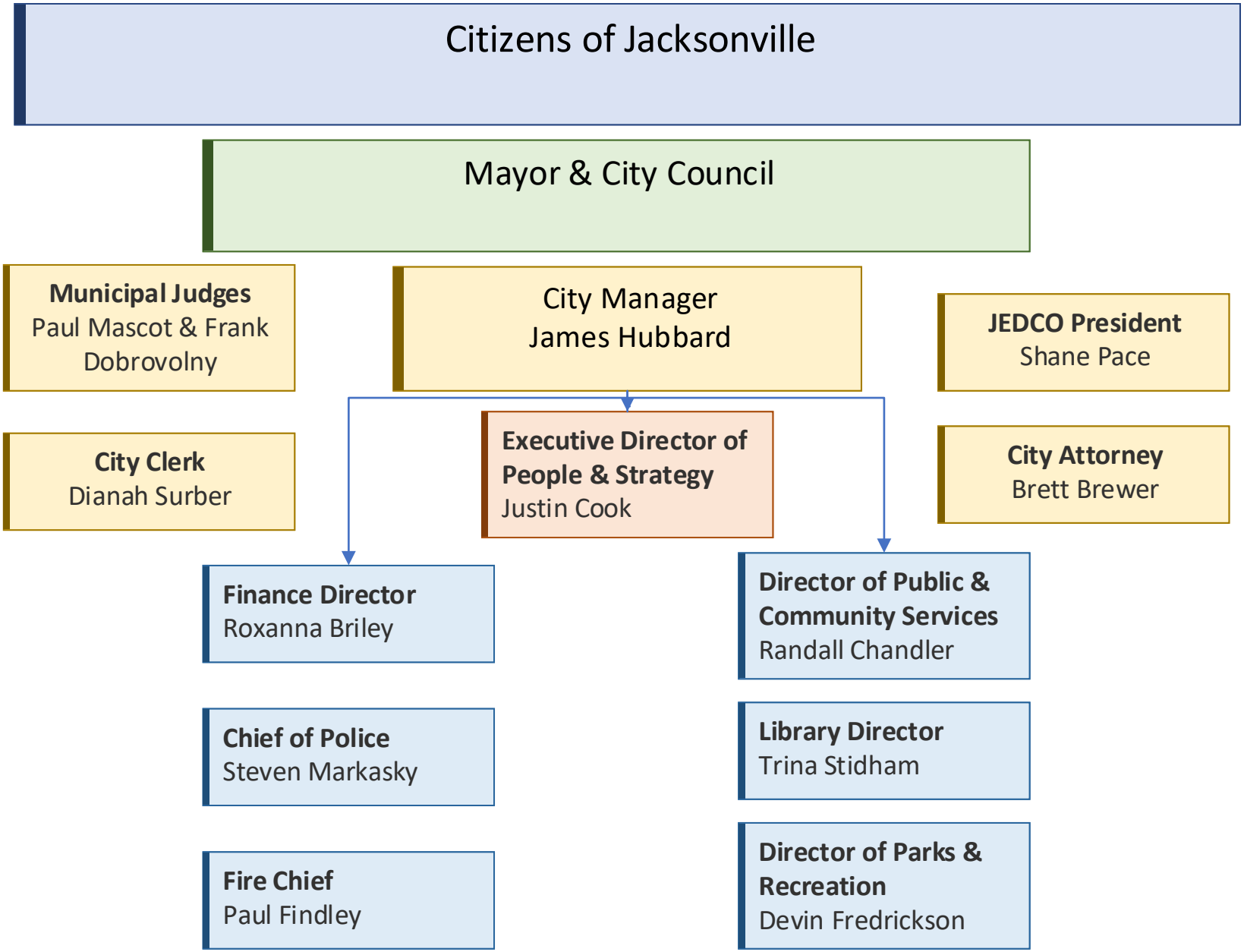
City of Jacksonville
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO


Citizens of Jacksonville
Mayor & City Council
Municipal Judges
Paul Mascot & Frank Dobrovolny
City Manager
James Hubbard
JEDCO President
Shane Pace
City Clerk
Dianah Surber
Executive Director of People & Strategy
Justin Cook
City Attorney
Brett Brewer
Finance Director
Roxanna Briley
Director of Public & Community Services
Randall Chandler
Chief of Police
Steven Markasky
Library Director
Trina Stidham
Fire Chief
Paul Findley
Director of Parks & Recreation
Devin Fredrickson

CITY OF JACKSONVILLE, TEXAS

LIST OF ELECTED AND APPOINTED OFFICIALS

SEPTEMBER 30, 2025

Councilmembers
Randy Gorham, Mayor
Tim McRae, Mayor Pro-Tem, District 3
Letitia Horace, District 1
Mindy Gellock, District 2
Rob Gowin, District 4
Staff
James Hubbard, City Manager
Frank Dobrovolny, Municipal Judge
Paul Mascot, Municipal Judge
Shane Pace, JEDCO President
Brett Brewer, City Attorney
Justin Cook, Executive Director of People & Strategy
Dianah Surber, City Clerk
Roxanna Briley, Finance Director
Steven Markasky, Chief of Police
Paul Findley, Fire Chief
Randall Chandler, Director of Public & Community Services
Trina Stidham, Library Director
Devin Fredrickson, Director of Parks & Recreation

FINANCIAL SECTION

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PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council and Citizens
City of Jacksonville, Texas

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

OFFICE LOCATIONS
TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

AICPA GAQC Member

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information included in the Annual Comprehensive Financial Report

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 10, 2026

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As management of the City of Jacksonville, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Jacksonville exceeded its liabilities and deferred inflows of resources as of September 30, 2025 by $59,133,704 (net position). The City's total net position increased by $5,097,104. The increase was primarily driven by growth in capital assets and the timing of bond proceeds and Texas Water Development Board (TWDB) principal forgiveness funding, which resulted in higher restricted cash and corresponding unearned revenue. Total assets increased by approximately $14.5 million, largely attributable to restricted cash associated with debt issuance and TWDB funding, while liabilities increased by $8.9 million, including $8.1 million in unearned revenue related to TWDB principal forgiveness and increases in long-term debt and compensated absences. Net investment in capital assets increased by $4.1 million, reflecting continued investment in infrastructure and equipment. Of the total net position, $6,801,000 (unrestricted net position) may be used to meet the governments' ongoing obligations to citizens and creditors. Unrestricted net position increased by $1,698,109.

- As of September 30, 2025, the City of Jacksonville's Governmental Funds reported combined ending fund balances of $12,326,880, a decrease of $377,119 compared with the prior fiscal year. The decrease was primarily attributable to grant-funded project expenditures exceeding reimbursements within the Grants Fund during the fiscal year. The General Fund experienced an increase in fund balance, while fluctuations in capital and grant activity reflected normal project and reimbursement timing.

- Fund Balance for the General Fund increased from $4,765,216 to $4,940,162, as of September 30, 2025, an increase of $174,946 over the prior fiscal year. The increase reflects stable core revenues and disciplined expenditure management. The General Fund ended the year with unassigned fund balance equal to 33.6 percent of expenditures, exceeding the City's minimum fund balance policy target.

- The City's total long-term liabilities increased by $1,679,272 during the fiscal year. The increase reflects the issuance of additional Certificates of Obligation, increases in financed purchases, and the implementation of GASB Statement No. 101 related to compensated absences. Total bonded debt payable was $29,381,000 as of September 30, 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information intended to provide additional details supporting the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the City's assets, liabilities, deferred outflows of resources, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Net Position presents the City's financial position on the accrual basis of accounting and includes capital assets and long-term obligations in addition to current financial resources. Other non-financial factors should also be considered, such as changes in the City's property tax base and the condition of infrastructure (i.e., roads, drainage improvements, water, and sewer lines), to assess the overall financial condition of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All current-year revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported for items that will result in cash flows in future fiscal periods (for example, levied but uncollected taxes and earned but unused paid time off). Both the Statement of Net Position and the Statement of Activities are prepared using the accrual basis of accounting.

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

- Governmental Activities – Most of the City's basic services are reported here, including general administration, police, fire, EMS, streets, sanitation, library, and parks and recreation. Property taxes, sales taxes, and utility franchise fees finance most of these activities.

- Business-Type Activities – The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water and sewer systems are reported here.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate entity, JEDCO, for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found immediately following this Management's Discussion and Analysis.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, rather than the City as a whole. Some funds are required to be established by state law and bond covenants. However, the City establishes other funds to help control and manage money for particular purposes or to demonstrate compliance with legal requirements for using certain taxes, grants, and other resources. The City's three types of funds — governmental, proprietary, and fiduciary — use different accounting approaches.

Governmental Funds – The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances available at year-end for spending. These funds are reported using the modified accrual basis of accounting, which measures near-term inflows and outflows of spendable resources. The governmental fund statements provide a detailed short-term view of the City's general operations and basic services.

By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide statements, readers may better understand the long-term impact of the City's near-term financing decisions. The differences between governmental activities reported in the government-wide statements and those reported in the governmental fund statements are detailed in the reconciliation following the fund financial statements.

The City of Jacksonville maintains twelve individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service Fund, Capital Projects Fund, and Grants Fund, all of which are considered major funds. Data from the other eight governmental funds are combined into a single aggregated nonmajor fund presentation.

The City adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided to demonstrate compliance with the adopted budget.

The basic governmental fund financial statements can be found on pages 15–20 of this report.

Proprietary Funds - The City charges customers for services it provides, whether to outside customers or to other units within the City. These services are reported in proprietary funds. Proprietary funds are reported in the same manner as the business-type activities presented in the government-wide statements but provide more detailed information, including cash flow data.

The City maintains one enterprise fund to account for its water and sewer operations. The proprietary fund financial statements provide separate information for this major fund.

Fiduciary Funds - Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and not for use by the City government. The City maintains one fiduciary fund. The City collects donations, disburses funds, and holds assets in a custodial fund for Keep Jacksonville Beautiful.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes follow the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents required supplementary information concerning the City's net pension liability, its obligation to provide retiree health insurance benefits to employees, and budgetary comparative information for the General Fund.

The combining statements for nonmajor governmental funds are presented immediately following the required supplementary information on pensions and OPEB.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial condition. As of September 30, 2025, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $59,133,704. The following table summarizes the City's net position for the current and prior fiscal years.

CITY OF JACKSONVILLE'S NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 15,260,378	$ 16,328,822	$ 21,851,019	$ 9,369,926	$ 37,111,397	$ 25,698,748
Capital assets	44,554,284	42,645,773	25,153,639	23,929,111	69,707,923	66,574,884
Total assets	59,814,662	58,974,595	47,004,658	33,299,037	106,819,320	92,273,632
Total deferred outflows of resources	1,341,373	1,765,705	198,488	265,008	1,539,861	2,030,713
Current liabilities	1,511,587	2,618,449	8,905,999	509,964	10,417,586	3,128,413
Long-term liabilities	23,958,019	25,254,657	13,311,240	10,335,330	37,269,259	35,589,987
Total liabilities	25,469,606	27,873,106	22,217,239	10,845,294	47,686,845	38,718,400
Total deferred inflows of resources	1,340,303	1,347,156	198,329	202,189	1,538,632	1,549,345
Net investment in capital assets	29,356,716	26,763,157	21,797,504	20,232,710	51,154,220	46,995,867
Restricted	1,178,484	1,937,842	-	-	1,178,484	1,937,842
Unrestricted	3,810,926	2,819,039	2,990,074	2,283,852	6,801,000	5,102,891
Total net position	$ 34,346,126	$ 31,520,038	$ 24,787,578	$ 22,516,562	$ 59,133,704	$ 54,036,600

By far, the largest portion of the City's net position (86.5%) reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (2.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $6,801,000 is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

At the end of the fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The City's overall net position increased $5,097,104 during the fiscal year. This increase reflects continued investment in capital infrastructure, stable operating performance, and the timing of debt issuance and TWDB principal forgiveness funding. While principal forgiveness funding increased restricted cash and unearned revenue during the year, capital assets grew as major projects progressed. Governmental activities experienced growth primarily from balanced operations and capital investment, while business-type activities contributed through solid utility operating performance and investment earnings. Additional detail regarding changes in governmental and business-type activities is presented below.

Governmental Activities. During the current fiscal year, net position for governmental activities increased $2,826,088 from the prior fiscal year for an ending balance of $34,346,126, an increase of 8.9 percent over the prior year. The increase was driven by growth in charges for services, capital contributions, and tax revenues, combined with reduced expenditures in public safety and public works compared to the prior year. Total revenues increased by $1.8 million while total expenses declined by $1.5 million, reflecting both revenue strength and disciplined cost management. These results allowed the City to continue investing in infrastructure and equipment while maintaining overall financial stability.

CITY OF JACKSONVILLE'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 3,818,219	$ 2,706,876	$ 7,804,005	$ 7,040,480	$ 11,622,224	$ 9,747,356
Operating contributions	457,391	572,633	686,433	245,658	1,143,824	818,291
Capital contributions	1,301,041	677,416	50,620	-	1,351,661	677,416
General revenues:						
Taxes	12,056,262	11,639,953	-	-	12,056,262	11,639,953
Investment income	644,053	894,366	655,608	418,539	1,299,661	1,312,905
Gain on sale of assets	-	37,332	-	-	-	37,332
Other	85,893	25,580	-	-	85,893	25,580
Total revenues	18,362,859	16,554,156	9,196,666	7,704,677	27,559,525	24,258,833
Expenses:						
General government	3,101,345	2,541,180	-	-	3,101,345	2,541,180
Public safety	7,859,182	8,792,404	-	-	7,859,182	8,792,404
Public works	2,895,898	3,721,772	-	-	2,895,898	3,721,772
Culture and recreation	2,443,956	2,753,057	-	-	2,443,956	2,753,057
Interest and other	658,404	641,772	-	-	658,404	641,772
Water and sewer	-	-	5,503,636	5,016,855	5,503,636	5,016,855
Total expenses	16,958,785	18,450,185	5,503,636	5,016,855	22,462,421	23,467,040
Increase (decrease) in net position before transfers	1,404,074	(1,896,029)	3,693,030	2,687,822	5,097,104	791,793
Transfers	1,422,014	1,372,014	(1,422,014)	(1,372,014)	-	-
Increase (decrease) in net position	2,826,088	(524,015)	2,271,016	1,315,808	5,097,104	791,793
Net position, beginning	31,520,038	32,044,053	22,516,562	21,200,754	54,036,600	53,244,807
Net position, ending	$ 34,346,126	$ 31,520,038	$ 24,787,578	$ 22,516,562	$ 59,133,704	$ 54,036,600

Accounting Change. During fiscal year 2025, the City implemented GASB Statement No. 101, *Compensated Absences*, which modifies the recognition and measurement of certain leave liabilities. As required, 2025 balances reflect the updated guidance; prior-year amounts were not restated. Additional information regarding this implementation is provided in Note III.M to the financial statements.

Business-type Activities. For the City's business-type activities, net position increased by $2,271,016 or 10.1%, resulting in an ending balance of $24,787,578. Total revenues increased by $1.5 million, driven by higher charges for services, increased operating contributions, and stronger investment income. Although water and sewer operating expenses increased compared to the prior year, operating revenues exceeded expenses by $3.7 million before transfers. After transfers to governmental activities, business-type activities continued to demonstrate solid operating performance and financial stability.

Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure compliance with finance-related legal requirements and to provide transparency in the management of public resources.

Governmental Funds. Governmental funds focus on near-term inflows and outflows of spendable resources and the balances available at year-end. This information is useful in assessing the City's short-term financing needs and overall liquidity. Unassigned fund balance represents resources available for discretionary use and serves as an important measure of financial flexibility.

As of September 30, 2025, the City's governmental funds reported combined fund balances of $12,326,880, a decrease of $377,119 compared to the prior fiscal year. The decrease primarily reflects the timing of grant-funded project expenditures relative to reimbursement receipts within the Grants Fund.

Of the total fund balance:

- Nonspendable: $1,764

- Restricted: $5,663,600
- Committed: $601,417
- Assigned: $1,204,436
- Unassigned: $4,855,663 (39.4%)

Unassigned fund balance remains available for general governmental operations at the City Council's discretion.

General Fund. The City's chief operating fund ended the fiscal year with total fund balance of $4,940,162, including $4,855,663 in unassigned fund balance.

As a measure of the liquidity, unassigned fund balance represents 33.6% of General Fund expenditures, while total fund balance represents 34.2%, exceeding the City's minimum fund balance policy target.

The General Fund fund balance increased by $174,946 during the fiscal year. The increase was primarily attributable to stable property tax collections, ambulance fee revenues, and disciplined expenditure management.

Debt Service Fund. The Debt Service Fund increased by $17,682, resulting in an ending fund balance of $342,314. The increase reflects steady property tax collections and investment earnings exceeding current debt service requirements.

Capital Projects Fund. The Capital Projects Fund increased by $33,631, bringing total fund balance to $5,085,072. The fund balance reflects ongoing capital activity and project timing, including restricted and committed resources dedicated to infrastructure improvements.

Grants Fund. The Grants Fund decreased by $887,814, ending the fiscal year with a fund balance of $39,566. The decrease resulted from grant expenditures exceeding reimbursement receipts during the fiscal year due to normal project timing differences.

Financial Analysis of Proprietary Funds

The City's proprietary funds account for the operations of the Water and Wastewater Fund. Because proprietary funds use the accrual basis of accounting, the financial information presented is consistent with the business-type activities reported in the government-wide statements but provides additional operational and financial detail.

At September 30, 2025, total net position of the Water and Wastewater Fund was $24,787,578, an increase of $2,271,016 from the prior fiscal year. The increase reflects strong operating performance and investment earnings during the year. Operating revenues exceeded operating expenses, generating positive income before transfers.

Net investment in capital assets totaled $21,797,504, representing the majority of total net position and reflecting continued investment in water and wastewater infrastructure. Unrestricted net position was $2,990,074 providing working capital to support ongoing operations and future capital needs.

The Fund also reported significant restricted cash balances related to debt proceeds and TWDB principal forgiveness funding, with corresponding unearned revenue recognized in accordance with accounting standards. These balances reflect project timing rather than available operating resources.

General Fund Budgetary Highlights

During the fiscal year, the City amended the General Fund budget to reflect updated revenue estimates and operational needs. Final budgeted revenues increased by $233,517 (1.68%), primarily related to adjustments in intergovernmental revenue, municipal court fines and forfeitures, ambulance fees, sanitation fees, and the sale of capital property. Final appropriations increased modestly to align with operational adjustments and transfers.

For fiscal year 2025, actual General Fund revenues totaled $14,033,053, representing an unfavorable variance of $90,464 compared to the final budget. The variance was primarily attributable to lower-than-anticipated charges for services, intergovernmental revenues, and municipal court fines. These shortfalls were partially offset by stronger-than-expected property tax and sales tax collections.

Actual General Fund expenditures totaled $14,459,682, resulting in a favorable variance of $650,274 compared to the final budget. The positive variance reflects disciplined spending across multiple departments, most notably within public safety, where personnel costs were lower than anticipated. Additional savings were realized in culture and recreation and public works operations.

After accounting for transfers and other financing sources, the General Fund reported a net increase in fund balance of $174,946, bringing total fund balance to $4,940,162 at year-end.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2025, the City's total investment in capital assets for governmental and business-type activities was $69,707,923, net of accumulated depreciation. This represents an increase of $3,133,039 (4.7%) over the prior fiscal year.

CITY OF JACKSONVILLE'S CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	$ 2,834,919	$ 2,787,009	$ 10,281	$ 10,281	$ 2,845,200	$ 2,797,290
Construction in progress	5,355,869	3,781,343	2,643,769	1,027,111	7,999,638	4,808,454
Buildings and improvements	26,213,371	26,198,079	7,516,763	7,516,763	33,730,134	33,714,842
Equipment	11,320,071	9,518,104	3,484,848	3,808,206	14,804,919	13,326,310
Infrastructure	27,225,031	27,225,031	31,368,593	31,340,232	58,593,624	58,565,263
Library books	1,178,305	1,210,460	-	-	1,178,305	1,210,460
Right to use equipment	60,271	60,783	-	-	60,271	60,783
Less accumulated depreciation	(29,633,553)	(28,135,036)	(19,870,615)	(19,773,482)	(49,504,168)	(47,908,518)
Totals	$ 44,554,284	$ 42,645,773	$ 25,153,639	$ 23,929,111	$ 69,707,923	$ 66,574,884

The increase is primarily attributable to continued progress on infrastructure and equipment projects, including growth in construction in progress and the acquisition of major public safety and utility assets. Governmental activities accounted for $44,554,284 of total capital assets, while business-type activities accounted for $25,153,639.

Construction in progress increased significantly during the year as the City advanced multiple infrastructure initiatives, including utility relocation work associated with US Highway 175 and improvements to the Concession Park Boat Ramp. Equipment additions included the acquisition of EMS equipment, a pumper truck, and a Vactor combination sewer jet/vacuum truck to support public safety and utility operations.

Major capital asset additions during fiscal year 2025 included:

- EMS Equipment – $781,088
- Pumper Truck – $1,003,050
- Vactor Truck (financed purchase) – $440,307
- US Highway 175 Relocation Project – $1,002,380
- Concession Park Boat Ramp Improvements – $1,803,799

Additional information regarding capital assets, including depreciation and asset classifications, is provided in the notes to the financial statements (see pages 36–37).

Long-term Liabilities

At September 30, 2025, the City's total outstanding bonded debt was $29,381,000, consisting of general obligation bonds and certificates of obligation backed by the full faith and credit of the City. In addition to bonded debt, the City's long-term obligations include financed purchases, leases payable, tax notes payable, and compensated absences.

Total long-term liabilities increased from $30,691,467 in 2024 to $33,361,908 in 2025, an increase of $2,670,441. The increase is primarily attributable to the issuance of additional Certificates of Obligation and new financed purchases during the fiscal year.

CITY OF JACKSONVILLE'S OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Certificates of obligation	$ 17,035,000	$ 17,930,000	$ 12,346,000	$ 9,506,000	$ 29,381,000	$ 27,436,000
Premium on debt	1,431,421	1,527,048	-	-	1,431,421	1,527,048
Financed purchases	586,706	212,269	344,223	55,805	930,929	268,074
Leases payable	40,096	34,458	-	-	40,096	34,458
Note payable	316,286	-	-	-	316,286	-
Tax note payable	588,000	728,000	-	-	588,000	728,000
Compensated absences	541,462	563,619	115,087	134,268	656,549	697,887
Totals	$ 20,538,971	$ 20,995,394	$ 12,805,310	$ 9,696,073	$ 33,344,281	$ 30,691,467

Long-Term Debt

During fiscal year 2025, the City implemented GASB Statement No. 101, Compensated Absences, which revised the measurement of certain leave liabilities. As a result, the compensated absences liability reflects the estimated portion of accumulated sick leave expected to be paid in future periods. Vacation leave was not materially affected, as it was already fully recognized under prior standards.

The City's debt (not including Pension and OPEB liabilities) increased by $2,652,814, largely due to strategic issuance of new Certificates of Obligation which will primarily be used to support infrastructure improvements, public safety equipment, and utility system enhancements.

The City maintains a strong credit profile, with an "A+" rating from Standard & Poor's and an "A2" rating from Moody's for general obligation debt, reflecting prudent fiscal management, conservative debt practices, and a stable financial outlook.

Additional information regarding the City's long-term obligations is provided in the notes to the financial statements (see pages 38–42).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Jacksonville continues to demonstrate financial stability supported by steady taxable value growth, disciplined fiscal management, and conservative budgeting practices. In developing the Fiscal Year 2026 (FY26) budget, City leadership evaluated multiple economic and operational factors, including property valuation trends, service demand levels, workforce costs, legislative requirements, and long-term infrastructure needs.

The FY26 budget reflects the City's continued commitment to preserving core services, investing in critical infrastructure, and maintaining long-term financial sustainability without reliance on one-time revenues for recurring operations.

Key elements of the FY26 Adopted Budget include:

- Structurally balanced budget, with recurring revenues aligned to recurring expenditures in compliance with adopted financial policies.
- Property tax rate maintained at $0.637630 per $100 valuation, unchanged from the prior fiscal year.
- Net taxable assessed value growth of 5.26 percent, driven by new construction and overall market valuation increases.
- Projected General Fund ending fund balance of 33.6 percent of expenditures, exceeding the City's 20 percent minimum policy requirement.
- Utility Fund working capital levels exceeding the 90-day policy target, supporting operational resiliency and capital planning.
- Transition to annualized capital budgeting, appropriating only expected fiscal-year expenditures to improve cash-flow management and transparency.
- Continued investment in public safety, utilities, and infrastructure, including equipment replacement and TWDB–funded projects.

- Workforce investments addressing labor market competitiveness and retention through targeted compensation and benefit adjustments.

- Reduced all-funds budget totals compared to FY25, reflecting the absence of one-time funding sources such as ARPA revenues, TPWD grant proceeds, and Series 2024B Certificates of Obligation.

Although total revenues and expenditures decline compared to the prior year, the decrease reflects the conclusion of significant one-time funding sources rather than deterioration in the City's underlying economic base. Core revenues, including property taxes and sales taxes, remain stable.

The FY26 Adopted Budget positions the City to continue meeting service demands, manage external cost pressures, and maintain financial flexibility in an evolving economic and legislative environment.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This report is intended to provide citizens, taxpayers, customers, investors, and creditors with a comprehensive overview of the City's financial condition and to demonstrate accountability for the stewardship of public resources.

If you have questions regarding this report or require additional financial information, please contact the Finance Department at:

City of Jacksonville
215 East Rusk Street
Jacksonville, Texas 75766
https://jacksonvilletx.org/

BASIC FINANCIAL STATEMENTS

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CITY OF JACKSONVILLE, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Cash and cash equivalents	$ 11,955,631	$ 2,363,211	$ 14,318,842	$ 5,394,410
Restricted - cash and cash equivalents	-	17,900,526	17,900,526	-
Receivables, net:				
Taxes	1,224,557	-	1,224,557	301,064
Accounts	1,440,325	1,036,925	2,477,250	-
Notes	-	-	-	418,686
Lease receivable	-	-	-	867,545
Accrued interest	-	-	-	17,829
Due from other governments	638,101	-	638,101	-
Inventory	-	180,083	180,083	-
Deposits and prepaid expenses	1,764	370,274	372,038	-
Capital assets:				
Non-depreciable	8,190,788	2,654,050	10,844,838	3,115,110
Depreciable, net	36,363,496	22,499,589	58,863,085	851,351
Total assets	59,814,662	47,004,658	106,819,320	10,965,995
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	824,651	122,027	946,678	-
OPEB related (SDBF)	29,128	4,310	33,438	-
OPEB related (health plan)	487,594	72,151	559,745	-
Total deferred outflows	1,341,373	198,488	1,539,861	-
LIABILITIES				
Accounts payable	855,965	470,201	1,326,166	12,171
Accrued liabilities	499,294	151,586	650,880	-
Customer deposits	12,618	183,332	195,950	-
Unearned revenue	143,710	8,100,880	8,244,590	-
Noncurrent liabilities:				
Due within one year				
Long-term debt	1,256,715	860,388	2,117,103	-
Compensated absences	541,462	115,087	656,549	-
Total OPEB liability (SDBF)	17,360	2,569	19,929	-
Total OPEB liability (health plan)	29,557	4,374	33,931	-
Due in more than one year				
Long-term debt	18,740,794	11,829,835	30,570,629	-
Net pension liability	1,295,562	191,709	1,487,271	-
Total OPEB liability (SDBF)	349,046	51,650	400,696	-
Total OPEB liability (health plan)	1,727,523	255,628	1,983,151	-
Total liabilities	25,469,606	22,217,239	47,686,845	12,171
DEFERRED INFLOWS OF RESOURCES				
Lease related	-	-	-	850,015
Pension related	410,408	60,730	471,138	-
OPEB related (SDBF)	98,962	14,643	113,605	-
OPEB related (health plan)	830,933	122,956	953,889	-
Total deferred inflows	1,340,303	198,329	1,538,632	850,015
NET POSITION				
Net investment in capital assets	29,356,716	21,797,504	51,154,220	3,966,461
Restricted for:				
Debt service	340,853	-	340,853	-
Municipal court	148,538	-	148,538	-
Public safety	153,269	-	153,269	-
Culture and recreation	36,270	-	36,270	
Tourism and convention	499,554	-	499,554	-
Economic development	-	-	-	6,137,348
Unrestricted	3,810,926	2,990,074	6,801,000	-
Total net position	$ 34,346,126	$ 24,787,578	$ 59,133,704	$ 10,103,809

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSONVILLE, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Contributions
Primary Government:				
Governmental activities:				
General government	$ 3,101,345	$ 678,763	$ 23,888	$ 248,267
Public safety	7,859,182	1,286,157	229,358	64,198
Public works	2,895,898	1,521,545	-	-
Culture and recreation	2,443,956	331,754	204,145	988,576
Interest on long-term debt	658,404	-	-	-
Total governmental activities	16,958,785	3,818,219	457,391	1,301,041
Business-type activities:				
Water and wastewater	5,503,636	7,804,005	686,433	50,620
Total business-type activities	5,503,636	7,804,005	686,433	50,620
Total primary government	$ 22,462,421	$ 11,622,224	$ 1,143,824	$ 1,351,661
Component Unit:				
Jacksonville Economic Development Corporation	1,709,651	63,516	-	214,286
Total component unit	$ 1,709,651	$ 63,516	$ -	$ 214,286
General revenues:				
Taxes:				
Property				
Sales				
Other				
Investment earnings				
Other				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning of year				
Net position - end of year				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
$ (2,150,427)	$ -	$ (2,150,427)	$ -
(6,279,469)	-	(6,279,469)	-
(1,374,353)	-	(1,374,353)	-
(919,481)	-	(919,481)	-
(658,404)	-	(658,404)	-
(11,382,134)	-	(11,382,134)	-
-	3,037,422	3,037,422	-
-	3,037,422	3,037,422	-
(11,382,134)	3,037,422	(8,344,712)	-
			(1,431,849)
			(1,431,849)
6,774,680	-	6,774,680	-
3,562,139	-	3,562,139	1,780,741
1,719,443	-	1,719,443	-
644,053	655,608	1,299,661	303,778
85,893	-	85,893	-
1,422,014	(1,422,014)	-	-
14,208,222	(766,406)	13,441,816	2,084,519
2,826,088	2,271,016	5,097,104	652,670
31,520,038	22,516,562	54,036,600	9,451,139
$ 34,346,126	$ 24,787,578	$ 59,133,704	$ 10,103,809

CITY OF JACKSONVILLE, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	General	Debt Service	Capital Projects
ASSETS			
Cash and cash equivalents	$ 4,551,885	$ 327,413	$ 5,154,062
Receivables, net:			
Taxes	1,117,685	77,782	-
Accounts	1,440,325	-	-
Due from other funds	236,557	-	-
Due from other governments	23,481	-	-
Prepaid item	1,764	-	-
Total assets	7,371,697	405,195	5,154,062
LIABILITIES			
Accounts payable	578,431	-	68,990
Accrued liabilities	428,282	-	-
Due to other funds	-	-	-
Customer deposits	1,450	-	-
Unearned revenue	-	-	-
Total liabilities	1,008,163	-	68,990
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	248,067	62,881	-
Unavailable revenue - fines	310,020	-	-
Unavailable revenue - EMS services	865,285	-	-
Total deferred inflows of resources	1,423,372	62,881	-
FUND BALANCES			
Nonspendable:			
Prepaid item	1,764	-	-
Restricted for:			
Debt service	-	342,314	-
Municipal court	-	-	-
Culture and recreation	36,270	-	-
Public safety	46,465	-	-
Tourism and convention	-	-	-
Capital projects	-	-	4,483,655
Committed for:			
Capital projects	-	-	601,417
Assigned for:			
Capital projects	-	-	-
Unassigned	4,855,663	-	-
Total fund balances	4,940,162	342,314	5,085,072
Total liabilities, deferred inflows of resources and fund balances	$ 7,371,697	$ 405,195	$ 5,154,062

The accompanying notes are an integral part of these financial statements.

Grants	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 1,922,271	$ 11,955,631
-	29,090	1,224,557
-	-	1,440,325
-	-	236,557
614,620	-	638,101
-	-	1,764
614,620	1,951,361	15,496,935
194,787	13,757	855,965
-	6,670	434,952
236,557	-	236,557
-	11,168	12,618
143,710	-	143,710
575,054	31,595	1,683,802
-	-	310,948
-	-	310,020
-	-	865,285
-	-	1,486,253
-	-	1,764
-	-	342,314
-	148,538	148,538
-	-	36,270
39,566	67,238	153,269
-	499,554	499,554
-	-	4,483,655
-	-	601,417
-	1,204,436	1,204,436
-	-	4,855,663
39,566	1,919,766	12,326,880
$ 614,620	$ 1,951,361	$ 15,496,935

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CITY OF JACKSONVILLE, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance governmental funds	$ 12,326,880
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	44,554,284
Uncollected revenues are reported as unavailable resources in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities.	
Property taxes	310,948
Ambulance fees	865,285
Court fines	310,020
Long-term liabilities, including bonds payable, notes payable, compensated absences, OPEB liabilities and net pension liability are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	
Bonds payable	(17,037,000)
Issuance premium	(1,431,421)
Financed purchases	(586,706)
Tax notes	(588,000)
Note payable	(314,286)
Leases payable	(40,096)
Compensated absences	(541,462)
Deferred inflows of resources - pension related	(410,408)
Deferred outflows of resources - pension related	824,651
Net pension liability	(1,295,562)
Total OPEB liability - SDBF	(1,757,080)
Total OPEB liability - retiree health plan	(366,406)
Deferred inflows of resources - OPEB related	(929,895)
Deferred outflows of resources - OPEB related	516,722
Interest payable on long-term debt in the City's governmental activities is not payable from current resources and therefore is not reported in the governmental funds balance sheet.	(64,342)
Net position of governmental activities	$ 34,346,126

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSONVILLE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General	Debt Service	Capital Projects
REVENUES			
Taxes:			
Property	$ 5,224,290	$ 1,568,799	$ -
Sales	3,562,139	-	-
Other	1,347,446	-	-
Charges for services	2,738,393	-	-
Intergovernmental	163,190	-	298,057
Fines and forfeitures	511,876	-	-
Licenses and permits	52,456	-	-
Contributions and donations	51,763	-	-
Investment earnings	296,815	50,790	217,842
Miscellaneous	84,685	-	-
Total revenues	14,033,053	1,619,589	515,899
EXPENDITURES			
Current:			
General government	2,753,610	335	-
Public safety	7,838,308	-	-
Public works	1,940,547	-	-
Culture and recreation	1,629,811	-	-
Capital outlay	109,903	-	782,268
Debt service:			
Principal	171,533	1,035,000	-
Interest and other	15,970	713,478	-
Bond issuance costs and fees	-	5,925	-
Total expenditures	14,459,682	1,754,738	782,268
Excess (deficiency) of revenue over expenditures	(426,629)	(135,149)	(266,369)
OTHER FINANCING SOURCES (USES)			
Issuance of leases	17,470	-	-
Issuance of note payable	-	-	-
Transfers in	1,524,841	152,831	550,000
Transfers out	(950,000)	-	(250,000)
Insurance proceeds	9,264	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	601,575	152,831	300,000
Net change in fund balances	174,946	17,682	33,631
Fund balance - beginning of year	4,765,216	324,632	5,051,441
Fund balance - end of year	$ 4,940,162	$ 342,314	$ 5,085,072

The accompanying notes are an integral part of these financial statements.

Grants	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 6,793,089
-	-	3,562,139
-	371,997	1,719,443
-	61,502	2,799,895
1,242,640	2,782	1,706,669
-	23,131	535,007
-	-	52,456
-	-	51,763
-	78,606	644,053
-	1,208	85,893
1,242,640	539,226	17,950,407
-	-	2,753,945
52,841	1,591	7,892,740
-	-	1,940,547
10,650	241,155	1,881,616
2,216,963	1,009,253	4,118,387
-	123,955	1,330,488
-	19,743	749,191
-	-	5,925
2,280,454	1,395,697	20,672,839
(1,037,814)	(856,471)	(2,722,432)
-	658,093	675,563
-	100,000	100,000
150,000	665,545	3,043,217
-	(421,203)	(1,621,203)
-	10,413	19,677
-	128,059	128,059
150,000	1,140,907	2,345,313
(887,814)	284,436	(377,119)
927,380	1,635,330	12,703,999
$ 39,566	$ 1,919,766	$ 12,326,880

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CITY OF JACKSONVILLE, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	$ (377,119)
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	3,981,465
Depreciation expense	(1,923,591)
The net effect of various transactions involving capital assets (i.e., transfers, sales, trade-ins, and donations) is to decrease net position.	(149,363)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The details of these differences are as follows:	
Property taxes	(18,409)
Ambulance fees	379,255
Court fines	51,606
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds. The details of these differences are as follows:	
Compensated absences	22,157
Accrued interest	3,085
Net pension liability	323,741
Total OPEB liability - SDBF	26,079
Total OPEB liability - retiree health plan	72,916
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Issuance of long-term debt	(991,849)
Payments on bonds	895,000
Payments on tax notes	140,000
Payments on financed purchases	283,656
Payments on leases payable	11,832
Amortization of premium on bond issuance	95,627
Change in net position of governmental activities	$ 2,826,088

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSONVILLE, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2025

	Water and Wastewater
ASSETS	
Current assets:	
Cash and cash equivalents	$ 2,363,211
Restricted - cash and cash equivalents	17,900,526
Accounts receivable, net	1,036,925
Inventory	180,083
Deposits and prepaid item	370,274
Total current assets	21,851,019
Noncurrent assets:	
Capital assets:	
Non-depreciable	2,654,050
Depreciable, net	22,499,589
Total noncurrent assets	25,153,639
Total assets	47,004,658
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	122,027
OPEB related (SDBF)	4,310
OPEB related (health plan)	72,151
Total deferred outflows of resources	198,488
LIABILITIES	
Current liabilities:	
Accounts payable	470,201
Accrued liabilities	114,714
Accrued interest payable	36,872
Customer deposits	183,332
Unearned revenue	600,000
Compensated absences	115,087
Total OPEB liability - SDBF	2,569
Total OPEB liability - health plan	4,374
Financed purchases	80,388
Certificates of obligation	780,000
Total current liabilities	2,387,537
Noncurrent liabilities:	
Unearned revenue	7,500,880
Net pension liability	191,709
Total OPEB liability - SDBF	51,650
Total OPEB liability - health plan	255,628
Financed purchases	263,835
Certificates of obligation	11,566,000
Total noncurrent liabilities	19,829,702
Total liabilities	22,217,239
DEFERRED INFLOWS OF RESOURCES	
Pension related	60,730
OPEB related (SDBF)	14,643
OPEB related (health plan)	122,956
Total deferred inflows of resources	198,329
NET POSITION	
Net investment in capital assets	21,797,504
Unrestricted	2,990,074
Total net position	$ 24,787,578

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSONVILLE, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Water and Wastewater
OPERATING REVENUES	
Charges for services:	
Water and waste water sales	$ 7,771,237
Miscellaneous revenue	32,768
Total operating revenues	7,804,005
OPERATING EXPENSES	
Personnel services	1,282,974
Materials and supplies	1,377,000
Contractual services	1,547,869
Depreciation	820,982
Total operating expenses	5,028,825
Operating income (loss)	2,775,180
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental	686,433
Investment earnings	655,608
Loss on disposal of capital assets	(52,211)
Interest expense	(422,600)
Total nonoperating revenues	867,230
Income (loss) before capital contributions and transfers	3,642,410
Capital contributions	50,620
Transfers out	(1,422,014)
Change in net position	2,271,016
Net position - beginning of year	22,516,562
Net position - end of year	$ 24,787,578

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSONVILLE, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Water and Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 7,631,649
Payments to suppliers and service providers	(2,886,055)
Payments to employees for salaries and benefits	(1,355,183)
Net cash provided (used) by operating activities	3,390,411
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from other governments	686,433
Transfers to other funds	(1,422,014)
Net cash provided (used) by noncapital financing activities	(735,581)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisitions of capital assets	(1,807,264)
Cash received from other governments	8,100,880
Proceeds from long term debt issuance	3,995,307
Principal paid on capital debt	(866,889)
Interest paid on capital debt	(415,023)
Net cash provided (used) by capital and related financing activities	9,007,011
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	655,608
Net cash provided (used) by investing activities	655,608
Net increase (decrease) in cash and cash equivalents	12,317,449
Cash and cash equivalents - beginning	7,946,288
Cash and cash equivalents - ending	$ 20,263,737

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSONVILLE, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Water and Wastewater
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	$ 2,775,180
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation expense	820,982
(Increase) decrease in accounts receivable	(160,289)
(Increase) decrease in deposits and prepaids	(11,105)
(Increase) decrease in inventory	7,750
(Increase) decrease in deferred outflows related to pensions	66,520
Increase (decrease) in accounts payable	42,169
Increase (decrease) in accrued expense	17,639
Increase (decrease) in compensated absences	(19,181)
Increase (decrease) in other post employment benefits liabilities	54,375
Increase (decrease) in deferred inflows related to pensions	(3,860)
Increase (decrease) in net pension liability	(187,702)
Increase (decrease) in customer deposits	(12,067)
Total adjustments	615,231
Net cash provided (used) by operating activities	$ 3,390,411

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSONVILLE, TEXAS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

SEPTEMBER 30, 2025

	Custodial Fund
ASSETS	
Cash and cash equivalents	$ 22,035
Accounts receivable	182
Total assets	22,217
LIABILITIES	
Accounts payable	175
Total liabilities	175
NET POSITION	
Restricted for Keep Jacksonville Beautiful	22,042
Total net position	$ 22,042

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSONVILLE, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Custodial Fund
ADDITIONS	
Donations	$ 8,568
Interest income	950
Total additions	9,518
DEDUCTIONS	
Supplies	7,723
Total deductions	7,723
Change in fiduciary net position	1,795
Net position - beginning of year	20,247
Net position - end of year	$ 22,042

The accompanying notes are an integral part of these financial statements.

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Jacksonville, Texas (the "City") exercises all powers of self-government, and all power enumerated in Chapter 13, Title 28, Revised Civil Statutes of the State of Texas, of 1925. The City was incorporated in 1850, and the City Charter was adopted June 18, 1921. The City operates under a Council-Manager form of government. The accounting policies of the City of Jacksonville, Texas conform to generally accepted accounting principles as applicable to governments.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Unit

The Jacksonville Economic Development Corporation (JEDCO) was established in 1995, after the citizens of Jacksonville voted to pass a one-half cent sales tax dedicated to economic development. The Corporation is a nonprofit industrial development corporation specifically governed by the Development Corporation Act. The purpose of the Corporation is to promote, assist, and enhance economic development. A separate governing board oversees JEDCO, which is appointed by Jacksonville City Council, and consists of individuals from the community and related governmental entities in the area. The City can remove appointed board members and approves the JEDCO's budget. The JEDCO is reported as a discretely presented component unit because the governing body is not identical to the governing body of the City, the JEDCO does not solely serve the City, and the City has the ability to impose its will on JEDCO. Complete financial statements of the Jacksonville Economic Development Corporation may be obtained by contacting the Jacksonville Economic Development Corporation's administration office.

B. Basis of Presentation - Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has a discretely presented component unit. While the component unit is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments for interfund services provided and other charges between the City's various other functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

C. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund – used to account for the general operations of the City.

Debt Service Fund – used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund – used to account for bond proceeds restricted for certain projects and the expenditure of these funds as well as capital expenditures greater than $25,000.

Grants Fund – used to account for grant funds received from federal and state agencies.

They City reports the following major enterprise fund:

Water and Wastewater Fund – accounts for the operation of the City's water and wastewater utility.

Additionally, the City reports the following fiduciary fund type:

A custodial fund that accounts for contributions collected by the City and disbursed at the direction of and for the committee of Keep Jacksonville Beautiful.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in the governmental activities (i.e., the governmental fund) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfer in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current* financial *resources* or *economic* resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, court fines, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period of availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

E. Excess of Expenditures over Appropriations

For the year ended September 30, 2025, expenditures exceeded appropriations by $21,326 in the Debt Service function and $13,090 in the Capital Outlay function of the General Fund. The overages were covered by budget savings in other functions.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

The City's cash and cash equivalents are considered short-term, highly liquid investments with a maturity date within three months of the date acquired that are readily convertible to known amounts of cash and so near maturity that there is not significant risk of changes in value due to change in interest rates.

Investments

Investments in government pools are recorded at amortized cost. All other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Restricted - Cash and Cash Equivalents

Certain resources set aside for repayment of bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond ordinances.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventory

Inventory is valued at cost using the first-in, first-out (FIFO) method. Inventory in the Water and Wastewater Fund consists of supplies held for the production, distribution and maintenance of water and the treatment, collection, and maintenance of wastewater. The cost of such inventory is recorded as expenditures/expenses when consumed rather than when purchased.

Prepaid Items

Certain costs applicable to future accounting periods are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, tangible and intangible assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The City defines capital assets with an initial, individual cost of $5,000 or greater subsequent to September 30, 2014, and $2,000 or greater prior to October 1, 2014, and an estimated useful life in excess of one year.

As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

Land and construction in progress are not depreciated. The other tangible and intangible buildings and improvements, improvements other than buildings, infrastructure, machinery and equipment, and right to use leased equipment of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building improvements	5 to 25
Infrastructure	75
Machinery and equipment	3 to 20
Library books	5
Right to use equipment	4 to 5

Compensated Absences

It is the City's policy to permit employees to accumulate earned unused vacation, sick pay, and compensatory time benefits.

The City recognizes a liability for leave that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled. Based on historical experience and management's evaluation, a large portion of accumulated vacation leave is considered more likely than not to be used or paid; therefore, a liability for such leave (including applicable payroll-related costs) has been recorded.

Long-term Debt

In the government-wide financial statements, and the proprietary fund financial statements, long term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds if material in amount. In the governmental fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of debt is recorded as other financing sources. Bond premiums and discounts are recorded as other financing sources and uses.

Leases

The City is a lessee for a noncancellable lease of equipment. The City recognizes lease liability and an intangible right-to-use lease assets in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The City is a lessor for noncancellable leases and recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The two items that qualify for reporting in this category at the City are the deferred charge on refunding reported in the government-wide statement of net position and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from one source, property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Additionally, the City reports deferred amounts related to leases in the governmental funds. In the government-wide financial statements the City reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

Pensions

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

Other Post-Employment Benefits

TMRS Supplemental Death Benefits Fund. For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, City-specific information about its total TMRS SDBF liability and additions to/deductions from the City's total TMRS SDBF liability have been determined on the same basis as they are reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

Retiree Health Care Plan. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the City for benefits due and payable that are not reimbursed by plan assets. Information regarding the City's total OPEB liability is obtained from a report prepared by a consulting actuary, Gabriel Roeder Smith & Company.

Net Position and Fund Balance

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

In the fund financial statements, governmental funds report fund balance categorized as follows:

Nonspendable fund balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted fund balance – represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation.

Committed fund balance – represents amounts that can only be used for specific purposes imposed by ordinance of the City's highest level of decision-making authority, the City Council. Committed resources cannot be used for any other purpose unless the City Council removes or changes the specified use by the same type of action previously used to commit those amounts.

Assigned fund balance – represents amounts the City intends to use for specific purposes as expressed by the City Council or an official delegated the authority to assign amounts. At present, only the City Council is authorized to make fund balance assignments. This is the residual classification for all governmental funds other than the general fund.

Unassigned fund balance – represents the residual classification for the general fund or deficit balances in other funds.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

G. Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

Property Taxes

Property taxes are levied by October 1, due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed. The combined tax rate to finance general governmental services and interest and sinking fund requirements for the year ended September 30, 2025, was $0.6376 per $100 of valuation.

Proprietary Funds Operating and Non-operating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Deposits and Investments

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, municipal bonds, managed public fund investment pools, and certificates of deposit.

The Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (the "Act"), provide for the creation of public funds investment pools, such as Texas Short-term Reserve Fund ("TexStar"), Local Government Investment Cooperative ("LOGIC"), Texas Range, Texas FIT, and Lone Star Investment Pool ("Lone Star"), through which political subdivisions and other entities may invest public funds.

LOGIC, Lone Star, and Texas FIT have a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs to measure the fair value of the asset. Level 1 inputs are quoted prices for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The brokered certificates of deposits held by the primary government ($2,480,218) and the component unit ($1,492,000) were both valued using the present value of expected future cash flow model (Level 2).

The City's investments for the year ended September 30, 2025, are as follows:

	Carrying Value	Weighted Average Maturity (Days)	Credit Risk
Investment pools			
LOGIC	$ 1,720,404	52	AAAm
Lone Star	509,117	46	AAAf/S1+
Texas FIT	3,779,215	18	AAAmmf
Total investment pools	6,008,736		
Investments			
Brokered certificates of deposit	2,480,218	15	N/A
U.S. Treasury notes	5,289,279	25	N/A
Total investments	7,769,497		
Total primary government	13,778,233		
Component unit:			
LOGIC	4,002	52	AAAm
Texas FIT	3,439,573	18	AAAmmf
Brokered certificates of deposit	1,492,000	32	N/A
Total component unit	4,935,575		
Total reporting entity	$ 18,713,808		
Portfolio weighted average maturity		21	

Credit risk – In conformance with the City's investment policy, the City has limited credit risk by investing in only the safest type of securities as allowed by the Public Funds Investment Act, using approved brokers and with different investment pools.

Interest rate risk – The City, in compliance with its investment policy, invests in short-term securities to protect market valuation from unanticipated rate movements. In addition, the City will not directly invest in securities maturing more than five years from the date of purchase.

Concentration of credit risk – The City uses four local government investment pools and brokered certificates of deposit to diversify risk.

Custodial credit risk – The City requires all bank deposits to be collateralized at a level not less than 102% of the total deposits. At September 30, 2025, the carrying value of the City's bank deposits was entirely covered by federal depository insurance or by collateral held by the agent in the City's name.

At September 30, 2025, the carrying value of JEDCO's (a discretely presented component unit) bank deposits was entirely covered by federal depository insurances or by collateral held by the agency in JEDCO's name.

Receivables

Receivables as of year-end for the City's individual major funds and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

Receivables	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Water & Wastewater Fund	Totals
Accounts	$ 238,393	$ -	$ -	$ 1,069,651	$ 1,308,044
Ambulance	1,476,842	-	-	-	1,476,842
Court	3,100,195	-	-	-	3,100,195
Taxes	1,207,767	103,655	29,090	-	1,340,512
Gross receivables	6,023,197	103,655	29,090	1,069,651	7,225,593
Less: allowance for uncollectibles	(3,465,187)	(25,873)	-	(32,726)	(3,523,786)
Total receivables, net	$ 2,558,010	$ 77,782	$ 29,090	$ 1,036,925	$ 3,701,807

Notes Receivable

As of September 30, 2025, JEDCO provided financing in the amount of $104,400 to be used for construction of low-income housing. The principal and interest are due at the rate of 3% per annum (simple interest only) in a single payment at maturity. The note matures on December 31, 2056. Additionally, JEDCO provided $100,000 in financing to the City to help the City pay off its 2022 tax notes. At year-end, JEDCO's note receivable due from the City totals $314,286. Further financing will be provided in the future.

Leases Receivable

A summary of leases receivable as of September 30, 2025, are as follows:

Purpose of Lease	Interest Rate	Initial Year of Lease	Amount of Initial Receivable	Revenue Current Year	Receivable 9/30/2025
Component Unit:					
Right to Use:					
Building	4.00%	2024	$ 83,775	$ 23,341	$ 50,583
Golf course	3.84%	2022	882,937	14,857	808,269
Land	2.63%	2021	87,667	20,478	8,693
Total leases receivable				$ 58,676	$ 867,545

Capital Assets

Capital asset activity for the year ended September 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases/ Reclasses	Ending Balance
Governmental Activities:				
Land	$ 2,787,009	$ 47,910	$ -	$ 2,834,919
Construction in progress	3,781,343	2,577,576	(1,003,050)	5,355,869
Total capital assets, not being depreciated	6,568,352	2,625,486	(1,003,050)	8,190,788
Capital assets, being depreciated:				
Buildings	18,236,318	15,292	-	18,251,610
Improvements other than buildings	7,961,761	-	-	7,961,761
Equipment	9,518,104	1,280,623	521,344	11,320,071
Infrastructure	27,225,031	-	-	27,225,031
Library books	1,210,460	42,594	(74,749)	1,178,305
Right to use equipment	60,783	17,470	(17,982)	60,271
Total capital assets, being depreciated	64,212,457	1,355,979	428,613	65,997,049
Less: accumulated depreciation				
Buildings	(2,547,829)	(377,665)	-	(2,925,494)
Improvements other than buildings	(5,067,937)	(201,946)	-	(5,269,883)
Equipment	(5,352,906)	(980,434)	418,080	(5,915,260)
Infrastructure	(13,927,143)	(363,546)	-	(14,290,689)
Library books	(1,212,073)	-	-	(1,212,073)
Right to use equipment	(27,148)	-	6,994	(20,154)
Total accumulated depreciation	(28,135,036)	(1,923,591)	425,074	(29,633,553)
Total capital assets being depreciated, net	36,077,421	(567,612)	853,687	36,363,496
Governmental activities capital assets, net	$ 42,645,773	$ 2,057,874	$ (149,363)	$ 44,554,284

	Beginning Balance	Increases	Decreases/ Reclasses	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	$ 10,281	$ -	$ -	$ 10,281
Construction in Progress	1,027,111	1,640,708	(24,050)	2,643,769
Total capital assets, not being depreciated	1,037,392	1,640,708	(24,050)	2,654,050
Capital assets, being depreciated:				
Buildings and improvements	5,648,159	-	-	5,648,159
Improvements other than buildin	1,868,604	-	-	1,868,604
Infrastructure	31,340,232	11,711	16,650	31,368,593
Machinery and equipment	3,808,206	445,302	(768,660)	3,484,848
Total capital assets, being depreciated	42,665,201	457,013	(752,010)	42,370,204
Less: accumulated depreciation				
Buildings and improvements	(4,207,344)	(112,436)	-	(4,319,780)
Improvements other than buildin	(1,257,382)	(39,644)	-	(1,297,026)
Infrastructure	(11,705,647)	(402,450)	-	(12,108,097)
Machinery and equipment	(2,603,109)	(266,452)	723,849	(2,145,712)
Total accumulated depreciation	(19,773,482)	(820,982)	723,849	(19,870,615)
Total capital assets being depreciated, net	22,891,719	(363,969)	(28,161)	22,499,589
Business-Type activities capital assets, net	$ 23,929,111	$ 1,276,739	$ (52,211)	$ 25,153,639

Depreciation expense was charged to functions/programs of the primary government as follows:

Government activities:	
General government	$ 107,033
Public safety	897,913
Public works	735,201
Culture and recreation	183,444
Total	$ 1,923,591
Business-type activities:	
Water and wastewater	$ 820,982
Total	$ 820,982

Capital assets activity for JEDCO was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit:				
Capital assets, not being depreciated:				
Land	$ 3,077,304	$ 72,751	$ (34,945)	$ 3,115,110
Total capital assets, not being depreciated	3,077,304	72,751	(34,945)	3,115,110
Capital assets, being depreciated:				
Buildings	800,549	36,576	-	837,125
Improvements	344,824	-	-	344,824
Furniture and fixtures	56,329	-	-	56,329
Total capital assets, being depreciated	1,201,702	36,576	-	1,238,278
Less: accumulated depreciation				
Buildings	(83,382)	(20,930)	-	(104,312)
Improvements	(217,670)	(9,786)	-	(227,456)
Furniture and fixtures	(54,608)	(551)	-	(55,159)
Total accumulated depreciation	(355,660)	(31,267)	-	(386,927)
Total capital assets being depreciated, net	846,042	5,309	-	851,351
Component Unit capital assets, net	$ 3,923,346	$ 78,060	$ (34,945)	$ 3,966,461

Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2025, is as follows:

Transfer In	Transfer Out	Amount
General fund	Nonmajor governmental funds	$ 102,827
General fund	Water and wastewater fund	1,422,014
Debt service fund	Nonmajor governmental funds	152,831
Capital projects fund	General fund	550,000
Grants fund	Capital projects fund	150,000
Nonmajor governmental funds	Capital projects fund	100,000
Nonmajor governmental funds	General fund	400,000
Nonmajor governmental funds	Nonmajor governmental funds	165,545
Total		$ 3,043,217

Significant interfund transfers during the fiscal year ended September 30, 2025 included:

- A transfer of $1,422,014 from the Water and Wastewater Fund to the General Fund for payment in lieu of taxes (PILOT), franchise fees, and administrative cost allocations.
- A transfer of $550,000 from the General Fund to the Capital Projects Fund to support ongoing capital infrastructure projects.
- A transfer of $400,000 from the General Fund to the Vehicle/Equipment Replacement Fund (reported within Nonmajor Governmental Funds) for future investment in capital machinery and equipment.

- A transfer of $152,831 from Nonmajor Governmental Funds to the Debt Service Fund to support scheduled debt service payments.

- A transfer of $150,000 from the Capital Projects Fund to the Grants Fund related to grant matching requirements and project timing.

Remaining transfers represent routine reallocations among nonmajor governmental funds.

Unearned Revenue

As of September 30, 2025, the City has unearned revenue totaling $8,244,590. Revenue will be recognized as expenditures/expenses incurred, thus meeting the recognition criteria for these non-exchange transactions. This balance is comprised as follows:

- The Grants Fund has $143,710 in unearned revenue, which is entirely comprised of American Recovery Plan Act (ARPA) funds to be expended in future years.

- The Water and Wastewater Fund reported $8,100,880 of unearned revenue related to funding received from Texas Water Development Board's Clean Water Revolving State Fund, which will be spent on utility infrastructure over the course of the next few years.

Long-term Liabilities

Changes in the City's long-term liabilities for the year ended September 30, 2025, are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Certificates of obligation	$ 16,985,000	$ -	$ (765,000)	$ 16,220,000	$ 790,000
Certificates of obligation- Private placement	945,000	-	(130,000)	815,000	130,000
Premium on debt	1,527,048	-	(95,627)	1,431,421	-
Financed purchases	212,269	658,093	(283,656)	586,706	180,245
Tax notes- Private placement	728,000	-	(140,000)	588,000	143,000
Note payable	214,286	100,000	-	314,286	-
Note payable - capitalized interest	-	2,000	-	2,000	-
Leases payable	34,458	17,470	(11,832)	40,096	13,470
Compensated absences	563,619	-	(22,157)	541,462	541,462
Total governmental activities	$ 21,209,680	$ 777,563	$ (1,448,272)	$ 20,538,971	$ 1,798,177
Business-type activities:					
Certificates of Obligation- Private placement	$ 9,506,000	$ 3,555,000	$ (715,000)	$ 12,346,000	$ 780,000
Financed purchases	55,805	440,307	(151,889)	344,223	80,388
Compensated absences	134,268	-	(19,181)	115,087	115,087
Total business-type activities	$ 9,696,073	$ 3,995,307	$ (886,070)	$ 12,805,310	$ 975,475

Leases, notes payable and financed purchases generally are liquidated by the General Fund for governmental activities. The change in compensated absences is shown as a net change.

The City's combination tax and revenue certificates of obligation are secured by revenue from ad valorem taxes on all taxable property within the City. The certificates are additionally payable from and secured by a limited pledge of $1,000 on the net revenues of the City's waterworks and sewer system. Should the City default on these bonds, any registered owner of the certificates is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring specific performance from the City.

The City's direct borrowings (leases payable) are secured by the financed equipment as collateral.

General Obligation Bonds and Combination Tax and Revenue Certificates of Obligation

The City issues general obligation bonds and combination tax and revenue certificates of obligation to provide funds for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Combination tax and revenue certificates of obligation pledge the income derived from the acquired or constructed assets and taxes to pay for debt service.

Combination tax and revenue certificates of obligation currently outstanding are as follows:

Governmental Activities:	
Certificates of Obligation	
$1,900,000 Combination Revenue and Tax Certificates of Obligation, Series 2016, dated May 1, 2016, due in annual installments of $110,000 to $145,000, interest rates of 0.80% to 2.15% (private placement)	$ 815,000
$8,645,000 Combination Revenue and Tax Certificates of Obligation, Series 2020, dated February 1, 2020 due in annual installments of $395,000 to $715,000, interest rate 4.00%	8,250,000
$4,605,000 Combination Revenue and Tax Certificates of Obligation, Series 2022B, dated August 15, 2022 due in annual installments of $100,000 to $335,000, interest rate 4.00%	4,230,000
$3,940,000 Combination Revenue and Tax Certificates of Obligation, Series 2024A, dated September 15, 2024 due in annual installments of $200,000 to $345,000, interest rates 4.00% to 5.00%	3,740,000
Total	$ 17,035,000
Business-type Activities:	
Certificates of Obligation	
$5,727,000 Combination Revenue and Tax Certificates of Obligation, Series 2019, dated January 22, 2019, due in annual installments of $300,000 to $500,000, interest rates of 3.10% (private placement)	$ 3,747,000
$5,919,000 Combination Revenue and Tax Certificates of Obligation, Series 2022A, dated September 7, 2022, due in annual installments of $256,000 to $357,000, interest rates of 1.04% to 2.57% (private placement)	5,144,000
$3,555,0000 Combination Revenue and Tax Certificates of Obligation Series 2024B, dated November 5, 2024, due in annual installments of $100,000 to $220,000, interest rates of 1.77% to 2.63% (private placement)	3,455,000
Total	$ 12,346,000

The debt service requirements for the City's governmental certificates of obligation bonds are as follows:

	Certificates of Obligation		
Fiscal Year	Principal	Interest	Total
2026	$ 790,000	$ 667,300	$ 1,457,300
2027	820,000	633,750	1,453,750
2028	855,000	598,900	1,453,900
2029	890,000	562,550	1,452,550
2030	925,000	524,700	1,449,700
2031-2035	5,240,000	2,002,150	7,242,150
2036-2040	6,045,000	847,400	6,892,400
2041-2045	655,000	39,600	694,600
	$16,220,000	$ 5,876,350	$22,096,350

	Private Placement Debt Certificates of Obligation		
Fiscal Year	Principal	Interest	Total
2026	$ 130,000	$ 14,465	$ 144,465
2027	130,000	12,255	142,255
2028	135,000	9,869	144,869
2029	135,000	7,304	142,304
2030	140,000	4,553	144,553
2031-2035	145,000	1,559	146,559
	$ 815,000	$ 50,005	$ 865,005

The debt service requirements for the City's business-type certificate of obligation are as follows:

	Private Placement Debt		
	Certificates of Obligation		
Fiscal Year	Principal	Interest	Total
2026	$ 780,000	$ 289,287	$ 1,069,287
2027	800,000	271,676	1,071,676
2028	820,000	253,566	1,073,566
2029	837,000	234,493	1,071,493
2030	858,000	214,775	1,072,775
2031-2035	4,117,000	757,067	4,874,067
2036-2040	2,578,000	386,974	2,964,974
2041-2045	1,556,000	82,934	1,638,934
	$12,346,000	$ 2,490,772	$14,836,772

The City issued Combination Tax and Revenue Certificates of Obligation, Series 2024B, on November 4, 2024 in the amount of $3,555,000 to improve the utility infrastructure in the City. These bonds bear interest rates ranging from 1.77% to 2.63% include a discount on issuance of $76,788 and will fully mature by August 2044.

Note Payable

The City and JEDCO, a discretely presented component unit, are parties to a renewed and modified financing arrangement related to the City's 2022 tax notes issued for the civic center project. Under the original arrangement, JEDCO provided funding support to the City, and a balance of $214,286 remains outstanding, which will be repaid to JEDCO under the modified terms.

During the fiscal year, JEDCO advanced $100,000 to the City, plus related capitalized interest of $2,000, to assist with the City's debt service on the 2022 tax notes. This advance is reported in the governmental funds as an other financing source and is used to pay current‑year debt service expenditures related to the civic center project. In the government‑wide financial statements, the City recognizes a corresponding long‑term obligation to JEDCO for the portion of the outstanding balance and advances that are to be repaid in future years.

Under the modified agreement, JEDCO has committed to provide additional advances in future years to further support repayment of the 2022 tax notes. After the tax notes are fully repaid, the City will make scheduled repayments to JEDCO over the term of the agreement, which will retire the remaining balance from the original arrangement and the total amount of new advances and related interest provided by JEDCO. The aggregate repayment obligation to JEDCO is expected to be fully extinguished by the end of the repayment schedule established in the agreement. As of year-end, the City has borrowed $314,286 from JEDCO.

The City's planned payback schedule once the City has received all additional advances from JEDCO is as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2026	$ -	$ -	$ -
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	39,384	10,616	50,000
2031-2035	209,054	40,946	250,000
2036-2040	230,812	19,188	250,000
2041-2045	201,614	1,083	202,697
2046-2047	64,286	-	64,286
Capitalized interest	30,812	-	30,812
Total	$775,962	$ 71,833	$847,795

Financed Purchases

The City is obligated under various financed purchases. The outstanding financed purchases at September 30, 2025 are as follows:

Governmental Activities:	
installments of $54,238, including interest of 3.17%, with the final payment in January 2026.	$ 52,570
Stryker medical equipment payable for the in 5 annual installments of $143,697.70, including interest of 3%.	534,136
Total govermental activities	$ 586,706
Business-type Activities:	
including interest of 4.56%, with the final payment in March 1, 2029.	$ 344,223
Total business-type activities	$ 344,223

Annual debt service requirements to maturity for financed purchases are as follows:

	Governmental Activities			Business-type Activities		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2026	$ 180,245	$ 17,691	$ 197,936	$ 80,388	$ 15,695	$ 96,083
2027	131,504	12,194	143,698	84,055	12,030	96,085
2028	135,449	8,249	143,698	87,887	8,197	96,084
2029	139,508	4,185	143,693	91,893	4,190	96,083
	$ 586,706	$ 42,319	$ 629,025	$ 344,223	$ 40,112	$ 384,335

Tax Notes

The City entered into tax notes (direct borrowing) on April 8, 2022, for $1,000,000 at an interest rate of 1.95%. The proceeds of the tax notes are to fund the acquisition, construction, renovation, and equipment of a civic center. The tax notes are secured by revenue from ad valorem taxes on all taxable property within the City. Annual debt service requirements to maturity for tax notes payable are as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2026	$ 143,000	$ 10,072	$ 153,072
2027	146,000	7,254	153,254
2028	148,000	4,388	152,388
2029	151,000	1,472	152,472
	$ 588,000	$ 23,186	$ 611,186

Prior Year Refunding

The City defeased certain outstanding revenue bonds by placing proceeds of new bonds in irrevocable trust to provide for all future debt service payments. Accordingly, the respective trust accounts and liability for the defeased bond are not included in the City's financial statements. As of September 30, 2025, the City does not have bonds considered defeased and outstanding.

Leases Payable

The City has entered into 13 lease agreements for the use of copiers. The terms of each agreement range from 48 months to 60 months.

A summary of leases payable as of September 30, 2025, are as follows for governmental activities:

Purpose of Lease	Interest Rate	Lease Period	Amount of Initial Liability	Interest Current Year	Amounts Outstanding 09/30/25	Amounts Due Within One Year
Right to Use:						
Copiers	0.58% - 2.89%	2019 - 2024	$ 65,963	$ 9,401	$ 40,096	$ 13,470
Total governmental activities				$ 9,401	$ 40,096	$ 13,470

The future principal and interest lease payments as of September 30, 2025, are as follows for governmental activities:

Year Ended September 30,	Governmental Activities Principal	Interest	Total Requirements
2026	$ 13,470	$ 5,148	$ 18,618
2027	24,043	1,397	25,440
2028	2,234	320	2,554
2029	349	9	358
Totals	$ 40,096	$ 6,874	$ 46,970

Defined Benefit Pension Plan

Plan Description

The City participates as one of 938 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. Although the Governor, with advice and consent of the Senate, appoints the Board. TMRS Issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

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

At retirement, the member's benefit is calculated based on the sum of the member's contributions with interest, the city-financed monetary credits with interest. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

The City grants monetary credits for service rendered of a theoretical amount equal to two times what would have been contributed by the employee, with interest. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

Beginning in 2008, the City granted an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount that takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 2011, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. The plan provisions for the City are as follows:

Employee deposit rate	6%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated service credit	100% repeating, transfers
Annuity increase to retirees	50% of CPI repeating

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefi	114
Inactive employees entitled to but not yet receiving benefits	115
Active employees	133
Total	362

Contributions

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

Employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 10.21% and 10.19% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were $858,879, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2025, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Inflation	2.50% per year
Overall payroll growth	2.55%
Investment rate of return	6.75%

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018, to December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmeti
Global Equity	35.0%	7.10%
Core fixed income	6.0%	5.00%
Non-core fixed income	6.0%	6.80%
Other public and private mar	4.0%	7.30%
Real estate	12.0%	6.70%
Hedge funds	5.0%	6.40%
Infrastructure	6.0%	6.00%
Private debt	13.0%	8.20%
Private equity	13.0%	8.50%
Total	100.0%	

Discount Rate

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

Changes in Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c)
Balance at 12/31/23	$37,984,569	$35,077,202	$ 2,907,367
Changes for the year:			
Service cost	1,197,382	-	1,197,382
Interest	2,514,072	-	2,514,072
Changes of benefit terms	(437,809)	-	(437,809)
Difference between expected and actual experience	323,869	-	323,869
Contributions - employer	-	884,606	(884,606)
Contributions - employee	-	519,847	(519,847)
Net investment income	-	3,637,078	(3,637,078)
Benefit payments, including refunds of employee contributions	(1,799,874)	(1,799,874)	-
Administrative expense	-	(23,375)	23,375
Other changes	-	(546)	546
Net changes	1,797,640	3,217,736	(1,420,096)
Balance at 12/31/24	$39,782,209	$38,294,938	$ 1,487,271

Sensitivity of the net pension asset to changes in the discount rate:

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	$ 7,077,376	$ 1,487,271	$ (3,083,782)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at *trms.com.*

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

For the year ended September 30, 2025, the City recognized pension expense of $490,507 which is attributable to governmental and business-type activities in the amounts of $427,281 and $63,226, respectively. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 354,815	$ -
Changes in actuarial assumptions	-	100,093
Difference between projected and actual investment earnings	-	371,045
Contributions subsequent to the measurement date	591,863	-
Total	$ 946,678	$ 471,138

$591,863 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended September 30,	
2026	$ 153,214
2027	523,857
2028	(539,521)
2029	(253,873)

Defined Other Post-Employment Benefit (OPEB) Plan – TMRS Supplemental Death Benefits Fund

Plan Description

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

Benefits Provided

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

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other employment benefit and is a fixed amount of $7,500.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	75
Inactive employees entitled to but not yet receiving benefits	23
Active employees	133
Total	231

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.42% for 2024 and 0.34% for 2025, of which 0.23% and 0.20%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the year ended September 30, 2025, were $17,572 representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Total OPEB Liability

The City's total OPEB liability of $420,625 ($366,406 in the governmental activities and $54,219 in business-type activities, respectively) was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.
Within the governmental activities, the General Fund generally liquidates the total OPEB liability. In the business-type activities, the total OPEB liability is typically liquidated by the Utility Fund.

Actuarial Assumptions

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

Inflation rate	2.50%
Discount rate	4.08%
Actuarial cost method	Entry age normal actuarial
Projected salary increases	3.60% to 11.85% including inflation

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

Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who became disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor. Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are wholly accounted for under the provisions of GASB Statement No. 68.

Changes in assumptions reflect the annual change in the municipal bond rate. The actuarial assumptions used in the December 31, 2024, valuation were based on the results of an actuarial experience study for the period December 31, 2018 to December 31, 2023.

Discount Rate

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees, and the assets are not segregated for these groups. As such, a single discount rate of 4.08% was used to measure the Total OPEB Liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2024.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.08%) in measuring the Total OPEB Liability.

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
Total OPEB Liability	$ 496,967	$ 420,625	$ 360,439

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

For the year ended September 30, 2025, the City recognized OPEB expense of ($13,346), which is attributable to governmental and business-type activities in the amounts of ($11,626) and ($1,720), respectively. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources relate to OPEB for the following sources:

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2023	$ 437,815
Changes for the year:	
Service cost	13,863
Interest	16,391
Difference between expected and actual experience	(5,848)
Changes of assumptions	(21,669)
Benefit payments	(19,927)
Net changes	(17,190)
Balance at 12/31/2024	$ 420,625

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 2,985	$ 14,324
Changes in actuarial assumptions	18,435	99,281
Contributions subsequent to the measurement date	12,018	-
Total	$ 33,438	$ 113,605

$12,018 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2026. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2026	$ (40,406)
2027	(36,992)
2028	(9,631)
2029	(4,993)
2030	(163)

Defined Other Post-Employment Benefit (OPEB) Plan – Retiree Health Care Plan

Plan Description

The City offers its retired employees health insurance benefits through a single-employer defined benefit OPEB plan, under City policy. This plan is administered by the City, and it has the authority to establish and amend the benefit terms and financing arrangements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits and Contributions

After October 2000, the City began paying for 100 percent of the premiums of health, dental, and vision care for employees who retire from fulltime service with the City. On March 1, 2007, the City changed this policy to only pay the medical premiums for those retirees who attain age 55 with 20 years of continuous service before retirement and meet the requirements under TMRS. On September 23, 2008, eligibility was further limited to those employees that were hired regular, fulltime before October 1, 2009.

Therefore, under the existing plan, the City will pay 100% medical, dental, and vision premiums for those retirees who were hired regular fulltime before October 1, 2009, retire after October 1, 2009, and meet the following qualifications:

1. Employed by the City of Jacksonville in a fulltime status for a period of at least 20 years continuously prior to retirement;

2. Meet eligibility requirements under TMRS; and

3. Attain minimum age 55 at retirement date.

The City of Jacksonville will not pay any portion of medical premiums for retirees hired after October 1, 2009.

Retirement under TMRS is attainment of 20 years of service, any age or five years of service and age 60. Only fulltime employees who attain age 55 with 20 years of continuous service with the City are eligible for health benefits. Employees retiring early under retirement conditions or who terminate employment are not eligible for retiree health benefits. Survivors of employees who die while actively employed are not eligible for retiree health care benefits. Employees who retire under a disability retirement must meet the eligibility requirements stated above to be eligible for health care benefits. Spouses and the dependents of retired employees are eligible to continue health care, dental and vision benefits, or Medicare Supplement with payment of 100% of premiums, until death of retiree. Upon death of retiree, all benefits cease. Retirees are required to enroll in Medicare Supplement policy for retiree. Retirees who decide to opt-out of the health care plan are not eligible to opt back.

Retirees are responsible for payment of premiums for any dependent coverage, and the City pays the retirees premiums. The City’s contributions to the OPEB for the year ended September 30, 2025, were $33,931, which equal benefit payments for retirees.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	4
Active employees	111
Total	115

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Valuation Date	December 31, 2024
Actuarial Cost Method	Individual entry-age normal
Inflation Rate	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Demographic Assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS). For the OPEB valuation, the standard TMRS retirement rates were adjusted to reflect the impact of the City's retiree medical plan design.
Mortality	For healthy retirees, the gender-distict 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality
Health care cost trend rates	Initial rate of 7.50% declining to an ultimate rate of 4.25% after 15 years.
Participation rates	100% participation for retirees who are eligible for the City's retiree healthcare subsidy; 20% for other retiress.
Discount rate	4.08% as of December 31, 2024

Mortality rates were updated and are based upon the sex distinct PUB 2010 general employee mortality table with mortality improvement scale MP-2019. Per capita costs for Pre-65 retirees were derived based upon the fully insured rates on a retiree-only experience basis. Medicare eligible retirees are assumed to rescind the City’s plan and take Medicare coverage. Any Medicare Part D subsidy was not reflected in the estimate. The participation rate for future retirees is based upon years of service at retirement. Any participant that retires prior to age 50 is assumed to waive the City’s healthcare plan. For any future retiree assumed to elect retiree healthcare, their spouse is assumed to waive coverage. 40% of retirees are assumed to drop coverage at the time the employer subsidy ends. The per capita claims costs include a 7% load for administrative expenses and a 10% load for stop loss premiums where both are assumed to escalate with the healthcare trend rates each year.

The discount rate of 3.77% is based upon the yield of 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The other financial assumptions for long-term inflation, payroll growth, and salary scale were taken from the TMRS actuary study. The per capita claims costs and how these costs are expected to escalate in the future were set by IPS Advisors who develop the funding rates.

Changes in the Total OPEB Liability

The City’s total OPEB liability of $2,017,082 ($1,757,080 in the governmental activities and $260,002 in business-type activities, respectively) was measured as of December 31, 2024, and was determined by an actuarial valuation as of December 31, 2023.

Within the governmental activities, the General Fund generally liquidates the total OPEB liability. In the business-type activities, the total OPEB liability is typically liquidated by the Utility Fund.

	Total OPEB Liability
Balance at 12/31/2023	$ 1,553,338
Changes for the year:	
Service cost	31,068
Interest	58,507
Difference between expected and actual experience	317,784
Changes of assumptions	90,316
Benefit payments	(33,931)
Net changes	463,744
Balance at 12/31/2024	$ 2,017,082

Changes in assumptions and other inputs reflect a change in the discount rate from 3.77% to 4.08%.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.08%) in measuring the Total OPEB Liability.

	1% Decrease (3.08%)	Current Discount Rate Assumption (4.08%)	1% Increase (5.08%)
Total OPEB Liability	$ 2,186,179	$ 2,017,082	$ 1,859,947

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	$ 1,823,751	$ 2,017,082	$ 2,235,750

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

For the year ended September 30, 2025, the City recognized OPEB expense of ($53,404), which is attributable to governmental and business-type activities in the amounts of ($46,520) and ($6,884), respectively. At September 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 286,480	$ 828,194
Changes in actuarial assumptions	239,365	125,695
Contributions subsequent to the measurement date	33,900	-
Totals	$ 559,745	$ 953,889

$33,900 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date are due to benefit payments the City paid with its own assets and will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2026. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30	
2026	$ (142,978)
2027	(142,978)
2028	(144,343)
2029	(77,830)
2030	(51,113)
Thereafter	131,198

Deferred Compensation

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City's responsibility is to transmit employee contributions to the third-party plan administrator for deposit to the credit of the individual participant accounts. The City does not have significant administrative involvement for the assets of the plan and does not perform the investment function for the plan.

Encumbrances

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. At year-end there were no encumbrances expected to be honored in the next year.

Lake Columbia Project

During November 1987, the City entered into a contract with the Angelina and Neches River Authority for 5% water rights of the Lake Columbia Project (formerly Lake Eastex). The project is ongoing. The City has made payments in the amount of $347,479 through year end, with a commitment of $131,164 to be paid through 2038.

Contingencies

The City is a defendant in lawsuits. Although the outcome of the lawsuits is not presently determinable, it is the opinion of the City's management the resolution of these matters will not have a materially adverse effect on the financial condition of the City.

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

During the year, the City determined that one of its facilities requires significant mechanical and HVAC system repairs. At this time, the related liability is not reasonably estimable, although it is probable that the City will incur a loss as a result of these repairs. As additional information becomes available and project plans are refined, work progresses, and pricing assumptions are updated, the City expects to be able to reasonably estimate the cost of the repairs in a future period.

The City is seeking recovery from the project contractor for certain costs associated with the repairs, based on alleged design deficiencies. No potential recovery has been recorded as of year-end because realization is not yet considered probable or reasonably estimable. Any recoveries will be recognized in future periods when they become both probable and measurable.

Landfill

The City-owned landfill is leased to a private corporation, who holds the permit to operate the landfill. The City earns a 6.5% royalty on landfill revenue, which amounts to $497,837 for the year ended September 30, 2025. The landfill has an estimated remaining life of 15 to 20 years. According to the terms of the lease, this corporation is liable for all closing and post closure costs. Accordingly, no liability has been recorded in these financial statements.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The City provides employee health and accident insurance coverage with commercial insurance purchased from independent third parties. Coverages have not significantly decreased, and settlements have not exceeded insurance during the past four years.

Significant Transactions with Component Unit

The City processes payroll for JEDCO on a monthly basis, and JEDCO reimburses the City accordingly. The City has also entered into a financing agreement with JEDCO as previously described in the Contingencies and Commitments section of this report.

New Accounting Standards

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the City include the following:

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential to their analyses for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No 105, *Subsequent Events* – The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement will become effective for fiscal years beginning after June 15, 2026, and the impact has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JACKSONVILLE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	$ 5,149,456	$ 5,172,194	$ 5,224,290	$ 52,096
Sales	3,442,346	3,526,776	3,562,139	35,363
Other	1,332,046	1,325,250	1,347,446	22,196
Charges for service	2,845,647	2,824,251	2,738,393	(85,858)
Intergovernmental	68,000	214,911	163,190	(51,721)
Fines and penalties	569,350	550,350	511,876	(38,474)
Licenses and permits	56,450	47,450	52,456	5,006
Contributions and donations	45,000	59,000	51,763	(7,237)
Investment earnings	350,205	316,734	296,815	(19,919)
Miscellaneous	31,500	86,601	84,685	(1,916)
Total revenues	13,890,000	14,123,517	14,033,053	(90,464)
EXPENDITURES				
Current:				
General government				
Administration	733,825	735,835	729,316	6,519
Non-departmental	296,928	347,430	432,232	(84,802)
Municipal court	203,020	205,492	200,406	5,086
Human resources	223,610	189,580	158,073	31,507
Public & community services	105,275	117,565	90,231	27,334
Finance	511,509	531,770	510,301	21,469
Development & facility services	295,380	449,451	416,999	32,452
Communication & Tourism	23,317	23,317	15,288	8,029
Information technology	185,201	177,250	200,764	(23,514)
Total general government	2,578,065	2,777,690	2,753,610	24,080
Public safety				
Fire and EMS	3,691,467	3,549,977	3,401,921	148,056
Police	4,881,189	4,772,556	4,436,387	336,169
Total public safety	8,572,656	8,322,533	7,838,308	484,225
Public works				
Traffic & lighting	260,731	265,915	206,399	59,516
Streets & infrastructure	525,612	622,711	639,729	(17,018)
Sanitation	1,136,302	1,124,082	1,094,419	29,663
Total public works	1,922,645	2,012,708	1,940,547	72,161

CITY OF JACKSONVILLE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Culture & recreation:				
Parks	$ 790,368	$ 801,669	$ 776,118	$ 25,551
Recreation	157,429	186,131	143,813	42,318
Cemetery	183,502	181,740	181,117	623
Lake Jacksonville	122,394	117,870	104,584	13,286
Library	408,599	404,507	372,596	31,911
Texana Museum	41,158	42,118	51,583	(9,465)
Total culture & recreation	1,703,450	1,734,035	1,629,811	104,224
Debt service:				
Principal	159,700	159,700	171,533	(11,833)
Interest	6,477	6,477	15,970	(9,493)
Total debt service	166,177	166,177	187,503	(21,326)
Capital outlay	88,100	96,813	109,903	(13,090)
Total capital outlay	88,100	96,813	109,903	(13,090)
Total expenditures	15,031,093	15,109,956	14,459,682	650,274
Excess (deficiency) of revenues over expenditures	(1,141,093)	(986,439)	(426,629)	559,810
OTHER FINANCING SOURCES (USES)				
Issuance of leases	-	-	17,470	17,470
Transfers in	1,495,841	1,495,841	1,524,841	29,000
Transfers out	(400,000)	(400,000)	(950,000)	(550,000)
Insurance proceeds	57,753	50,000	9,264	(40,736)
Total other financing sources (uses)	1,153,594	1,145,841	601,575	(544,266)
Net change in fund balances	12,501	159,402	174,946	15,544
Fund balances - beginning of year	4,765,216	4,765,216	4,765,216	-
Fund balances - end of year	$ 4,777,717	$ 4,924,618	$ 4,940,162	$ 15,544

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BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The City Manager prepares a proposed budget and submits it to the City Council no later than 30 days prior to the beginning of the fiscal year.

2. Upon submission of the proposed budget, the City Council will call for a public hearing which is to be held at least five days after notice of hearing is published.

3. After the holding of the public hearing, the budget shall be adopted by a favorable vote of majority of the members of the Council and upon adoption shall be in effect for the fiscal year.

4. The City Manager has authority, without Council approval, to transfer appropriation balances from one expenditure account to another within a single office, department, or agency of the City.

5. Budgetary integration is employed as a management control device during the year of the General, Special Revenue (except for Grants and Public Safety funds), Debt Service, and the Enterprise Funds. Budgetary integration is not employed by Capital Projects Funds because effective budgetary control is achieved through grant, bond ordinance and construction contract provisions.

6. The budget for the General Fund is adopted on the modified accrual basis of accounting, which is consistent with U.S. generally accepted accounting principles.

7. While all budgeted amounts expire at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to State regulations.

CITY OF JACKSONVILLE, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Measurement date December 31,	**2015**	**2016**	**2017**	**2018**
Total pension liability				
Service Cost	$ 725,255	$ 770,340	$ 801,299	$ 858,611
Interest	1,775,204	1,799,110	1,881,416	1,968,253
Differences between expected and actual experience	(324,116)	(139,703)	(96,446)	(136,729)
Assumption changes	233,416	-	-	-
Benefit payments, including refunds of employee contributions	(1,110,561)	(1,167,194)	(1,284,546)	(1,372,376)
Net change in total pension liability	1,299,198	1,262,553	1,301,723	1,317,759
Total pension liability - beginning	25,552,709	26,851,907	28,114,460	29,416,183
Total pension liability - ending (a)	$ 26,851,907	$ 28,114,460	$ 29,416,183	$ 30,733,942
Plan fiduciary net position				
Contributions - employer	$ 627,279	$ 607,139	$ 666,562	$ 704,459
Contributions - member	332,187	337,622	356,133	381,476
Net investment income	34,220	1,557,927	3,377,511	(822,694)
Benefit payments	(1,110,561)	(1,167,194)	(1,284,546)	(1,372,376)
Administrative expense	(20,843)	(17,595)	(17,504)	(15,901)
Other	(1,029)	(949)	(887)	(828)
Net change in plan fiduciary net position	(138,747)	1,316,950	3,097,269	(1,125,864)
Plan fiduciary net position - beginning	23,191,082	23,052,335	24,369,285	27,466,555
Plan fiduciary net position - ending (b)	$ 23,052,335	$ 24,369,285	$ 27,466,554	$ 26,340,691
Net pension liability - ending (a) - (b)	$ 3,799,572	$ 3,745,175	$ 1,949,629	$ 4,393,251
Plan fiduciary net positon as a percentage of the total pension liability	85.85%	86.68%	93.37%	85.71%
Covered payroll	$ 5,536,295	$ 5,627,029	$ 5,935,551	$ 6,355,375
Net pension liability as a percentage of covered payroll	68.63%	66.56%	32.85%	69.13%

2019	2020	2021	2022	2023	2024
$ 852,124	$ 851,334	$ 860,123	$ 916,153	$ 1,074,496	$ 1,197,382
2,032,862	2,122,790	2,218,079	2,301,852	2,415,102	2,514,072
44,645	(56,985)	(300,184)	1,038	350,439	(437,809)
179,893	-	-	-	(265,536)	323,869
(2,087,062)	(1,466,673)	(1,552,992)	(1,576,935)	(1,663,936)	(1,799,874)
1,022,462	1,450,466	1,225,026	1,642,108	1,910,565	1,797,640
30,733,942	31,756,404	33,206,870	34,431,896	36,074,004	37,984,569
$ 31,756,404	$ 33,206,870	$ 34,431,896	$ 36,074,004	$ 37,984,569	$ 39,782,209
$ 686,805	$ 688,990	$ 701,101	$ 725,720	$ 791,650	$ 884,606
382,977	389,627	393,887	415,489	480,759	519,847
4,071,746	2,227,790	4,063,727	(2,536,418)	3,676,983	3,637,078
(2,087,062)	(1,466,673)	(1,552,992)	(1,576,935)	(1,663,936)	(1,799,874)
(23,010)	(14,426)	(18,817)	(21,971)	(23,426)	(23,374)
(691)	(564)	129	26,218	(164)	(547)
3,030,765	1,824,744	3,587,035	(2,967,897)	3,261,866	3,217,736
26,340,689	29,371,454	31,196,198	34,783,233	31,815,336	35,077,202
$ 29,371,454	$ 31,196,198	$ 34,783,233	$ 31,815,336	$ 35,077,202	$ 38,294,938
$ 2,384,950	$ 2,010,672	$ (351,337)	$ 4,258,668	$ 2,907,367	$ 1,487,271
92.49%	93.95%	101.02%	88.19%	92.35%	96.26%
$ 6,382,950	$ 6,493,779	$ 6,555,815	$ 6,924,815	$ 8,012,648	$ 8,664,109
37.36%	30.96%	-5.36%	61.50%	36.28%	17.17%

CITY OF JACKSONVILLE, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Fiscal year ending September 30,	**2016**	**2017**	**2018**	**2019**
Actuarially determined contribution	$ 634,926	$ 645,108	$ 703,984	$ 703,990
Contributions in relation to the actuarially determined contributions	634,926	645,108	703,984	703,990
Contribution excess (deficiency)	-	-	-	-
Covered payroll	5,805,781	5,799,043	6,328,617	6,463,932
Contributions as a percentage of covered payroll	10.94%	11.12%	11.12%	10.89%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24 years
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.5%
Salary increases	3.5% to 11.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other information There were no benefit changes during the year.

2020	2021	2022	2023	2024	2025
$ 690,020	$ 695,030	$ 708,647	$ 784,883	$ 859,853	$ 858,879
690,020	695,030	708,647	784,883	859,853	858,879
-	-	-	-	-	-
6,182,605	6,512,096	6,689,326	7,819,529	8,494,248	8,423,908
11.16%	10.67%	10.59%	10.04%	10.12%	10.20%

CITY OF JACKSONVILLE, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFITS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Measurement date December 31,	**2017**	**2018**	**2019**	**2020**
A. Total OPEB liability				
Service Cost	$ 11,278	$ 14,617	$ 11,489	$ 16,234
Interest (on the Total OPEB Liability)	13,297	13,422	22,707	13,789
Differences between expected and actual experience	-	212,882	(219,875)	(11,486)
Changes of assumptions	31,491	(28,681)	76,861	76,248
Benefit payments, including refunds of employee contributions	(3,561)	(4,450)	(3,830)	(4,546)
Net change in Total OPEB liability	52,505	207,790	(112,648)	90,239
Total OPEB liability - beginning	347,919	400,424	608,214	495,566
Total OPEB liability - ending	400,424	608,214	495,566	585,805
B. Covered-employee payroll	$ 5,935,551	$ 6,355,375	$ 6,382,950	$ 6,493,779
C. Total OPEB liability as a percentage of covered-employee payroll	6.75%	9.57%	7.76%	9.02%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

- Included in the changes of assumptions was the annual change in the discount rate. The change in assumptions in 2021 also includes the changes in the actuarial assumptions adopted.

2021	2022	2023	2024
$ 19,667	$ 21,467	$ 12,820	$ 13,863
11,762	10,643	16,357	16,391
(43,651)	7,003	(751)	(5,848)
17,122	(192,130)	21,135	(21,669)
(15,078)	(15,927)	(18,429)	(19,927)
(10,178)	(168,944)	31,132	(17,190)
585,805	575,627	406,683	437,815
575,627	406,683	437,815	420,625
$ 6,555,779	$ 6,924,815	$ 8,012,648	$ 8,664,123
8.78%	5.87%	5.46%	4.85%

CITY OF JACKSONVILLE, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
RETIREE HEALTH PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Measurement date December 31,	**2017**	**2018**	**2019**	**2020**
A. Total OPEB liability				
Service Cost	$ 102,506	$ 96,424	$ 74,302	$ 67,612
Interest (on the Total OPEB Liability)	103,973	98,389	84,517	66,048
Difference between expected and actual experience	(20,091)	(756,211)	395	(527,121)
Changes of assumptions	145,853	(29,465)	49,904	124,852
Benefit payments, including refunds of employee contributions	(83,506)	(87,863)	(97,064)	(67,139)
Net change in Total OPEB liability	248,735	(678,726)	112,054	(335,748)
Total OPEB liability - beginning	2,719,460	2,968,196	2,289,470	2,401,524
Total OPEB liability - ending	$ 2,968,195	$ 2,289,470	$ 2,401,524	$ 2,065,776
B. Covered-employee payroll	$ 2,452,326	$ 2,516,980	$ 2,348,656	$ 2,217,009
C. Total OPEB liability as a percentage of covered-employee payroll	121.04%	90.96%	102.25%	93.18%

Notes to Schedule:

- No assets are accumulated in a trust for the Retiree Health plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemplyment Benefits Other Than Pensions*

- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

- Included in the changes of assumptions is the annual change in the discount rate.

2021	2022	2023	2024
$ 67,811	$ 67,564	$ 30,643	$ 31,068
41,413	39,533	59,555	58,507
(900)	(536,449)	(4,936)	317,784
26,476	(180,774)	34,628	90,316
(58,109)	(55,469)	(43,424)	(33,931)
76,691	(665,595)	76,466	463,744
2,065,776	2,142,467	1,476,872	1,553,338
$ 2,142,467	$ 1,476,872	$ 1,553,338	$ 2,017,082
$ 2,188,375	$ 2,156,452	$ 2,360,521	$ 7,198,903
97.90%	68.49%	65.80%	28.02%

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Court Technology Fund – The state legislature has allowed for the creation of a Municipal Court Technology Fund to defray the costs related to technology in the court system. This fund accounts for the collection of technology fees charged to defendants for misdemeanor offences as a cost of court. These funds will be used to purchase software, PCs and any other technology items needed for the court.

Court Security Fund – The security building fund provides for the collection of court fees with each fine that is to be utilized for the security of the court. Expenditures are restricted to security systems, bailiffs, metal detectors, locks, electronic identification systems, etc.

Court Child Safety Fund – This fund is used to account for the collection of court costs paid by defendants and spent by the City for programs designed to enhance child safety, health, or nutrition, including child abuse prevention and intervention and drug and alcohol abuse prevention.

Public Safety Fund – This fund accounts for funds received from local, state and federal sources for the purpose of supporting the City's Police and Fire programs.

Hotel/Motel Occupancy Fund – This fund is used to account for the receipt and expenditure of funds received by the City from the assessment of hotel and motel occupancy tax.

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of capital assets.

Equipment Replacement Fund – The city established this fund for the purpose of making expenditures for major repairs or replacement of necessary vehicles and equipment.

CITY OF JACKSONVILLE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	Court Technology	Court Security	Court Child Safety	Public Safety
ASSETS				
Cash and cash equivalents	$ 148,538	$ -	$ 17,216	$ 50,022
Receivables, net:				
Taxes	-	-	-	-
Total assets	148,538	-	17,216	50,022
LIABILITIES				
Accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Customer deposits	-	-	-	-
Total liabilities	-	-	-	-
FUND BALANCES				
Restricted for:				
Municipal court	148,538	-	-	-
Public safety-police, fire & EMS	-	-	17,216	50,022
Tourism and convention	-	-	-	-
Assigned for:				
Capital projects	-	-	-	-
Total fund balances	148,538	-	17,216	50,022
Total liabilities and fund balances	$ 148,538	$ -	$ 17,216	$ 50,022

Hotel/ Motel Occupancy	Equipment Replacement	Total Nonmajor Governmental Funds
$ 497,864	$ 1,208,631	$ 1,922,271
29,090	-	29,090
526,954	1,208,631	1,951,361
9,562	4,195	13,757
6,670	-	6,670
11,168	-	11,168
27,400	4,195	31,595
-	-	148,538
-	-	67,238
499,554	-	499,554
-	1,204,436	1,204,436
499,554	1,204,436	1,919,766
$ 526,954	$ 1,208,631	$ 1,951,361

CITY OF JACKSONVILLE, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Court Technology	Court Security	Court Child Safety	Public Safety
REVENUES				
Taxes:				
Hotel/Motel	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	2,782
Fines and forfeitures	21,407	-	1,724	-
Investment earnings	7,162	-	739	2,273
Miscellaneous revenue	1,200	-	-	-
Total revenues	29,769	-	2,463	5,055
EXPENDITURES				
Current:				
Public safety	-	-	-	1,591
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Total expenditures	-	-	-	1,591
Excess (deficiency) of revenue over expenditures	29,769	-	2,463	3,464
OTHER FINANCING SOURCES (USES)				
Issuance of note payable	-	-	-	-
Transfers in	165,545	-	-	-
Transfers out	(46,776)	(165,545)	-	-
Insurance proceeds	-	-	-	-
Issuance of financed purchase	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	118,769	(165,545)	-	-
Net change in fund balances	148,538	(165,545)	2,463	3,464
Fund balance - beginning of year	-	165,545	14,753	46,558
Fund balance - end of year	$ 148,538	$ -	$ 17,216	$ 50,022

Hotel/ Motel Occupancy	Equipment Replacement	Total Nonmajor Governmental Funds
$ 371,997	$ -	$ 371,997
61,502	-	61,502
-	-	2,782
-	-	23,131
19,871	48,561	78,606
8	-	1,208
453,378	48,561	539,226
-	-	1,591
241,155	-	241,155
-	1,009,253	1,009,253
-	123,955	123,955
-	19,743	19,743
241,155	1,152,951	1,395,697
212,223	(1,104,390)	(856,471)
100,000	-	100,000
-	500,000	665,545
(208,882)	-	(421,203)
10,413	-	10,413
-	658,093	658,093
-	128,059	128,059
(98,469)	1,286,152	1,140,907
113,754	181,762	284,436
385,800	1,022,674	1,635,330
$ 499,554	$ 1,204,436	$ 1,919,766

CITY OF JACKSONVILLE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Property taxes	$ 1,572,299	$ 1,556,810	$ 1,568,799	$ 11,989
Investment earnings	42,686	42,686	50,790	8,104
Total revenues	1,614,985	1,599,496	1,619,589	20,093
EXPENDITURES				
Current:				
General government	500	500	335	165
Debt service:				
Principal	1,730,000	1,750,000	1,035,000	715,000
Interest and other charges	1,031,531	992,572	713,478	279,094
Bond issuance costs and fees	7,650	7,650	5,925	1,725
Total expenditures	2,769,681	2,750,722	1,754,738	995,984
Excess (deficiency) of revenues over expenditures	(1,154,696)	(1,151,226)	(135,149)	1,016,077
OTHER FINANCING SOURCES (USES)				
Transfers in	1,154,804	1,154,804	152,831	(1,001,973)
Total other financing sources (uses)	1,154,804	1,154,804	152,831	(1,001,973)
Net change in fund balances	108	3,578	17,682	14,104
Fund balances - beginning of year	324,632	324,632	324,632	-
Fund balances - end of year	$ 324,740	$ 328,210	$ 342,314	$ 14,104

CITY OF JACKSONVILLE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COURT TECHNOLOGY FUND - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Fines and forfeitures	$ 12,000	$ 26,000	$ 21,407	$ (4,593)
Investment earnings	-	6,500	7,162	662
Miscellaneous	-	1,200	1,200	-
Total revenues	12,000	33,700	29,769	(3,931)
EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues over expenditures	12,000	33,700	29,769	(3,931)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	165,545	165,545
Transfers out	-	(17,775)	(46,776)	(29,001)
Total other financing sources (uses)	-	(17,775)	118,769	136,544
Net change in fund balances	12,000	15,925	148,538	132,613
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	$ 12,000	$ 15,925	$ 148,538	$ 132,613

CITY OF JACKSONVILLE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COURT SECURITY FUND - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	$ 14,000	$ -	$ -	$ -
Investment earnings	6,500	-	-	-
Total revenues	20,500	-	-	-
EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues over expenditures	20,500	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(17,775)	-	(165,545)	(165,545)
Total other financing sources (uses)	(17,775)	-	(165,545)	(165,545)
Net change in fund balances	2,725	-	(165,545)	(165,545)
Fund balances - beginning of year	165,545	165,545	165,545	-
Fund balances - end of year	$ 168,270	$ 165,545	$ -	$ (165,545)

CITY OF JACKSONVILLE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COURT CHILD SAFETY FUND - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	$ 1,700	$ 1,700	$ 1,724	$ 24
Investment earnings	500	500	739	239
Total revenues	2,200	2,200	2,463	263
EXPENDITURES	-	-	-	-
Net change in fund balances	2,200	2,200	2,463	263
Fund balances - beginning of year	14,753	14,753	14,753	-
Fund balances - end of year	$ 16,953	$ 16,953	$ 17,216	$ 263

CITY OF JACKSONVILLE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
HOTEL/MOTEL OCCUPANCY FUND - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Hotel/motel taxes	$ 398,000	$ 378,000	$ 371,997	$ (6,003)
Charges for services	60,615	63,115	61,502	(1,613)
Investment earnings	24,692	24,692	19,871	(4,821)
Miscellaneous	-	10	8	(2)
Total revenues	483,307	465,817	453,378	(12,439)
EXPENDITURES				
Current:				
Culture and recreation	367,046	311,100	241,155	69,945
Total expenditures	367,046	311,100	241,155	69,945
Excess (deficiency) of revenues over expenditures	116,261	154,717	212,223	57,506
OTHER FINANCING SOURCES (USES)				
Transfers out	(208,883)	(208,883)	(208,882)	1
Insurance proceeds	-	-	10,413	10,413
Issuance of note payable	152,831	100,000	100,000	-
Total other financing sources (uses)	(56,052)	(108,883)	(98,469)	10,414
Net change in fund balances	60,209	45,834	113,754	67,920
Fund balances - beginning of year	385,800	385,800	385,800	-
Fund balances - end of year	$ 446,009	$ 431,634	$ 499,554	$ 67,920

STATISTICAL SECTION
(Unaudited)

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

Contents **Page Number**

Financial Trends 73

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 82

These schedules contain trend information to help the reader assess factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity 87

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 92

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 94

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

CITY OF JACKSONVILLE, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year			
	2016	2017	2018	2019
Governmental Activities				
Net investment in capital assets	$ 16,198	$ 18,152	$ 18,629	$ 21,652
Restricted	1,904	1,775	1,539	1,307
Unrestricted	1,007	40	(1,960)	2,083
Total governmental activities net position	$ 19,109	$ 19,967	$ 18,208	$ 25,042
Business-type Activities				
Net investment in capital assets	$ 20,119	$ 19,994	$ 20,481	$ 18,493
Unrestricted	5,448	5,042	5,310	4,606
Total business-type activities net position	$ 25,567	$ 25,036	$ 25,791	$ 23,099
Primary Government				
Net investment in capital assets	$ 36,317	$ 38,146	$ 39,110	$ 40,145
Restricted	1,904	1,775	1,539	1,307
Unrestricted	6,456	5,082	3,350	2,523
Total primary government net position	$ 44,677	$ 45,003	$ 43,999	$ 43,975

TABLE 1

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 22,109	$ 21,788	$ 23,738	$ 25,688	$ 26,763	$ 29,357
776	1,434	2,000	2,078	1,938	1,178
(783)	478	2,426	4,277	2,819	3,811
$ 22,102	$ 23,700	$ 28,164	$ 32,043	$ 31,520	$ 34,346
$ 18,900	$ 19,052	$ 18,666	$ 18,838	$ 20,233	$ 21,798
4,058	3,777	2,845	2,363	2,284	2,990
$ 22,958	$ 22,829	$ 21,511	$ 21,201	$ 22,517	$ 24,788
$ 41,009	$ 40,840	$ 42,404	$ 44,526	$ 46,996	$ 51,155
776	1,434	2,000	2,078	1,938	1,178
3,275	4,255	5,270	6,639	5,103	6,801
$ 45,060	$ 46,529	$ 49,674	$ 53,243	$ 54,037	$ 59,134

CITY OF JACKSONVILLE, TEXAS

EXPENSES, PROGRAM REVENUES AND NET (EXPENSE) REVENUE

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental Activities				
General government	$ 1,585	$ 1,539	$ 1,653	$ 1,829
Public safety	7,198	5,172	6,065	6,273
Public works	1,219	1,405	1,320	2,958
Culture and recreation	1,229	1,264	1,318	1,277
Economic development	115	92	284	222
Interest and other	284	196	193	119
Total governmental activities expenses	11,630	9,668	10,833	12,678
Business-type Activities				
Water and wastewater	3,069	3,358	3,737	4,867
Total business-type activities expenses	3,069	3,358	3,737	4,867
Total primary government expenses	$ 14,699	$ 13,026	$ 14,570	$ 17,545
Program Revenues				
Governmental Activities				
Charges for services	$ 1,471	$ 1,893	$ 1,638	$ 3,210
Operating grants and contributions	326	313	207	406
Capital grants and contributions	511	-	-	16
Total governmental activities program revenues	2,308	2,206	1,845	3,632
Business-type Activities				
Charges for services				
Water and wastewater	4,665	4,766	5,573	5,134
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	262
Total business-type activities program revenues	4,665	4,766	5,573	5,396
Total primary government program revenues	$ 6,973	$ 6,972	$ 7,418	$ 9,028
Net (Expense)/Revenue				
Governmental Activities	$ (9,322)	$ (7,462)	$ (8,988)	$ (9,046)
Business-type Activities	1,596	1,408	1,836	529
Total primary government net expense	$ (7,726)	$ (6,054)	$ (7,152)	$ (8,517)

TABLE 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 2,333	$ 2,200	$ 2,421	$ 2,716	$ 2,541	$ 3,101
6,725	6,492	6,329	8,344	8,792	7,859
2,000	2,768	2,330	2,358	3,722	2,896
1,748	1,478	1,547	1,909	2,753	2,444
-	-	-	-	-	-
551	494	622	588	642	658
13,357	13,432	13,249	15,915	18,450	16,958
4,206	4,441	5,805	7,074	5,017	5,504
4,206	4,441	5,805	7,074	5,017	5,504
$ 17,563	$ 17,873	$ 19,054	$ 22,989	$ 23,467	$ 22,462
$ 3,337	$ 2,784	$ 2,879	$ 3,938	$ 2,707	$ 3,818
963	321	2,041	826	573	457
1	-	-	241	677	1,301
4,301	3,105	4,920	5,005	3,957	5,576
5,644	5,984	6,089	6,956	7,040	7,804
-	-	-	1,079	246	686
-	-	-	-	-	51
5,644	5,984	6,089	8,035	7,286	8,541
$ 9,945	$ 9,089	$ 11,009	$ 13,040	$ 11,243	$ 14,117
$ (9,056)	$ (10,327)	$ (8,329)	$ (10,910)	$ (14,493)	$ (11,381)
1,438	1,543	284	961	2,269	3,037
$ (7,618)	$ (8,784)	$ (8,045)	$ (9,949)	$ (12,224)	$ (8,344)

CITY OF JACKSONVILLE, TEXAS

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year			
	2016	2017	2018	2019
Net (Expense) / Revenue				
Governmental Activities	$ (9,322)	$ (7,462)	$ (8,988)	$ (9,046)
Business-type Activities	1,596	1,408	1,836	529
Total primary government net revenue (expense)	(7,726)	(6,054)	(7,152)	(8,517)
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes	6,987	7,007	7,384	7,860
Investment income	30	52	80	82
Transfers	1,648	2,189	1,092	3,379
Gain on sale of assets	-	-	-	-
Other	37	71	89	160
Total governmental activities	8,702	9,319	8,645	11,481
Business-type Activities				
Investment income	25	49	79	158
Transfers	(1,648)	2,189	(1,092)	3,379
Total business-type activities	(1,623)	2,238	(1,013)	3,537
Total primary government	$ 7,079	$ 11,557	$ 7,632	$ 15,018
Change in net position				
Governmental Activities	$ (620)	$ 1,857	$ (343)	$ 2,435
Business-type Activities	(27)	3,646	823	4,066
Total primary government	$ (647)	$ 5,503	$ 480	$ 6,501

TABLE 3

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ (9,056)	$ (10,327)	$ (8,329)	$ (10,910)	$ (14,493)	$ (11,382)
1,438	1,543	284	961	2,269	3,037
(7,618)	(8,784)	(8,045)	(9,949)	(12,224)	(8,345)
8,376	9,728	10,472	11,208	11,640	12,056
115	137	76	774	894	644
1,653	1,717	1,632	1,608	1,372	1,422
-	-	349	1,143	37	-
139	183	264	58	26	86
10,283	11,765	12,793	14,791	13,969	14,208
73	46	30	336	419	656
(1,653)	(1,717)	(1,632)	(1,608)	(1,372)	(1,422)
(1,580)	(1,671)	(1,602)	(1,272)	(953)	(766)
$ 8,703	$ 10,094	$ 11,191	$ 13,519	$ 13,016	$ 13,442
$ 1,227	$ 1,438	$ 4,464	$ 3,881	$ (524)	$ 2,826
(142)	(128)	(1,318)	(311)	1,316	2,271
$ 1,085	$ 1,310	$ 3,146	$ 3,570	$ 792	$ 5,097

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TABLE 4

CITY OF JACKSONVILLE, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year				
	2016	2017	2018	2019	2020
General fund					
Nonspendable	$ 29	$ 1	$ 1	$ 1	$ 2
Assigned	1,095	742	138	-	-
Unassigned	1,941	1,764	1,675	1,910	2,919
Total general fund	$ 3,065	$ 2,507	$ 1,814	$ 1,911	$ 2,921
All other governmental funds					
Restricted	$ 2,385	$ 1,752	$ 1,716	$ 1,321	$ 10,067
Committed	-	-	-	-	-
Assigned	-	-	(1)	-	-
Total all other governmental funds	$ 2,385	$ 1,752	$ 1,715	$ 1,321	$ 10,067

	Fiscal Year				
	2021	2022	2023	2024	2025
General fund					
Nonspendable	$ 37	$ 1	$ 2	$ 2	$ 2
Restricted	51	105	63	73	83
Unassigned	3,784	4,486	4,614	4,689	4,855
Total general fund	$ 3,872	$ 4,592	$ 4,679	$ 4,764	$ 4,940
All other governmental funds					
Restricted	$ 1,389	$ 6,554	$ 6,842	$ 6,411	$ 5,581
Assigned	-	-	1,282	1,023	1,204
Committed	1,150	1,332	1,362	503	602
Total all other governmental funds	$ 2,539	$ 7,886	$ 9,486	$ 7,937	$ 7,387

CITY OF JACKSONVILLE, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Taxes				
Property	$ 3,752	$ 3,776	$ 4,041	$ 4,246
Sales	2,290	2,189	2,289	2,466
Other	1,039	1,040	1,094	1,101
Charges for services	1,223	1,307	1,314	2,746
Intergovernmental	325	313	207	422
Fines and forfeitures	282	438	280	486
Licenses and permits	37	35	49	38
Contributions and donations	-	-	-	-
Investment earnings	30	52	80	82
Miscellaneous	38	72	89	160
Total revenues	9,016	9,222	9,443	11,747
Expenditures				
General government	1,500	1,473	1,464	1,667
Public safety	5,588	5,593	5,600	6,187
Public works	798	1,050	806	2,342
Culture and recreation	1,008	1,036	1,109	987
Economic development	115	116	284	222
Capital outlay	2,140	1,788	354	2,781
Debt service				
Principal	1,057	1,199	1,202	1,403
Interest on long-term debt	292	196	163	141
Bond issuance costs and fees	-	-	-	-
Total expenditures	12,498	12,451	10,982	15,730
Excess (deficiency) of revenues over expenditures	(3,482)	(3,229)	(1,539)	(3,983)
Other Financing Sources (Uses)				
Issuance of long-term debt	4,230	-	-	1,392
Premium on issuance of debt	-	-	-	-
Issuance of leases	-	-	-	-
Transfers in	1,744	3,020	1,939	2,986
Transfers out	(95)	(1,063)	(1,192)	(989)
Payment to escrow agent	(2,280)	-	-	-
Insurance proceeds	-	-	-	-
Sale of capital assets	-	81	62	293
Total other financing sources (uses)	3,599	2,038	809	3,682
Net change in fund balances	$ 117	$ (1,191)	$ (730)	$ (301)
Debt Service as a Percentage of Noncapital Expenditures	13.0%	13.1%	12.8%	12.2%

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 4,723	$ 5,260	$ 5,431	$ 6,173	$ 6,552	$ 6,793
2,588	2,870	3,418	3,259	3,338	3,562
1,049	1,575	1,649	1,695	1,684	1,719
2,744	2,468	2,526	2,565	2,790	2,800
286	908	1,623	1,291	1,209	1,707
448	731	298	519	523	535
36	48	39	69	47	52
-	54	147	85	41	52
115	137	76	774	894	644
139	166	83	58	26	86
12,128	14,217	15,290	16,488	17,104	17,950
2,173	2,206	2,380	2,474	2,431	2,754
5,964	6,364	6,520	7,523	8,302	7,893
1,473	2,234	1,786	1,748	3,744	1,941
1,435	1,237	1,498	1,758	2,067	1,882
-	-	-	-	-	-
2,262	9,837	4,011	1,637	5,902	4,118
1,477	1,552	1,759	2,082	1,356	1,330
377	683	664	658	603	749
-	-	-	-	111	6
15,161	24,113	18,618	17,880	24,516	20,673
(3,033)	(9,896)	(3,328)	(1,392)	(7,412)	(2,723)
9,604	575	6,360	-	3,940	100
1,354	-	166	-	294	-
-	-	-	4	8	676
11,502	2,703	7,283	4,673	6,800	3,043
(9,849)	(987)	(5,651)	(3,121)	(5,428)	(1,621)
-	-	-	-	-	-
-	16	181	111	93	20
180	1,013	1,055	1,413	244	128
12,791	3,320	9,394	3,080	5,951	2,346
$ 9,758	$ (6,576)	$ 6,066	$ 1,688	$ (1,461)	$ (377)
12.2%	15.7%	16.6%	16.6%	10.6%	12.5%

TABLE 6

CITY OF JACKSONVILLE, TEXAS

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

Fiscal Years	Property Tax	Sales & Use Tax	Occupancy Tax	Franchise Tax	Mixed Beverage Tax	Total
2016	$ 3,752	$ 2,290	$ 199	$ 824	$ 15	$ 7,080
2017	3,776	2,189	198	826	15	7,004
2018	4,033	2,289	210	867	17	7,416
2019	4,246	2,466	211	873	18	7,814
2020	4,723	2,588	194	1,158	14	8,677
2021	5,260	2,869	293	1,265	17	9,704
2022	5,431	3,418	321	1,311	17	10,498
2023	6,173	3,258	341	1,330	24	11,126
2024	6,593	3,337	371	1,286	26	11,613
2025	6,793	3,562	372	1,318	30	12,075
Percent Change 2016-2025	81.1%	55.5%	86.9%	60.0%	100.0%	70.6%

TABLE 7

CITY OF JACKSONVILLE, TEXAS

ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands)

Fiscal Years	Assessed Value	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Value as a Percentage of Actual Value
2016	$ 585,157	$ 12,597	$ 572,560	$ 0.65960	$ 572,560	100%
2017	595,791	13,065	582,726	0.65960	582,726	100%
2018	617,395	12,604	604,791	0.65960	604,791	100%
2019	643,495	12,514	630,981	0.69000	630,981	100%
2020	720,897	17,686	703,211	0.69000	703,211	100%
2021	812,621	29,561	783,060	0.69000	783,060	100%
2022	834,197	34,621	799,576	0.68995	799,576	100%
2023	1,019,851	74,005	945,846	0.68065	945,846	100%
2024	1,168,998	96,252	1,072,746	0.63763	1,072,746	100%
2025	1,243,894	147,254	1,096,640	0.63763	1,096,641	100%

Source: Cherokee County Appraisal District

TABLE 8

CITY OF JACKSONVILLE, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

Fiscal Years	City of Jacksonville Direct Tax Rate			Overlapping Tax Rates		Total Direct & Overlapping Rates
	General Government	Debt Service	Total	Jacksonville ISD	Cherokee County	
2016	$ 0.45860	$ 0.20100	$ 0.65960	$ 1.39500	$ 0.59000	$ 2.64460
2017	0.47860	0.18100	0.65960	1.39500	0.59500	2.64960
2018	0.48430	0.17530	0.65960	1.46500	0.59500	2.71960
2019	0.52200	0.16800	0.69000	1.46500	0.59500	2.75000
2020	0.53860	0.15140	0.69000	1.39500	0.59500	2.68000
2021	0.50000	0.19000	0.69000	1.36850	0.58286	2.64136
2022	0.52702	0.16293	0.68995	1.31840	0.58000	2.58835
2023	0.51018	0.17047	0.68065	1.24960	0.52000	2.45025
2024	0.48741	0.15022	0.63763	1.06420	0.49000	2.19183
2025	0.48934	0.14829	0.63763	1.06190	0.49000	2.18953

Source: Cherokee County Appraisal District

CITY OF JACKSONVILLE, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT AND NINE YEARS AGO

	2025			2016		
Taxpayer	Assessed Value	Rank	Percentage of Total City Assessed Value	Assessed Value	Rank	Percentage of Total City Assessed Value
Beall's Inc.	$ 30,107,500	1	2.75%			
Jacksonville Hospital LLC	21,861,370	2	1.99%			
Oncor Electric Delivery CO LLC	20,392,004	3	1.86%	9,790,980	4	1.71%
Zyklux Heat Transfer Inc.	10,988,630	4	1.00%			
Wal-Mart Real Estate Business Trust	10,563,970	5	0.96%	12,470,730	3	2.18%
GVD Pebblebrook LLC	10,392,140	6	0.95%			
Plastics Holdings Inc.	10,148,960	7	0.93%			
Teknor Color Company	10,133,712	8	0.92%	3,793,314	6	0.66%
Brookshire Investment CO	7,977,598	9	0.73%			
Suddenlink Communications	7,303,590	10	0.67%			
Cardinal Health 200 LLC				28,298,800	1	4.94%
Specialty Retailers TX LP				25,952,020	2	4.53%
Bacon Auto Country Inc				3,818,050	5	0.67%
Beard Wesley				3,308,850	7	0.58%
Builders Best Inc				3,307,340	8	0.58%
Panel Processing of Texas Inc.				3,180,280	9	0.56%
Murdock Larry & Ellen				3,039,890	10	0.53%
All Other	956,770,033		87.24%	475,599,905		83.06%
Total	$1,096,639,507		100.00%	$ 572,560,159		100.00%

Source: Cherokee County Appraisal District

TABLE 10

CITY OF JACKSONVILLE, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)

Fiscal Years	Taxes Levied for the Fiscal Year	Collected Within Year of the Levy: Current Year Amount	Collected Within Year of the Levy: Percentage of Levy	Total Collections to Date: Delinquent Collections in Subsequent Years	Total Collections to Date: Combined Amount	Total Collections to Date: Percentage of Levy
2016	$ 3,777	$ 3,563	94.34%	$ 40	$ 3,603	95.40%
2017	3,844	3,615	94.04%	62	3,677	95.66%
2018	3,864	3,829	99.09%	35	3,864	100.00%
2019	4,197	4,134	98.50%	54	4,188	99.77%
2020	4,692	4,532	96.59%	52	4,584	97.71%
2021	5,182	5,100	98.42%	82	5,182	100.00%
2022	5,235	5,188	99.11%	47	5,235	100.01%
2023	6,182	5,992	96.93%	112	6,104	98.73%
2024	6,693	6,358	94.99%	138	6,496	97.05%
2025	6,611	6,531	98.79%	-	6,531	98.79%

Source: Cherokee County Appraisal District

TABLE 11

CITY OF JACKSONVILLE, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)

Fiscal Years	Governmental Activities: General Obligation Bonds	Governmental Activities: Certificates of Obligation	Governmental Activities: Financed Purchases	Governmental Activities: Leases	Governmental Activities: Bank Loans & Promissory Note
2016	$ 6,952	$ 1,900	$ 192	$ -	$ -
2017	5,966	1,790	82	-	-
2018	4,954	1,675	-	-	-
2019	3,928	1,555	1,129	-	-
2020	2,876	11,434	1,366	-	409
2021	2,185	11,246	1,028	-	575
2022	1,478	15,830	680	45	1,755
2023	747	15,529	450	38	865
2024	-	19,457	212	34	728
2025	-	18,486	587	40	904

Fiscal Years	Business-type Activities: Certificates of Obligation	Business-type Activities: Financed Purchases	Total Primary Government	Percentage of Personal Income	Per Capita
2016	$ -	$ -	$ 9,044	1.87%	$ 605
2017	-	-	7,838	1.58%	527
2018	-	-	6,629	1.31%	440
2019	5,727	291	12,630	2.42%	834
2020	5,424	383	21,892	4.44%	1,564
2021	5,109	508	20,651	3.85%	1,472
2022	10,703	361	30,852	5.04%	2,187
2023	10,108	210	27,946	4.47%	1,938
2024	9,506	56	29,994	4.38%	2,025
2025	12,346	344	32,707	4.55%	2,186

TABLE 12

CITY OF JACKSONVILLE, TEXAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)

Fiscal Years	General Obligation Debt Payable from Ad Valorem Taxes: Total General Obligation Debt	Less: Amount Available in Debt Service	Total	Percentage of Actual Taxable Value of Property	Per Capita
2016	$ 8,852	$ 1,000	$ 7,852	1.37%	525
2017	7,756	762	6,994	1.20%	470
2018	6,629	564	6,065	1.00%	403
2019	5,483	336	5,147	0.82%	340
2020	14,310	155	14,155	2.01%	1,011
2021	13,430	154	13,276	1.70%	946
2022	17,308	203	17,105	2.14%	1,213
2023	16,275	248	16,027	1.69%	1,111
2024	19,457	325	19,132	1.78%	1,291
2025	18,486	342	18,144	1.65%	1,213

TABLE 13

CITY OF JACKSONVILLE, TEXAS

DIRECT AND OVERLAPPING

GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt Repaid with Property Taxes			
Jacksonville ISD	$ 50,195,000	47.05%	$ 23,616,748
Cherokee County	-	22.43%	-
Subtotal, Overlapping Debt			23,616,748
City of Jacksonville Direct Debt	20,017,136	100%	20,017,136
Total Direct and Overlapping Debt			43,633,884
Average Debt Per Capita			$ 2,916

Source: The Municipal Advisory of Texas (Texas MAC)

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Jacksonville. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

[1]Gross Debt. Please note that some debt may be supported by other revenues and thus be considered self-supporting debt. Using gross debt may overstate the actual amount of debt supported by ad valorem taxes.

TABLE 14

CITY OF JACKSONVILLE, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)

	Fiscal Year				
	2016	2017	2018	2019	2020
Total Taxable Assessed Value	$ 572,560	$ 582,726	$ 604,791	$ 630,981	$ 703,211
Annual payment	1,142	1,276	1,277	1,276	1,279
Debt limit	57,256	58,273	60,479	63,098	70,321
Total net debt applicable to limit	7,852	6,994	6,065	5,147	14,155
Legal debt margin	49,404	51,279	54,414	57,951	56,166

	Fiscal Year				
	2021	2022	2023	2024	2025
Total Taxable Assessed Value	$ 783,060	$ 799,576	$ 945,846	$ 1,072,746	$ 1,096,641
Annual payment	1,428	1,247	1,689	1,685	1,748
Debt limit	78,306	79,958	94,585	107,275	109,664
Total net debt applicable to limit	13,276	17,105	16,027	19,132	18,144
Legal debt margin	65,030	62,853	78,558	88,143	91,520

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed value	$ 1,243,894
Exempt real property	(147,254)
	1,096,640
Debt Limit (10% of assessed value)	109,664
Debt applicable to limit	
General Obligation Bonds	18,486
Less: Amount set aside for repayment of general obligation debt	342
Total net debt applicable to limit	18,144
Legal debt margin	$ 91,520

Note:

The Constitution of Texas in Article 11, section 5, limits the maximum amount that a home rule city can tax to $2.50 per $100 of valuation.

The Attorney General of Texas has created a rule for the guidance of home rule cites which states that bonds outstanding under this constitutional provision shall be on the basis of no greater than $1.50 per $100 of assessed valuation.

Calculations are based on a 20-year payment term and at an annual interest rate of 4%.

TABLE 15

CITY OF JACKSONVILLE, TEXAS

PLEDGED-REVENUE COVERAGE

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands)

	Water and Sewer Revenue Bonds					
				Debt Service		
Fiscal Years	Utility Service Charges	Less Operating Expenses*	Net Available Revenue	Principal	Interest	Coverage
2016	$ 4,665	$ 2,543	$ 2,122	$ -	$ -	N/A
2017	4,766	2,816	1,950	-	-	N/A
2018	5,573	3,204	2,369	63	-	37.56
2019	5,134	4,168	966	398	271	1.45
2020	5,644	3,157	2,487	407	174	4.28
2021	5,984	3,619	2,365	472	166	3.71
2022	6,089	4,744	1,345	746	258	1.34
2023	6,956	6,027	929	757	248	0.92
2024	7,040	3,956	3,084	867	280	2.69
2025	7,804	4,208	3,596	860	305	3.09

*Total operating expenses excluding depreciation
*Refer to Table 11 for total business-type debt

TABLE 16

CITY OF JACKSONVILLE, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

	Fiscal Year				
	2016	2017	2018	2019	2020
Population	14,955	14,884	15,064	15,138	13,997
Personal income (000s)	$ 484,258	$ 495,786	$ 505,156	$ 521,777	$ 493,324
Per capita personal income	$ 32,381	$ 33,310	$ 33,534	$ 34,468	$ 35,245
Median age	37.7	31.4	29.1	31.6	33.0
Education level in years of schooling Percentage with high school diploma or greater	71.4%	70.9%	71.4%	70.9%	66.8%
School enrollment	4,809	4,981	4,897	4,855	4,720
Unemployment rate	5.3%	4.1%	4.0%	3.6%	9.4%

	Fiscal Year				
	2021	2022	2023	2024	2025
Population	14,029	14,104	14,420	14,815	14,963
Personal income (000s)	$ 535,768	$ 611,775	$ 625,785	$ 684,764	$ 718,224
Per capita personal income	$ 38,190	$ 43,376	$ 43,397	$ 46,221	$ 48,000
Median age	31.0	38.8	30.8	28.5	29.5
Education level in years of schooling Percentage with high school diploma or greater	66.8%	52.5%	42.3%	76.6%	76.6%
School enrollment	4,750	4,750	4,795	4,950	4,645
Unemployment rate	5.4%	4.8%	4.6%	4.8%	4.7%

Sources: Texas Demographic Center
Bureau of Economic Analysis (BEA)
U.S. Census Bureau (American Community Survey)
Jacksonville Independent School District (JISD)
Bureau of Labor Statistics (BLS)

CITY OF JACKSONVILLE, TEXAS

PRINCIPAL EMPLOYERS

CURRENT YEAR

Employer	2025 Employees	Rank	Percentage of Total City Employment
Jacksonville Independent School District	946	1	26.0%
Christus Mother Frances Hospital/Clinic	385	2	10.6%
Wal-Mart Supercenter	305	3	8.4%
STS Recycling	281	4	7.7%
Bealls - Distribution Center	280	5	7.7%
Cardinal Health	260	6	7.1%
Federal Heath Sign Company	240	7	6.6%
UT Health Jacksonville	214	8	5.9%
Arrington Lumber and Pallet	175	9	4.8%
Duravent (Builder's Best)	170	10	4.7%
	3,256		89.5%
All Other	384		10.5%
Total	3,640		100.0%

The information for nine years ago is not available.

Source: Jacksonville Economic Development Corporation

CITY OF JACKSONVILLE, TEXAS

BUDGETED FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
General Fund				
Administration	5.00	7.00	4.50	3.00
Information Technology	0.00	0.00	0.00	1.00
Communications & Tourism	0.00	0.00	0.00	0.00
Human Resources	1.00	0.00	0.00	0.00
Finance	3.50	3.00	3.00	3.00
Municipal Court	3.50	4.00	4.00	4.00
Police	38.50	38.00	38.50	40.00
Code Enforcement	5.00	4.00	1.00	1.00
Animal Services	2.00	2.50	3.50	3.50
Fire / EMS	29.50	29.50	29.50	30.50
Public & Community Services Administration	0.00	0.00	0.00	2.00
Development & Facility Services	0.00	0.00	2.00	2.00
Traffic & Lighting	0.00	0.00	0.00	1.00
Streets & Infrastructure	6.50	8.50	8.50	7.00
Sanitation	0.00	0.00	0.00	9.00
Library	6.50	6.50	6.50	6.50
Museum	0.50	1.00	1.00	0.50
Parks	8.75	9.25	9.25	5.00
Recreation	0.00	0.00	0.00	3.20
Cemetery	2.50	1.50	2.00	2.00
Total General Fund	112.75	114.75	113.25	124.20
Tourism Funds				
Civic Center	0.00	0.00	0.00	0.00
Communications & Tourism	0.00	0.00	0.00	0.00
Total Tourism Funds	0.00	0.00	0.00	0.00
Utility Fund				
Communications & Tourism	0.00	0.00	0.00	0.00
Utility Billing	7.00	6.00	3.00	6.00
Public & Community Services Administration	2.00	1.00	1.50	2.00
Water Production	3.00	3.00	3.00	3.00
Water Distribution	2.00	2.00	5.00	3.00
Wastewater Collection	5.00	5.00	5.00	2.00
Wastewater Treatment	3.00	3.00	3.00	5.00
Geographic Information Systems	0.00	0.00	0.00	1.00
Total Utility Fund	22.00	20.00	20.50	22.00
Lake Jacksonville Fund	1.00	1.50	2.00	0.00
Sanitation Fund	7.00	7.00	9.00	0.00
Management Information Systems Fund	0.00	1.00	2.00	0.00
Total Closed Funds	8.00	9.50	13.00	0.00
Grand Total	142.75	144.25	146.75	146.20

Source: City Budget Book

Fiscal Year					
2020	2021	2022	2023	2024	2025
3.00	3.00	4.00	4.00	4.00	4.00
1.00	0.00	0.00	0.00	0.00	0.00
0.33	0.33	0.33	0.33	0.33	0.00
0.00	0.00	1.00	1.00	1.00	1.00
3.00	3.00	3.00	2.00	3.00	3.00
4.00	4.00	4.00	4.00	3.00	3.00
40.00	39.50	39.50	40.50	42.50	42.50
1.00	2.00	2.00	2.00	3.00	3.00
3.50	3.50	3.50	3.50	4.00	4.00
30.50	31.50	31.50	31.50	31.00	31.00
2.00	1.00	1.00	1.00	1.00	0.00
2.00	2.00	3.00	3.00	3.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
7.00	7.00	7.00	6.00	6.00	6.00
1.00	1.00	1.00	1.00	1.00	1.00
6.50	6.50	6.50	6.50	6.50	6.50
0.50	0.50	0.50	0.50	0.50	0.50
6.00	6.00	6.00	6.00	7.00	9.72
3.20	1.47	1.47	1.48	2.03	1.10
1.00	1.00	1.00	1.00	1.00	1.00
116.53	114.30	117.30	116.31	120.86	122.32
0.00	0.00	0.00	0.00	3.00	1.28
0.33	0.33	0.33	0.33	0.33	0.00
0.33	0.33	0.33	0.33	3.33	1.28
0.33	0.33	0.33	0.33	0.33	0.00
3.00	4.00	4.00	4.00	4.00	4.00
2.00	2.00	2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	3.50	3.50
2.00	3.00	3.00	3.00	3.50	3.50
5.00	5.00	5.00	4.00	4.00	4.00
0.00	0.00	0.00	0.00	0.00	0.00
18.33	20.33	20.33	19.33	20.33	20.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
135.19	134.96	137.96	135.97	144.52	143.60

CITY OF JACKSONVILLE, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
Function/Program				
Police				
Calls for service	15,616	16,166	16,493	22,074
Avg. response time per call (minutes)	2	3	4	4
Clearance rate	64%	48%	50%	53%
Fire / EMS				
Number of calls answered- Fire	1,100	1,150	1,090	1,112
Number of calls answered- EMS	3,400	3,420	3,150	3,130
Reports processed	4,860	4,930	4,606	4,604
Inspections	360	360	366	362
Highway and Streets				
Street maintenance - man hours	14,913	16,640	15,349	14,215
Sanitation				
Annual tonnage at landfill	8,145	6,473	9,445	8,936
Culture and Recreation				
Park maintenance - man hours	13,600	14,300	14,068	14,574
Swimming pool attendance	3,545	3,326	6,000	6,200
Water				
Water meters read	80,472	80,844	64,740	71,424
Work orders processed	14,550	13,870	12,973	9,885
Total water consumption (thousands of gallons)	761,168	770,152	946,680	903,100
Cost per thousand gallons	$ 1.52	$ 1.53	$ 1.43	$ 2.89
Wastewater				
Average daily sewage treatment (thousands of gallons)	2,800	2,482	2,963	2,763

Sources: Various City departments

Fiscal Year					
2020	2021	2022	2023	2024	2025
21,496	27,021	22,160	19,094	22,966	20,403
3	5	9	7	6	3
63%	63%	83%	93%	92%	90%
1,092	1,250	977	1,034	1,656	1,617
3,345	2,878	2,559	3,007	2,354	2,480
4,791	4,526	3,826	4,297	4,193	4,304
354	398	290	256	183	207
15,629	11,282	12,557	10,802	16,005	14,308
8,645	8,074	8,624	6,982	5,975	6,545
13,049	12,747	10,202	11,348	15,313	16,640
2,500	3,640	6,144	3,800	5,833	3,187
66,000	66,148	66,698	66,739	66,739	66,504
12,948	4,383	2,464	3,359	3,568	4,608
880,734	916,244	943,477	908,209	823,160	841,646
$ 2.79	$ 2.53	$ 1.99	$ 1.51	$ 2.08	$ 2.00
2,088	3,250	3,185	2,488	2,952	2,976

CITY OF JACKSONVILLE, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
Function/Program				
Public Safety				
Police stations	1	1	1	1
Fire stations	2	2	2	2
Highway and Streets				
Streets- City (miles)	133.02	133.02	133.02	133.02
Streets- State Highway (miles)	24.17	24.17	24.17	24.17
Area in square miles	14.1	14.1	14.1	14.1
Culture and Recreation				
Libraries	1	1	1	1
Museums	1	1	1	1
Parks acreage	357	357	357	357
Swimming pools	1	1	1	1
Picnic areas and playgrounds	15	15	15	15
Cemeteries	2	2	2	2
Recreation center	1	1	1	1
Disc Golf Course	1	1	1	1
Basketball courts	7	7	7	7
Tennis courts	6	6	6	6
Camping sites	27	27	27	27
Boat ramps	3	3	3	3
Public swimming areas	2	2	2	2
Community garden	1	1	1	1
Amphitheater	-	-	-	-
Water				
Water main (miles)	100 +	100 +	100 +	100 +
Average daily consumption (millions of gallons)	2.09	2.11	2.59	2.84
Sewer				
Sanitary sewers (miles)	100 +	100 +	100 +	100 +
Maximum treatment capacity (millions of gallons)	2.9	2.9	2.9	2.9

Sources: Various City departments

Fiscal Year					
2020	2021	2022	2023	2024	2025
1	1	2	2	2	2
2	2	2	2	2	2
133.02	133.02	133.02	133.02	133.02	133.02
24.17	24.17	24.17	24.17	24.17	24.17
14.1	14.1	14.1	14.1	14.1	14.1
1	1	1	1	1	1
1	1	1	1	1	1
357	357	357	357	357	357
1	1	1	1	1	1
15	15	15	15	15	15
2	2	2	2	2	2
-	-	1	1	1	1
1	1	1	1	1	1
7	7	7	7	7	7
6	6	6	6	6	6
27	27	27	27	27	27
3	3	3	2	3	4
2	2	2	2	2	2
1	1	1	1	1	1
-	-	-	-	-	1
100 +	100 +	100 +	100 +	100 +	100 +
2.41	2.51	2.58	2.49	2.26	2.31
100 +	100 +	100 +	100 +	100 +	100 +
2.9	2.9	2.9	2.9	2.9	2.9

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Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	10.
DEPARTMENT:	Community and Public Services	PREPARED BY:	
INITIATED BY:		EXHIBITS:	JV - Cont Docs Rev1, JV - Tx CDBG Sewer Imp Plans, Bid Tab - JV CDV23-0193 Sewer, A509 - CDV23-0193_Jacksonville Construction Award Details, Award Rec_JV TxCDBG Swr
ITEM TITLE:	DISCUSS AND CONSIDER ACTION TO AWARD CONSTRUCTION CONTRACT, BASED ON THE ENGINEER'S RECOMMENDATION, TO PERFORM SEWER IMPROVEMENTS ASSOCIATED WITH THE CITY OF JACKSONVILLE'S TDA GRANT #CDV23-0193		

EXECUTIVE SUMMARY:

Request that the City Council award the construction contract for the installation of new sanitary sewer main line as part of the submission of an application for the Community Development Block Grant (CDBG) from the United States Department of Housing and Urban Development (HUD) for utility infrastructure improvements to include replacing a sewer line main on Sycamore Street and section of sewer main near Nichols Green Park. The Texas Department of Agriculture opens an infrastructure grant to non-entitlement communities every year. The primary objective of the CDBG program is to develop viable communities by providing decent housing and suitable living environments and expanding economic opportunities principally for persons of low- to moderate-income. All projects funded through the CDBG program typically meet the first national objective (benefit low- and moderate-income persons) by benefiting at least 51 percent low- to moderate-income persons, which is defined as those who earn equal to or less than 80 percent of the area median family income figure (where the area is a metropolitan statistical area or a non-metropolitan county) or earn equal to or less than less than 80 percent of the statewide non-metropolitan median family income figure, as defined under the United States Department of Housing and Urban Development Section 8 Housing Assistance Program. The City of Jacksonville as a community currently meets the national objective as the community is at 59 percent low to moderate income, which exceeds the 51 percent requirement. Additionally, eligible applicants must be non-entitlement cities under 50,000 in population and non-entitlement counties that have a non-metropolitan population under 200,000 and are not eligible for direct CDBG funding from HUD. The City of Jacksonville is a non-entitlement community and meets this definition for eligibility.

The Public Works department has identified two projects that qualified for the CDBG grant program. The first project is the Sycamore Street Sewer 8” Sewer Main Improvements from US Hwy 79 to Sunset Ave. The second project is for the Nichols Green Sewer Main replacement near FM 768.

RECOMMENDED ACTION:

Stokes & Associates, Inc. recommends Dynasty Development to be awarded the construction contract.

BID AND AWARD:

Dynasty Development bid $219,482 for the Nichols Green Sewer Main and $197,721 for the Sycamore Street Sewer Improvements. For a combined total of $417,203.

BUDGET DATA:

Our budget for this project is a 15% match of the grant proceeds.

BUDGET JUSTIFICATION:

STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
1.2 Leverage the talent and input of citizens ☐	2.2 Parks, recreation, and community building ☐	3.2 Proactively seek process improvements ☐	4.2 Strengthen routine maintenance programs ☐	5.2 Leverage and maximize City facilities ☐
1.3 Transparent and engaging communication ☐	2.3 Community policing and crime prevention ☐	3.3 Ensure financial stability and stewardship ☐	4.3 Adopt a capital improvement program ☐	5.3 Disasters and emergencies ☐
1.4 Ensure value of services ☐	2.4 Preserve and revitalize existing neighborhoods ☐	3.4 Pursue partnerships and grants ☐	4.4 Protect natural resources ☐	5.4 Comprehensive community planning ☐

POLICY/GOAL CONSIDERATION:

LEGAL:

STOKES & ASSOCIATES, INC.
CONSULTANT ENGINEERS

CONTRACT DOCUMENTS
AND
SPECIFICATIONS
FOR
CITY OF JACKSONVILLE
TxCDBG CDV23 - 0193
SEWER IMPROVEMENTS

FEBRUARY 2026

2/17/26



PREPARED FOR:

CITY OF JACKSONVILLE
315 S RAGSDALE STREET
JACKSONVILLE, TEXAS 75766

205 South Marshall Street ● PO Box 1114 ● Henderson, Texas 75653-1114 ● Telephone (903)657-7558 ● Fax (903)657-7864
Firm Registration No. F - 967

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- Advertisement for Bids
- Information for Bidders
- Instruction to Bidders (TDA)
- Statement of Bidder's Qualifications
- Non-collusion Affidavit of Prime Bidder
- Contractor Certifications Regarding Civil Rights
- Conflict of Interest Questionnaire – Form CIQ
- Wage Rate Determination
- Contractor's Local Opportunity Plan
- Certification Regarding Lobbying
- Child Support Statement
- State of Texas Child Support Business Ownership Form
- Bid Proposal
- Sales Tax Exemption
- Bid Bond

CONTRACT DOCUMENTS

- Performance Bond
- Payment Bond
- Maintenance Bond
- Standard Form of Agreement
- Certificate of Insurance

GENERAL CONDITIONS

- TDA General Conditions for Construction – Part I
- Standard General Conditions of the Construction Contract
- Special Conditions
- HUD Section 3
- Federal Labor Standards Provisions (HUD-4010)
- Certification Concerning Labor Standards and Prevailing Wage Requirements
- Buy America, Build America (BABA) Compliance
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- Sewer Main Construction
- Street Construction

APPENDIX

- Project Sign Specifications

BID DOCUMENTS

ADVERTISEMENT FOR BIDS

SEALED PROPOSALS addressed to the City Manager, City of Jacksonville, Texas will be received until 10:30 a.m., Thursday, March 5, 2026, at Jacksonville City Hall, 315 S. Ragsdale Street, Jacksonville, Texas 75766, for the TxCDBG CDV23 – 0193 SEWER IMPROVEMENTS. Bids will be opened and publicly read at 10:30 a.m., Thursday, March 5, 2026, in the Council Meeting Room at Jacksonville City Hall.

PLANS AND SPECIFICATIONS may be examined without charge in the office of the City Clerk. Bid forms, plans, specifications and contract documents may be viewed and downloaded free of charge at www.civcastusa.com.

The project basically consists of the following:

> Installation of approximately 3,500 LF of 8" diameter PVC sanitary sewer gravity main at two (2) locations within the City including manholes, sewer services, by-pass pumping, asphalt pavement reconstruction and all other components necessary for a complete and operational installation.

A Bidder's Bond, Certified or Cashier's Check in an amount of not less than five percent (5%) of the total bid shall accompany each bid as a guarantee that, if awarded the contract, the bidder will promptly enter into contract with the City of Jacksonville.

The successful bidder will be required to furnish a Performance Bond, Payment Bond and Maintenance Bond as well as proof of statutory worker's compensation insurance. Attention is called to the fact that no less than the federally determined prevailing (Davis-Bacon and Related Acts) wage rate, as issued by the Texas Department of Agriculture Office of Rural Affairs and contained in the contract documents, must be paid on this project. In addition, the successful bidder must ensure that employees and applicants for employment are not discriminated against because of race, color, religion, sex, sexual identity, gender identity, or national origin.

The City of Jacksonville reserves the right to reject any or all bids or to waive any informalities in the bidding.

Bids may be held by the City of Jacksonville for a period not to exceed sixty (60) days from the date of the bid opening for the purpose of reviewing the bids and investigating the bidder's qualifications prior to the contract award. All contractors/subcontractors that are debarred, suspended or otherwise excluded from or ineligible for participation on federal assistance programs may not undertake any activity in part or in full under this project.

CITY OF JACKSONVILLE

Advertisement dates:
Wednesday, February 18, 2026
Wednesday, February 25, 2026

INFORMATION FOR BIDDERS

BIDS will be received by the City of Jacksonville, Texas (herein called the "OWNER"), at the office of the City Manager, City Hall, 315 S. Ragsdale Street, Jacksonville, Texas 75766 for the TxCDBG CDV23 – 0193 SEWER IMPROVEMENTS until 10:30 a.m., Thursday, March 5, 2026, then at said location publicly opened and read aloud.

Each BID must be submitted in a sealed envelope, addressed to the City of Jacksonville, Texas. Each sealed envelope containing a BID must be plainly marked on the outside as BID for the TxCDBG CDV23 – 0193 SEWER IMPROVEMENTS (herein called the PROJECT), and the envelope should bear on the outside the name of the BIDDER, his address and his license number if applicable. If forwarded by mail, the sealed envelope containing the BID must be enclosed in another envelope addressed to the OWNER at the office of the City Manager, City Hall, City of Jacksonville, 315 S. Ragsdale Street, Jacksonville, Texas 75766.

All BIDS must be made on the required BID form. All blank spaces for BID prices must be filled in, in ink or typewritten, and the BID must be fully completed and executed when submitted. BIDDERS must bid on all items in the bid proposal. Only one copy of the BID form is required.

BIDS may be withdrawn anytime before the BID opening. BIDS submitted may be modified by the contractor at any time prior to BID opening. Erasures or other changes in the BIDS must be explained or noted over the signature of the BIDDER. BIDS may not be withdrawn or modified after the BID opening unless the award of the contract has been delayed more than 60 days.

The OWNER may waive any informalities or minor defects or reject any and all BIDS. Any BID may be withdrawn prior to the above scheduled time for the opening of BIDS or authorized postponement thereof. Any BID received after the time and date specified shall not be considered. No BIDDER may withdraw a BID within 60 days after the actual date of the opening thereof. Should there be reasons why the contract cannot be awarded within the specified period, the time may be extended by mutual agreement between the OWNER and the BIDDER.

BIDDERS must satisfy themselves of the accuracy of the estimated quantities in the BID SCHEDULE by examination of the site and a review of the drawings and specifications including ADDENDA. After BIDS have been submitted, the BIDDER shall not assert that there was a misunderstanding concerning the quantities of WORK or the nature of the WORK to be done.

No oral interpretation will be made to any BIDDER as to the meaning of the CONTRACT DOCUMENTS or any part thereof. Every request for such an interpretation shall be made in writing to the ENGINEER. Any inquiry received 48 hours prior to the date and time fixed for opening of BIDS will be given consideration.

Every interpretation made to a BIDDER will be in the form of an ADDENDUM to the CONTRACT DOCUMENTS, and when issued, will be on file in the office of the OWNER and the office of the ENGINEER. In addition, all ADDENDA will be mailed to each person holding CONTRACT DOCUMENTS, but it shall be the BIDDERS' responsibility to make inquiry as to the ADDENDA issued. All such ADDENDA shall become a part of the CONTRACT and all BIDDERS shall be bound by such ADDENDA whether or not received by the BIDDERS.

The OWNER shall provide to BIDDERS prior to BIDDING, all information which is pertinent to, and delineates and describes, the land owned and rights-of-way acquired or to be acquired.

This CONTRACT is issued by the City of Jacksonville, an organization which qualifies for exemption pursuant to the provisions of the Texas Limited Sales, Excise and Use Tax Act. The CONTRACTOR or SUB-CONTRACTORS performing work under this CONTRACT may purchase all materials used or consumed in the performance of work on this CONTRACT by issuing to his suppliers an exemption certificate in lieu of the tax. Tax exemption certificates issued by the CONTRACTOR in lieu of the tax shall be subject to the provisions of the State Comptroller's ruling.

The CONTRACT DOCUMENTS contain the provisions required for the construction of the PROJECT. Information obtained from an officer, agent, or employee of the OWNER or any other person shall not affect the risks or obligations assumed by the CONTRACTOR or relieve him from fulfilling any of the conditions of the CONTRACT.

Each BID must be accompanied by a BID BOND payable to the OWNER for five percent (5%) of the total amount of the BID. As soon as the BID prices have been compared, the OWNER will return the BONDS of all except the three lowest responsible BIDDERS. When the Agreement is executed the bonds of the two remaining unsuccessful BIDDERS will be returned. The BID BOND of the successful BIDDER will be retained until the payment BOND and performance BOND have been executed and approved after which it will be returned. A certified check may be used in lieu of a BID BOND.

A performance BOND and a payment BOND, each in the amount of 100 percent of the CONTRACT PRICE, with a corporate surety approved by the OWNER, will be required for the faithful performance of the CONTRACT.

Attorneys-in-fact who sign BID BONDS or payment BONDS and performance BONDS must file with each BOND a certified and effective date copy of their power of attorney.

The party to whom the CONTRACT is awarded will be required to execute the Agreement and obtain the performance BOND and payment BOND within fifteen (15) calendar days from the date when NOTICE OF AWARD is delivered to the BIDDER. The NOTICE OF AWARD shall be accompanied by the Necessary Agreement and BOND forms. In case of failure of the BIDDER to execute the Agreement, the OWNER may at his option consider the BIDDER in default, in which case the BID BOND accompanying the proposal shall become the property of the OWNER.

The OWNER within fifteen (15) days of receipt of acceptable performance BOND, payment BOND and Agreement signed by the party to whom the Agreement was awarded shall sign the Agreement and return to such party an executed duplicate of the Agreement. Should the OWNER not execute the Agreement within such period, the BIDDER may by WRITTEN NOTICE withdraw his signed Agreement. Such notice of withdrawal shall be effective upon receipt of the notice by the OWNER.

The NOTICE TO PROCEED shall be issued within fifteen (15) days of the execution of the Agreement by the OWNER. Should there be reasons why the NOTICE TO PROCEED cannot be issued within such period, the time may be extended by mutual agreement between the OWNER and the CONTRACTOR. If the NOTICE TO PROCEED has not been issued within fifteen (15) day period or within the period mutually agreed upon, the CONTRACTOR may terminate the Agreement without further liability on the part of either party.

Each BIDDER shall upon request of the OWNER submit on the form furnished for that purpose (a copy of which will be furnished by the OWNER), a statement of the BIDDER'S qualifications, his experience record in constructing the type of improvements embraced in the CONTRACT, his organization and equipment available for the work contemplated, and, when specifically requested by the OWNER, a detailed financial statement. The OWNER may make such investigations as he deems necessary to determine the ability of the BIDDER to perform the work, and the BIDDER shall furnish to the OWNER all such information and data for this purpose as the OWNER may request. The OWNER reserves the right to reject any BID if the evidence submitted by, or investigation of, such BIDDER fails to satisfy the OWNER that such BIDDER is properly qualified to carry out the obligations of the Agreement and to complete the WORK contemplated therein.

A conditional or qualified BID will not be accepted.

In the event there is more than one bid item in the bidding schedule, the BIDDER shall furnish a price for all bid items in the schedule, and failure to do so will render the proposal informal and may cause its rejection. The BIDDER shall state in figures the unit prices or the specific sums as the case may be, for which he proposes to supply the labor, materials, supplies or machinery and completely perform the CONTRACT. The total amount of each item bid and the total amount of the bid shall be stated in words and figures. In the event words and figures do not agree, the words shall govern and

the figures shall be disregarded. If the unit price and the total amount named by a BIDDER for any item are not in agreement, the unit price alone will be considered as representing the BIDDER'S intention and the total will be corrected to conform thereto.

The unit price for each of the several items in the proposal of each BIDDER shall include its prorata share of overhead so that the sum of the products obtained by multiplying the quantity shown for each item by the unit price Bid represents the total bid. Any Bid not conforming to this requirement may be rejected as informal. The special attention of all BIDDERS is called to this provision, for should conditions make it necessary to revise the quantities, no limit will be fixed for such increased or decreased quantities nor extra compensation allowed, provided the net monetary value of all such additive subtractive changes in quantities of such items of work (i.e., difference in cost) shall not increase or decrease the original contract price by more than twenty-five (25%) percent, except for work not covered in the Technical Specifications as provided for in the General Conditions.

If the CONTRACT is awarded, it will be awarded by the OWNER to a responsive, responsible BIDDER on the basis of the lowest Bid and the selective Alternative Bid items, if any. The CONTRACT will require the completion of the work according to the CONTRACT DOCUMENTS.

All applicable laws, ordinances, and the rules and regulations of all authorities having jurisdiction over construction of the PROJECT shall apply to the CONTRACT throughout.

INSTRUCTION TO BIDDERS FOR CONSTRUCTION

1. Use of Separate Bid Forms

These contract documents include a complete set of bid and contract forms which are for the convenience of the bidders and are not to be detached from the contract document, completed or executed. Separate bid forms are provided for your use.

2. Interpretations or Addenda

No oral interpretations will be made to any bidder. Each request for clarification shall be made in writing to the Grant Recipient or engineer no less than seven (7) days prior to the bid opening. Each interpretation made will be in the form of an Addendum to the contract documents and will be distributed to all parties holding contract documents no less than seven (7) days prior to the bid opening. It is, however, the bidder's responsibility to make inquiry as to any addenda issued. All such addenda shall become part of the contract documents and all bidders shall be bound by such addenda, whether or not received by the bidders.

If an addendum to the bid package is necessary, it must be distributed to each potential bidder. The distribution of an addendum shall be verified either by statements of receipt or registered/certified mail receipts, which shall be included in the public works construction file. The addendum shall allow adequate time for consideration in bid preparation (usually at least one week). If adequate time is not available, the bid opening date must be extended and the Grant Recipient must republish the invitation for bids containing the place, time, and date for the new bid opening. Note that any change to the original bid opening date will require republication of the invitation for bids at least once in a locally published newspaper. The republished notice will include the place, time and date for the new bid opening and must be published at least seven days prior to the new bid opening date.

3. Inspection of Site

Each bidder should visit the site of the proposed work and should become acquainted with the existing conditions and facilities, the difficulties and restrictions pertaining to the performance of the contract. The bidder should thoroughly examine and become familiar with the drawings, technical specifications and all other contract documents. The contractor by the execution of the contract shall in no way be relieved of any obligation under it due to failure to receive or examine any form or legal document or to visit the site or the conditions existing at the site. The City will be justified in rejecting any claim based on lack of inspection of the site prior to the bid.

4. Alternate bid items

No alternate bids or bid items will be considered unless they are specifically requested by the technical specifications.

OR

If Alternate A is selected, bid items 1 and 2 will be removed entirely from the base bid and replaced with alternate bid items A1 and A2 prior to determining the low bidder.

OR

If Deductive Alternate A is selected, the unit price for each corresponding base bid item will be applied to each deductive bid item. Do not alter the unit price in calculating the Deductive Alternate.

5. Bids

a. All bids must be submitted on the forms provided and are subject to all requirements of the Contract Documents, including the Drawings.

b. All bids must be regular in every respect and no interlineation, excisions or special conditions may be made or included by the bidder.

c. Bid documents, including but not limited to the bid, the bid bond(s), the contractor's certifications, local opportunity plan, and the statement of the bidder's qualifications, shall be sealed in an envelope and clearly labeled with the words "Bid Documents", the project number, name of bidder and the date and time of bid opening.

d. The City may consider as irregular any bid on which there is an alteration of or departure from the bid form and, at its option, may reject any irregular bid.

e. If a contract is awarded, it will be awarded to a responsible bidder on the basis of the lowest/best bid and the selected alternate bid items, if any. The contract will require the completion of the work in accordance with the contract documents.

6. Bid Modifications Prior to Bid Opening

a. Any bidder may modify its bid by submitting a modification or supplemental bid at any time prior to the scheduled closing time for receipt of bids, provided such modification or supplemental bid is received by the locality prior to the closing time. The modification or supplemental bid should not reveal the original bid price but should provide only the addition, subtractions or other modifications to the original bid so that the final prices or terms will not be known by the locality until the sealed bid is open.

7. Bid Bond

a. A bid bond in the amount of 5% of the bid issued by an acceptable surety shall be submitted with each bid [for contracts greater than $100, 000,]. A certified check or bank draft payable to the locality or negotiable U.S. Government Bonds (as par value) may be submitted in lieu of the Bid Bond.

b. The bid bond or its comparable will be returned to the bidder as soon as practical after the opening of the bids.

8. Statement of Bidders Qualifications

Each bidder shall submit on the form furnished for that purpose a statement of the bidder's qualifications. The Grant Recipient shall have the right to take such steps as it deems necessary to determine the ability of the bidder to perform its obligations under the contract, and the bidder shall furnish the Grant Recipient all such information and data for this purpose as it may request. The right is reserved to reject any bid where an investigation of the available data does not satisfy the Grant Recipient that the bidder is qualified to carry out properly the terms of the contract.

9. Unit Price

The unit price for each of the several items in the bid shall include its pro rata share of overhead so that the sum of the products obtained by multiplying the quantity shown for each item by the unit price bid represents the total bid. Any bid not conforming to this requirement may be rejected as informal.

Sum the products of the quantities and the unit prices bid in the proposal form, including any selected alternates, to determine the official total bid amount. The official total bid amount is the basis for determining the apparent low Bidder. The total bid amounts will be compared and the results made public.

Special attention is drawn to this condition, as the unit prices will be used to determine the total bid price and the

amount of any change orders resulting from an increase or decrease in quantities.

10. Corrections

Erasures or other corrections in the bid must be noted over the signature of the bidder.

11. Time for Receiving Bids

Bids received prior to the advertised hour of opening shall be kept securely sealed. The officer appointed to open the bids shall decide when the specified time has arrived and no bid received thereafter will be considered; except that when a bid arrives by mail after the time fixed for opening, but before the reading of all other bids is completed, and it is shown to the satisfaction of the Grant Recipient that the late arrival of the bid was solely due to delay in the mail for which the bidder was not responsible, such bid will be received and considered.

12. Opening of Bids

The City shall, at the time and place fixed for the opening of bids, open each bid and publicly read it aloud, irrespective of any irregularities therein. Bidders and other interested individuals may be present.

13. Withdrawal of Bids

Bidder may withdraw the bid before the time fixed for the opening of bids, by communicating its purpose in writing to the Grant Recipient. Upon receipt of such notice, the unopened bid will be returned to the bidder. The bid guaranty of any bidder withdrawing his bid will be returned promptly.

14. Award of Contract/Rejection of Bids

a. The contract will be awarded to the responsive, responsible Bidder submitting the lowest/best bid. The bidder selected will be notified at the earliest possible date. The locality reserves the right to reject any or all bids and to waive any informality in bids received where such rejection or waiver is in its interest.

b. The Grant Recipient reserves the right to consider as unqualified to do the work any bidder who does not habitually perform with his own forces the major portions of the work involved in construction of the improvements embraced in this contract.

15. Execution of Agreement/Performance and Payment Bonds

a. Performance Bonds - Requires all prime contractors which enter into a formal contract in excess of $100,000 with the State, a city, or a municipality; a department, board, or agency of the state, a county, or a municipality; and a school district or a subdivision thereof, to obtain a Performance Bond in the amount of the contract before commencing with work

b. Payment Bonds- Requires all prime contractors which enter into a formal contract with the State, a city, or a municipality; a department, board, or agency of the state, a county, or a municipality; and a school district or a subdivision thereof, to furnish to the governmental entity a payment bond in the amount of the contract. The payment bond must be filed within 30 days from the date of the Notice of Award:

- Municipalities: If the contract is in excess of $50,000, a payment bond is required.

c. The failure of the successful bidder to execute the agreement and supply the required bonds within thirty (30) days from the date of the notice of award-or within such extended period as the locality may grant, shall constitute a default and the locality may, at its option, either award the contract to the next lowest responsible bidder, or re-advertise for bids. In either case, the locality may charge

against the bidder the difference between the amount of the bid, and the amount for which a contract is subsequently executed irrespective of whether this difference exceeds the amount of the bid bond. If a more favorable bid is received through re-advertisement, the defaulting bidder shall have no claim against the locality for a refund.

16. Equal Employment Opportunity

Attention is called to the requirements for ensuring that employees and applicants for employment are not discriminated against because of race, color, religion, sex, sexual identity, gender identity, or national origin, and other civil rights requirements.

17. Certification Regarding Lobbying –

Contractors who apply or bid for an award of $100,000 or more shall provide the required certification that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer of employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC § 1352.

STATEMENT OF BIDDER'S QUALIFICATIONS

All questions must be answered and the data given must be clear and comprehensive. **This statement must be notarized.** If necessary, questions may be answered on separate attached sheets. The Bidder may submit any additional information it desires.

Date: _____

Bidder (Legal Name of Firm):_____

Date Organized:_____

Address :_____

_____:_____

Date Incorporated_____

Federal ID Number: _____

Number of Years in contracting business under present name_____

List all other names under which your business has operated in the last 10 years:

_____

_____

Work Presently Under Contract:

Contract	Amount $	Completion Date

Type of work performed by your company: _____

Total Staff employed by Firm (Break down by Managers and Trades on separate sheet):

_____

_____

_____

Have you ever failed to complete any work awarded to you?☐ Yes ☐ No
(If yes, please attach summary of details on a separate sheet. Include brief explanation of cause and resolution)

Have you ever defaulted on a contract?☐ Yes ☐ No
(If yes, please attach summary of details on a separate sheet.)

Has your organization had any disbarments or suspensions that have been imposed in the past five years or that was still in effect during the five year period or is still in effect? ☐ Yes ☐ No

(If yes, list and explain; such list must include disbarments and suspensions of officers, principals, partners, members, and employees of your organization.)

List the projects most recently completed by your firm (include project of similar importance):

Project Amount $ Mo/Yr Completed

_____

_____

_____

Major equipment available for this contract: _____

_____

_____

Are you in compliance with all applicable EEO requirements? ☐ Yes ☐ No
(If no, please attach summary of details on a separate sheet.))

Bank References

Address: _____ Contact Name: _____

City & State: _____Zip: _____Phone Number: _____

Credit available: $ _____

Has the firm or predecessor firm been involved in a bankruptcy or reorganization? ☐ Yes ☐ No
(If yes, please attach summary of details on a separate sheet.)

List on a sheet attached hereto all judgements, claims, arbitration proceedings, or suits pending or outstanding against bidder over the last five (5) years with amount of claim and brief description.

List on a sheet attached hereto all lawsuits or requested arbitration with regard to construction contracts which bidder has initiated within the last five (5) years and brief explanation of claim and outcome.

Attach resume(s) for the principal member(s) of your organization, including the officers as well as the proposed superintendent for the project.

Signed this _____ day of _____, 20____.

_____
Signature

_____
Printed Name and Title

_____
Company Name

Notary Statement:

_____, being duly sworn, says that he/she is the _____Position/Title_____of_____ (Firm Name), and hereby swears that the answers to the foregoing questions and all statements therein contained are true and correct. He/she hereby authorizes and requests any person, firm, or corporation to furnish any information requested City/County of _____ in verification of the recitals comprising this Statement of Bidder's Qualifications.

Subscribed and sworn before me this _____day of _____, 20____.

Notary Public

_____
Signature

_____
Printed Name

My Commission Expires: _____,

The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U.S.C. 1001.

NONCOLLUSION AFFIDAVIT OF PRIME BIDDER

State of Texas)

County of _____)

_____, being first duly sworn, deposes and says that:

(1) He/She is _____ of _____, the Bidder that has submitted the attached Bid;

(2) He/She is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;

(3) Such Bid is genuine and is not a collusive or sham Bid;

(4) Neither the said Bidder nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with another Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, firm or person to fix the price or prices in the attached Bid or of any other Bidder, or to fix an overhead, profit or cost element of the Bid price or the Bid price of any other Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the _____ (Local Public Agency) or any person interested in the proposed Contract; and

(5) The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

(Signed) _____

_____
Title

Subscribed and sworn to me this _____ day of _____.

By: _____
Notary Public

My commission expires _____

U.S. Department of Housing and Urban Development

CERTIFICATION OF BIDDER REGARDING CIVIL RIGHTS LAWS AND REGULATIONS

INSTRUCTIONS

CERTIFICATION OF BIDDER REGARDING Executive Order 11246 and Federal Laws Requiring Federal Contractor to adopt and abide by equal employment opportunity and affirmative action in their hiring, firing, and promotion practices. This includes practices related to race, color, gender, religion, national origin, disability, and veterans' rights.

NAME AND ADDRESS OF BIDDER (include ZIP Code)

CERTIFICATION BY BIDDER

Bidder has participated in a previous contract or subcontract subject to Civil Rights Laws and Regulations.

☐ Yes ☐ No

The undersigned hereby certifies that:

☐ The Provision of Local Training, Employment, and Business Opportunities clause (Section 3 provision) is included in the Contract.

☐ The Equal Opportunity clause is included in the Contract (if bid equals or exceeds $10,000).

Have you ever been or are you being considered for sanction due to violation of Executive Order 11246, as amended?

☐ Yes ☐ No

NAME AND TITLE OF SIGNER (Please type)

SIGNATURE DATE

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

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

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

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

OFFICE USE ONLY

Date Received

1 **Name of vendor who has a business relationship with local governmental entity.**

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information is being disclosed.**

_____

Name of Officer

4 **Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

5 **Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.**

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

_____ _____

Signature of vendor doing business with the governmental entity Date

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

***

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

"General Decision Number: TX20260084 01/02/2026

Superseded General Decision Number: TX20250084

State: Texas

Construction Type: Heavy

Counties: Cass, Cherokee, Erath, Fannin, Franklin, Hood, Hopkins, Marion, Montague, Morris, Nacogdoches, Navarro, Palo Pinto, Panola, Rains, Red River, Somervell, Titus, Van Zandt and Wood Counties in Texas.

HEAVY CONSTRUCTION PROJECTS

Modification Number	Publication Date
0	01/02/2026

SUTX2009-129 04/21/2009

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER	$ 13.00	0.00
LABORER: Common or General	$ 8.61	0.00
LABORER: Pipelayer	$ 9.94	0.00
OPERATOR: Backhoe/Trackhoe	$ 11.75	0.00
OPERATOR: Bulldozer	$ 14.25	0.00
OPERATOR: Loader (Front End)	$ 11.52	0.00
TRUCK DRIVER	$ 10.80	0.26

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at https://www.dol.gov/agencies/whd/government-contracts.

Note: Executive Order 13658 generally applies to contracts subject to the Davis-Bacon Act that were awarded on or between January 1, 2015 and January 29, 2022, and that have not been renewed or extended on or after January 30, 2022. Executive Order 13658 does not apply to contracts subject only to the Davis-Bacon Related Acts regardless of when they were awarded. If a contract is subject to Executive Order 13658, the contractor must pay all covered workers at least $13.30 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2025. The applicable Executive Order minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under Executive Order 13658 is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses

(29CFR 5.5 (a) (1) (iii)).

The body of each wage determination lists the classifications and wage rates that have been found to be prevailing for the type(s) of construction and geographic area covered by the wage determination. The classifications are listed in alphabetical order under rate identifiers indicating whether the particular rate is a union rate (current union negotiated rate), a survey rate, a weighted union average rate, a state adopted rate, or a supplemental classification rate.

Union Rate Identifiers

A four-letter identifier beginning with characters other than ""SU"", ""UAVG"", ?SA?, or ?SC? denotes that a union rate was prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2024. PLUM is an identifier of the union whose collectively bargained rate prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. The date, 07/01/2024 in the example, is the effective date of the most current negotiated rate.

Union prevailing wage rates are updated to reflect all changes over time that are reported to WHD in the rates in the collective bargaining agreement (CBA) governing the classification.

Union Average Rate Identifiers

The UAVG identifier indicates that no single rate prevailed for those classifications, but that 100% of the data reported for the classifications reflected union rates. EXAMPLE: UAVG-OH-0010 01/01/2024. UAVG indicates that the rate is a weighted union average rate. OH indicates the State of Ohio. The next number, 0010 in the example, is an internal number used in producing the wage determination. The date, 01/01/2024 in the example, indicates the date the wage determination was updated to reflect the most current union average rate.

A UAVG rate will be updated once a year, usually in January, to reflect a weighted average of the current rates in the collective bargaining agreements on which the rate is based.

Survey Rate Identifiers

The ""SU"" identifier indicates that either a single non-union rate prevailed (as defined in 29 CFR 1.2) for this classification in the survey or that the rate was derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As a weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SUFL2022-007 6/27/2024. SU indicates the rate is a single non-union prevailing rate or a weighted average of survey data for that classification. FL indicates the State of Florida. 2022 is the year of the survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. The date, 6/27/2024 in the example, indicates the survey completion date for the classifications and rates under that identifier.

?SU? wage rates typically remain in effect until a new survey is conducted. However, the Wage and Hour Division (WHD) has the discretion to update such rates under 29 CFR 1.6(c)(1).

State Adopted Rate Identifiers

The ""SA"" identifier indicates that the classifications and prevailing wage rates set by a state (or local) government were adopted under 29 C.F.R 1.3(g)-(h). Example: SAME2023-007 01/03/2024. SA reflects that the rates are state adopted. ME refers to the State of Maine. 2023 is the year during which the state completed the survey on which the listed classifications and rates are based. The next number, 007 in the example, is an

internal number used in producing the wage determination.
The date, 01/03/2024 in the example, reflects the date on which
the classifications and rates under the ?SA? identifier took
effect under state law in the state from which the rates were
adopted.

WAGE DETERMINATION APPEALS PROCESS

1) Has there been an initial decision in the matter? This can
be:

a) a survey underlying a wage determination
b) an existing published wage determination
c) an initial WHD letter setting forth a position on
a wage determination matter
d) an initial conformance (additional classification
and rate) determination

On survey related matters, initial contact, including requests
for summaries of surveys, should be directed to the WHD Branch
of Wage Surveys. Requests can be submitted via email to
davisbaconinfo@dol.gov or by mail to:

Branch of Wage Surveys
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

Regarding any other wage determination matter such as
conformance decisions, requests for initial decisions should be
directed to the WHD Branch of Construction Wage Determinations.
Requests can be submitted via email to BCWD-Office@dol.gov or
by mail to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2) If an initial decision has been issued, then any interested
party (those affected by the action) that disagrees with the
decision can request review and reconsideration from the Wage
and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7).
Requests for review and reconsideration can be submitted via
email to dba.reconsideration@dol.gov or by mail to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the
interested party's position and any information (wage payment
data, project description, area practice material, etc.) that
the requestor considers relevant to the issue.

3) If the decision of the Administrator is not favorable, an
interested party may appeal directly to the Administrative
Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210.

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END OF GENERAL DECISION
"

CONTRACTOR'S LOCAL OPPORTUNITY PLAN

_(name of company)_____ agrees to implement the following specific affirmative action steps directed at increasing the utilization of lower income residents and businesses within the City of _____.

A. To ascertain from the City CDBG program official the exact boundaries of the project area and where advantageous, seek the assistance of local officials in preparing and implementing the affirmative action plan.

B. To attempt to recruit from within the City the necessary number of lower income residents through: local advertising media, signs placed at the proposed site for the project, and community organizations and public or private institutions operating within and servicing the project area such as Service Employment and Redevelopment (SER), Opportunities Industrialization Center (OIC), Urban League, Concentrated Employment Program, Hometown Plan, or the U.S. Employment Service.

C. To maintain a list of all lower income residents who have applied either on their own or on referral from any source, and to employ such persons, if otherwise eligible and if a vacancy exists.

D. To insert this plan in all bid documents and to require all bidders on subcontracts to submit an affirmative action plan including utilization goals and the specific steps planned to accomplish these goals.

E. To ensure that subcontracts (greater than $10,000), which are typically let on a negotiated rather than a bid basis in areas other than the covered project area, are also let on a negotiated basis, whenever feasible, in a covered project area.

F. To formally contact unions, subcontractors, and trade associations to secure their cooperation in this effort.

G. To ensure that all appropriate project area business concerns are notified of pending sub-contractual opportunities.

H. To maintain records, including copies of correspondence, memoranda, etc., which document that all of the above affirmative action steps have been taken.

I. To appoint or recruit an executive official of the company or agency as Equal Opportunity Officer to coordinate the implementation of this plan.

J. To maintain records concerning the amount and number of contracts, subcontracts, and purchases which contribute to objectives.

K. To maintain records of all projected work force needs for all phases of the project by occupation, trade, skill level, and number of positions and to update these projections based on the extent to which hiring meets these Local Opportunity objectives.

As officers and representatives of_____(name of company)_____, we the undersigned have read and fully agree to this Plan and the Grantee's Section 3 Plan, and become a party to the full implementation of the program and its provisions.

_____ _____
Signature Title

_____ _____
Printed Name Date

Certification Regarding Lobbying

(To be submitted with each bid or offer exceeding $100,000)

The undersigned certifies, to the best of his or her knowledge and belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(c) The undersigned shall require that the language paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995).

The Contractor, _____, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 *et seq*., apply to this certification and disclosure, if any.

_____
Signature of Contractor's Authorized Official

_____
Printed Name and Title of Contractor's Authorized Official

_____
Date

CHILD SUPPORT STATEMENT

In accordance with Section 231.006 of the Texas Family Code, a child support obligator who is 30 or more days delinquent in paying child support is not eligible to:

1. Enter into a contract to provide property, materials or services under a contract with the state; or

2. Receive a state-funded grant or loan.

Under Section 231.006(d) of the Texas Family Code, regarding Child Support, the vendor or contractor certifies that the individual or business entity named in this contract, bid, or application is not ineligible to receive the specified contract and associated payments and acknowledges that the contract may be terminated and payment withheld if this certification is inaccurate.

State of Texas Child Support Business Ownership Form

County: _____ Project Name: _____

Contract #: _____

Business Entity Submitting Bid:_____

Section 231.006, Family Code, requires a bid for a contract paid from state funds to include the names and social security number of individuals owning 25% or more of the business entity submitting the bid.

1. In the spaces below please provide the names and social security number of individuals owning 25% or more of the business.

Name	Social Security Number
_____	_____
_____	_____
_____	_____
_____	_____

2. Please check the box below if no individual owns 25% or more of the business.

(No individual own 25% or more of the business.

Except as provided by Section 231.302(d), Family Code, a social security number is confidential and may be disclosed only for the purpose of responding to a request for information from an agency operating under the provisions of Part A and D to Title IV of the Federal Social Security Act (42 USC Section 601-617 and 651-699).

Under Section 231.006, Family Code, the vendor or applicant certifies that the individual or business entity named in this contract, bid, or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate.

The information collected on this form will be maintained by _____. With few exceptions, you are entitled on request to be informed about the information collected about you. Under Sections 552.021 and 552.023 of the Texas Government Code, you also are entitled to receive and review the information. Under Section 559.004 of the Government Code, you are also entitled to have information about you corrected that you believe is incorrect.

_____ _____

Signature Date

_____

Printed Name

IF THIS PROJECT IS A JOINT VENTURE,

ALL PARTIES TO THE JOINT VENTURE MUST PROVIDE A COMPLETED FORM.

BID PROPOSAL

Place_____

Date_____

Project No._____

Proposal of_____

_____ (hereinafter called BIDDER) a corporation, organized and existing under the laws of the State of _____/ a partnership / an individual doing business as _____ (cross out non-applicable references).

To the City of Jacksonville, Texas (hereinafter called OWNER).

Gentlemen:

The BIDDER, in compliance with your invitation for bids for the CITY OF JACKSONVILLE TxCDBG CDV23 – 0193 SEWER IMPROVEMENTS, having examined the Plans and Specifications with related documents and the site of the proposed work, and being familiar with all of the conditions surrounding the construction of the project including the availability of materials and labor, hereby proposes to furnish all labor, materials, and supplies, and to construct the project in accordance with the contract documents, within the time set forth therein, and at the prices stated below. These prices are to cover all expenses incurred in performing the work required under the contract documents, of which this proposal is a part.

BIDDER hereby agrees to commence work under this contract on or before a date specified in a written "Notice to Proceed" of the OWNER and to fully complete the project within 180 consecutive calendar days thereafter as stipulated in the specifications. BIDDER further agrees to pay as liquidated damages, the sum of $500.00 for each consecutive calendar day thereafter as hereinafter provided in the General Conditions.

BIDDER acknowledges receipt of the following addenda:

1. _____
2. _____
3. _____

Bidder agrees to perform all the TxCDBG CDV23 – 0193 SEWER IMPROVEMENTS, as described in the Specifications and shown on the Plans, for the following unit prices:

BID PROPOSAL

CITY OF JACKSONVILLE
TxCDBG CDV23 – 0193 SEWER IMPROVEMENTS

The Contractor shall furnish all labor, equipment, materials and superintendence required to perform all work in connection with the TxCDBG CDV23 – 0193 SEWER IMPROVEMENTS as per the Plans and Specifications, including but not limited to the following:

NICHOLS GREEN SEWER MAIN

Item No.	Estimated Quantity		Item Description / Unit Price Words	UNIT PRICE	EXTENDED PRICE
1	2,764	LF	8" Ø ASTM D-3034 SDR-26 PVC Sewer Pipe installed complete in place as per the Plans and Technical Specifications _____ Dollars (in words) & _____ Cents (in words) per linear foot	$_____ figure	$_____ figure
2	9	EA	4' Ø Precast Concrete Manhole (0'-5' deep) installed complete in place including all fittings and gravel base as per the Plans and Technical Specifications _____ Dollars (in words) & _____ Cents (in words) per each	$_____ figure	$_____ figure
3	2	EA	4' Ø Precast Concrete Drop Manhole (0'-5' deep) installed complete in place including all fittings and gravel base as per the Plans and Technical Specifications _____ Dollars (in words) & _____ Cents (in words) per each	$_____ figure	$_____ figure

Item No.	Estimated Quantity		Item Description / Unit Price Words	UNIT PRICE	EXTENDED PRICE
4	40	VF	**Furnish and Install Extra Depth** for Precast Concrete Manholes, installed complete in place _____ Dollars (in words) & _____ Cents (in words) per vertical foot	$_____ figure	$_____ figure
5	1	EA	**Plug and Abandon Existing Manholes** in accordance with the Plans and Technical Specifications including plugging the existing pipes with non-shrink grout, the removal and disposal of manhole ring and cover (not buried), demolition of the manhole top (min. 24" below grade) and all necessary backfill to finish grade utilizing native surplus material excavated from the job. _____ Dollars (in words) & _____ Cents (in words) per each	$_____ figure	$_____ figure
6	60	LF	**12" Ø Encased Dry Bore** including ASTM A139 steel encasement pipe (5/16" wall thickness), unclassified excavation, bore pits, disposal of surplus excavation installed complete in place (excluding carrier pipe) as per the Plans and Technical Specifications _____ Dollars (in words) & _____ Cents (in words) per linear foot	$_____ figure	$_____ figure
7	2	EA	**Reconnection of the New Sewer Pipe/System to the Existing Sewer Pipe/System** including but not limited to adaptors, fittings, blocking, manhole reconstruction and all other items required for a complete and operable re-connection to the existing sewer system in accordance with the Plans and Technical Specifications _____ Dollars (in words) & _____ Cents (in words) per each	$_____ figure	$_____ figure

Item No.	Estimated Quantity		Item Description / Unit Price Words	UNIT PRICE	EXTENDED PRICE
8	1	LS	**ROW Preparation, Project Sign, Erosion Control and Site Restoration** including clearing and grubbing, mulching, disposal, final site cleaning, removal of construction debris, finish grading, erosion control, preparation and implementation of a SWP3 (if required), sediment control fences, seeding / fertilizing and any other erosion control measures as required to fully comply with accepted best management practices as per the Plans and Technical Specifications _____ Dollars (in words) & _____ Cents (in words) per lump sum	$_____ figure	$_____ figure
9	2,764	LF	**Rock Excavation and Disposal** (if required) for bores, bore pits, manholes and pipe installation including all necessary manpower and equipment to remove and dispose of rock encountered during the construction. Measurement will be based by the linear foot along the centerline of the pipe. Item shall also include imported fill material for installation in the trench to match finished grade. **Engineer approval is required for payment of this item. No payment for this item will be authorized unless Engineer / Inspector is present during ALL rock excavation).** _____ Dollars (in words) & _____ Cents (in words) per linear foot	$_____ figure	$_____ figure
10	150	CY	**Additional Class I Foundation Material** (crushed stone) installed complete in place in unstable trench locations as determined by the Engineer. **This item is to be installed only in locations as directed and approved by the Engineer** _____ Dollars (in words) & _____ Cents (in words) per cubic yard	$_____ figure	$_____ figure

Item No.	Estimated Quantity		Item Description / Unit Price Words	UNIT PRICE	EXTENDED PRICE
11	1	LS	Trench Safety System		

_____ Dollars
(in words)

& _____ Cents
(in words)

per lump sum $_____ $_____
figure figure

Subtotal Nichols Green Sewer Main:

_____ Dollars
(in words)

& _____ Cents
(in words)

$_____
(figure)

SYCAMORE STREET SEWER IMPROVEMENTS

Item No.	Estimated Quantity		Item Description / Unit Price Words	UNIT PRICE	EXTENDED PRICE
1	726	LF	**8" Ø ASTM D-3034 SDR-26 PVC Sewer Pipe** including saw cutting of existing pavement, removal and disposal of existing pipe material and unclassified trench excavation, installation and compaction of select backfill and density testing installed complete in place as per the Plans and Technical Specifications _____ Dollars (in words) & _____ Cents (in words) per linear foot	$_____ figure	$_____ figure
2	2	EA	**4' Ø Precast Concrete Manhole** installed complete in place including all riser sections, fittings, reconnection of existing sewer mains and removal and disposal of existing manholes as applicable as per the Plans and Technical Specifications _____ Dollars (in words) & _____ Cents (in words) per each	$_____ figure	$_____ figure
3	18	EA	**4" Ø Sewer Service** including but not limited to locating existing household service lines, saw cutting of existing pavement, furnishing and installing 4" Ø ASTM D-3034 SDR 26 PVC sewer pipe with 4" Ø cleanout behind curb and gutter, connection to existing service line including all required fittings and adapters, disposal of excavated material (including piping as necessary), procurement and installation of select fill material, compaction, density testing and miscellaneous concrete repair including curb and gutter, driveways, etc. installed complete in place as per the Plans and Technical Specifications. _____ Dollars (in words) & _____ Cents (in words) per each	$_____ figure	$_____ figure

Item No.	Estimated Quantity		Item Description / Unit Price Words	UNIT PRICE	EXTENDED PRICE
4	1	LS	**Site Restoration and Project Sign** including but not limited to final site cleaning, removal and disposal of construction debris, finish grading, seeding / fertilizing and any other erosion control measures as required, repair of any damaged driveways, curb and gutter, sidewalks, fences, etc. complete in place per the Plans and Technical Specifications _____ Dollars (in words) & _____ Cents (in words) per lump sum	$_____ figure	$_____ figure
5	2	EA	**Reconnection of the New Sewer Pipe/System to the Existing Sewer Pipe/System** including but not limited to adaptors, fittings and all other items required for a complete and operable re-connection to the existing sewer system in accordance with the Plans and Technical Specifications _____ Dollars (in words) & _____ Cents (in words) per each	$_____ figure	$_____ figure
6	1	LS	**Traffic Control** including barricades, flaggers, signage, equipment and personnel required to safely manage traffic during construction. _____ Dollars (in words) & _____ Cents (in words) per lump sum	$_____ figure	$_____ figure
7	50	CY	**Additional Class I Foundation Material** (crushed stone) installed complete in place in unstable trench locations as determined by the Engineer. **This item is to be installed only in locations as directed and approved by the Engineer** _____ Dollars (in words) & _____ Cents (in words) per cubic yard	$_____ figure	$_____ figure

Item No.	Estimated Quantity		Item Description / Unit Price Words	UNIT PRICE	EXTENDED PRICE
8	1	LS	**By-Pass Pumping** as required to facilitate re-connection tie-in's between the new sewer system and the existing sewer system including but not limited to by-pass pump(s), flexible or restrained joint discharge piping and monitoring and manpower required to prevent discharges of raw wastewater to the environment _____ Dollars (in words) & _____ Cents (in words) per lump sum	$_____ figure	$_____ figure
9	1	LS	**Trench Safety System** _____ Dollars (in words) & _____ Cents (in words) per lump sum	$_____ figure	$_____ figure
10	1	LS	**Pavement Repair** of Sycamore Street from US Highway 79 to Sunset Avenue (approximately 2,200 SY) including subgrade preparation (scarify, mix, reshape and recompact existing blended subgrade), disposal of surplus excavation to achieve a street cross-section as per Plan detail, 8" cement stabilized subgrade, cement, proof-roll and density testing, prime coat, 2" thick compacted Type D hot mix asphaltic concrete and all other necessary items, installed complete in place as per the Plans and Technical Specifications. _____ Dollars (in words) & _____ Cents (in words) per lump sum	$_____ figure	$_____ figure

Subtotal Sycamore Street Sewer Improvements:

_____ Dollars
(in words)

& _____ Cents
(in words)

$_____
(figure)

TOTAL ALL BID ITEMS:

_____ Dollars

(in words)

& _____ Cents

(in words)

$_____

(figure)

Amounts are to be shown in both words and figures and in case of discrepancy; the amount shown in words will govern. The above unit prices shall include all labor, materials, bailing, shoring, removal, clean-up, overhead, profit, insurance, etc. to cover the finished work of the several kinds called for.

Bidder understands that the Owner reserves the right to reject any or all bids and to waive any formalities in the bidding.

The bidder agrees that this bid shall be good and may not be withdrawn for a period of 60 days after the scheduled closing time for receiving bids.

The bid security accompanying this proposal shall be returned to the bidder, unless in case of the acceptance of the Proposal, the bidder shall fail to execute a Contract within fifteen days after its acceptance, in which case the bid security shall become the property of the City of Jacksonville and shall be considered as payment for damages due to delay and other inconveniences suffered by the City of Jacksonville on account of such failure of the bidder. It is understood that the City of Jacksonville reserves the right to reject any and all bids.

The work proposed to be done shall be accepted when fully completed and finished in accordance with the Plans and Specifications to the satisfaction of the Engineer.

The undersigned certifies that the bid prices contained in this Proposal have been carefully checked and are submitted as correct and final.

Respectfully Submitted:

CONTRACTOR:_____

BY: _____

TITLE: _____

ADDRESS: _____

CITY & STATE: _____

TELEPHONE: _____

EMAIL: _____

SALES TAX EXEMPTION

House Bill 11 (HB 11) enacted by the Legislature provides that contractors may no longer issue an exemption certificate when purchasing materials for use on a new construction project for exempt organizations other than school districts and nonprofit hospitals, unless the project qualifies for the prior contract exemption.

Separated contracts, which separate charges for materials from charges for labor may still be used in performing new construction projects for all other exempt organizations. (Example: cities, counties, churches, etc.) The separate charges for materials and labor must be included in the executed contract.

Under a separated contract, the contractor becomes a seller of materials incorporated into the project. (Example: bricks, lumber, concrete, paint, etc.) As a seller, the contractor may issue a resale certificate in lieu of paying the sales tax at the time of purchase. The contractor must then receive an exemption certificate from the exempt organization for the materials. This procedure may not be used for materials which do not become a part of the finished project. (Example: equipment rentals, form materials, etc.)

To use this procedure, the contractor must have a sales tax permit issued by the Comptroller.

The statement of the separate charges must be a part of the contract and shall be in the following form:

Materials: $_____

Services: $_____

Total: $_____

BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we the undersigned,

_____, as PRINCIPAL, AND

_____, as SURETY

are held and firmly bound unto _____,hereinafter

called the "Local Public Agency", in the penal sum of _____

_____Dollars ($_____),

lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.
THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal has submitted the Accompanying

Bid, dated _____20_____ for _____

_____

NOW, THEREFORE, if the Principal shall not withdraw said Bid within the period specified therein after the opening of the same, or, if no period be specified, within sixty (60) days after the said opening, and shall within the period specified therefor, or if no period be specified, within ten (10) days after the prescribed forms are presented to him for signature, enter into a written Contract with the Local Public Agency in accordance with the Bid as accepted, and give bond with good and sufficient surety or sureties, as may be required, for the faithful performance and proper fulfillment of such contract; or in the event of the withdrawal of said Bid within the period specified, or the failure to enter into such Contract and given such bond within the time specified, if the Principal shall pay the Local Public Agency the difference between the amount specified in said Bid and the amount for which the Local Public Agency may procure the required work or supplies or both, if the latter be in excess of the former, then the above obligation shall be void and of no effect, otherwise to remain in full force and virtue.

IN WITNESS WHEREOF, the above-bounded parties have executed this instrument under their several seals this _____ day of _____, 20__, the name and corporate seal of each corporate party being hereto affixed and these present signed by its undersigned representative, pursuant to authority of its governing body.

Witness	Principal Seal
	Title
Witness	Surety Seal
	Title

Attorney-in-Fact, State of _____

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____, certify that I am the

_____, Secretary of the Corporation named as Principal in the within bond;

that _____, who signed the said bond on behalf

of the Principal was then _____ of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed, and attested to for and in behalf of said corporation by authority of this governing body.

Corporate Seal

Title

CONTRACT DOCUMENTS

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: that

_____

(Name of Contractor or Company)

_____

(Address)

a _____ hereinafter called Principal, and

(Corporation/Partnership)

_____

(Name of Surety Company)

_____

(Address)

hereinafter called Surety, are held and firmly bound unto

_____

(Name of Recipient)

_____

(Recipient's Address)

hereinafter called OWNER, in the penal sum of $ _____ Dollars

($_____)in lawful money of the United States, for the payment of which sum well and truly to be made we bind ourselves, successors, and assigns, jointly and severally, firmly in these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the Principal entered into a certain contract with the OWNER dated the _____ day of _____, 20__, a copy of which is hereto attached and made a part hereof for the construction of:

_____

(Project Name)

NOW THEREFORE, if the Principal shall well, truly and faithfully perform its duties in all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term thereof, and any extensions thereof which may granted by the OWNER, with or without notice to the Surety and during the one year guaranty period, and if he shall satisfy all claims and demands incurred under such contract, and shall fully indemnify and save harmless the OWNER from all costs and damages which it may suffer by reason of failure to do so, and shall reimburse and repay the OWNER all outlay and expenses which the OWNER may incur in making good any default, then this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED FURTHER, that the said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to WORK to be performed thereunder or the SPECIFICATIONS accompanying the same shall in any way affect its obligation on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the WORK or SPECIFICATIONS.

PROVIDED, FURTHER, that no final settlement between the OWNER and the CONTRACTOR shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, this instrument is executed in _____ counterparts, each one of which
(Number)

shall be deemed an original , this the _____ day of _____, 20___.

_____	_____
Witness	Principal Seal
	_____
	Title
_____	_____
Witness	Surety Seal
	_____
	Title

NOTE: Date of BOND must not be prior to date of Contract.
If CONTRACTOR is Partnership, all partners should execute BOND.

IMPORTANT: Surety companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the state where PROJECT is located.

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS: that

_____

(Name of Contractor or Company)

_____

(Address)

a _____ hereinafter called Principal, and

(Corporation/Partnership)

_____

(Name of Surety Company)

_____

(Address)

hereinafter called Surety, are held and firmly bound unto

_____

(Name of Recipient)

_____

(Recipient's Address)

hereinafter called OWNER, in the penal sum of $ _____ Dollars

($_____)in lawful money of the United States, for the payment of which sum well and truly to be made we bind ourselves, successors, and assigns, jointly and severally, firmly in these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the Principal entered into a certain contract with the OWNER, dated the _____ day of _____, 20___, a copy of which is hereto attached and made a part hereof for the construction of:

_____

(Project Name)

NOW, THEREFORE, if the Principal shall promptly make payment to all persons, firms, SUB-CONTRACTORS, and corporations furnishing materials for or performing labor in the prosecution of the WORK provided for in such contract, and any authorized extension or modification thereof, including all amounts due for materials, lubricants, oil, gasoline, coal and coke, repairs on machinery, equipment and tools, consumed or used in connection with the construction of such WORK, and all insurance premiums on said WORK, and for all labor, performed in such WORK whether by SUB-CONTRACTOR or otherwise, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED FURTHER, that the said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to WORK to be performed thereunder or the SPECIFICATIONS accompanying the same shall in any way affect its obligation on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the WORK or to the SPECIFICATIONS.

PROVIDED, FURTHER, that no final settlement between the OWNER and the CONTRACTOR shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, this instrument is executed in _____ counterparts, each one of which
(Number)

be deemed an original , this the _____ day of _____, 20___.

_____	_____
Witness	Principal Seal
	_____
	Title
_____	_____
Witness	Surety Seal
	_____
	Title

NOTE: Date of BOND must not be prior to date of Contract.
If CONTRACTOR is Partnership, all partners should execute BOND.

IMPORTANT: Surety companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the state where PROJECT is located.

MAINTENANCE BOND

STATE OF TEXAS §

COUNTY OF §

KNOW ALL MEN BY THESE PRESENTS: That _____ of the City of _____, County of _____, State of _____, as principal, and _____, authorized under the laws of the State of Texas to act as surety for principals, are held and firmly bound unto _____, a municipal corporation (OWNER) in the penal sum of _____Dollars ($ _____) for the payment whereof, the said Principal and Surety bind themselves and their heirs, administrators, executors, successors and assigns, jointly and severally, by these present:

WHEREAS, the Principal has entered in to a certain written contract with _____, dated the _____ day of _____, 20___, to _____

_____

which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

WHEREAS, under the plans, specifications and contract, it is provided that the Contractor will maintain and keep in good repair the work herein contracted to be done for a period of one (1) year from the date of written acceptance of said work and to do all necessary repairing and/or reconstructing in whole or in part of said improvements that should be occasioned by settlement of foundation, defective workmanship or materials furnished in the construction of any part thereof, or any of the accessories thereto constructed by the Contractor; be it understood that the purpose of this section is to cover all defective conditions arising by reason of defective material or workmanship and charge the same against the said Contractor and Surety on this obligation, and the said Contractor and Surety herein shall be subject to the liquidation damages mentioned in said contract for each day's failure on its part to comply with the terms of said provisions of said contract;

NOW, THEREFORE, if the said Contractor shall keep and perform its said agreement to maintain said work and keep the same in repair for the said maintenance period of one (1) year, as provided, then these presents shall be null and void and have no further effect. If default shall be made by the said Contractor in the performance of its contract to so maintain and repair said work, then these present shall have full force and effect and said Owner shall have and recover damages from the said Contractor and its principal and Surety. It is further agrees that this obligation shall be a continuing one against the principal and surety herein, and that successive recoveries may be

had hereon for successive breaches until the full amount shall have been exhausted. It is further understood that the obligation herein to maintain said work shall continue throughout said maintenance period and the same shall not be changed, diminished or in any manner affected from any cause during said time.

PROVIDED, the aggregate liability of surety hereunder is limited to the penal sum of this bond.

IN WITNESS WHEREOF, the said principal and surety have signed and sealed this instrument this _____day _____ , 20___.

Principal Seal	Surety Seal
Title	Title
Address	Address

The name and address of the resident agent of surety is:

NOTE: Date of Maintenance Bond must not be prior to date of contract.

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

STANDARD FORM OF AGREEMENT BETWEEN OWNER AND CONTRACTOR ON THE BASIS OF A STIPULATED PRICE

Prepared by

ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE

and

Issued and Published Jointly By

PROFESSIONAL ENGINEERS IN PRIVATE PRACTICE
A practice division of the
NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

AMERICAN CONSULTING ENGINEERS COUNCIL

AMERICAN SOCIETY OF CIVIL ENGINEERS

CONSTRUCTION SPECIFICATIONS INSTITUTE

This document has been approved and endorsed by

The Associated General Contractors of America

This Standard Form of Agreement has been prepared for use with the Standard General Conditions of the Construction Contract, (No. 1910-8) (1990 Edition). Their provisions are interrelated and a change in one may necessitate a change in the others. The suggested language for instructions to bidders contained in the Guide to the Preparation of Instructions to Bidders, (No. 1910-12) (1990 Edition) is also carefully interrelated with the language of this Agreement. Comments concerning their usage are contained in the Commentary on Agreements for Engineering Services and Contract Documents, (No. 1910-9) (1986 Edition). See also Guide to the Preparation of Supplementary Conditions, (No. 1910-17) (1990 Edition).

EJCDC No. 1910-8-A-1 (1990 Edition)

Note to User

Certain states and federal agencies require provisions in public contracts which permit Contractors to deposit acceptable securities with Owner or a stakeholder in lieu of retainage. Many Owners will not accept this procedure except where required by Laws or Regulations. In the event such a procedure is required, the provisions of this Agreement and possibly those of the other Contract Documents dealing with retainage should be amended, and an attorney should be consulted to prepare the revised language. Among the issues to be addressed by such language are: initial and subsequent valuations of the securities, right to withdraw excess collateral and obligation to deposit additional collateral as market value changes, who is entitled to interest and dividends on deposited collateral, responsibilities of stakeholder, whether collateral may be freely sold in the event of Contractor default and method of such sale, and application of Uniform Commercial Code and state and federal security laws to the arrangement.

© 1990 National Society of Professional Engineers
1420 King Street, Alexandria, VA 22314-2715

American Consulting Engineers Council
1015 15th Street, N.W., Washington, DC 20005

American Society of Civil Engineers
345 East 47th Street, New York, NY 10017

Construction Specifications Institute
601 Madison Street, Alexandria, VA 22314

EJCDC
STANDARD FORM OF AGREEMENT
BETWEEN OWNER AND CONTRACTOR
ON THE BASIS OF A STIPULATED PRICE

THIS AGREEMENT is dated as of the _____ day of _____ in the year 20 _____

by and between _____ (hereinafter called OWNER)

and _____ (hereinafter called CONTRACTOR).

OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

Article 1. WORK.

CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

The Project for which the Work under the Contract Documents may be the whole or only part is generally described as follows:

Article 2. ENGINEER.

The Project has been designed by Stokes & Associates, Inc.

who is hereinafter called ENGINEER and who is to act as OWNER's representative, assume all duties and responsibilities and have the rights and authority assigned to ENGINEER in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents.

Article 3. CONTRACT TIMES.

3.1 The Work will be substantially completed on or before _____, 20_____, and completed and ready for final payment in accordance with paragraph 14.13 of the General Conditions on or before _____, 20_____.

3.1 The Work will be substantially completed within _____ days after the date when the Contract Times commence to run as provided in paragraph 2.3 of the General Conditions, and completed and ready for final payment in accordance with paragraph 14.13 of the General Conditions within _____ days after the date when the Contract Times commence to run.

3.2 *Liquidated Damages.* OWNER and CONTRACTOR recognize that time is of the essence of this Agreement and that OWNER will suffer financial loss if the Work is not completed within the times specified in paragraph 3.1 above, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. They also recognize the delays, expense and difficulties involved in proving the actual loss suffered by OWNER if the Work is not completed on time. Accordingly, instead of requiring any such proof, OWNER and CONTRACTOR agree that as liquidated damages for delay (but not as a penalty) CONTRACTOR shall pay OWNER _____ dollars ($_____) for each day that expires after the time specified in paragraph 3.1 for Substantial Completion until the Work is substantially complete. After Substantial Completion, if CONTRACTOR shall neglect, refuse or fail to complete the remaining Work within the time specified in paragraph 3.1 for completion and readiness for final payment or any proper extension thereof granted by OWNER, CONTRACTOR shall pay OWNER _____ dollars ($_____) for each day that expires after the time specified in paragraph 3.1 for completion and readiness for final payment.

[Where failure to reach a Milestone on time is of such consequence to OWNER that the assessment of liquidated damages is to be provided, appropriate amending or supplementing language should be inserted here.]

(Strike any of the above paragraphs that are inapplicable)

Article 4. CONTRACT PRICE.

OWNER shall pay CONTRACTOR for completion of the Work in accordance with the Contract Documents an amount in current funds equal to the sum of the amounts determined pursuant to paragraphs 4.1 and 4.2 below:

4.1 for all Work other than Unit Price Work, a Lump Sum of:

_____ ($ _____)
(use words) (use figures)

All specific cash allowances are included in the above price and have been computed in accordance with paragraph 11.8 of the General Conditions;

plus

4.2 for all Unit Price Work, an amount equal to the sum of the established unit price for each separately identified item of Unit Price Work times the estimated quantity of that item as indicated in this paragraph 4.2:

UNIT PRICE WORK

NO.	ITEM	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL ESTIMATED

TOTAL OF ALL UNIT PRICES _____ $_____(dollars)
(use words)

As provided in paragraph 11.9 of the General Conditions estimated quantities are not guaranteed, and determinations of actual quantities and classification are to be made by ENGINEER as provided in paragraph 9.10 of the General Conditions. Unit prices have been computed as provided in paragraph 11.9.2 of the General Conditions.

[In special circumstances, the Bid may be attached to avoid extensive retyping. See paragraph 13.10 below. Any exhibits attached should be listed in Article 8.]

[If adjustment prices for variations from stipulated Base Bid quantities have been agreed to, insert appropriate provisions. See Suggested Bid Form Paragraph 4 and Comment I.}

Article 5. PAYMENT PROCEDURES.

CONTRACTOR shall submit Applications for Payment in accordance with Article 14 of the General Conditions. Applications for Payment will be processed by ENGINEER as provided in the General Conditions.

5.1 *Progress Payments; Retainage.* OWNER shall make progress payments on account of the Contract Price on the basis of CONTRACTOR's Applications for Payment as recommended by ENGINEER, on or about the _____ day of each month during construction as provided in paragraphs 5.1.1 and 5.1.2 below. All such payments will be measured by the schedule of values established in paragraph 2.9 of the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no schedule of values, as provided in the General Requirements.

5.1.1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below, but, in each case, less the aggregate of payments previously made and less such amounts as ENGINEER shall determine, or OWNER may withhold, in accordance with paragraph 14.7 of the General Conditions.

_____% of Work completed (with the balance being retainage). ~~If Work has been 50% completed as determined by ENGINEER, and if the character and progress of the Work have been satisfactory to OWNER and ENGINEER, OWNER, on recommendation of ENGINEER, may determine that as long as the character and progress of the Work remain satisfactory to them, there will be no additional retainage on account of Work completed, in which case the remaining progress payments prior to Substantial Completion will be in an amount equal to 100% of the Work completed.~~

_____% (with the balance being retainage) of materials and equipment not incorporated in the Work (but delivered, suitably stored and accompanied by documentation satisfactory to OWNER as provided in paragraph 14.2 of the General Conditions).

5.1.2. Upon Substantial Completion, in an amount sufficient to increase total payments to CONTRACTOR to _____% of the Contract Price (with the balance being retainage), less such amounts as ENGINEER shall determine, or OWNER may withhold, in accordance with paragraph 14.7 of the General Conditions

5.2. *Final Payment.* Upon final completion and acceptance of the Work in accordance with paragraph 14.13 of the General Conditions, OWNER shall pay the remainder of the Contract Price as recommended by ENGINEER as provided in said paragraph 14.13.

Article 6. INTEREST

All moneys not paid when due as provided in Article 14 of the General Conditions shall bear interest at the maximum rate allowed by law at the place of the Project.

Article 7. CONTRACTOR'S REPRESENTATIONS.

In order to induce OWNER to enter into this Agreement CONTRACTOR makes the following representations:

7.1. CONTRACTOR has examined and carefully studied the Contract Documents (including the Addenda listed in paragraph 8) and the other related data identified in the Bidding Documents including "technical data."

7.2. CONTRACTOR has visited the site and become familiar with and is satisfied as to the general, local and site conditions that may affect cost, progress, performance or furnishing of the Work.

7.3. CONTRACTOR is familiar with and is satisfied as to all federal, state and local Laws and Regulations that may affect cost, progress, performance and furnishing of the Work.

7.4. CONTRACTOR has carefully studied all reports of explorations and tests of subsurface conditions at or contiguous to the site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the site (except Underground Facilities) which have been identified in the Supplementary Conditions as provided in paragraph 4.2.1 of the General Conditions. CONTACTOR accepts the determination set forth in paragraph SC-4.2 of the Supplementary Conditions of the extent of the "technical data" contained in such reports and drawings upon which CONTRACTOR is entitled to rely as provided in paragraph 4.2 of the General Conditions. CONTRACTOR acknowledges that such reports and drawings are not Contract Documents and may not be complete for CONTRACTOR's purposes. CONTRACTOR acknowledges that OWNER and ENGINEER do not assume responsibility for the accuracy or completeness of information and data shown or indicated in the Contract Documents with respect to Underground Facilities at or contiguous to the site. CONTRACTOR has obtained and carefully studied (or assumes responsibility for having done so) all such additional supplementary examinations, investigations, explorations, tests, studies and data concerning conditions (surface, subsurface and Underground Facilities) at or contiguous to the site or otherwise which may affect cost, progress, performance or furnishing of the Work or which relate to any aspect of the means, methods, techniques, sequences and procedures of construction to be employed by CONTRACTOR and safety precautions and programs incident thereto. CONTRACTOR does not consider that any additional examinations, investigations, explorations, tests, studies or data are necessary for the performance and furnishing of the Work at the Contract Price, within the Contract Times and in accordance with the other terms and conditions of the Contract Documents.

7.5. CONTRACTOR is aware of the general nature of work to be performed by OWNER and others at the site that relates to the Work as indicated in the Contract Documents.

7.6. CONTRACTOR has correlated the information known to CONTRACTOR, information and observations obtained from visits to the site, reports and drawings identified in the Contract Documents and all additional examinations, investigations, explorations, tests, studies and data with the Contract Documents.

7.7. CONTRACTOR has given ENGINEER written notice of all conflicts, errors, ambiguities or discrepancies that CONTRACTOR has discovered in the Contract Documents and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR, and the Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

Article 8. CONRACT DOCUMENTS

The Contract Documents which comprise the entire agreement between OWNER and CONTRACTOR concerning the Work consist of the following:

8.1. This Agreement (pages 1 to 8, inclusive).

8.2. Exhibits to this Agreement (pages _____ to _____, inclusive).

8.3. Performance, Payment, and other Bonds, consisting of _____ pages.

8.4. Notice to Proceed.

8.5. General Conditions (pages _____ to _____, inclusive).

8.6. Supplementary Conditions (pages _____ to _____, inclusive).

8.7. Specifications bearing the title_____ and consisting of _____ divisions and _____ pages, as listed in Table of Contents thereof.

8.8. Drawings consisting of a cover sheet and sheets numbered _____ through _____, inclusive with each sheet bearing the following general title:

[Fill in, and, if a set of Drawings is not attached to each signed counterpart of Agreement, so indicate in which case OWNER and CONTRACTOR should initial or otherwise appropriately identify each Drawing.]

8.9. Addenda numbers _____ to _____, inclusive.

[Those Addenda which pertain exclusively to the bidding process need not be listed.]

8.10. CONTRACTOR's Bid (pages _____ to _____, inclusive) marked exhibit_____.

[Attach actual Bid only in special circumstances.]

8.11. Documentation submitted by CONTRACTOR prior to Notice of Award (pages ____ to ____, inclusive).

8.12. The following which may be delivered or issued after the Effective Date of the Agreement and are not attached hereto: All Written Amendments and other documents amending, modifying or supplementing the Contract Documents pursuant to Paragraphs 3.5 and 3.6 of the General Conditions.

The documents listed in paragraphs 8.2 et seq. above are attached to this Agreement (except as expressly noted otherwise above).

There are no Contract Documents other than those listed above in this Article 13. The Contract Documents may only be amended, modified or supplemented as provided in paragraphs 3.5 and 3.6 of the General Conditions.

Article 9. MISCELLANEOUS.

9.1. Terms used in this Agreement which are defined in Article 1 of the General Conditions will have the meanings indicated in the General Conditions.

9.2. No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

9.3. OWNER and CONTRACTOR each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns and legal representatives in respect to all covenants, agreements and obligations contained in the Contract Documents.

9.4. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon OWNER and CONRACTOR, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

9.5 OTHER PROVISIONS.

[Insert other provisions here if applicable.]

IN WITNESS WHEREOF, OWNER and CONTRACTOR have signed this Agreement in triplicate. One counterpart each has been delivered to OWNER, CONTRACTOR and ENGINEER. All portions of the Contract Documents have been signed, initialed or identified by OWNER and CONTRACTOR or identified by ENGINEER on their behalf.

This Agreement will be effective on _____, 20 _____ (which is the Effective Date of the Agreement).

OWNER_____

_____

By:_____

[CORPORATE SEAL]

Attest_____

Address for giving notices:

_____

_____

(If OWNER is a public body, attach evidence of authority to sign, and resolution or other documents authorizing execution of Agreement.)

CONTRACTOR_____

_____

By:_____

[CORPORATE SEAL]

Attest_____

Address for giving notices:

_____

_____

License No. _____

Agent for service of process:_____

_____

(If CONTRACTOR is a corporation, attach evidence of authority to sign.)

CERTIFICATE OF INSURANCE

TO:

_____ Date _____

Owner

Project No. _____

_____ Type of _____

_____ Project _____

Address

THIS IS TO CERTIFY THAT _____

(Name and address of insured)

is, at the date of this certificate, insured by this Company with respect to the business operations hereinafter described, for the types of Insurance and in accordance with the provisions of the standard policies used by this Company, and further hereinafter described. Exceptions to standard policy noted on reverse side hereof.

TYPE OF INSURANCE

	Policy No.	Effective	Expires	Limits of Liability
Workmen's Compensation				
Public Liability				1 person $_____ 1 accident $_____
Contingent Liability				1 person $_____ 1 accident $_____
Property Damage				
Builder's Risk				
Automobile				
Other				

The foregoing Policies (do) (do not) cover all sub-contractors.

Locations Covered: _____

Descriptions of Operations Covered: _____

The above policies either in the body thereof or by appropriate endorsement provide that they may not be changed or cancelled by the insurer in less than five days after the insured has received written notice of such change or cancellation.

Where applicable local laws or regulations require more than five days actual notice of change or cancellation to the assured, the above policies contain such special requirements, either in the body thereof or by appropriate endorsement thereto attached.

_____

(Name of Insurer)

By _____

Title _____

GENERAL CONDITIONS

TDA - GENERAL CONDITIONS FOR CONSTRUCTION - PART I

1. Contract and Contract Documents

(a) The project to be constructed pursuant to this contract will be financed with assistance from the Texas Department of Agriculture (TDA) through the Community Development Block Grant-Disaster Recovery (CDBG-DR) fund and is subject to all applicable Federal and State laws and regulations.

(b) The Plans, Specifications and Addenda shall form part of this contract and the provisions thereof shall be binding upon the parties as if they were herein fully set forth.

2. Definitions

Whenever used in any of the Contract Documents, the following meanings shall be given to the terms here in defined:

(a) The term "Contract" means the Contract executed between the _____ hereinafter called the "City" and _____hereinafter called "Contractor" of which these GENERAL CONDITIONS, form a part.

(b) The term "Project Area" means the area within the specified F Contract limits of the Improvements contemplated to be constructed in whole or in part under this contract.

(c) The term "Engineer" means _____, Engineer in charge, serving the City with architectural or engineering services, his successor, or any other person or persons, employed by the City for the purpose of directing or having in charge the work embraced in this Contract.

(d) The term "Contract Documents" means and shall include the following: Executed Contract, Addenda (if any), Invitation for Bids, Instructions to Bidders, Signed Copy of Bid, General Conditions, Special Conditions, Technical Specifications, and Drawings (as listed in the Schedule of Drawings).

3. Supervision By Contractor

(a) Except where the Contractor is an individual and personally supervises the work, the Contractor shall provide a competent superintendent, satisfactory to the Engineer, on the work at all times during working hours with full authority to act as Contractor's agent. The Contractor shall also provide adequate staff for the proper coordination and expediting of his work.

(b) The Contractor shall be responsible for all work executed under the Contract. Contractor shall verify all figures and elevations before proceeding with the work and will be held responsible for any error resulting from his failure to do so.

4. Subcontracts

(a) The Contractor shall not execute an agreement with any subcontractor or permit any

subcontractor to perform any work included in this contract until Contractor has verified the subcontractor has been cleared (not suspended or debarred) to participate in federally funded contracts. It is the sole responsibility of the prime contractor to verify subcontractor eligibility based on factors such as past performance, proof of liability insurance, possession of a federal tax number, and state licensing requirements.

(b) No proposed subcontractor shall be disapproved by the City except for cause.

(c) The Contractor shall be fully responsible to the City for the acts and omissions of his subcontractors, and of persons either directly or indirectly employed by them.

(d) The Contractor shall cause appropriate provisions to be inserted in all subcontracts relative to the work and required compliance by each subcontractor with the applicable provisions of the Contract.

(e) Nothing contained in the Contract shall create any contractual relation between any subcontractor and the City.

(f) Contractors are encouraged to subcontract with Minority Business Enterprises, Small Business Enterprises, Women Business Enterprises, and labor surplus area firms.

1) The non-federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible;
2) Affirmative steps must include:
    i. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
    ii. Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
    iii. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;
    iv. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
    v. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5).

5. Fitting and Coordination of Work

The Contractor shall be responsible for the proper fitting of all work and for the coordination of the operations of all trades, subcontractors, or material suppliers engaged upon this Contract.

6. Payments to Contractor

(a) Partial Payments

1) The Contractor shall prepare the requisition for partial payment as of the last day of the month

and submit it, with the required number of copies, to the Engineer for approval. The amount of the payment due the Contractor shall be determined by adding to the total value of work completed to date, the value of materials properly stored on the site and deducting (1) **Five Percent (5%)** of the total amount, to be retained until final payment, and (2) the amount of all previous payments. The total value of work completed to date shall be based on the estimated quantities of work completed and on the unit prices contained in the agreement. The value of materials properly stored on the site shall be based upon the estimated quantities of such materials and the invoice prices. Copies of all invoices shall be available for inspection of the Engineer.

2) Monthly or partial payments made by the City to the Contractor are advanced for the purpose of assisting the contractor to expedite the work of construction. The Contractor shall be responsible for the care and protection of all materials and work upon which payments have been made until final acceptance of such work and materials by the City. Such payments shall not constitute a waiver of the right of the City to require the fulfillment of all terms of the Contract and the delivery of all improvements embraced in this Contract complete and satisfactory to the City in all details.

(b) Final Payment

1) After final inspection and the acceptance by the City of all work under the Contract, the Contractor shall prepare the requisition for final payment which shall be based upon the careful inspection of each item of work at the applicable unit prices stipulated in the Contract. The total amount of the final payment due the Contractor under this Contract shall be the amount computed as described above less all previous payments.

2) Before paying the final estimate, City shall require the Contractor to furnish releases or receipts from all subcontractors having performed any work and all persons having supplied materials, equipment (installed on the Project) and services to the Contractor. The City may make payment in part or in full to the Contractor without requiring the furnishing of such releases or receipts and any payments made shall in no way impair the obligations of any surety or sureties furnished under this Contract.

3) Any amount due to the City under Liquidated Damages, shall be deducted from the final payment due to the contractor.

(c) Payments Subject to Submission of Certificates

Each payment to the Contractor by the City shall be made subject to submission by the Contractor of all written certifications required of it and its subcontractors.

(d) Withholding Payments

The City may withhold any payment due to the Contractor as deemed necessary to protect the City, and if so elects, may also withhold any amounts due from the Contractor to any subcontractors or material dealers, for work performed or material furnished by them. The

foregoing provisions shall be construed solely for the benefit of the City and will not require the City to determine or adjust any claims or disputes between the Contractor and its subcontractors or material dealers, or to withhold any moneys for their protection unless the City elects to do so. The failure or refusal of the City to withhold any money from the Contractor shall in no way impair the obligations of any surety or sureties under any bond or bonds furnished under this Contract.

7. Changes in the Work

(a) The City may make changes in the scope of work required to be performed by the Contractor under the Contract without relieving or releasing the Contractor from any obligations under the Contract or any guarantee given pursuant to the Contract provisions, and without affecting the validity of the guaranty bonds, and without relieving or releasing the surety or sureties of said bonds. All such work shall be executed under the terms of the original Contract unless it is expressly provided in writing otherwise.

(b) Except for the purpose of affording protection against any emergency endangering health, life, limb or property, the Contractor shall make no change in the materials used or in the specified manner of constructing and/or installing the improvements or supply additional labor, services or materials beyond that actually required for the execution of the Contract, unless in pursuance of a written order from the City authorizing the Contractor to proceed with the change. No claim for an adjustment of the Contract Price will be valid unless so ordered.

(c) If applicable unit prices are contained in the Contract, the City may order the Contractor to proceed with desired unit prices specified in the Contract; provided that in case of a unit price contract the net value of all changes does not increase the original total amount of the agreement by more than twenty-five percent (25%) or decrease the original the total amount by more than twenty-five percent (25%) for municipalities and eighteen percent (18%) for counties without the written consent of the contractor. [Texas Local Government Code Section 252.048(d) and Section 262.031 (b)]

(d) Each change order shall include in its final form:
1) A detailed description of the change in the work.
2) The Contractor's proposal (if any) or a confirmed copy thereof.
3) A definite statement as to the resulting change in the contract price and/or time.
4) The statement that all work involved in the change shall be performed in accordance with contract requirements except as modified by the change order.
5) The procedures, as outlined in this Section for a unit price contract also apply in any lump sum contract.

8. Claims for Extra Cost

(a) If the Contractor claims that any instructions by Drawings or otherwise involve extra cost or extension of time, he shall, within ten days after the receipt of such instructions, and in any event before proceeding to execute the work, submit his protest thereto in writing to the City, stating clearly and in detail the basis of his objections. No such claim will be considered unless so made.

(b) Claims for additional compensation for extra work, due to alleged errors in ground elevations, contour lines, or bench marks, will not be recognized unless accompanied by certified survey data, made prior to the time the original ground was disturbed, clearly showing that errors exist which resulted, or would result, in handling more material, or performing more work, than would be reasonably estimated from the Drawings and maps issued.

(c) Any discrepancies which may be discovered between actual conditions and those represented by the Drawings and maps shall be reported at once to the City and work shall not proceed except at the Contractor's risk, until written instructions have been received from the City.

(d) If, on the basis of the available evidence, the City determines that an adjustment of the Contract Price and/or time is justifiable, a change order shall be executed.

9. Termination, Delays, and Liquidated Damages

(a) Right of the City to Terminate Contract for Convenience

City may at any time and for any reason terminate Contractor's services and work at City's convenience upon providing written notice to the Contractor specifying the extent of termination and the effective date. Upon receipt of such notice, Contractor shall, unless the notice directs otherwise, immediately discontinue the work and placing of orders for materials, facilities and supplies in connection with the performance of this Agreement.

Upon such termination, Contractor shall be entitled to payment only as follows: (1) the actual cost of the work completed in conformity with this Agreement plus (2) such other costs actually incurred by Contractor as are permitted by the prime contract and approved by City. There shall be deducted from such sums as provided in this subparagraph the amount of any payments made to Contractor prior to the date of the termination of this Agreement. Contractor shall not be entitled to any claim or claim of lien against City for any additional compensation or damages in the event of such termination and payment.

(b) Right of the City to Terminate Contract for Cause

If the Contractor fails to fulfill in a timely and proper manner its obligations under this Agreement, or if the Contractor violates any of the covenants, conditions, agreements, or stipulations of this Agreement, the City shall have the right to terminate this Agreement by giving written notice to the Contractor of such termination and specifying the effective date thereof, which shall be at least five days before the effective date of such termination. In the event of termination for cause, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Contractor pursuant to this Agreement shall, at the option of the City, be turned over to the City and become the property of the City. In the event of termination for cause, the Contractor shall be entitled to receive reasonable compensation for any necessary services actually and satisfactorily performed prior to the date of termination.

Notwithstanding the above, the Contractor shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of contract by the Contractor, and the City may set-off the damages it incurred as a result of the Contractor's breach of contract from any amounts it might otherwise owe the Contractor. 2 CFR 200 APPENDIX 11(8)

(c) Liquidated Damages for Delays.

If the work is not completed within the time stipulated in the applicable bid for Lump Sum or Unit Price Contract provided, the Contractor shall pay to the City as fixed, agreed, and liquidated damages (it being impossible to determine the actual damages occasioned by the delay) the amount of **$_____** for each calendar day of delay, until the work is completed. The Contractor and Contractor's sureties shall be liable to the City for the amount thereof.

(d) Excusable Delays

1) The right of the Contractor to proceed shall not be terminated nor shall the Contractor be charged with liquidated damages for any delays in the completion of the work due to:
2) Any acts of the Government, including controls or restrictions upon or requisitioning of materials, equipment, tools, or labor by reason of war, national defense, or any other national emergency;
3) Any acts of the City;
4) Causes not reasonably foreseeable by the parties to this Contract at the time of execution which are beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God, terrorism, war, acts of another Contractor in the performance of some other contract with the City, fires, floods, epidemics, quarantine, restrictions, strikes, freight embargoes, and weather of unusual severity such as hurricanes, tornadoes, cyclones and other extreme weather conditions.
5) Provided, however, that the Contractor promptly notifies the City within ten (10) days in writing of the cause of the delay. Upon receipt of such notification, the City shall ascertain the facts and the cause and extent of delay. If, upon the basis of the facts and the terms of this contract, the delay is properly excusable, the City shall extend the time for completing the work for a period of time commensurate with the period of excusable delay.

10. Assignment or Novation

The Contractor shall not assign nor transfer, whether by assignment or novation, any of its rights, duties, benefits, obligations, liabilities, or responsibilities under this Contract without the written consent of the City. No assignment or novation of this Contract shall be valid unless the assignment or novation expressly provides that the assignment of any of the Contractor's rights or benefits under the Contract is subject to a prior lien for labor performed, services rendered, and materials, tools, and equipment supplied for the performance of the work under this Contract in favor of all persons, Contractors, or corporations rendering such labor or services or supplying such materials, tools, or equipment.

11. Technical Specifications and Drawings

Anything mentioned in the Technical Specifications and not shown on the Drawings or vice versa, shall be of like effect as if shown on or mentioned in both. In case of difference between Drawings and Technical Specifications, the Technical Specifications shall govern. In case of any discrepancy in Drawings, or Technical Specifications, the matter shall be immediately submitted to the City for review. Contractor shall be liable for any issues or expenses in the event the discrepancy is not submitted to the City.

12. Shop Drawings

(a) All required shop drawings, machinery details, layout drawings, etc. shall be submitted to the Engineer in ___ copies for approval sufficiently in advance of requirements to afford ample time for checking, including time for correcting, resubmitting and rechecking if necessary. The Contractor may proceed, only at Contractor's own risk, with manufacture or installation of any equipment or work covered by said shop drawings, etc. until they are approved and no claim, by the Contractor, for extension of the contract time shall be granted by reason of his failure in this respect.

(b) Any drawings submitted without the Contractor's stamp of approval will not be considered and will be returned to him for proper resubmission. If any drawings show variations from the requirements of the Contract because of standard shop practice or other reason, the Contractor shall make specific mention of such variation in his letter of transmittal in order that, if acceptable, suitable action may be taken for proper adjustment of contract price and/or time, otherwise the Contractor will not be relieved of the responsibility for executing the work in accordance with the Contract even though the drawings have been approved

(c) If a shop drawing is in accordance with the contract or involves only minor adjustment in the interest of the City not involving a change in contract price or time, the engineer may approve the drawing. The approval shall not relieve the Contractor from responsibility to adhere to the contract or for any error in the drawing.

13. Requests for Supplementary Information

It shall be the responsibility of the Contractor to make timely requests of the City for any additional information which should be furnished by the City under the terms of this Contract, and which is required in the planning and execution of the work. Such requests may be submitted from time to time as the need approaches, but each shall be filed in ample time to permit appropriate action to be taken by all parties involved so as to avoid delay. Each request shall be in writing and list the various items and the latest date by which each will be required by the Contractor. The first list shall be submitted within two weeks after Contract award and shall be as complete as possible at that time. The Contractor shall, if requested, furnish promptly any assistance and information the Engineer may require in responding to these requests of the Contractor. The Contractor shall be fully responsible for any delay in his work or to others arising from his failure to comply fully with the provision of this section.

14. Materials and Workmanship

(a) Unless otherwise specifically provided for in the technical specifications, all workmanship, equipment, materials and articles incorporated in the work shall be new and the best grade of the respective kinds for the purpose. Where equipment, materials, articles or workmanship are referred to in the technical specifications as "equal to" any particular standard, the Engineer shall decide the question of equality.

(b) The Contractor shall furnish to the City for approval the manufacturer's detailed specifications for all machinery, mechanical and other special equipment, which he contemplates installing together with full information as to type, performance characteristics, and all other pertinent information as required, and shall likewise submit for approval full information concerning all

other materials or articles which he proposes to incorporate.

(c) Machinery, mechanical and other equipment, materials or articles installed or used without such prior approval shall be at the risk of subsequent rejection.

(d) Materials specified by reference to the number or symbol of a specific standard, shall comply with requirements in the latest revision thereof and any amendment or supplement thereto in effect on the date of the Invitation for Bids, except as limited to type, class or grade, or modified in the technical specifications shall have full force and effect as though printed therein.

(e) The City may require the Contractor to dismiss from the work such employee or employees as the City or the Engineer may deem unqualified.

15. Domestic Preferences

As appropriate and to the extent consistent with law and to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

For the purpose of section:

(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

(3) [Iron and steel products, Manufactured Products, and Construction Materials] used in this project comply with the Build America, Buy America Act (BABA) requirements mandated by Title IX of the Infrastructure Investment and Jobs Act ("IIJA"), Publ. L. 177-58.

16. Samples, Certificates and Tests

(a) The Contractor shall submit all material or equipment samples, certificates, affidavits, etc., as called for in the contract documents or required by the Engineer, promptly after award of the contract and acceptance of the Contractor's bond. No such material or equipment shall be manufactured or delivered to the site, except at the Contractor's own risk, until the required samples or certificates have been approved in writing by the Engineer. Any delay in the work caused by late or improper submission of samples or certificates for approval shall not be considered just cause for an extension of the contract time.

(b) Each sample submitted by the Contractor shall carry a label giving the name of the Contractor, the project for which it is intended, and the name of the producer. The accompanying certificate or letter from the Contractor shall state that the sample complies with contract requirements, shall give the name and brand of the product, its place of origin, the name and address of the

producer and all specifications or other detailed information which will assist the Engineer in making a prompt decision regarding the acceptability of the sample. It shall also include the statement that all materials or equipment furnished for use in the project will comply with the samples and/or certified statements.

(c) Approval of any materials shall be general only and shall not constitute a waiver of the City's right to demand full compliance with Contract requirements. After actual deliveries, the Engineer will have such check tests made as he deems necessary in each instance and may reject materials and equipment and accessories for cause, even though such materials and articles have been given general approval. If materials, equipment or accessories which fail to meet check tests have been incorporated in the work, the Engineer will have the right to cause their removal and replacement by proper materials or to demand and secure such reparation by the Contractor as is equitable.

(d) Except as otherwise specifically stated in the Contract, the costs of sampling and testing will be divided as follows:
   1) The Contractor shall furnish without extra cost, including packing and delivery charges, all samples required for testing purposes, except those samples taken on the project by the Engineer;
   2) The Contractor shall assume all costs of re-testing materials which fail to meet contract requirements;
   3) The Contractor shall assume all costs of testing materials offered in substitution for those found deficient;
   4) The City will pay all other expenses.

17. Permits and Codes

(a) The Contractor shall give all notices required by and comply with all applicable federal and state laws, ordinances, and codes of the Local Government. All construction work and/or utility installations shall comply with all applicable ordinances, and codes including all written waivers. Before installing any work, the Contractor shall examine the drawings and technical specifications for compliance with applicable ordinances and codes and shall immediately report any discrepancy to the City. Where the requirements of the drawings and technical specifications fail to comply with such applicable ordinances or codes, the City will adjust the Contract by Change Order to conform to such ordinances or codes (unless waivers in writing covering the difference have been granted by the governing body or department) and make appropriate adjustment in the Contract Price or stipulated unit prices.

(b) Should the Contractor fail to observe the foregoing provisions and proceed with the construction and/or install any utility at variance with any applicable ordinance or code, including any written waivers (notwithstanding the fact that such installation is in compliance with the drawings and technical specifications), the Contractor shall remove such work without cost to the City.

(c) The Contractor shall at his own expense, secure and pay for all permits for street pavement, sidewalks, shed, removal of abandoned water taps, sealing of house connection drains, pavement cuts, buildings, electrical, plumbing, water, gas and sewer permits required by the

local regulatory body or any of its agencies.

(d) The Contractor shall comply with applicable local laws and ordinances governing the disposal of surplus excavation, materials, debris and rubbish on or off the Project Area and commit no trespass on any public or private property in any operation due to or connected with the Improvements contained in this Contract.

(e) The Contractor will be required to make arrangements for and pay the water, electrical power, or any other utilities required during construction.

(f) During construction of this project, the Contractor shall use every means possible to control the amount of dust created by construction. Prior to the close of a day's work, the Contractor, if directed by the City, shall moisten the surrounding area to prevent a dusty condition.

18. Care of Work

(a) The Contractor shall be responsible for all damages to person or property that occur as a result of its fault or negligence in connection with the prosecution of the work and shall be responsible for the proper care and protection of all materials delivered and work performed until completion and final acceptance.

(b) The Contractor shall provide sufficient competent watchmen, both day and night, including Saturdays, Sundays, and holidays, from the time the work is commenced until final completion and acceptance.

(c) In an emergency affecting the safety of life, limb or property, including adjoining property, the Contractor, without special instructions or authorization from the City is authorized to act to prevent such threatened loss or injury. Contractor shall follow all instructions of City.

(d) The Contractor shall avoid damage as a result of his operations to existing sidewalks, streets, curbs, pavements, utilities (except those which are to be replaced or removed), adjoining property, etc., and shall be responsible for completely repairing any damage thereto caused by the operations.

(e) The Contractor shall shore up, brace, underpin, secure, and protect as maybe necessary, all foundations and other parts of existing structures adjacent to, adjoining, and in the vicinity of the site, which may be in any way affected by the excavations or other operations connected with the construction of the improvements included in this Contract. The Contractor shall be responsible for the giving of any and all required notices to any adjoining or adjacent property owner or other party before the commencement of any work. The Contractor shall indemnify and save harmless the City from any damages on account of settlements or the loss of lateral support of adjoining property and from all loss or expense and all damages for which the City may become liable in consequence of such injury or damage to adjoining and adjacent structures and their premises.

19. Accident Prevention

(a) No laborer or mechanic employed in the performance of this Contract shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health or safety as determined under construction safety and health standards promulgated by the Department of Labor.

(b) The Contractor shall exercise proper precaution at all times for the protection of persons and property and shall be responsible for all damages to persons or property, either on or off the site, which occur as a result of his prosecution of the work.

(c) The Contractor shall maintain an accurate record of all cases of death, occupational disease, or injury requiring medical attention or causing loss of time from work, arising out of and in the course of employment on work under the Contract. The Contractor shall promptly furnish the City with reports concerning these matters.

(d) The Contractor shall indemnify and hold harmless the City from any claims for damages resulting from property damage, personal injury and/or death suffered or alleged to have been suffered by any person as a result of any work conducted under this contract.

(e) The Contractor shall provide trench safety for all excavations more than five feet deep prior to excavation. All OSHA Standards for trench safety must be adhered to by the Contractor.

(f) The contractor shall at all times conduct work in such a manner as to ensure the least possible inconvenience to vehicular and pedestrian traffic. At the close of the work each day, all streets, where possible in the opinion of the City, shall be opened to the public in order that persons living in the area may have access to their homes or businesses by the use of the streets. Barricades, warning signs, and necessary lighting shall be provided to the satisfaction of the City at the expense of the Contractor.

20. Sanitary Facilities

The Contractor shall furnish, install and maintain ample sanitary facilities for laborers. As the needs arise, a sufficient number of enclosed temporary toilets shall be conveniently placed as required. Drinking water shall be provided from an approved source, so piped or transported as to keep it safe and fresh and served from single service containers or satisfactory types of sanitary drinking stands or fountains. All such facilities and services shall be furnished in strict accordance with existing and governing health regulations.

21. Use of Premises

(a) The Contractor shall confine equipment, storage of materials, and construction operations to the contract limits as shown on the drawings and as prescribed by ordinances or permits, or as may be desired by the City, and shall not unreasonably encumber the site or public rights of way with materials and construction equipment.

(b) The Contractor shall comply with all reasonable instructions of the City and all existing federal, state and local regulations regarding signs, advertising, traffic, fires,

explosives, danger signals, and barricades.

22. Removal of Debris, Cleaning, Etc.

The Contractor shall, periodically or as directed during the progress of the work, remove and legally dispose of all surplus excavated material and debris, and keep the Project Area and public rights of way reasonably clear. Upon completion of the work, he shall remove all temporary construction facilities, debris and unused materials provided for work, and put the whole site of the work and public rights of way in a neat and clean condition.

23. Inspection

(a) All materials and workmanship shall be subject to inspection, examination, or test by the City and Engineer at any and all times during manufacture or construction and at any and all places where such manufacture or construction occurs. The City shall have the right to reject defective material and workmanship or require its correction. Unacceptable workmanship shall be satisfactorily corrected. Rejected material shall be promptly segregated and removed from the Project Area and replaced with material of specified quality without charge. If the Contractor fails to proceed at once with the correction of rejected workmanship or defective material, the City may by contract or otherwise have the defects remedied or rejected materials removed from the Project Area and charge the cost of the same against any Monies which may be due the Contractor, without prejudice to any other rights or remedies of the City.

(b) The Contractor shall furnish promptly all materials reasonably necessary for any tests which may be required. All tests by the City will be performed in such manner as not to delay the work unnecessarily and will be made in accordance with the provisions of the technical specifications.

(c) The Contractor shall notify the City sufficiently in advance of back filling or concealing any facilities to permit proper inspection. If any facilities are concealed without approval or consent of the City, the Contractor shall uncover for inspection and recover such facilities at Contractor's expense, when so requested by the City.

(d) Should it be considered necessary or advisable by the City at any time before final acceptance of the entire work to make an examination of work already completed, the Contractor shall on request promptly furnish all necessary facilities, labor, and material. If such work is found to be defective in any important or essential respect, due to fault of the Contractor or subcontractors, the Contractor shall defray all the expenses of such examination and of satisfactory reconstruction. If, however, such work is found to meet the requirements of the Contract, the actual cost of labor and material necessarily involved in the examination and replacement, shall be reimbursable and if completion of the work of the entire Contract has been delayed, a suitable extension of time will be approved.

(e) Inspection of materials and appurtenances to be incorporated in the improvements

included in this Contract may be made at the place of production, manufacture or shipment, whenever the quantity justifies it, and such inspection and acceptance, unless otherwise stated in the technical specifications, shall be final, except as regards to: (1) latent defects, (2) departures from specific requirements of the Contract, (3) damage or loss in transit, or (4) fraud or such gross mistakes as amount to fraud. Subject to the requirements contained in the preceding sentence, the inspection of materials as a whole or in part will be made at the Project Site.

(f) Neither inspection, testing, approval nor acceptance of the work in whole or in part, by the City or its agents shall relieve the Contractor or its sureties of full responsibility for materials furnished or work performed not in strict accordance with the Contract

24. Review by City

The City and its authorized representatives and agents shall have access to and be permitted to observe and review all work, materials, equipment, payrolls, personnel records, employment conditions, material invoices, and other relevant data and records pertaining to this Contract, provided, however that all instructions and approval with respect to the work will be given to the Contractor only by the City through its authorized representatives or agents.

25. Final Inspection

When the Improvements included in this Contract are substantially completed, the Contractor shall notify the City in writing that the work will be ready for final inspection on a definite date which shall be stated in the notice. The City will make the arrangements necessary to have final inspection commenced on the date stated in the notice, or as soon thereafter as is practicable.

26. Deduction for Uncorrected Work

If the City deems it not expedient to require the Contractor to correct work not done in accordance with the Contract Documents, an equitable deduction from the Contract Price will be made by agreement between the Contractor and the City and subject to settlement, in case of dispute, as herein provided.

27. Insurance

The Contractor shall not commence work under this contract until all required insurance under this paragraph has been secured and approved by the City.

(a) Worker's Compensation Insurance: The Contractor shall procure and shall maintain during the life of this contract Worker's Compensation Insurance as required by the State of Texas for all of his employees to be engaged in work at the site of the project under this contract and, in case of any such work sublet, the Contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the employees to be engaged in such work unless such employees are covered by the protection afforded by the Contractor's Worker's Compensation Insurance.

(b) Contractor's Public Liability and Property Damage Insurance and Vehicle Liability Insurance. The Contractor shall procure and shall maintain during the life of this contract Contractor's Public Liability Insurance, Contractor's Property Damage Insurance and Vehicle Liability Insurance in the following amounts: ($500,000, $1,000,000, $100,000).

(c) Proof of Insurance: The Contractor shall furnish the City with certificates showing the type, amount, class of operations covered, effective dates and date of expiration of policies. Such certificates shall also contain substantially the following statement: "The insurance covered by this certificate will not be canceled or materially altered, except after ten (10) days written notice has been received by the City."

28. Warranty of Title

No material, supplies, or equipment to be installed or furnished under this Contract shall be purchased subject to any chattel mortgage or under a conditional sale, lease-purchase or other agreement by which an interest is retained by the seller or supplier. The Contractor shall warrant good title to all materials, supplies, and equipment installed or incorporated in the work and upon completion of all work, shall deliver the same, together with all improvements and appurtenances constructed or placed by Contractor, to the City free from any claims, liens, or charges. Neither the Contractor nor any person, firm, or corporation furnishing any material or labor for any work covered by this Contract shall have any right to a lien upon any improvement or appurtenance. Nothing contained in this paragraph, however, shall defeat or impair the right of persons furnishing materials or labor to recover under any law permitting such persons to look to funds due the Contractor. The provisions of this paragraph shall be inserted in all subcontracts and material contracts and notice of its provisions shall be given to all persons furnishing materials for the work when no formal contract is entered into for such materials.

29. Warranty of Workmanship and Materials

Neither the final certificate of payment nor any Provision in the Contract nor partial or entire use of the improvements included in this Contract by the City or the public shall constitute an acceptance of work not done in accordance with the Contract or relieve the Contractor of liability in respect to any express warranties or responsibility for faulty materials or workmanship. The Contractor shall promptly remedy any defects in the work and pay for any damage to other work resulting therefrom, which shall appear within a period of _____ months from the date of final acceptance of the work.

30. Job Offices

(a) The Contractor and its subcontractors may maintain such office and storage facilities on the site as are necessary for the proper conduct of the work. These shall be located so as to cause no interference to any work to be performed on the site. The City shall be consulted with regard to locations.

(b) Upon completion of the improvements, or as directed by the City, the Contractor shall remove all such temporary structures and facilities from the site and leave the site of the work in the condition required by the Contract.

31. Partial Use of Site Improvements

The City may give notice to the Contractor and place in use those sections of the improvements which have been completed, inspected and can be accepted as complying with the technical specifications and if in its opinion, each such section is reasonably safe, fit, and convenient for the use and accommodation for which it was intended, provided:

(a) The use of such sections of the Improvements shall in no way impede the completion of the remainder of the work by the Contractor.

(b) The Contractor shall not be responsible for any damages or maintenance costs due directly to the use of such sections.

32. Contract Documents and Drawings

The City will furnish the Contractor without charge __ copies of the Contract Documents, including Technical Specifications and Drawings. Additional copies requested by the Contractor will be furnished at cost.

33. Contract Period

The work to be performed under this contract shall commence within the time stipulated by the City in the Notice to Proceed and shall be fully completed within _____ calendar days thereafter.

34. Liquidated Damages

Since the actual damages for any delay in completion of the work under this contract are impossible to determine, the Contractor and his Sureties shall be liable for and shall pay to the City the sum of $_____ as fixed, agreed and liquidated damages for each calendar day of delay from the above stipulated time for completion.

ADMINISTRATIVE REQUIREMENTS

35. Local Program Liaison

For purposes of this Agreement, the _____or equivalent authorized person will serve as the Local Program Liaison and primary point of contact for the Contractor. All required progress reports and communication regarding the project shall be directed to this liaison and other local personnel as appropriate.

36. Access to Information

(a) The U.S. Department of Housing and Urban Development (HUD), Inspectors General, the Comptroller General of the United States, the Texas Department of Agriculture (TDA), and the City, or any of their authorized representatives, shall have access to any documents, papers, or other records of the Contractor which are pertinent to the CDBG award, in order to make audits, examinations, excerpts, and transcripts, and to closeout the City's CDBG contract with TDA. 2 CFR 200.336 (former 24 CFR85.36(i)(10))

The Office of the Comptroller General of the United States, the Government Accountability Office, the Office of Inspector General, or any authorized representative of the U.S. Government shall also have this right of inspection.

(b) Contractor shall include the substance of this clause in all subcontracts it awards.

37. Records Retention

(a) The Contractor shall retain all required records for three years after the City makes its final payment and all pending matters are closed. 2 CFR 200.333 (former 24 CFR (85.36(i)(11))

(b) Contractor shall include the substance of this clause in all subcontracts it awards;

Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-federal entities.

38. Resolution of Program Non-Compliance and Disallowed Costs

In the event of any dispute, claim, question, or disagreement arising from or relating to this Contract, or the breach thereof, including determination of responsibility for any costs disallowed as a result of non-compliance with federal, state or CDBG program requirements, the parties hereto shall use their best efforts to settle the dispute, claim, question or disagreement. To this effect, the parties shall consult and negotiate with each other in good faith within 30 days of receipt of a written notice of the dispute or invitation to negotiate and attempt to reach a just and equitable solution satisfactory to both parties. If the matter is not resolved by negotiation within 30 days of receipt of written notice or invitation to negotiate, the parties agree first to try in good faith to settle the matter by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation, or some other dispute resolution procedure. The parties may enter into a written amendment to this Contract and choose a mediator that is not affiliated with the American Arbitration Association. The parties shall bear the costs of such mediation equally. If the matter is not resolved through such mediation within 60 days of the initiation of that procedure, either party may proceed to file suit.

39. Compliance with Davis-Bacon Act, as amended (40 U.S.C. 3141-3148)

When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non- Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States").

All laborers and mechanics employed upon the work covered by this Contract shall be paid unconditionally and not less often than once each week, and without subsequent deduction or rebate on any account (except such payroll deductions as are made mandatory by law and such other payroll deductions as are permitted by the applicable regulations issued by the Secretary of Labor, United States Department of Labor, pursuant to the Anti-Kickback Act hereinafter identified), the full amount due at time of payment computed at wage rates not less than those contained in the wage determination decision of said Secretary of Labor (a copy of which is included in these contract documents and herein incorporated by reference), regardless of any contractual relationship which may be alleged to exist between the Contractor or any subcontractor and such laborers and mechanics. All laborers and mechanics employed upon such work shall be paid in cash, except that payment may be by check if the employer provides or secures satisfactory facilities approved by the City for the cashing of the same without cost or expense to the employee. For the purpose of this clause, contributions made, or costs reasonably anticipated under Section 1 (b) (2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of Section 5.5 (a) (1) (iv) of Title 29, Code of Federal Regulations. Also, for the purpose of this clause, regular contributions made or costs incurred for more than a weekly period under plans, funds, or programs, but covering the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The City must report all suspected or reported violations to TDA. 2 CFR 200 APPENDIX II (D)

40. Compliance with the Copeland "Anti-Kickback" Act

(a) Contractor. The contractor shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this contract.

(b) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clause above and such other clauses as FEMA may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.

(c) Breach. A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a contractor and subcontractor as provided in 29 C.F.R. § 5.12.

41. Conflicts of Interest

(a) Governing Body. No member of the governing body of the City and no other officer, employee, or agent of the City, who exercises any functions or responsibilities in connection with administration, construction, engineering, or implementation of CDBG award between TDA and the City, shall have any personal financial interest, direct or indirect, in the Contractor or this Contract; and the Firm shall take appropriate steps to assure compliance.

(b) Other Local Public Officials. No other public official, who exercises any functions or responsibilities in connection with the planning and carrying out of administration, construction, engineering or implementation of the CDBG award between TDA and the City,

shall have any personal financial interest, direct or indirect, in the Contractor or this Contract; and the Contractor shall take appropriate steps to assure compliance.

(c) The Contractor and Employees. The Contractor warrants and represents that it has no conflict of interest associated with the CDBG award between TDA and the City or this Contract. The Contractor further warrants and represents that it shall not acquire an interest, direct or indirect, in any geographic area that may benefit from the CDBG award between TDA and the City or in any business, entity, organization or person that may benefit from the award. The Contractor further agrees that it will not employ an individual with a conflict of interest as described herein.

42. Debarment and Suspension (Executive Orders 12549 and 12689*)*

The Contractor certifies, by entering into this Contract, that neither it nor its principals are presently debarred, suspended, or otherwise excluded from or ineligible for participation in federally assisted programs under Executive Orders 12549 (1986) and 12689 (1989). The term "principal" for purposes of this Contract is defined as an officer, director, owner, partner, key employee, or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Contractor. The Contractor understands that it must not make any award or permit any award (or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension. A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide Excluded Parties List System in the System for Award Management (SAM), in accordance with the 0MB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. 2 CFR 200 APPENDIX II (H)

43. Byrd Anti-Lobbying

Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)-Contractors that apply or bid for an award of $100,000 or more must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.

Such disclosures *are forwarded from tier to tier up to* the non-Federal award.

Contractor shall file the required certification: The undersigned certifies, to the best of his or her knowledge and belief, that:

(d) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned,

to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(e) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(f) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. 2 CFR 200 APPENDIX II (I) and 24 CFR §570.303

44. Overtime Requirements

No Contractor or subcontractor contracting for any part of the Contract work which may require or involve the employment of laborers or mechanics, including watchmen and guards, shall require or permit any laborer or mechanic in any workweek in which he is employed on such work to work in excess of 40 hours in such work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in excess of 40 hours in such work week, as the case may be. 2 CFR 200 APPENDIX II (E)

45. Equal Opportunity Clause

Comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a)Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§16811683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C.§794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P. L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other non-discrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply.

During the performance of this contract, the Contractor agrees as follows*:*

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(c) The Contractor will not discourage or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information

(d) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, ·a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(e) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, "Equal Employment Opportunity," and of the rules, regulations, and relevant orders of the Secretary of Labor.

(f) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(g) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions

may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(h) The Contractor will include the portion of the sentence immediately preceding paragraph (a) and the provisions of paragraphs (a) through (h) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the Contractor may request the United States to enter into such litigation to protect the interests of the United States. 41 CFR §60-1.4(b) And 2 CFR 200 APPENDIX II (C)

46. Section 109 of the Housing and Community Development Act of 1974.

The Contractor shall comply with the provisions of Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall on the ground of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

47. Contract Work Hours and Safety Standards Act (40 U.S.C.3701-3708).

Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

The Contractor will include the portion of the sentence immediately preceding paragraph (a) and the provisions of paragraphs (a) through (h) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency

the Contractor may request the United States to enter into such litigation to protect the interests of the United States. 41 CFR §60-1.4(b) And 2 CFR 200 APPENDIX II (C)

48. Section 504 Rehabilitation Act of 1973, as amended.

The Contractor agrees that no otherwise qualified individual with disabilities shall, solely by reason of his/her disability, be denied the benefits of, or be subjected to discrimination, including discrimination in employment, under any program or activity receiving federal financial assistance.

49. Age Discrimination Act of 1975.

The Contractor shall comply with the Age Discrimination Act of 1975 which provides that no person in the United States shall on the basis of age be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

50. Non-Segregated Facilities

The Contractor certifies that he does not and will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not and will not permit his employees any segregated facilities at any of his establishments or permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. As used in this paragraph the term "segregated facilities" means any waiting rooms, work areas, rest rooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise.

51. The Provision of Local Training, Employment. and Business Opportunities

(a) To the greatest extent feasible opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project. Attached to contract is HUD's Section 3 Frequently Asked Questions.

(b) The Contractor will include this clause in every subcontract for work in connection with the project.

52. Economic Opportunities for Section 3 Residents and Section 3 Business Concerns

(a) The work to be performed under this Contract is subject to the requirements of section 3 of the Housing and Urban Development (HUD) Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(b) The parties to this Contract agree to comply with HUD's regulations in 24 CFR part 75, which implement section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual or other impediment that would prevent them from

complying with the part 75 regulations.

(c) The Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 75. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 75.

(d) The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 75 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR part 75.

(e) Noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.

53. Gender Neutral - Gender References

When necessary, unless the context clearly requires otherwise, any gender-specific or gender-neutral term in this Contract (for example, he, she, it, etc.) is to be read as referring to any other gender or to no gender.

54. Patent Rights and Inventions

The contractor shall comply with the requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract. (2 CFR 200 Appendix II (f) and Rights to Inventions in 37 CFR Part 401).

55. Rights to Inventions Made Under a Contract or Agreement

56. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the Subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the Subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

57. Energy Efficiency

The Contractor shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201). (2 CFR 200 Appendix II (h)

58. System for Award Management (SAM)

All contractors and subcontractors must be searched AND cleared (not suspended or debarred) prior to authorization to work on the project.

59. Solid Waste Disposal Act

Contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

60. Procurement of Recovered Materials

(a) In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA- designated items unless the product cannot be acquired-

1) Competitively within a time frame providing for compliance with the contract performance schedule;
2) Meeting contract performance requirements; or
3) At a reasonable price.

(b) Information about this requirement, along with the list of EPA-designate items, is available at EPA's Comprehensive Procurement Guidelines web site, https://www.epa.gov/

STATE REQUIREMENTS

61. Verification No Boycott Israel.

As required by Chapter 2271, Government Code, CONTRACTOR hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

62. Foreign Terrorist Organizations.

Pursuant to Chapter 2252, Texas Government Code, represents and certifies that, at the time of execution of this Agreement neither, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

ENVIRONMENTAL CONDITIONS

63. Clean Air Act and the Federal Water Pollution ControlAct

The Contractor or subcontractor shall comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). 2 CFR 200 APPENDIX II (G)

64. Lead-Based Paint

The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

65. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Subrecipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

66. Buy America Preference

Pursuant to the Buy America, Build America Act (BABA), Grant Recipients that are awarded funding for infrastructure projects beginning in Program Year 2023 must ensure that the required items used in the project are produced in the United States. HUD's phased implementation will apply BABA documentation requirements to additional items each year – new grant awards must comply with the BABA requirements applicable to the period in which they are awarded.

The Buy America preference applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. An item meets BABA requirements if:

- Iron and steel – all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
- Construction materials and manufactured products –
    - the item was manufactured in the United States; or
    - the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product; or

- the components of the manufactured product meets another standard for determining the minimum amount of domestic content of the manufactured product established under applicable law or regulation.

The Grant Recipient must provide an itemization to identify the products, quantities, and costs as support documentation.

- The bid tab must be sufficiently detailed to itemize each separate product or material and indicate BABA applicability, OR a separate schedule must be attached to identify BABA applicability for all products or materials.
- If a change to the contract includes new products or materials, and updated itemization must be submitted with the change order.

Documentation of BABA compliance must be provided for a minimum of 95% of all iron, steel, manufactured products, and construction materials used in the project, according to the phased implementation schedule. TDA has not received guidance as to the documentation necessary to support the Buy America status of the project. Until further guidance is provided, the Grant Recipient must provide written evidence from the manufacturer or supplier that:

- Identifies the item purchased;
- Affirms the location of manufacture as within the United States; and
- If signed by an authorized company representative.

In rare instances, a BABA waiver may be available. To request such a waiver, the Grant Recipient must provide a letter to the TxCDBG Director requesting a BABA waiver, citing the relevant exception, and providing a narrative justification and any supporting documentation for how the exception applies to the project. NOTE: TDA does not have the authority to waive BABA requirements; all requests for waivers will be evaluated by TDA and, if applicable, forwarded for review and potential approval by both HUD and the Office of Management and Budget. **Any project delays due to the waiver process will not be considered for proposed Grant Agreement extensions.**

67. Prohibition on Certain Telecommunications and Video Surveillance Equipment

a. Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:
   1. Procure or obtain covered telecommunications equipment or services.
   2. Extend or renew a contract to procure or obtain covered telecommunications equipment or services.
   3. Enter into a contract (or extend or renew a contract) to procure or obtain covered telecommunications equipment or services.

b. As described in section 889 of Public Law 115-232, “covered telecommunications equipment or services” means any of the following:

1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);

2) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

3) Telecommunications or video surveillance services provided by such entities or using such equipment;
4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country;

c. For the purposes of this section, "covered telecommunications equipment or services" also include systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

d. In implementing the prohibition under section 889 of Public Law 115-232, heads of executive agencies administering loan, grant, or subsidy programs must prioritize available funding and technical support to assist affected businesses, institutions, and organizations as is reasonably necessary for those affected entities to transition from covered telecommunications equipment or services, to procure replacement equipment or services, and to ensure that communications service to users and customers is sustained.

e. When the recipient or subrecipient accepts a loan or grant, it is certifying that it will comply with payment requests and financial the prohibition on covered telecommunications equipment and services in this section. The recipient or subrecipient is not required to certify that funds will not be expended on covered telecommunications equipment or services beyond the certification provided upon accepting the loan or grant and those provided upon submitting reports.

68. Other Conditions

Any special conditions such as mitigation measures will be carried out as instructed by the Environmental Review Record. Enter Mitigation Measures from City Environmental Review Record as applicable.

69. Ineligibility to Receive State Grants Or Loans Or Bid On State Contracts

In accordance with Section 231.006 of the Texas Family Code, a child support obligator who is 30 or more days delinquent in paying child support is not eligible to:

1) Enter into a contract to provide property, materials or services under a contract with the state; or
2) Receive a state-funded grant or loan.

Under Section 231.006(d) of the Texas Family Code, regarding Child Support, the vendor or contractor certifies that the individual or business entity named in this contract, bid, or application is not ineligible to receive the specified contract and associated payments and acknowledges that the contract may be terminated, and payment withheld if this certification is inaccurate.

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

STANDARD
GENERAL CONDITIONS
OF THE
CONSTRUCTION CONTRACT

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and

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CONSTRUCTION SPECIFICATIONS INSTITUTE

This document has been approved and endorsed by

The Associated General Contractors of America

These General Conditions have been prepared for use with the Owner-Contractor Agreements (No. 1910-8-A-1 or 1910-8-A-2) (1990 Editions). Their provisions are interrelated and a change in one may necessitate a change in the others. Comments concerning their usage are contained in the Commentary on Agreements for Engineering Services and Contract Documents (No. 1910-9) (1986 Edition). For guidance in the preparation of Supplementary Conditions, see Guide to the Preparation of Supplementary Conditions (No. 1910-17) (1990 Edition). When bidding is involved, the Standard Form of Instructions to Bidders (No. 1910-12) (1990 Edition) may be used.

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GENERAL CONDITIONS

ARTICLE 1—DEFINITIONS

Wherever used in these General Conditions or in the other Contract Documents the following terms have the meanings indicated which are applicable to both the singular and plural thereof:

1.1. *Addenda*—Written or graphic instruments issued prior to the opening of Bids which clarify, correct or change the Bidding Requirements or the Contract Documents.

1.2. *Agreement*—The written contract between OWNER and CONTRACTOR covering the Work to be performed; other Contract Documents are attached to the Agreement and made a part thereof as provided therein.

1.3. *Application for Payment*—The form accepted by ENGINEER which is to be used by CONTRACTOR in requesting progress or final payments and which is to be accompanied by such supporting documentation as is required by the Contract Documents.

1.4. *Asbestos*—Any material that contains more than one percent asbestos and is friable or is releasing asbestos fibers into the air above current action levels established by the United States Occupational Safety and Health Administration.

1.5. *Bid*—The offer or proposal of the bidder submitted on the prescribed form setting forth the prices for the Work to be performed.

1.6. *Bidding Documents*—The advertisement or invitation to Bid, instructions to bidders, the Bid form, and the proposed Contract Documents (including all Addenda issued prior to receipt of Bids).

1.7. *Bidding Requirements*—The advertisement or invitation to Bid, instructions to bidders, and the Bid form.

1.8. *Bonds*—Performance and Payment bonds and other instruments of security.

1.9. *Change Order*—A document recommended by ENGINEER, which is signed by CONTRACTOR and OWNER and authorizes an addition, deletion or revision in the Work, or an adjustment in the Contract Price or the Contract Times, issued on or after the Effective Date of the Agreement.

1.10. *Contract Documents*—The Agreement, Addenda (which pertain to the Contract Documents), CONTRACTOR's Bid (including documentation accompanying the Bid and any post Bid documentation submitted prior to the Notice of Award) when attached as an exhibit to the Agreement, the Notice to Proceed, the Bonds, these General Conditions, the Supplementary Conditions, the Specifications and the Drawings as the same are more specifically identified in the Agreement, together with all Written Amendments, Change Orders, Work Change Directives, Field Orders and ENGINEER's written interpretations and clarifications issued pursuant to paragraphs 3.5, 3.6.1, and 3.6.3 on or after the Effective Date of the Agreement. Shop Drawing submittals approved pursuant to paragraphs 6.26 and 6.27 and the reports and drawings referred to in paragraphs 4.2.1.1 and 4.2.2.2 are not Contract Documents.

1.11. *Contract Price*—The moneys payable by OWNER to CONTRACTOR for completion of the Work in accordance with the Contract Documents as stated in the Agreement (subject to the provisions of paragraph 11.9.1 in the case of Unit Price Work).

1.12. *Contract Times*—The numbers of days or the dates stated in the Agreement: (i) to achieve Substantial Completion, and (ii) to complete the Work so that it is ready for final payment as evidenced by ENGINEER's written recommendation of final payment in accordance with paragraph 14.13.

1.13. *CONTRACTOR*—The person, firm or corporation with whom OWNER has entered into the Agreement.

1.14. *defective*—An adjective which when modifying the word Work refers to Work that is unsatisfactory, faulty or deficient, in that it does not conform to the Contract Documents, or does not meet the requirements of any inspection, reference standard, test or approval referred to in the Contract Documents, or has been damaged prior to ENGINEER's recommendation of final payment (unless responsibility for the protection thereof has been assumed by OWNER at Substantial Completion in accordance with paragraph 14.8 or 14.10).

1.15. *Drawings*—The drawings which show the scope, extent and character of the Work to be furnished and performed by CONTRACTOR and which have been prepared or approved by ENGINEER and are referred to in the Contract Documents. Shop drawings are not Drawings as so defined.

1.16. *Effective Date of the Agreement*—The date indicated in the Agreement on which it becomes effective, but if no such date is indicated it means the date on which the Agreement is signed and delivered by the last of the two parties to sign and deliver.

1.17. *ENGINEER*—The person, firm or corporation named as such in the Agreement.

1.18. *ENGINEER's Consultant*—A person, firm or corporation having a contract with ENGINEER to furnish services as ENGINEER's independent professional associate or consultant with respect to the Project and who is identified as such in the Supplementary Conditions.

1.19. *Field Order*—A written order issued by ENGINEER which orders minor changes in the Work in accordance with paragraph 9.5 but which does not involve a change in the Contract Price or the Contract Times.

1.20. *General Requirements*—Sections of Division 1 of the Specifications.

1.21. *Hazardous Waste*—The term Hazardous Waste shall have the meaning provided in Section 1004 of the Solid Waste Disposal Act (42 USC Section 6903) as amended from time to time.

1.22. *Laws and Regulations; Laws or Regulations*—Any and all applicable laws, rules, regulations, ordinances, codes and orders of any and all governmental bodies, agencies, authorities and courts having jurisdiction.

1.23. *Liens*—Liens, charges, security interests or encumbrances upon real property or personal property.

1.24. *Milestone*—A principal event specified in the Contract Documents relating to an intermediate completion date or time prior to Substantial Completion of all the Work.

1.25. *Notice of Award*—The written notice by OWNER to the apparent successful bidder stating that upon compliance by the apparent successful bidder with the conditions precedent enumerated therein, within the time specified, OWNER will sign and deliver the Agreement.

1.26. *Notice to Proceed*—A written notice given by OWNER to CONTRACTOR (with a copy to ENGINEER) fixing the date on which the Contract Times will commence to run and on which CONTRACTOR shall start to perform CONTRACTOR's obligations under the Contract Documents.

1.27. *OWNER*—The public body or authority, corporation, association, firm or person with whom CONTRACTOR has entered into the Agreement and for whom the Work is to be provided.

1.28. *Partial Utilization*—Use by OWNER of a substantially completed part of the Work for the purpose for which it is intended (or a related purpose) prior to Substantial Completion of all the Work.

1.29. *PCBs*—Polychlorinated biphenyls.

1.30. *Petroleum*—Petroleum, including crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute), such as oil, petroleum, fuel oil, oil sludge, oil refuse, gasoline, kerosene, and oil mixed with other non-Hazardous Wastes and crude oils.

1.31. *Project*—The total construction of which the Work to be provided under the Contract Documents may be the whole, or a part as indicated elsewhere in the Contract Documents.

1.32. *Radioactive Material*—Source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954 (42 USC Section 2011 et seq.) as amended from time to time.

1.33. *Resident Project Representative*— The authorized representative of ENGINEER who may be assigned to the site or any part thereof.

1.34. *Samples*—Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and which establish the standards by which such portion of the Work will be judged.

1.35. *Shop Drawings*—All drawings, diagrams, illustrations, schedules and other data or information which are specifically prepared or assembled by or for CONTRACTOR and submitted by CONTRACTOR to illustrate some portion of the Work.

1.36. *Specifications*—Those portions of the Contract Documents consisting of written technical descriptions of materials, equipment, construction systems, standards and workmanship as applied to the Work and certain administrative details applicable thereto.

1.37. *Subcontractor*—An individual, firm or corporation having a direct contract with CONTRACTOR or with any other Subcontractor for the performance of a part of the Work at the site.

1.38. *Substantial Completion*—The Work (or a specified part thereof) has progressed to the point where, in the opinion of ENGINEER as evidenced by ENGINEER's definitive certificate of Substantial Completion, it is sufficiently complete, in accordance with the Contract Documents, so that the Work (or specified part) can be utilized for the purposes for which it is intended; or if no such certificate is issued, when the Work is complete and ready for final payment as evidenced by ENGINEER's written recommendation of final payment in accordance with paragraph 14.13. The terms "substantially complete" and "substantially completed" as applied to all or part of the Work refer to Substantial Completion thereof.

1.39. *Supplementary Conditions*—The part of the Contract Documents which amends or supplements these General Conditions.

1.40. *Supplier*—A manufacturer, fabricator, supplier, distributor, materialman or vendor having a direct contract with CONTRACTOR or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by CONTRACTOR or any Subcontractor.

1.41. *Underground Facilities*—All pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels or other such facilities or attachments, and any encasements containing such facilities which have been installed underground to furnish any of the following services or materials: electricity, gases, steam, liquid petroleum products, telephone or other communications, cable television, sewage and drainage removal, traffic or other control systems or water.

1.42. *Unit Price Work*—Work to be paid for on the basis of unit prices.

1.43. *Work*—The entire completed construction or the various separately identifiable parts thereof required to be furnished under the Contract Documents. Work includes and is the result of performing or furnishing labor and furnishing and incorporating materials and equipment into the construction, and performing or furnishing services and furnishing documents, all as required by the Contract Documents.

1.44. *Work Change Directive*—A written directive to CONTRACTOR, issued on or after the Effective Date of the Agreement and signed by OWNER and recommended by ENGINEER, ordering an addition, deletion or revision in the Work, or responding to differing or unforeseen physical conditions under which the Work is to be performed as provided in paragraph 4.2 or 4.3 or to emergencies under paragraph 6.23. A Work Change Directive will not change the Contract Price or the Contract Times, but is evidence that the parties expect that the change directed or documented by a Work Change Directive will be incorporated in a subsequently issued Change Order following negotiations by the parties as to its effect, if any, on the Contract Price or Contract Times as provided in paragraph 10.2.

1.45. *Written Amendment*—A written amendment of the Contract Documents, signed by OWNER and CONTRACTOR on or after the Effective Date of the Agreement and normally dealing with the nonengineering or nontechnical rather than strictly construction-related aspects of the Contract Documents.

ARTICLE 2—PRELIMINARY MATTERS

Delivery of Bonds:

2.1. When CONTRACTOR delivers the executed Agreements to OWNER, CONTRACTOR shall also deliver to OWNER such Bonds as CONTRACTOR may be required to furnish in accordance with paragraph 5.1.

Copies of Documents:

2.2. OWNER shall furnish to CONTRACTOR up to ten copies (unless otherwise specified in the Supplementary Conditions) of the Contract Documents as are reasonably necessary for the execution of the Work. Additional copies will be furnished, upon request, at the cost of reproduction.

Commencement of Contract Times; Notice to Proceed:

2.3. The Contract Times will commence to run on the thirtieth day after the Effective Date of the Agreement, or, if a Notice to Proceed is given, on the day indicated in the Notice to Proceed. A Notice to Proceed may be given at any time within thirty days after the Effective Date of the Agreement. In no event will the Contract Times commence to run later than the sixtieth day after the day of Bid opening or the thirtieth day after the Effective Date of the Agreement, whichever date is earlier.

Starting the Work:

2.4. CONTRACTOR shall start to perform the Work on the date when the Contract Times commence to run, but no Work shall be done at the site prior to the date on which the Contract Times commence to run.

Before Starting Construction:

2.5. Before undertaking each part of the Work, CONTRACTOR shall carefully study and compare the Contract Documents and check and verify pertinent figures shown thereon and all applicable field measurements. CONTRACTOR shall promptly report in writing to ENGINEER any conflict, error, ambiguity or discrepancy which CONTRACTOR may discover and shall obtain a written interpretation or clarification from ENGINEER before proceeding with any Work affected thereby; however, CONTRACTOR shall not be liable to OWNER or ENGINEER for failure to report any conflict, error, ambiguity or discrepancy in the Contract Documents, unless CONTRACTOR knew or reasonably should have known thereof.

2.6. Within ten days after the Effective Date of the Agreement (unless otherwise specified in the General Requirements), CONTRACTOR shall submit to ENGINEER for review:

2.6.1. a preliminary progress schedule indicating the times (numbers of days or dates) for starting and completing the various stages of the Work, including any Milestones specified in the Contract Documents;

2.6.2. a preliminary schedule of Shop Drawing and Sample submittals which will list each required submittal and the times for submitting, reviewing and processing such submittal;

2.6.3. a preliminary schedule of values for all of the Work which will include quantities and prices of items aggregating the Contract Price and will subdivide the Work into component parts in sufficient detail to serve as the basis for progress payments during construction. Such prices will include an appropriate amount of overhead and profit applicable to each item of Work.

2.7. Before any Work at the site is started, CONTRACTOR and OWNER shall each deliver to the other, with copies to each additional insured identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance which either of them or any additional insured may reasonably request) which CONTRACTOR and OWNER respectively are required to purchase and maintain in accordance with paragraphs 5.4, 5.6 and 5.7.

Preconstruction Conference:

2.8. Within twenty days after the Contract Times start to run, but before any Work at the site is started, a conference

attended by CONTRACTOR, ENGINEER and others as appropriate will be held to establish a working understanding among the parties as to the Work and to discuss the schedules referred to in paragraph 2.6, procedures for handling Shop Drawings and other submittals, processing Applications for Payment and maintaining required records.

Initially Acceptable Schedules:

2.9. Unless otherwise provided in the Contract Documents, at least ten days before submission of the first Application for Payment a conference attended by CONTRACTOR, ENGINEER and others as appropriate will be held to review for acceptability to ENGINEER as provided below the schedules submitted in accordance with paragraph 2.6. CONTRACTOR shall have an additional ten days to make corrections and adjustments and to complete and resubmit the schedules. No progress payment shall be made to CONTRACTOR until the schedules are submitted to and acceptable to ENGINEER as provided below. The progress schedule will be acceptable to ENGINEER as providing an orderly progression of the Work to completion within any specified Milestones and the Contract Times, but such acceptance will neither impose on ENGINEER responsibility for the sequencing, scheduling or progress of the Work nor interfere with or relieve CONTRACTOR from CONTRACTOR's full responsibility therefor. CONTRACTOR's schedule of Shop Drawing and Sample submissions will be acceptable to ENGINEER as providing a workable arrangement for reviewing and processing the required submittals. CONTRACTOR's schedule of values will be acceptable to ENGINEER as to form and substance.

ARTICLE 3—CONTRACT DOCUMENTS: INTENT, AMENDING, REUSE

Intent:

3.1. The Contract Documents comprise the entire agreement between OWNER and CONTRACTOR concerning the Work. The Contract Documents are complementary; what is called for by one is as binding as if called for by all. The Contract Documents will be construed in accordance with the law of the place of the Project.

3.2. It is the intent of the Contract Documents to describe a functionally complete Project (or part thereof) to be constructed in accordance with the Contract Documents. Any Work, materials or equipment that may reasonably be inferred from the Contract Documents or from prevailing custom or trade usage as being required to produce the intended result will be furnished and performed whether or not specifically called for. When words or phrases which have a well- known technical or construction industry or trade meaning are used to describe Work, materials or equipment, such words or phrases shall be interpreted in accordance with that meaning. Clarifications and interpretations of the Contract Documents shall be issued by ENGINEER as provided in paragraph 9.4.

3.3. ***Reference to Standards and Specifications of Technical Societies; Reporting and Resolving Discrepancies:***

3.3.1. Reference to standards, specifications, manuals or codes of any technical society, organization or association, or to the Laws or Regulations of any governmental authority, whether such reference be specific or by implication, shall mean the latest standard, specification, manual, code or Laws or Regulations in effect at the time of opening of Bids (or, on the Effective Date of the Agreement if there were no Bids), except as may be otherwise specifically stated in the Contract Documents.

3.3.2. If, during the performance of the Work, CONTRACTOR discovers any conflict, error, ambiguity or discrepancy within the Contract Documents or between the Contract Documents and any provision of any such Law or Regulation applicable to the performance of the Work or of any such standard, specification, manual or code or of any instruction of any Supplier referred to in paragraph 6.5, CONTRACTOR shall report it to ENGINEER in writing at once, and, CONTRACTOR shall not proceed with the Work affected thereby (except in an emergency as authorized by paragraph 6.23) until an amendment or supplement to the Contract Documents has been issued by one of the methods indicated in paragraph 3.5 or 3.6; provided, however, that CONTRACTOR shall not be liable to OWNER or ENGINEER for failure to report any such conflict, error, ambiguity or discrepancy unless CONTRACTOR knew or reasonably should have known thereof.

3.3.3. Except as otherwise specifically stated in the Contract Documents or as may be provided by amendment or supplement thereto issued by one of the methods indicated in paragraph 3.5 or 3.6, the provisions of the Contract Documents shall take precedence in resolving any conflict, error, ambiguity or discrepancy between the provisions of the Contract Documents and:

3.3.3.1. the provisions of any such standard, specification, manual, code or instruction (whether or not specifically incorporated by reference in the Contract Documents); or

3.3.3.2. the provisions of any such Laws or Regulations applicable to the performance of the Work (unless such an interpretation of the provisions of the Contract Documents would result in violation of such Law or Regulation).

No provision of any such standard, specification, manual, code or instruction shall be effective to change the duties and responsibilities of OWNER, CONTRACTOR or ENGINEER, or any of their subcontractors, consultants, agents, or employees from those set forth in the Contract Documents, nor shall it be effective to assign to OWNER, ENGINEER or any of ENGINEER's Consultants, agents or employees any duty or authority to supervise or direct the furnishing or

performance of the Work or any duty or authority to undertake responsibility inconsistent with the provisions of paragraph 9.13 or any other provision of the Contract Documents.

3.4. Whenever in the Contract Documents the terms "as ordered," "as directed," "as required," "as allowed," "as approved" or terms of like effect or import are used, or the adjectives "reasonable," "suitable," "acceptable," "proper" or "satisfactory" or adjectives of like effect or import are used to describe a requirement, direction, review or judgment of ENGINEER as to the Work, it is intended that such requirement, direction, review or judgment will be solely to evaluate, in general, the completed Work for compliance with the requirements of and information in the Contract Documents and conformance with the design concept of the completed Project as a functioning whole as shown or indicated in the Contract Documents (unless there is a specific statement indicating otherwise). The use of any such term or adjective shall not be effective to assign to ENGINEER any duty or authority to supervise or direct the furnishing or performance of the Work or any duty or authority to undertake responsibility contrary to the provisions of paragraph 9.13 or any other provision of the Contract Documents.

Amending and Supplementing Contract Documents:

3.5. The Contract Documents may be amended to provide for additions, deletions and revisions in the Work or to modify the terms and conditions thereof in one or more of the following ways:

3.5.1. a formal Written Amendment,

3.5.2. a Change Order (pursuant to paragraph 10.4), or

3.5.3. a Work Change Directive (pursuant to paragraph 10.1).

3.6. In addition, the requirements of the Contract Documents may be supplemented, and minor variations and deviations in the Work may be authorized, in one or more of the following ways:

3.6.1. a Field Order (pursuant to paragraph 9.5),

3.6.2. ENGINEER's approval of a Shop Drawing or Sample (pursuant to paragraphs 6.26 and 6.27), or

3.6.3. ENGINEER's written interpretation or clarification (pursuant to paragraph 9.4).

Reuse of Documents:

3.7. CONTRACTOR, and any Subcontractor or Supplier or other person or organization performing or furnishing any of the Work under a direct or indirect contract with OWNER (i) shall not have or acquire any title to or ownership rights in any of the Drawings, Specifications or other documents (or copies of any thereof) prepared by or bearing the seal of ENGINEER or ENGINEER's Consultant, and (ii) shall not reuse any of such Drawings, Specifications, other documents or copies on extensions of the Project or any other project without written consent of OWNER and ENGINEER and specific written verification or adaption by ENGINEER.

ARTICLE 4—AVAILABILITY OF LANDS; SUBSURFACE AND PHYSICAL CONDITIONS; REFERENCE POINTS

Availability of Lands:

4.1. OWNER shall furnish, as indicated in the Contract Documents, the lands upon which the Work is to be performed, rights-of-way and easements for access thereto, and such other lands which are designated for the use of CONTRACTOR. Upon reasonable written request, OWNER shall furnish CONTRACTOR with a correct statement of record legal title and legal description of the lands upon which the Work is to be performed and OWNER's interest therein as necessary for giving notice of or filing a mechanic's lien against such lands in accordance with applicable Laws and Regulations. OWNER shall identify any encumbrances or restrictions not of general application but specifically related to use of lands so furnished with which CONTRACTOR will have to comply in performing the Work. Easements for permanent structures or permanent changes in existing facilities will be obtained and paid for by OWNER, unless otherwise provided in the Contract Documents. If CONTRACTOR and OWNER are unable to agree on entitlement to or the amount or extent of any adjustments in the Contract Price or the Contract Times as a result of any delay in OWNER's furnishing these lands, rights-of-way or easements, CONTRACTOR may make a claim therefor as provided in Articles 11 and 12. CONTRACTOR shall provide for all additional lands and access thereto that may be required for temporary construction facilities or storage of materials and equipment.

4.2. *Subsurface and Physical Conditions:*

4.2.1. *Reports and Drawings:* Reference is made to the Supplementary Conditions for identification of:

4.2.1.1. *Subsurface Conditions:* Those reports of explorations and tests of subsurface conditions at or contiguous to the site that have been utilized by ENGINEER in preparing the Contract Documents; and

4.2.1.2. *Physical Conditions:* Those drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the site (except Underground Facilities) that have been utilized by ENGINEER in preparing the Contract Documents.

4.2.2. *Limited Reliance by CONTRACTOR Authorized; Technical Data:* CONTRACTOR may rely upon the general accuracy of the "technical data" contained in such reports and drawings, but such reports and drawings are not Contract Documents. Such "technical data" is identified in the Supplementary Conditions. Except for such reliance on such "technical data," CONTRACTOR may not rely upon or make any claim against OWNER, ENGINEER or any of ENGINEER's Consultants with respect to:

4.2.2.1. the completeness of such reports and drawings for CONTRACTOR's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences and procedures of construction to be employed by CONTRACTOR and safety precautions and programs incident thereto, or

4.2.2.2. other data, interpretations, opinions and information contained in such reports or shown or indicated in such drawings, or

4.2.2.3. any CONTRACTOR interpretation of or conclusion drawn from any "technical data" or any such data, interpretations, opinions or information.

4.2.3. *Notice of Differing Subsurface or Physical Conditions:* If CONTRACTOR believes that any subsurface or physical condition at or contiguous to the site that is uncovered or revealed either:

4.2.3.1. is of such a nature as to establish that any "technical data" on which CONTRACTOR is entitled to rely as provided in paragraphs 4.2.1 and 4.2.2 is materially inaccurate, or

4.2.3.2. is of such a nature as to require a change in the Contract Documents, or

4.2.3.3. differs materially from that shown or indicated in the Contract Documents, or

4.2.3.4. is of an unusual nature, and differs materially from conditions ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents; then

CONTRACTOR shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby or performing any Work in connection therewith (except in an emergency as permitted by paragraph 6.23), notify OWNER and ENGINEER in writing about such condition. CONTRACTOR shall not further disturb such conditions or perform any Work in connection therewith (except as aforesaid) until receipt of written order to do so.

4.2.4. *ENGINEER's Review:* ENGINEER will promptly review the pertinent conditions, determine the necessity of OWNER's obtaining additional exploration or tests with respect thereto and advise OWNER in writing (with a copy to CONTRACTOR) of ENGINEER's findings and conclusions.

4.2.5. *Possible Contract Documents Change:* If ENGINEER concludes that a change in the Contract Documents is required as a result of a condition that meets one or more of the categories in paragraph 4.2.3., a Work Change Directive or a Change Order will be issued as provided in Article 10 to reflect and document the consequences of such change.

4.2.6. *Possible Price and Times Adjustments:* An equitable adjustment in the Contract Price or in the Contract Times, or both, will be allowed to the extent that the existence of such uncovered or revealed condition causes an increase or decrease in CONTRACTOR's cost of, or time required for performance of, the Work; subject, however, to the following:

4.2.6.1. such condition must meet any one or more of the categories described in paragraphs 4.2.3.1 through 4.2.3.4, inclusive;

4.2.6.2. a change in the Contract Documents pursuant to paragraph 4.2.5 will not be an automatic authorization of nor a condition precedent to entitlement to any such adjustment;

4.2.6.3. with respect to Work that is paid for on a Unit Price Basis, any adjustment in Contract Price will be subject to the provisions of paragraphs 9.10 and 11.9; and

4.2.6.4. CONTRACTOR shall not be entitled to any adjustment in the Contract Price or Times if;

4.2.6.4.1. CONTRACTOR knew of the existence of such conditions at the time CONTRACTOR made a final commitment to OWNER in respect of Contract Price and Contract Times by the submission of a bid or becoming bound under a negotiated contract; or

4.2.6.4.2. the existence of such condition could reasonably have been discovered or revealed as a result of any examination, investigation, exploration, test or study of the site and contiguous areas required by the Bidding Requirements or Contract Documents to be conducted by or for CONTRACTOR prior to CONTRACTOR's making such final commitment; or

4.2.6.4.3. CONTRACTOR failed to give the written notice within the time and as required by paragraph 4.2.3.

If OWNER and CONTRACTOR are unable to agree on entitlement to or as to the amount or length of any such equitable adjustment in the Contract Price or Contract Times, a claim may be made therefor as provided in Articles 11 and 12. However, OWNER, ENGINEER and ENGINEER's Consultants shall not be liable to CONTRACTOR for any claims, costs, losses or damages sustained by CONTRACTOR on or in connection with any other project or anticipated project.

4.3. *Physical Conditions—Underground Facilities:*

4.3.1. *Shown or Indicated:* The information and data shown or indicated in the Contract Documents with respect to existing Underground Facilities at or contiguous to the site is based on

information and data furnished to OWNER or ENGINEER by the owners of such Underground Facilities or by others. Unless it is otherwise expressly provided in the Supplementary Conditions:

4.3.1.1. OWNER and ENGINEER shall not be responsible for the accuracy or completeness of any such information or data; and

4.3.1.2. The cost of all of the following will be included in the Contract Price and CONTRACTOR shall have full responsibility for: (i) reviewing and checking all such information and data, (ii) locating all Underground Facilities shown or indicated in the Contract Documents, (iii) coordination of the Work with the owners of such Underground Facilities during construction, and (iv) the safety and protection of all such Underground Facilities as provided in paragraph 6.20 and repairing any damage thereto resulting from the Work.

4.3.2. *Not Shown or Indicated:* If an Underground Facility is uncovered or revealed at or contiguous to the site which was not shown or indicated in the Contract Documents, CONTRACTOR shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby or performing any Work in connection therewith (except in an emergency as required by paragraph 6.23), identify the owner of such Underground Facility and give written notice to that owner and to OWNER and ENGINEER. ENGINEER will promptly review the Underground Facility and determine the extent, if any, to which a change is required in the Contract Documents to reflect and document the consequences of the existence of the Underground Facility. If ENGINEER concludes that a change in the Contract Documents is required, a Work Change Directive or a Change Order will be issued as provided in Article 10 to reflect and document such consequences. During such time, CONTRACTOR shall be responsible for the safety and protection of such Underground Facility as provided in paragraph 6.20. CONTRACTOR shall be allowed an increase in the Contract Price or an extension of the Contract Times, or both, to the extent that they are attributable to the existence of any Underground Facility that was not shown or indicated in the Contract Documents and that CONTRACTOR did not know of and could not reasonably have been expected to be aware of or to have anticipated. If OWNER and CONTRACTOR are unable to agree on entitlement to or the amount or length of any such adjustment in Contract Price or Contract Times, CONTRACTOR may make a claim therefor as provided in Articles 11 and 12. However, OWNER, ENGINEER and ENGINEER's Consultants shall not be liable to CONTRACTOR for any claims, costs, losses or damages incurred or sustained by CONTRACTOR on or in connection with any other project or anticipated project.

Reference Points:

4.4. OWNER shall provide engineering surveys to establish reference points for construction which in ENGINEER's judgment are necessary to enable CONTRACTOR to proceed with the Work. CONTRACTOR shall be responsible for laying out the Work, shall protect and preserve the established reference points and shall make no changes or relocations without the prior written approval of OWNER. CONTRACTOR shall report to ENGINEER whenever any reference point is lost or destroyed or requires relocation because of necessary changes in grades or locations, and shall be responsible for the accurate replacement or relocation of such reference points by professionally qualified personnel.

4.5. Asbestos, PCBs, Petroleum, Hazardous Waste or Radioactive Material:

4.5.1. OWNER shall be responsible for any Asbestos, PCBs, Petroleum, Hazardous Waste or Radioactive Material uncovered or revealed at the site which was not shown or indicated in Drawings or Specifications or identified in the Contract Documents to be within the scope of the Work and which may present a substantial danger to persons or property exposed thereto in connection with the Work at the site. OWNER shall not be responsible for any such materials brought to the site by CONTRACTOR, Subcontractor, Suppliers or anyone else for whom CONTRACTOR is responsible.

4.5.2. CONTRACTOR shall immediately: (i) stop all Work in connection with such hazardous condition and in any area affected thereby (except in an emergency as required by paragraph 6.23), and (ii) notify OWNER and ENGINEER (and thereafter confirm such notice in writing). OWNER shall promptly consult with ENGINEER concerning the necessity for OWNER to retain a qualified expert to evaluate such hazardous condition or take corrective action, if any. CONTRACTOR shall not be required to resume Work in connection with such hazardous condition or in any such affected area until after OWNER has obtained any required permits related thereto and delivered to CONTRACTOR special written notice: (i) specifying that such condition and any affected area is or has been rendered safe for the resumption of Work, or (ii) specifying any special conditions under which such Work may be resumed safely. If OWNER and CONTRACTOR cannot agree as to entitlement to or the amount or extent of an adjustment, if any, in Contract Price or Contract Times as a result of such Work stoppage or such special conditions under which Work is agreed by CONTRACTOR to be resumed, either party may make a claim therefor as provided in Articles 11 and 12.

4.5.3. If after receipt of such special written notice CONTRACTOR does not agree to resume such Work based on a reasonable belief it is unsafe, or does not agree to resume such Work under such special conditions, then OWNER may order such portion of the Work that is in connection with such hazardous condition or in such affected area to be deleted from the Work. If OWNER and CONTRACTOR cannot agree as to entitlement to or the amount or extent of an adjustment, if any, in Contract Price or Contract Times as a result of deleting such portion of the Work, then either party may make a claim therefor as provided in Articles 11 and 12. OWNER may have such deleted portion of the Work performed by OWNER's own forces or others in accordance with Article 7.

4.5.4. To the fullest extent permitted by Laws and Regulations, OWNER shall indemnify and hold harmless CONTRACTOR, Subcontractors, ENGINEER, ENGINEER's

Consultants and the officers, directors, employees, agents, other consultants and subcontractors of each and any of them from and against all claims, costs, losses and damages arising out of or resulting from such hazardous condition, provided that: (i) any such claim, cost, loss or damage is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom, and (ii) nothing in this subparagraph 4.5.4 shall obligate OWNER to indemnify any person or entity from and against the consequences of that person's or entity's own negligence.

4.5.5. The provisions of paragraphs 4.2 and 4.3 are not intended to apply to Asbestos, PCBs, Petroleum, Hazardous Waste or Radioactive Material uncovered or revealed at the site.

ARTICLE 5—BONDS AND INSURANCE

Performance, Payment and Other Bonds:

5.1. CONTRACTOR shall furnish Performance and Payment Bonds, each in an amount at least equal to the Contract Price as security for the faithful performance and payment of all CONTRACTOR's obligations under the Contract Documents. These Bonds shall remain in effect at least until one year after the date when final payment becomes due, except as provided otherwise by Laws or Regulations or by the Contract Documents. CONTRACTOR shall also furnish such other Bonds as are required by the Supplementary Conditions. All Bonds shall be in the form prescribed by the Contract Documents except as provided otherwise by Laws or Regulations, and shall be executed by such sureties as are named in the current list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (amended) by the Audit Staff, Bureau of Government Financial Operations, U.S. Treasury Department. All Bonds signed by an agent must be accompanied by a certified copy of such agent's authority to act.

5.2. If the surety on any Bond furnished by CONTRACTOR is declared a bankrupt or becomes insolvent or its right to do business is terminated in any state where any part of the Project is located or it ceases to meet the requirements of paragraph 5.1, CONTRACTOR shall within ten days thereafter substitute another Bond and surety, both of which must be acceptable to OWNER.

5.3. ***Licensed Sureties and Insurers; Certificates of Insurance:***

5.3.1. All Bonds and insurance required by the Contract Documents to be purchased and maintained by OWNER or CONTRACTOR shall be obtained from surety or insurance companies that are duly licensed or authorized in the jurisdiction in which the Project is located to issue Bonds or insurance policies for the limits and coverages so required. Such surety and insurance companies shall also meet such additional requirements and qualifications as may be provided in the Supplementary Conditions.

5.3.2. CONTRACTOR shall deliver to OWNER, with copies to each additional insured identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance requested by OWNER or any other additional insured) which CONTRACTOR is required to purchase and maintain in accordance with paragraph 5.4. OWNER shall deliver to CONTRACTOR, with copies to each additional insured identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance requested by CONTRACTOR or any other additional insured) which OWNER is required to purchase and maintain in accordance with paragraphs 5.6 and 5.7 hereof.

CONTRACTOR's Liability Insurance:

5.4. CONTRACTOR shall purchase and maintain such liability and other insurance as is appropriate for the Work being performed and furnished and as will provide protection from claims set forth below which may arise out of or result from CONTRACTOR's performance and furnishing of the Work and CONTRACTOR's other obligations under the Contract Documents, whether it is to be performed or furnished by CONTRACTOR, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to perform or furnish any of the Work, or by anyone for whose acts any of them may be liable:

5.4.1. claims under workers' compensation, disability benefits and other similar employee benefit acts;

5.4.2. claims for damages because of bodily injury, occupational sickness or disease, or death of CONTRACTOR's employees;

5.4.3. claims for damages because of bodily injury, sickness or disease, or death of any person other than CONTRACTOR's employees;

5.4.4. claims for damages insured by customary personal injury liability coverage which are sustained: (i) by any person as a result of an offense directly or indirectly related to the employment of such person by CONTRACTOR, or (ii) by any other person for any other reason;

5.4.5. claims for damages, other than to the Work itself, because of injury to or destruction of tangible property wherever located, including loss of use resulting therefrom; and

5.4.6. claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle.

The policies of insurance so required by this paragraph 5.4 to be purchased and maintained shall:

5.4.7. with respect to insurance required by paragraphs 5.4.3 through 5.4.6 inclusive, include as additional insureds (subject to any customary exclusion in respect of professional liability) OWNER, ENGINEER, ENGINEER's Consultants and any other persons or entities identified in the Supplementary Conditions, all of whom shall be listed as additional insureds, and include coverage for the respective officers and employees of all such additional insureds;

5.4.8. include the specific coverages and be written for not less than the limits of liability provided in the Supplementary Conditions or required by Laws or Regulations, whichever is greater;

5.4.9. include completed operations insurance;

5.4.10. include contractual liability insurance covering CONTRACTOR's indemnity obligations under paragraphs 6.12, 6.16 and 6.31 through 6.33;

5.4.11. contain a provision or endorsement that the coverage afforded will not be cancelled, materially changed or renewal refused until at least thirty days prior written notice has been given to OWNER and CONTRACTOR and to each other additional insured identified in the Supplementary Conditions to whom a certificate of insurance has been issued (and the certificates of insurance furnished by the CONTRACTOR pursuant to paragraph 5.3.2 will so provide);

5.4.12. remain in effect at least until final payment and at all times thereafter when CONTRACTOR may be correcting, removing or replacing *defective* Work in accordance with paragraph 13.12; and

5.4.13. with respect to completed operations insurance, and any insurance coverage written on a claims-made basis, remain in effect for at least two years after final payment (and CONTRACTOR shall furnish OWNER and each other additional insured identified in the Supplementary Conditions to whom a certificate of insurance has been issued evidence satisfactory to OWNER and any such additional insured of continuation of such insurance at final payment and one year thereafter).

OWNER's Liability Insurance:

5.5. In addition to the insurance required to be provided by CONTRACTOR under paragraph 5.4, OWNER, at OWNER's option, may purchase and maintain at OWNER's expense OWNER's own liability insurance as will protect OWNER against claims which may arise from operations under the Contract Documents.

Property Insurance:

5.6. Unless otherwise provided in the Supplementary Conditions, OWNER shall purchase and maintain property insurance upon the Work at the site in the amount of the full replacement cost thereof (subject to such deductible amounts as may be provided in the Supplementary Conditions or required by Laws and Regulations). This insurance shall:

5.6.1. include the interests of OWNER, CONTRACTOR, Subcontractors, ENGINEER, ENGINEER's Consultants and any other persons or entities identified in the Supplementary Conditions, each of whom is deemed to have an insurable interest and shall be listed as an insured or additional insured;

5.6.2. be written on a Builder's Risk "all-risk" or open peril or special causes of loss policy form that shall at least include insurance for physical loss or damage to the Work, temporary buildings, falsework and Work in transit and shall insure against at least the following perils fire, lightning, extended coverage, theft, vandalism and malicious mischief, earthquake, collapse, debris removal, demolition occasioned by enforcement of Laws and Regulations, water damage, and such other perils as may be specifically required by the Supplementary Conditions;

5.6.3. include expenses incurred in the repair or replacement of any insured property (including but not limited to fees and charges of engineers and architects);

5.6.4. cover materials and equipment stored at the site or at another location that was agreed to in writing by OWNER prior to being incorporated in the Work, provided that such materials and equipment have been included in an Application for Payment recommended by ENGINEER; and

5.6.5. be maintained in effect until final payment is made unless otherwise agreed to in writing by OWNER, CONTRACTOR and ENGINEER with thirty days written notice to each other additional insured to whom a certificate of insurance has been issued.

5.7. OWNER shall purchase and maintain such boiler and machinery insurance or additional property insurance as may be required by the Supplementary Conditions or Laws and Regulations which will include the interests of OWNER, CONTRACTOR, Subcontractors, ENGINEER, ENGINEER's Consultants and any other persons or entities identified in the Supplementary Conditions, each of whom is deemed to have an insurable interest and shall be listed as an insured or additional insured.

5.8. All the policies of insurance (and the certificates or other evidence thereof) required to be purchased and maintained by OWNER in accordance with paragraphs 5.6 and 5.7 will contain a provision or endorsement that the coverage afforded will not be cancelled or materially changed or renewal refused until at least thirty days' prior written notice has been given to OWNER and CONTRACTOR and to each other additional insured to whom a certificate of insurance has been issued and will contain waiver provisions in accordance with paragraph 5.11.

5.9. OWNER shall not be responsible for purchasing and maintaining any property insurance to protect the interests of CONTRACTOR, Subcontractors or others in the Work to the extent of any deductible amounts that are identified in the Supplementary Conditions. The risk of loss within such identified deductible amount, will be borne by CONTRACTOR, Subcontractor or others suffering any such loss and if any of them wishes property insurance coverage within the limits of such amounts, each may purchase and maintain it at the purchaser's own expense.

5.10. If CONTRACTOR requests in writing that other special insurance be included in the property insurance policies provided under paragraphs 5.6 or 5.7, OWNER shall, if possible, include such insurance, and the cost thereof will be charged to CONTRACTOR by appropriate Change Order or Written Amendment. Prior to commencement of the Work at the site, OWNER shall in writing advise CONTRACTOR whether or not such other insurance has been procured by OWNER.

5.11. ***Waiver of Rights:***

5.11.1. OWNER and CONTRACTOR intend that all policies purchased in accordance with paragraphs 5.6 and 5.7 will protect OWNER, CONTRACTOR, Subcontractors, ENGINEER, ENGINEER's Consultants and all other persons or entities identified in the Supplementary Conditions to be listed as insureds or additional insureds in such policies and will provide primary coverage for all losses and damages caused by the perils covered thereby. All such policies shall contain provisions to the effect that in the event of payment of any loss or damage the insurers will have no rights of recovery against any of the insureds or additional insureds thereunder. OWNER and CONTRACTOR waive all rights against each other and their respective officers, directors, employees and agents for all losses and damages caused by, arising out of or resulting from any of the perils covered by such policies and any other property insurance applicable to the Work; and, in addition, waive all such rights against Subcontractors, ENGINEER, ENGINEER's Consultants and all other persons or entities identified in the Supplementary Conditions to be listed as insureds or additional insureds under such policies for losses and damages so caused. None of the above waivers shall extend to the rights that any party making such waiver may have to the proceeds of insurance held by OWNER as trustee or otherwise payable under any policy so issued.

5.11.2. In addition, OWNER waives all rights against CONTRACTOR, Subcontractors, ENGINEER, ENGINEER's Consultants and the officers, directors, employees and agents of any of them, for:

5.11.2.1. loss due to business interruption, loss of use or other consequential loss extending beyond direct physical loss or damage to OWNER's property or the Work caused by, arising out of or resulting from fire or other peril, whether or not insured by OWNER; and

5.11.2.2. loss or damage to the completed Project or part thereof caused by, arising out of or resulting from fire or other insured peril covered by any property insurance maintained on the completed Project or part thereof by OWNER during partial utilization pursuant to paragraph 14.10, after substantial completion pursuant to paragraph 14.8 or after final payment pursuant to paragraph 14.13.

Any insurance policy maintained by OWNER covering any loss, damage or consequential loss referred to in this paragraph 5.11.2 shall contain provisions to the effect that in the event of payment of any such loss, damage or consequential loss the insurers will have no rights of recovery against any of CONTRACTOR, Subcontractors, ENGINEER, ENGINEER's Consultants and the officers, directors, employees and agents of any of them.

Receipt and Application of Insurance Proceeds

5.12. Any insured loss under the policies of insurance required by paragraphs 5.6 and 5.7 will be adjusted with OWNER and made payable to OWNER as fiduciary for the insureds, as their interests may appear, subject to the requirements of any applicable mortgage clause and of paragraph 5.13. OWNER shall deposit in a separate account any money so received, and shall distribute it in accordance with such agreement as the parties in interest may reach. If no other special agreement is reached the damaged Work shall be repaired or replaced, the moneys so received applied on account thereof and the Work and the cost thereof covered by an appropriate Change Order or Written Amendment.

5.13. OWNER as fiduciary shall have power to adjust and settle any loss with the insurers unless one of the parties in interest shall object in writing within fifteen days after the occurrence of loss to OWNER's exercise of this power. If such objection be made, OWNER as fiduciary shall make settlement with the insurers in accordance with such agreement as the parties in interest may reach. If no such agreement among the parties in interest is reached, OWNER as fiduciary shall adjust and settle the loss with the insurers and, if required in writing by any party in interest, OWNER as fiduciary shall give bond for the proper performance of such duties.

Acceptance of Bonds and Insurance; Option to Replace:

5.14. If either party (OWNER or CONTRACTOR) has any objection to the coverage afforded by or other provisions of the Bonds or insurance required to be purchased and maintained by the other party in accordance with Article 5 on the basis of non-conformance with the Contract Documents, the objecting party shall so notify the other party in writing within ten days after receipt of the certificates (or other evidence requested) required by paragraph 2.7. OWNER and CONTRACTOR shall each provide to the other such additional information in respect of insurance provided as the other may reasonably request. If either party does not purchase or maintain all of the Bonds and insurance required of such party by the Contract Documents, such party shall notify the other party in writing of such failure to purchase prior to the start of the Work, or of such failure to maintain prior to any change in the required coverage. Without prejudice to any other right or remedy, the other party may elect to obtain equivalent Bonds or insurance to protect such other party's interests at the expense of the party who was

required to provide such coverage, and a Change Order shall be issued to adjust the Contract Price accordingly.

Partial Utilization—Property Insurance:

5.15. If OWNER finds it necessary to occupy or use a portion or portions of the Work prior to Substantial Completion of all the Work, such use or occupancy may be accomplished in accordance with paragraph 14.10; provided that no such use or occupancy shall commence before the insurers providing the property insurance have acknowledged notice thereof and in writing effected any changes in coverage necessitated thereby. The insurers providing the property insurance shall consent by endorsement on the policy or policies, but the property insurance shall not be cancelled or permitted to lapse on account of any such partial use or occupancy.

ARTICLE 6—CONTRACTOR'S RESPONSIBILITIES

Supervision and Superintendence:

6.1. CONTRACTOR shall supervise, inspect and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. CONTRACTOR shall be solely responsible for the means, methods, techniques, sequences and procedures of construction, but CONTRACTOR shall not be responsible for the negligence of others in the design or specification of a specific means, method, technique, sequence or procedure of construction which is shown or indicated in and expressly required by the Contract Documents. CONTRACTOR shall be responsible to see that the completed Work complies accurately with the Contract Documents.

6.2. CONTRACTOR shall keep on the Work at all times during its progress a competent resident superintendent, who shall not be replaced without written notice to OWNER and ENGINEER except under extraordinary circumstances. The superintendent will be CONTRACTOR's representative at the site and shall have authority to act on behalf of CONTRACTOR. All communications to the superintendent shall be as binding as if given to CONTRACTOR.

Labor, Materials and Equipment:

6.3. CONTRACTOR shall provide competent, suitably qualified personnel to survey, lay out and construct the Work as required by the Contract Documents. CONTRACTOR shall at all times maintain good discipline and order at the site. Except as otherwise required for the safety or protection of persons or the Work or property at the site or adjacent thereto, and except as otherwise indicated in the Contract Documents, all Work at the site shall be performed during regular working hours and CONTRACTOR will not permit overtime work or the performance of Work on Saturday, Sunday or any legal holiday without OWNER's written consent given after prior written notice to ENGINEER.

6.4. Unless otherwise specified in the General Requirements, CONTRACTOR shall furnish and assume full responsibility for all materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities and all other facilities and incidentals necessary for the furnishing, performance, testing, start-up and completion of the Work.

6.5. All materials and equipment shall be of good quality and new, except as otherwise provided in the Contract Documents. All warranties and guarantees specifically called for by the Specifications shall expressly run to the benefit of OWNER. If required by ENGINEER, CONTRACTOR shall furnish satisfactory evidence (including reports of required tests) as to the kind and quality of materials and equipment. All materials and equipment shall be applied, installed, connected, erected, used, cleaned and conditioned in accordance with instructions of the applicable Supplier, except as otherwise provided in the Contract Documents.

Progress Schedule:

6.6. CONTRACTOR shall adhere to the progress schedule established in accordance with paragraph 2.9 as it may be adjusted from time to time as provided below:

6.6.1. CONTRACTOR shall submit to ENGINEER for acceptance (to the extent indicated in paragraph 2.9) proposed adjustments in the progress schedule that will not change the Contract Times (or Milestones). Such adjustments will conform generally to the progress schedule then in effect and additionally will comply with any provisions of the General Requirements applicable thereto.

6.6.2. Proposed adjustments in the progress schedule that will change the Contract Times (or Milestones) shall be submitted in accordance with the requirements of paragraph 12.1. Such adjustments may only be made by a Change Order or Written Amendment in accordance with Article 12.

6.7. ***Substitutes and "Or-Equal" Items:***

6.7.1. Whenever an item of material or equipment is specified or described in the Contract Documents by using the name of a proprietary item or the name of a particular Supplier, the specification or description is intended to establish the type, function and quality required. Unless the specification or description contains or is followed by words reading that no like, equivalent or "or-equal" item or no substitution is permitted, other items of material or equipment or material or equipment of other Suppliers may be accepted by ENGINEER under the following circumstances:

6.7.1.1. *"Or-Equal":* If in ENGINEER's sole discretion an item of material or equipment proposed by CONTRACTOR is functionally equal to that named and sufficiently similar so that no change in related Work will be required, it may be considered by ENGINEER as an "or-equal" item, in which case review and approval of the proposed item may, in ENGINEER's sole discretion, be accomplished without compliance with some or all of the requirements for acceptance of proposed substitute items.

6.7.1.2. *Substitute Items:* If in ENGINEER's sole discretion an item of material or equipment proposed by CONTRACTOR does not qualify as an "or-equal" item under subparagraph 6.7.1.1, it will be considered a proposed substitute item. CONTRACTOR shall submit sufficient information as provided below to allow ENGINEER to determine that the item of material or equipment proposed is essentially equivalent to that named and an acceptable substitute therefor. The procedure for review by the ENGINEER will include the following as supplemented in the General Requirements and as ENGINEER may decide is appropriate under the circumstances. Requests for review of proposed substitute items of material or equipment will not be accepted by ENGINEER from anyone other than CONTRACTOR. If CONTRACTOR wishes to furnish or use a substitute item of material or equipment, CONTRACTOR shall first make written application to ENGINEER for acceptance thereof, certifying that the proposed substitute will perform adequately the functions and achieve the results called for by the general design, be similar in substance to that specified and be suited to the same use as that specified. The application will state the extent, if any, to which the evaluation and acceptance of the proposed substitute will prejudice CONTRACTOR's achievement of Substantial Completion on time, whether or not acceptance of the substitute for use in the Work will require a change in any of the Contract Documents (or in the provisions of any other direct contract with OWNER for work on the Project) to adapt the design to the proposed substitute and whether or not incorporation or use of the substitute in connection with the Work is subject to payment of any license fee or royalty. All variations of the proposed substitute from that specified will be identified in the application and available maintenance, repair and replacement service will be indicated. The application will also contain an itemized estimate of all costs or credits that will result directly or indirectly from acceptance of such substitute, including costs of redesign and claims of other contractors affected by the resulting change, all of which will be considered by ENGINEER in evaluating the proposed substitute. ENGINEER may require CONTRACTOR to furnish additional data about the proposed substitute.

6.7.1.3. *CONTRACTOR's Expense:* All data to be provided by CONTRACTOR in support of any proposed "or-equal" or substitute item will be at CONTRACTOR's expense.

6.7.2. *Substitute Construction Methods or Procedures:* If a specific means, method, technique, sequence or procedure of construction is shown or indicated in and expressly required by the Contract Documents, CONTRACTOR may furnish or utilize a substitute means, method, technique, sequence or procedure of construction acceptable to ENGINEER. CONTRACTOR shall submit sufficient information to allow ENGINEER, in ENGINEER's sole discretion, to determine that the substitute proposed is equivalent to that expressly called for by the Contract Documents. The procedure for review by ENGINEER will be similar to that provided in subparagraph 6.7.1.2.

6.7.3. *Engineer's Evaluation:* ENGINEER will be allowed a reasonable time within which to evaluate each proposal or submittal made pursuant to paragraphs 6.7.1.2 and 6.7.2. ENGINEER will be the sole judge of acceptability. No "or-equal" or substitute will be ordered, installed or utilized without ENGINEER's prior written acceptance which will be evidenced by either a Change Order or an approved Shop Drawing. OWNER may require CONTRACTOR to furnish at CONTRACTOR's expense a special performance guarantee or other surety with respect to any "or-equal" or substitute. ENGINEER will record time required by ENGINEER and ENGINEER's Consultants in evaluating substitutes proposed or submitted by CONTRACTOR pursuant to paragraphs 6.7.1.2 and 6.7.2 and in making changes in the Contract Documents (or in the provisions of any other direct contract with OWNER for work on the Project) occasioned thereby. Whether or not ENGINEER accepts a substitute item so proposed or submitted by CONTRACTOR, CONTRACTOR shall reimburse OWNER for the charges of ENGINEER and ENGINEER's Consultants for evaluating each such proposed substitute item.

Concerning Subcontractors, Suppliers and Others:

6.8.1. CONTRACTOR shall not employ any Subcontractor, Supplier or other person or organization (including those acceptable to OWNER and ENGINEER as indicated in paragraph 6.8.2), whether initially or as a substitute, against whom OWNER or ENGINEER may have reasonable objection. CONTRACTOR shall not be required to employ any Subcontractor, Supplier or other person or organization to furnish or perform any of the Work against whom CONTRACTOR has reasonable objection.

6.8.2. If the Supplementary Conditions require the identity of certain Subcontractors, Suppliers or other persons or organizations (including those who are to furnish the principal items of materials or equipment) to be submitted to OWNER in advance of the specified date prior to the Effective Date of the Agreement for acceptance by OWNER and ENGINEER, and if CONTRACTOR has submitted a list thereof in accordance with the Supplementary Conditions, OWNER's or ENGINEER's acceptance (either in writing or by failing to make written objection thereto by the date indicated for acceptance or objection in the bidding documents or the Contract Documents) of any such Subcontractor, Supplier or other person or organization so identified may be revoked on the basis of reasonable objection after due investigation, in which case CONTRACTOR shall submit an acceptable substitute, the Contract Price will be adjusted by the difference in the cost occasioned by such

substitution and an appropriate Change Order will be issued or Written Amendment signed. No acceptance by OWNER or ENGINEER of any such Subcontractor, Supplier or other person or organization shall constitute a waiver of any right of OWNER or ENGINEER to reject *defective* Work.

6.9.1. CONTRACTOR shall be fully responsible to OWNER and ENGINEER for all acts and omissions of the Subcontractors, Suppliers and other persons and organizations performing or furnishing any of the Work under a direct or indirect contract with CONTRACTOR just as CONTRACTOR is responsible for CONTRACTOR's own acts and omissions. Nothing in the Contract Documents shall create for the benefit of any such Subcontractor, Supplier or other person or organization any contractual relationship between OWNER or ENGINEER and any such Subcontractor, Supplier or other person or organization, nor shall it create any obligation on the part of OWNER or ENGINEER to pay or to see to the payment of any moneys due any such Subcontractor, Supplier or other person or organization except as may otherwise be required by Laws and Regulations.

6.9.2. CONTRACTOR shall be solely responsible for scheduling and coordinating the Work of Subcontractors, Suppliers and other persons and organizations performing or furnishing any of the Work under a direct or indirect contract with CONTRACTOR. CONTRACTOR shall require all Subcontractors, Suppliers and such other persons and organizations performing or furnishing any of the Work to communicate with the ENGINEER through CONTRACTOR.

6.10. The divisions and sections of the Specifications and the identifications of any Drawings shall not control CONTRACTOR in dividing the Work among Subcontractors or Suppliers or delineating the Work to be performed by any specific trade.

6.11. All Work performed for CONTRACTOR by a Subcontractor or Supplier will be pursuant to an appropriate agreement between CONTRACTOR and the Subcontractor or Supplier which specifically binds the Subcontractor or Supplier to the applicable terms and conditions of the Contract Documents for the benefit of OWNER and ENGINEER. Whenever any such agreement is with a Subcontractor or Supplier who is listed as an additional insured on the property insurance provided in paragraph 5.6 or 5.7, the agreement between the CONTRACTOR and the Subcontractor or Supplier will contain provisions whereby the Subcontractor or Supplier waives all rights against OWNER, CONTRACTOR, ENGINEER, ENGINEER's Consultants and all other additional insureds for all losses and damages caused by, arising out of or resulting from any of the perils covered by such policies and any other property insurance applicable to the Work. If the insurers on any such policies require separate waiver forms to be signed by any Subcontractor or Supplier, CONTRACTOR will obtain the same.

Patent Fees and Royalties:

6.12. CONTRACTOR shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified in the Contract Documents for use in the performance of the Work and if to the actual knowledge of OWNER or ENGINEER its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by OWNER in the Contract Documents. To the fullest extent permitted by Laws and Regulations, CONTRACTOR shall indemnify and hold harmless OWNER, ENGINEER, ENGINEER's Consultants and the officers, directors, employees, agents and other consultants of each and any of them from and against all claims, costs, losses and damages arising out of or resulting from any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product or device not specified in the Contract Documents.

Permits:

6.13. Unless otherwise provided in the Supplementary Conditions, CONTRACTOR shall obtain and pay for all construction permits and licenses. OWNER shall assist CONTRACTOR, when necessary, in obtaining such permits and licenses. CONTRACTOR shall pay all governmental charges and inspection fees necessary for the prosecution of the Work, which are applicable at the time of opening of Bids, or, if there are no Bids, on the Effective Date of the Agreement. CONTRACTOR shall pay all charges of utility owners for connections to the Work, and OWNER shall pay all charges of such utility owners for capital costs related thereto such as plant investment fees.

Laws and Regulations:

6.14.1. CONTRACTOR shall give all notices and comply with all Laws and Regulations applicable to furnishing and performance of the Work. Except where otherwise expressly required by applicable Laws and Regulations, neither OWNER nor ENGINEER shall be responsible for monitoring CONTRACTOR's compliance with any Laws or Regulations.

6.14.2. If CONTRACTOR performs any Work knowing or having reason to know that it is contrary to Laws or Regulations, CONTRACTOR shall bear all claims, costs, losses and damages caused by, arising out of or resulting therefrom; however, it shall not be CONTRACTOR's primary responsibility to make certain that the Specifications and Drawings are in accordance with Laws and Regulations, but this shall not relieve CONTRACTOR of CONTRACTOR's obligations under paragraph 3.3.2.

Taxes:

6.15. CONTRACTOR shall pay all sales, consumer, use and other similar taxes required to be paid by CONTRACTOR in accordance with the Laws and Regulations of the place of

the Project which are applicable during the performance of the Work.

Use of Premises:

6.16. CONTRACTOR shall confine construction equipment, the storage of materials and equipment and the operations of workers to the site and land and areas identified in and permitted by the Contract Documents and other land and areas permitted by Laws and Regulations, rights-of-way, permits and easements, and shall not unreasonably encumber the premises with construction equipment or other materials or equipment. CONTRACTOR shall assume full responsibility for any damage to any such land or area, or to the owner or occupant thereof or of any adjacent land or areas, resulting from the performance of the Work. Should any claim be made by any such owner or occupant because of the performance of the Work, CONTRACTOR shall promptly settle with such other party by negotiation or otherwise resolve the claim by arbitration or other dispute resolution proceeding or at law. CONTRACTOR shall, to the fullest extent permitted by Laws and Regulations, indemnify and hold harmless OWNER, ENGINEER, ENGINEER's Consultant and anyone directly or indirectly employed by any of them from and against all claims, costs, losses and damages arising out of or resulting from any claim or action, legal or equitable, brought by any such owner or occupant against OWNER, ENGINEER or any other party indemnified hereunder to the extent caused by or based upon CONTRACTOR's performance of the Work.

6.17. During the progress of the Work, CONTRACTOR shall keep the premises free from accumulations of waste materials, rubbish and other debris resulting from the Work. At the completion of the Work CONTRACTOR shall remove all waste materials, rubbish and debris from and about the premises as well as all tools, appliances, construction equipment and machinery and surplus materials. CONTRACTOR shall leave the site clean and ready for occupancy by OWNER at Substantial Completion of the Work. CONTRACTOR shall restore to original condition all property not designated for alteration by the Contract Documents.

6.18. CONTRACTOR shall not load nor permit any part of any structure to be loaded in any manner that will endanger the structure, nor shall CONTRACTOR subject any part of the Work or adjacent property to stresses or pressures that will endanger it.

Record Documents:

6.19. CONTRACTOR shall maintain in a safe place at the site one record copy of all Drawings, Specifications, Addenda, Written Amendments, Change Orders, Work Change Directives, Field Orders and written interpretations and clarifications (issued pursuant to paragraph 9.4) in good order and annotated to show all changes made during construction. These record documents together with all approved Samples and a counterpart of all approved Shop Drawings will be available to ENGINEER for reference. Upon completion of the Work, these record documents, Samples and Shop Drawings will be delivered to ENGINEER for OWNER.

Safety and Protection:

6.20. CONTRACTOR shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. CONTRACTOR shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury or loss to:

6.20.1. all persons on the Work site or who may be affected by the Work;

6.20.2. all the Work and materials and equipment to be incorporated therein, whether in storage on or off the site; and

6.20.3. other property at the site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, utilities and Underground Facilities not designated for removal, relocation or replacement in the course of construction.

CONTRACTOR shall comply with all applicable Laws and Regulations of any public body having jurisdiction for safety of persons or property or to protect them from damage, injury or loss; and shall erect and maintain all necessary safeguards for such safety and protection. CONTRACTOR shall notify owners of adjacent property and of Underground Facilities and utility owners when prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation and replacement of their property. All damage, injury or loss to any property referred to in paragraph 6.20.2 or 6.20.3 caused, directly or indirectly, in whole or in part, by CONTRACTOR, any Subcontractor, Supplier or any other person or organization directly or indirectly employed by any of them to perform or furnish any of the Work or anyone for whose acts any of them may be liable, shall be remedied by CONTRACTOR (except damage or loss attributable to the fault of Drawings or Specifications or to the acts or omissions of OWNER or ENGINEER or ENGINEER's Consultant or anyone employed by any of them or anyone for whose acts any of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of CONTRACTOR or any Subcontractor, Supplier or other person or organization directly or indirectly employed by any of them). CONTRACTOR's duties and responsibilities for safety and for protection of the Work shall continue until such time as all the Work is completed and ENGINEER has issued a notice to OWNER and CONTRACTOR in accordance with paragraph 14.13 that the Work is acceptable (except as otherwise expressly provided in connection with Substantial Completion).

Safety Representative:

6.21. CONTRACTOR shall designate a qualified and experienced safety representative at the site whose duties and

responsibilities shall be the prevention of accidents and the maintaining and supervising of safety precautions and programs.

Hazard Communication Programs:

6.22. CONTRACTOR shall be responsible for coordinating any exchange of material safety data sheets or other hazard communication information required to be made available to or exchanged between or among employers at the site in accordance with Laws or Regulations.

Emergencies:

6.23. In emergencies affecting the safety or protection of persons or the Work or property at the site or adjacent thereto, CONTRACTOR, without special instruction or authorization from OWNER or ENGINEER, is obligated to act to prevent threatened damage, injury or loss. CONTRACTOR shall give ENGINEER prompt written notice if CONTRACTOR believes that any significant changes in the Work or variations from the Contract Documents have been caused thereby. If ENGINEER determines that a change in the Contract Documents is required because of the action taken by CONTRACTOR in response to such an emergency, a Work Change Directive or Change Order will be issued to document the consequences of such action.

6.24. ***Shop Drawings and Samples:***

6.24.1. CONTRACTOR shall submit Shop Drawings to ENGINEER for review and approval in accordance with the accepted schedule of Shop Drawings and Sample submittals (see paragraph 2.9). All submittals will be identified as ENGINEER may require and in the number of copies specified in the General Requirements. The data shown on the Shop Drawings will be complete with respect to quantities, dimensions, specified performance and design criteria, materials and similar data to show ENGINEER the materials and equipment CONTRACTOR proposes to provide and to enable ENGINEER to review the information for the limited purposes required by paragraph 6.26.

6.24.2. CONTRACTOR shall also submit Samples to ENGINEER for review and approval in accordance with said accepted schedule of Shop Drawings and Sample submittals. Each Sample will be identified clearly as to material, Supplier, pertinent data such as catalog numbers and the use for which intended and otherwise as ENGINEER may require to enable ENGINEER to review the submittal for the limited purposes required by paragraph 6.26. The numbers of each Sample to be submitted will be as specified in the Specifications.

6.25. ***Submittal Procedures:***

6.25.1. Before submitting each Shop Drawing or Sample, CONTRACTOR shall have determined and verified:

6.25.1.1. all field measurements, quantities, dimensions, specified performance criteria, installation requirements, materials, catalog numbers and similar information with respect thereto,

6.25.1.2. all materials with respect to intended use, fabrication, shipping, handling, storage, assembly and installation pertaining to the performance of the Work, and

6.25.1.2. all information relative to CONTRACTOR's sole responsibilities in respect of means, methods, techniques, sequences and procedures of construction and safety precautions and programs incident thereto.

CONTRACTOR shall also have reviewed and coordinated each Shop Drawing or Sample with other Shop Drawings and Samples and with the requirements of the Work and the Contract Documents.

6.25.2. Each submittal will bear a stamp or specific written indication that CONTRACTOR has satisfied CONTRACTOR's obligations under the Contact Documents with respect to CONTRACTOR'S review and approval of that submittal.

6.25.3. At the time of each submission, CONTRACTOR shall give ENGINEER specific written notice of such variations, if any, that the Shop Drawing or Sample submitted may have from the requirements of the Contract Documents, such notice to be in a written communication separate from the submittal; and, in addition, shall cause a specific notation to be made on each Shop Drawing and Sample submitted to ENGINEER for review and approval of each such variation.

6.26. ENGINEER will review and approve Shop Drawings and Samples in accordance with the schedule of Shop Drawings and Sample submittals accepted by ENGINEER as required by paragraph 2.9. ENGINEER's review and approval will be only to determine if the items covered by the submittals will, after installation or incorporation in the Work, conform to the information given in the Contract Documents and be compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. ENGINEER's review and approval will not extend to means, methods, techniques, sequences or procedures of construction (except where a particular means, method, technique, sequence or procedure of construction is specifically and expressly called for by the Contract Documents) or to safety precautions or programs incident thereto. The review and approval of a separate item as such will not indicate approval of the assembly in which the item functions. CONTRACTOR shall make corrections required by ENGINEER, and shall return the required number of corrected copies of Shop Drawings and submit as required new Samples for review and approval. CONTRACTOR shall direct specific attention in writing to revisions other than the corrections called for by ENGINEER on previous submittals.

6.27. ENGINEER's review and approval of Shop Drawings or Samples shall not relieve CONTRACTOR from responsibility for any variation from the requirements of the Contract

Documents unless CONTRACTOR has in writing called ENGINEER's attention to each such variation at the time of submission as required by paragraph 6.25.3 and ENGINEER has given written approval of each such variation by specific written notation thereof incorporated in or accompanying the Shop Drawing or Sample approval; nor will any approval by ENGINEER relieve CONTRACTOR from responsibility for complying with the requirements of paragraph 6.25.1.

6.28. Where a Shop Drawing or Sample is required by the Contract Documents or the schedule of Shop Drawings and Sample submissions accepted by ENGINEER as required by paragraph 2.9, any related Work performed prior to ENGINEER's review and approval of the pertinent submittal will be at the sole expense and responsibility of CONTRACTOR.

Continuing the Work:

6.29. CONTRACTOR shall carry on the Work and adhere to the progress schedule during all disputes or disagreements with OWNER. No Work shall be delayed or postponed pending resolution of any disputes or disagreements, except as permitted by paragraph 15.5 or as OWNER and CONTRACTOR may otherwise agree in writing.

6.30. ***CONTRACTOR's General Warranty and Guarantee:***

6.30.1. CONTRACTOR warrants and guarantees to OWNER, ENGINEER and ENGINEER's Consultants that all Work will be in accordance with the Contract Documents and will not be *defective*. CONTRACTOR's warranty and guarantee hereunder excludes defects or damage caused by:

6.30.1.1. abuse, modification or improper maintenance or operation by persons other than CONTRACTOR, Subcontractors or Suppliers; or

6.30.1.2. normal wear and tear under normal usage.

6.30.2. CONTRACTOR's obligation to perform and complete the Work in accordance with the Contract Documents shall be absolute. None of the following will constitute an acceptance of Work that is not in accordance with the Contract Documents or a release of CONTRACTOR's obligation to perform the Work in accordance with the Contract Documents:

6.30.2.1. observations by ENGINEER;

6.30.2.3. recommendation of any progress or final payment by ENGINEER;

6.30.2.3. the issuance of a certificate of Substantial Completion or any payment by OWNER to CONTRACTOR under the Contract Documents;

6.30.2.4. use or occupancy of the Work or any part thereof by OWNER;

6.30.2.5. any acceptance by OWNER or any failure to do so;

6.30.2.6. any review and approval of a Shop Drawing or Sample submittal or the issuance of a notice of acceptability by ENGINEER pursuant to paragraph 14.13;

6.30.2.7. any inspection, test or approval by others; or

6.30.2.8. any correction of *defective* Work by OWNER.

Indemnification:

6.31. To the fullest extent permitted by Laws and Regulations, CONTRACTOR shall indemnify and hold harmless OWNER, ENGINEER, ENGINEER's Consultants and the officers, directors, employees, agents and other consultants of each and any of them from and against all claims, costs, losses and damages (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals and all court or arbitration or other dispute resolution costs) caused by, arising out of or resulting from the performance of the Work, provided that any such claim, cost, loss or damage: (i) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom, and (ii) is caused in whole or in part by any negligent act or omission of CONTRACTOR, any Subcontractor, any Supplier, any person or organization directly or indirectly employed by any of them to perform or furnish any of the Work or anyone for whose acts any of them may be liable, regardless of whether or not caused in part by any negligence or omission of a person or entity indemnified hereunder or whether liability is imposed upon such indemnified party by Laws and Regulations regardless of the negligence of any such person or entity.

6.32. In any and all claims against OWNER or ENGINEER or any of their respective consultants, agents, officers, directors or employees by any employee (or the survivor or personal representative of such employee) of CONTRACTOR, any Subcontractor, any Supplier, any person or organization directly or indirectly employed by any of them to perform or furnish any of the Work, or anyone for whose acts any of them may be liable, the indemnification obligation under paragraph 6.31 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for CONTRACTOR or any such Subcontractor, Supplier or other person or organization under workers' compensation acts, disability benefit acts or other employee benefit acts.

6.33. The indemnification obligations of CONTRACTOR under paragraph 6.31 shall not extend to the liability of ENGINEER and ENGINEER's Consultants, officers, directors, employees or agents caused by the professional negligence, errors or omissions of any of them.

Survival of Obligations:

6.34. All representations, indemnifications, warranties and guarantees made in, required by or given in accordance with

the Contract Documents, as well as all continuing obligations indicated in the Contract Documents, will survive final payment, completion and acceptance of the Work and termination or completion of the Agreement.

ARTICLE 7—OTHER WORK

Related Work at Site:

7.1. OWNER may perform other work related to the Project at the site by OWNER's own forces, or let other direct contracts therefor which shall contain General Conditions similar to these, or have other work performed by utility owners. If the fact that such other work is to be performed was not noted in the Contract Documents, then: (i) written notice thereof will be given to CONTRACTOR prior to starting any such other work, and (ii) CONTRACTOR may make a claim therefor as provided in Articles 11 and 12 if CONTRACTOR believes that such performance will involve additional expense to CONTRACTOR or requires additional time and the parties are unable to agree as to the amount or extent thereof.

7.2. CONTRACTOR shall afford each other contractor who is a party to such a direct contract and each utility owner (and OWNER, if OWNER is performing the additional work with OWNER's employees) proper and safe access to the site and a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such other work and shall properly connect and coordinate the Work with theirs. Unless otherwise provided in the Contract Documents, CONTRACTOR shall do all cutting, fitting and patching of the Work that may be required to make its several parts come together properly and integrate with such other work. CONTRACTOR shall not endanger any work of others by cutting, excavating or otherwise altering their work and will only cut or alter their work with the written consent of ENGINEER and the others whose work will be affected. The duties and responsibilities of CONTRACTOR under this paragraph are for the benefit of such utility owners and other contractors to the extent that there are comparable provisions for the benefit of CONTRACTOR in said direct contracts between OWNER and such utility owners and other contractors.

7.3. If the proper execution or results of any part of CONTRACTOR's Work depends upon work performed by others under this Article 7, CONTRACTOR shall inspect such other work and promptly report to ENGINEER in writing any delays, defects or deficiencies in such other work that render it unavailable or unsuitable for the proper execution and results of CONTRACTOR's Work. CONTRACTOR's failure so to report will constitute an acceptance of such other work as fit and proper for integration with CONTRACTOR's Work except for latent or nonapparent defects and deficiencies in such other work.

Coordination:

7.4. If OWNER contracts with others for the performance of other work on the Project at the site, the following will be set forth in Supplementary Conditions:

7.4.1. the person, firm or corporation who will have authority and responsibility for coordination of the activities among the various prime contractors will be identified;

7.4.2. the specific matters to be covered by such authority and responsibility will be itemized; and

7.4.3. the extent of such authority and responsibilities will be provided.

Unless otherwise provided in the Supplementary Conditions, OWNER shall have sole authority and responsibility in respect of such coordination.

ARTICLE 8—OWNER'S RESPONSIBILITIES

8.1. Except as otherwise provided in these General Conditions, OWNER shall issue all communications to CONTRACTOR through ENGINEER.

8.2. In case of termination of the employment of ENGINEER, OWNER shall appoint an engineer against whom CONTRACTOR makes no reasonable objection, whose status under the Contract Documents shall be that of the former ENGINEER.

8.3. OWNER shall furnish the data required of OWNER under the Contract Documents promptly and shall make payments to CONTRACTOR promptly when they are due as provided in paragraphs 14.4 and 14.13.

8.4. OWNER's duties in respect of providing lands and easements and providing engineering surveys to establish reference points are set forth in paragraphs 4.1 and 4.4. Paragraph 4.2 refers to OWNER's identifying and making available to CONTRACTOR copies of reports of explorations and tests of subsurface conditions at the site and drawings of physical conditions in existing structures at or contiguous to the site that have been utilized by ENGINEER in preparing the Contract Documents.

8.5. OWNER's responsibilities in respect of purchasing and maintaining liability and property insurance are set forth in paragraphs 5.5 through 5.10.

8.6. OWNER is obligated to execute Change Orders as indicated in paragraph 10.4.

8.7. OWNER's responsibility in respect of certain inspections, tests and approvals is set forth in paragraph 13.4.

8.8. In connection with OWNER's right to stop Work or suspend Work, see paragraphs 13.10 and 15.1. Paragraph 15.2 deals with OWNER's right to terminate services of CONTRACTOR under certain circumstances.

8.9. The OWNER shall not supervise, direct or have control or authority over, nor be responsible for, CONTRACTOR's means, methods, techniques, sequences or procedures of construction or the safety precautions and programs incident thereto, or for any failure of CONTRACTOR to comply with Laws and Regulations applicable to the furnishing or performance of the Work. OWNER will not be responsible for CONTRACTOR's failure to perform or furnish the Work in accordance with the Contract Documents.

8.10. OWNER'S responsibility in respect of undisclosed Asbestos, PCBs, Petroleum, Hazardous Waste or Radioactive Materials uncovered or revealed at the site is set forth in paragraph 4.5.

8.11. If and to the extent OWNER has agreed to furnish CONTRACTOR reasonable evidence that financial arrangements have been made to satisfy OWNER's obligations under the Contract Documents, OWNER's responsibility in respect thereof will be as set forth in the Supplementary Conditions.

ARTICLE 9—ENGINEER'S STATUS DURING CONSTRUCTION

OWNER's Representative:

9.1. ENGINEER will be OWNER's representative during the construction period. The duties and responsibilities and the limitations of authority of ENGINEER as OWNER's representative during construction are set forth in the Contract Documents and shall not be extended without written consent of OWNER and ENGINEER.

Visits to Site:

9.2. ENGINEER will make visits to the site at intervals appropriate to the various stages of construction as ENGINEER deems necessary in order to observe as an experienced and qualified design professional the progress that has been made and the quality of the various aspects of CONTRACTOR's executed Work. Based on information obtained during such visits and observations, ENGINEER will endeavor for the benefit of OWNER to determine, in general, if the Work is proceeding in accordance with the Contract Documents. ENGINEER will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. ENGINEER's efforts will be directed toward providing for OWNER a greater degree of confidence that the completed Work will conform generally to the Contract Documents. On the basis of such visits and on-site observations, ENGINEER will keep OWNER informed of the progress of the Work and will endeavor to guard OWNER against *defective* Work. ENGINEER's visits and on-site observations are subject to all the limitations on ENGINEER's authority and responsibility set forth in paragraph 9.13, and particularly, but without limitation, during or as a result of ENGINEER's on-site visits or observations of CONTRACTOR's Work ENGINEER will not supervise, direct, control or have authority over or be responsible for CONTRACTOR's means, methods, techniques, sequences or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of CONTRACTOR to comply with Laws and Regulations applicable to the furnishing or performance of the Work.

Project Representative:

9.3. If OWNER and ENGINEER agree, ENGINEER will furnish a Resident Project Representative to assist ENGINEER in providing more continuous observation of the Work. The responsibilities and authority and limitations thereon of any such Resident Project Representative and assistants will be as provided in paragraph 9.13 and in the Supplementary Conditions. If OWNER designates another representative or agent to represent OWNER at the site who is not ENGINEER's Consultant, agent or employee, the responsibilities and authority and limitations thereon of such other person will be as provided in the Supplementary Conditions.

Clarifications and Interpretations:

9.4. ENGINEER will issue with reasonable promptness such written clarifications or interpretations of the requirements of the Contract Documents (in the form of Drawings or otherwise) as ENGINEER may determine necessary, which shall be consistent with the intent of and reasonably inferable from Contract Documents. Such written clarifications and interpretations will be binding on OWNER and CONTRACTOR. If OWNER or CONTRACTOR believes that a written clarification or interpretation justifies an adjustment in the Contract Price or the Contract Times and the parties are unable to agree to the amount or extent thereof, if any, OWNER or CONTRACTOR may make a written claim therefor as provided in Article 11 or Article 12.

Authorized Variations in Work:

9.5. ENGINEER may authorize minor variations in the Work from the requirements of the Contract Documents which do not involve an adjustment in the Contract Price or the Contract Times and are compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. These may be accomplished by a Field Order and will be binding on OWNER and also on CONTRACTOR who shall perform the Work involved promptly. If OWNER or CONTRACTOR believes that a Field Order justifies an adjustment in the Contract Price or the Contract Times and the parties are unable to agree as to the amount or extent thereof, OWNER or CONTRACTOR may make a written claim therefor as provided in Article 11 or 12.

Rejecting Defective Work:

9.6. ENGINEER will have authority to disapprove or reject Work which ENGINEER believes to be *defective*, or

that ENGINEER believes will not produce a completed Project that conforms to the Contract Documents or that will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. ENGINEER will also have authority to require special inspection or testing of the Work as provided in paragraph 13.9, whether or not the Work is fabricated, installed or completed.

Shop Drawings, Change Orders and Payments:

9.7. In connection with ENGINEER's authority as to Shop Drawings and Samples, see paragraphs 6.24 through 6.28 inclusive.

9.8. In connection with ENGINEER's authority as to Change Orders, see Articles 10, 11, and 12.

9.9. In connection with ENGINEER's authority as to Applications for Payment, see Article 14.

Determinations for Unit Prices:

9.10. ENGINEER will determine the actual quantities and classifications of Unit Price Work performed by CONTRACTOR. ENGINEER will review with CONTRACTOR the ENGINEER's preliminary determinations on such matters before rendering a written decision thereon (by recommendation of an Application for Payment or otherwise). ENGINEER's written decision thereon will be final and binding upon OWNER and CONTRACTOR, unless, within ten days after the date of any such decision, either OWNER or CONTRACTOR delivers to the other and to ENGINEER written notice of intention to appeal from ENGINEER's decision and: (i) an appeal from ENGINEER's decision is taken within the time limits and in accordance with the procedures set forth in Exhibit GC-A, "Dispute Resolution Agreement," entered into between OWNER and CONTRACTOR pursuant to Article 16, or (ii) if no such Dispute Resolution Agreement has been entered into, a formal proceeding is instituted by the appealing party in a forum of competent jurisdiction to exercise such rights or remedies as the appealing party may have with respect to ENGINEER's decision, unless otherwise agreed in writing by OWNER and CONTRACTOR. Such appeal will not be subject to the procedures of paragraph 9.11.

Decisions on Disputes:

9.11. ENGINEER will be the initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the Work thereunder. Claims, disputes and other matters relating to the acceptability of the Work or the interpretation of the requirements of the Contract Documents pertaining to the performance and furnishing of the Work and Claims under Articles 11 and 12 in respect of changes in the Contract Price or Contract Times will be referred initially to ENGINEER in writing with a request for a formal decision in accordance with this paragraph. Written notice of each such claim, dispute or other matter will be delivered by the claimant to ENGINEER and the other party to the Agreement promptly (but in no event later than thirty days) after the start of the occurrence or event giving rise thereto, and written supporting data will be submitted to ENGINEER and the other party within sixty days after the start of such occurrence or event unless ENGINEER allows an additional period of time for the submission of additional or more accurate data in support of such claim, dispute or other matter. The opposing party shall submit any response to ENGINEER and the claimant within thirty days after receipt of the claimant's last submittal (unless ENGINEER allows additional time). ENGINEER will render a formal decision in writing within thirty days after receipt of the opposing party's submittal, if any, in accordance with this paragraph. ENGINEER's written decision on such claim, dispute or other matter will be final and binding upon OWNER and CONTRACTOR unless: (i) an appeal from ENGINEER's decision is taken within the time limits and in accordance with the procedures set forth in EXHIBIT GC-A, "Dispute Resolution Agreement," entered into between OWNER and CONTRACTOR pursuant to Article 16, or (ii) if no such Dispute Resolution Agreement has been entered into, a written notice of intention to appeal from ENGINEER's written decision is delivered by OWNER or CONTRACTOR to the other and to ENGINEER within thirty days after the date of such decision and a formal proceeding is instituted by the appealing party in a forum of competent jurisdiction to exercise such rights or remedies as the appealing party may have with respect to such claim, dispute or other matter in accordance with applicable Laws and Regulations within sixty days of the date of such decision, unless otherwise agreed in writing by OWNER and CONTRACTOR.

9.12. When functioning as interpreter and judge under paragraphs 9.10 and 9.11, ENGINEER will not show partiality to OWNER or CONTRACTOR and will not be liable in connection with any interpretation or decision rendered in good faith in such capacity. The rendering of a decision by ENGINEER pursuant to paragraphs 9.10 or 9.11 with respect to any such claim, dispute or other matter (except any which have been waived by the making or acceptance of final payment as provided in paragraph 14.15) will be a condition precedent to any exercise by OWNER or CONTRACTOR of such rights or remedies as either may otherwise have under the Contract Documents or by Laws or Regulations in respect of any such claim, dispute or other matter pursuant to Article 16.

9.13. *Limitations on ENGINEER's Authority and Responsibilities:*

9.13.1. Neither ENGINEER's authority or responsibility under this Article 9 or under any other provision of the Contract Documents nor any decision made by ENGINEER in good faith either to exercise or not exercise such authority or responsibility or the undertaking, exercise or performance of any authority or responsibility by ENGINEER shall create, impose or give rise to any duty owed by ENGINEER to CONTRACTOR, any Subcontractor, any Supplier, any other person or organization, or to any surety for or employee or agent of any of them.

9.13.2. ENGINEER will not supervise, direct, control or have authority over or be responsible for CONTRACTOR's means, methods, techniques, sequences or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of CONTRACTOR to comply with Laws and Regulations applicable to the furnishing or performance of the Work. ENGINEER will not be responsible for CONTRACTOR's failure to perform or furnish the Work in accordance with the Contract Documents.

19.13.3. ENGINEER will not be responsible for the acts or omissions of CONTRACTOR or of any Subcontractor, any Supplier, or of any other person or organization performing or furnishing any of the Work.

9.13.4. ENGINEER's review of the final Application for Payment and accompanying documentation and all maintenance and operating instructions, schedules, guarantees, bonds and certificates of inspection, tests and approvals and Other documentation required to be delivered by paragraph 14.12 will only be to determine generally that their content complies with the requirements of, and in the case of certificates of inspections, tests and approvals that the results certified indicate compliance with, the Contract Documents.

9.13.5. The limitations upon authority and responsibility set forth in this paragraph 9.13 shall also apply to ENGINEER's Consultants, Resident Project Representative and assistants.

ARTICLE 10—CHANGES IN THE WORK

10.1. Without invalidating the Agreement and without notice to any surety, OWNER may, at any time or from time to time, order additions, deletions or revisions in the Work. Such additions, deletions or revisions will be authorized by a Written Amendment, a Change Order, or a Work Change Directive. Upon receipt of any such document, CONTRACTOR shall promptly proceed with the Work involved which will be performed under the applicable conditions of the Contract Documents (except as otherwise specifically provided).

10.2. If OWNER and CONTRACTOR are unable to agree as to the extent, if any, of an adjustment in the Contract Price or an adjustment of the Contract Times that should be allowed as a result of a Work Change Directive, a claim may be made therefor as provided in Article 11 or Article 12.

10.3. CONTRACTOR shall not be entitled to an increase in the Contract Price or an extension of the Contract Times with respect to any Work performed that is not required by the Contract Documents as amended, modified and supplemented as provided in paragraphs 3.5 and 3.6 except in the case of an emergency as provided in paragraph 6.23 or in the case of uncovering Work as provided in paragraph 13.9.

10.4. OWNER and CONTRACTOR shall execute appropriate Change Orders recommended by ENGINEER (or Written Amendments) covering:

10.4.1. changes in the Work which are (i) ordered by OWNER pursuant to paragraph 10.1, (ii) required because of acceptance of *defective* Work under paragraph 13.13 or correcting *defective* Work under paragraph 13.14, or (iii) agreed to by the parties;

10.4.2. changes in the Contract Price or Contract Times which are agreed to by the parties; and

10.4.3. changes in the Contract Price or Contract Times which embody the substance of any written decision rendered by ENGINEER pursuant to paragraph 9.11;

provided that, in lieu of executing any such Change Order, an appeal may be taken from any such decision in accordance with the provisions of the Contract Documents and applicable Laws and Regulations, but during any such appeal, CONTRACTOR shall carry on the Work and adhere to the progress schedule as provided in paragraph 6.29.

10.5. If notice of any change affecting the general scope of the Work or the provisions of the Contract Documents (including, but not limited to, Contract Price or Contract Times) is required by the provisions of any Bond to be given to a surety, the giving of any such notice will be CONTRACTOR's responsibility, and the amount of each applicable Bond will be adjusted accordingly.

ARTICLE 11—CHANGE OF CONTRACT PRICE

11.1. The Contract Price constitutes the total compensation (subject to authorized adjustments) payable to CONTRACTOR for performing the Work. All duties, responsibilities and obligations assigned to or undertaken by CONTRACTOR shall be at CONTRACTOR's expense without change in the Contract Price.

11.2. The Contract Price may only be changed by a Change Order or by a Written Amendment. Any claim for an adjustment in the Contract Price shall be based on written notice delivered by the party making the claim to the other party and to ENGINEER promptly (but in no event later than thirty days) after the start of the occurrence or event giving rise to the claim and stating the general nature of the claim. Notice of the amount of the claim with supporting data shall be delivered within sixty days after the start of such occurrence or event (unless ENGINEER allows additional time for claimant to submit additional or more accurate data in support of the claim) and shall be accompanied by claimant's written statement that the adjustment claimed covers all known amounts to which the claimant is entitled as a result of said occurrence or event. All claims for adjustment in the Contract Price shall be determined by ENGINEER in accordance with paragraph 9.11 if OWNER and CONTRACTOR cannot otherwise agree on the amount involved. No claim for an adjustment in the Contract Price will

be valid if not submitted in accordance with this paragraph 11.2.

11.3. The value of any Work covered by a Change Order or of any claim for an adjustment in the Contract Price will be determined as follows:

11.3.1. where the Work involved is covered by unit prices contained in the Contract Documents, by application of such unit prices to the quantities of the items involved (subject to the provisions of paragraphs 11.9.1 through 11.9.3, inclusive);

11.3.2. where the Work involved is not covered by unit prices contained in the Contract Documents, by a mutually agreed lump sum (which may include an allowance for overhead and profit not necessarily in accordance with paragraph 11.6.2);

11.3.3. where the Work involved is not covered by unit prices contained in the Contract Documents and agreement to a lump sum is not reached under paragraph 11.3.2, on the basis of the Cost of the Work (determined as provided in paragraphs 11.4 and 11.5) plus a CONTRACTOR's fee for overhead and profit (determined as provided in paragraph 11.6).

Cost of the Work:

11.4. The term Cost of the Work means the sum of all costs necessarily incurred and paid by CONTRACTOR in the proper performance of the Work. Except as otherwise may be agreed to in writing by OWNER, such costs shall be in amounts no higher than those prevailing in the locality of the Project, shall include only the following items and shall not include any of the costs itemized in paragraph 11.5:

11.4.1. Payroll costs for employees in the direct employ of CONTRACTOR in the performance of the Work under schedules of job classifications agreed upon by OWNER and CONTRACTOR. Such employees shall include without limitation superintendents, foremen and other personnel employed full- time at the site. Payroll costs for employees not employed full time on the Work shall be apportioned on the basis of their time spent on the Work. Payroll costs shall include, but not be limited to, salaries and wages plus the cost of fringe benefits which shall include social security contributions, unemployment, excise and payroll taxes, workers' compensation, health and retirement benefits, bonuses, sick leave, vacation and holiday pay applicable thereto. The expenses of performing Work after regular working hours, on Saturday, Sunday or legal holidays, shall be included in the above to the extent authorized by OWNER.

11.4.2. Cost of all materials and equipment furnished and incorporated in the Work, including costs of transportation and storage thereof, and Suppliers' field services required in connection therewith. All cash discounts shall accrue to CONTRACTOR unless OWNER deposits funds with CONTRACTOR with which to make payments, in which case the cash discounts shall accrue to OWNER. All trade discounts, rebates and refunds and returns from sale of surplus materials and equipment shall accrue to OWNER, and CONTRACTOR shall make provisions so that they may be obtained.

11.4.3. Payments made by CONTRACTOR to the Subcontractors for Work performed or furnished by Subcontractors. If required by OWNER, CONTRACTOR shall obtain competitive bids from subcontractors acceptable to OWNER and CONTRACTOR and shall deliver such bids to OWNER who will then determine, with the advice of ENGINEER, which bids, if any, will be accepted. If any subcontract provides that the Subcontractor is to be paid on the basis of Cost of the Work Plus a fee, the Subcontractor's Cost of the Work and fee shall be determined in the same manner as CONTRACTOR's Cost of the Work and fee as provided in paragraphs 11.4, 11.5, 11.6 and 11.7. All subcontracts shall be subject to the other provisions of the Contract Documents insofar as applicable.

11.4.4. Costs of special consultants (including but not limited to engineers, architects, testing laboratories, surveyors, attorneys and accountants) employed for services specifically related to the Work.

11.4.5. Supplemental costs including the following:

11.4.5.1. The proportion of necessary transportation, travel and subsistence expenses of CONTRACTOR's employees incurred in discharge of duties connected with the Work.

11.4.5.2. Cost, including transportation and maintenance, of all materials, supplies, equipment, machinery, appliances, office and temporary facilities at the site and hand tools not owned by the workers, which are consumed in the performance of the Work, and cost less market value of such items used but not consumed which remain the property of CONTRACTOR.

11.4.5.3. Rentals of all construction equipment and machinery and the parts thereof whether rented from CONTRACTOR or others in accordance with rental agreements approved by OWNER with the advice of ENGINEER, and the costs of transportation, loading, unloading, installation, dismantling and removal thereof—all in accordance with the terms of said rental agreements. The rental of any such equipment, machinery or parts shall cease when the use thereof is no longer necessary for the Work.

11.4.5.4. Sales, consumer, use or similar taxes related to the Work, and for which CONTRACTOR is liable, imposed by Laws and Regulations.

11.4.5.5. Deposits lost for causes other than negligence of CONTRACTOR, any Subcontractor or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, and royalty payments and fees for permits and licenses.

11.4.5.6. Losses and damages (and related expenses) caused by damage to the Work, not compensated by insurance or otherwise, sustained by CONTRACTOR in connection with the performance and furnishing of the Work (except losses and damages within the deductible amounts of property insurance established by OWNER in accordance with paragraph 5.9), provided they have resulted from causes other than the negligence of CONTRACTOR, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable. Such losses shall include settlements made with the written consent and approval of OWNER. No such losses, damages and expenses shall be included in the Cost of the Work for the purpose of determining CONTRACTOR's fee. If, however, any such loss or damage requires reconstruction and CONTRACTOR is placed in charge thereof, CONTRACTOR shall be paid for services a fee proportionate to that stated in paragraph 11.6.2.

11.4.5.7. The cost of utilities, fuel and sanitary facilities at the site.

11.4.5.8. Minor expenses such as telegrams, long distance telephone calls, telephone service at the site, expressage and similar petty cash items in connection with the Work.

11.4.5.9. Cost of premiums for additional Bonds and insurance required because of changes in the Work.

11.5. The term Cost of the Work shall not include any of the following:

11.5.1. Payroll costs and other compensation of CONTRACTOR's officers, executives, principals (of partnership and sole proprietorships), general managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expediters, timekeepers, clerks and other personnel employed by CONTRACTOR whether at the site or in CONTRACTOR's principal or a branch office for general administration of the Work and not specifically included in the agreed upon schedule of job classifications referred to in paragraph 11.4.1 or specifically covered by paragraph 11.4.4—all of which are to be considered administrative costs covered by the CONTRACTOR's fee.

11.5.2. Expenses of CONTRACTOR's principal and branch offices other than CONTRACTOR's office at the site.

11.5.3. Any part of CONTRACTOR's capital expenses, including interest on CONTRACTOR's capital employed for the Work and charges against CONTRACTOR for delinquent payments.

11.5.4. Cost of premiums for all Bonds and for all insurance whether or not CONTRACTOR is required by the Contract Documents to purchase and maintain the same (except for the cost of premiums covered by subparagraph 11.4.5.9 above).

11.5.5. Costs due to the negligence of CONTRACTOR, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to, the correction of *defective* Work, disposal of materials or equipment wrongly supplied and making good any damage to property.

Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in paragraph 11.4.

11.6. The CONTRACTOR's fee allowed to CONTRACTOR for overhead and profit shall be determined as follows:

11.6.1. a mutually acceptable fixed fee; or

11.6.2. if a fixed fee is not agreed upon, then a fee based on the following percentages of the various portions of the Cost of the Work:

11.6.2.1. for costs incurred under paragraphs 11.4.1 and 11.4.2, the CONTRACTOR's fee shall be fifteen percent;

11.6.2.2. for costs incurred under paragraph 11.4.3, the CONTRACTOR's fee shall be five percent;

11.6.2.3. where one or more tiers of subcontracts are on the basis of Cost of the Work plus a fee and no fixed fee is agreed upon, the intent of paragraphs 11.4.1, 11.4.2, 11.4.3 and 11.6.2 is that the Subcontractor who actually performs or furnishes the Work, at whatever tier, will be paid a fee of fifteen percent of the costs incurred by such Subcontractor under paragraphs 11.4.1 and 11.4.2 and that any higher tier Subcontractor and CONTRACTOR will each be paid a fee of five percent of the amount paid to the next lower tier Subcontractor;

11.6.2.4. no fee shall be payable on the basis of costs itemized under paragraphs 11.4.4, 11.4.5 and 11.5;

11.6.2.5. the amount of credit to be allowed by CONTRACTOR to OWNER for any change which results in a net decrease in cost will be the amount of the actual net decrease in cost plus a deduction in CONTRACTOR's fee by an amount equal to five percent of such net decrease; and

11.6.2.6. when both additions and credits are involved in any one change, the adjustment in CONTRACTOR's fee shall be computed on the basis of the net change in accordance with paragraphs 11.6.2.1 through 11.6.2.5, inclusive.

11.7. Whenever the cost of any Work is to be determined pursuant to paragraphs 11.4 and 11.5, CONTRACTOR will establish and maintain records thereof in accordance with generally accepted accounting practices and submit in form acceptable to ENGINEER an itemized cost breakdown together with supporting data.

Cash Allowances:

11.8. It is understood that CONTRACTOR has included in the Contract Price all allowances so named in the Contract Documents and shall cause the Work so covered to be furnished and performed for such sums as may be acceptable to OWNER and ENGINEER. CONTRACTOR agrees that:

11.8.1. the allowances include the cost to CONTRACTOR (less any applicable trade discounts) of materials and equipment required by the allowances to be delivered at the site, and all applicable taxes; and

11.8.2. CONTRACTOR's costs for unloading and handling on the site, labor, installation costs, overhead, profit and other expenses contemplated for the allowances have been included in the Contract Price and not in the allowances and no demand for additional payment on account of any of the foregoing will be valid.

Prior to final payment, an appropriate Change Order will be issued as recommended by ENGINEER to reflect actual amounts due CONTRACTOR on account of Work covered by allowances, and the Contract Price shall be correspondingly adjusted.

11.9. ***Unit Price Work:***

11.9.1. Where the Contract Documents provide that all or part of the Work is to be Unit Price Work, initially the Contract Price will be deemed to include for all Unit Price Work an amount equal to the sum of the established unit price for each separately identified item of Unit Price Work times the estimated quantity of each item as indicated in the Agreement. The estimated quantities of items of Unit Price Work are not guaranteed and are solely for the purpose of comparison of Bids and determining an initial Contract Price. Determinations of the actual quantities and classifications of Unit Price Work performed by CONTRACTOR will be made by ENGINEER in accordance with paragraph 9.10.

11.9.2. Each unit price will be deemed to include an amount considered by CONTRACTOR to be adequate to cover CONTRACTOR's overhead and profit for each separately identified item.

11.9.3. OWNER or CONTRACTOR may make a claim for an adjustment in the Contract Price in accordance with Article 11 if:

11.9.3.1. the quantity of any item of Unit Price Work performed by CONTRACTOR differs materially and significantly from the estimated quantity of such item indicated in the Agreement; and

11.9.3.2. there is no corresponding adjustment with respect to any other item of Work; and

11.9.3.3. if CONTRACTOR believes that CONTRACTOR is entitled to an increase in Contract Price as a result of having incurred additional expense or OWNER believes that OWNER is entitled to a decrease in Contract Price and the parties are unable to agree as to the amount of any such increase or decrease.

ARTICLE 12—CHANGE OF CONTRACT TIMES

12.1. The Contract Times (or Milestones) may only be changed by a Change Order or a Written Amendment. Any claim for an adjustment of the Contract Times (or Milestones) shall be based on written notice delivered by the party making the claim to the other party and to ENGINEER promptly (but in no event later than thirty days) after the occurrence of the event giving rise to the claim and stating the general nature of the claim. Notice of the extent of the claim with supporting data shall be delivered within sixty days after such occurrence (unless ENGINEER allows an additional period of time to ascertain more accurate data in support of the claim) and shall be accompanied by the claimant's written statement that the adjustment claimed is the entire adjustment to which the claimant has reason to believe it is entitled as a result of the occurrence of said event. All claims for adjustment in the Contract Times (or Milestones) shall be determined by ENGINEER in accordance with paragraph 9.11 if OWNER and CONTRACTOR cannot otherwise agree. No claim for an adjustment in the Contract Times (or Milestones) will be valid if not submitted in accordance with the requirements of this paragraph 12.1.

12.2. All time limits stated in the Contract Documents are of the essence of the Agreement.

12.3. Where CONTRACTOR is prevented from completing any part of the Work within the Contract Times (or Milestones) due to delay beyond the control of CONTRACTOR, the Contract Times (or Milestones) will be extended in an amount equal to the time lost due to such delay if a claim is made therefor as provided in paragraph 12.1. Delays beyond the control of CONTRACTOR shall include, but not be limited to, acts or neglect by OWNER, acts or neglect of utility owners or other contractors performing other work as contemplated by Article 7, fires, floods, epidemics, abnormal weather conditions or acts of God. Delays attributable to and within the control of a Subcontractor or Supplier shall be deemed to be delays within the control of CONTRACTOR.

12.4. Where CONTRACTOR is prevented from completing any part of the Work within the Contract Times (or Milestones) due to delay beyond the control of both OWNER and CONTRACTOR, an extension of the Contract Times (or Milestones) in an amount equal to the time lost due to such delay shall be CONTRACTOR's sole and exclusive remedy for such delay. In no event shall OWNER be liable to CONTRACTOR, any Subcontractor, any Supplier, any other person or organization, or to any surety for or employee or agent of any of them, for damages arising out of or resulting from (i) delays caused by or within the control of CONTRACTOR, or (ii)

delays beyond the control of both parties including but not limited to fires, floods, epidemics, abnormal weather conditions, acts of God or acts or neglect by utility owners or other contractors performing other work as contemplated by Article 7.

ARTICLE 13—TESTS AND INSPECTIONS; CORRECTION, REMOVAL OR ACCEPTANCE OF *DEFECTIVE* WORK

13.1. *Notice of Defects:* Prompt notice of all *defective* Work of which OWNER or ENGINEER have actual knowledge will be given to CONTRACTOR. All *defective* Work may be rejected, corrected or accepted as provided in this Article 13.

Access to Work:

13.2. OWNER, ENGINEER, ENGINEER's Consultants, other representatives and personnel of OWNER, independent testing laboratories and governmental agencies with jurisdictional interests will have access to the Work at reasonable times for their observation, inspecting and testing. CONTRACTOR shall provide them proper and safe conditions for such access and advise them of CONTRACTOR's site safety procedures and programs so that they may comply therewith as applicable.

Tests and Inspections:

13.3. CONTRACTOR shall give ENGINEER timely notice of readiness of the Work for all required inspections, tests or approvals, and shall cooperate with inspection and testing personnel to facilitate required inspections or tests.

13.4. OWNER shall employ and pay for the services of an independent testing laboratory to perform all inspections, tests, or approvals required by the Contract Documents except:

13.4.1. for inspections, tests or approvals covered by paragraph 13.5 below;

13.4.2. that costs incurred in connection with tests or inspections conducted pursuant to paragraph 13.9 below shall be paid as provided in said paragraph 13.9; and

13.4.3. as otherwise specifically provided in the Contract Documents.

13.5. If Laws or Regulations of any public body having jurisdiction require any Work (or part thereof) specifically to be inspected, tested or approved by an employee or other representative of such public body, CONTRACTOR shall assume full responsibility for arranging and obtaining such inspections, tests or approvals, pay all costs in connection therewith, and furnish ENGINEER the required certificates of inspection, or approval. CONTRACTOR shall also be responsible for arranging and obtaining and shall pay all costs in connection with any inspections, tests or approvals required for OWNER's and ENGINEER's acceptance of materials or equipment to be incorporated in the Work, or of materials, mix designs, or equipment submitted for approval prior to CONTRACTOR's purchase thereof for incorporation in the Work.

13.6. If any Work (or the work of others) that is to be inspected, tested or approved is covered by CONTRACTOR without written concurrence of ENGINEER, it must, if requested by ENGINEER, be uncovered for observation.

13.7. Uncovering Work as provided in paragraph 13.6 shall be at CONTRACTOR's expense unless CONTRACTOR has given ENGINEER timely notice of CONTRACTOR's intention to cover the same and ENGINEER has not acted with reasonable promptness in response to such notice.

Uncovering Work:

13.8. If any Work is covered contrary to the written request of ENGINEER, it must, if requested by ENGINEER, be uncovered for ENGINEER's observation and replaced at CONTRACTOR's expense.

13.9. If ENGINEER considers it necessary or advisable that covered Work be observed by ENGINEER or inspected or tested by others, CONTRACTOR, at ENGINEER's request, shall uncover, expose or otherwise make available for observation, inspection or testing as ENGINEER may require, that portion of the Work in question, furnishing all necessary labor, material and equipment. If it is found that such Work is *defective*, CONTRACTOR shall pay all claims, costs, losses and damages caused by, arising out of or resulting from such uncovering, exposure, observation, inspection and testing and of satisfactory replacement or reconstruction (including but not limited to all costs of repair or replacement of work of others); and OWNER shall be entitled to an appropriate decrease in the Contract Price, and, if the parties are unable to agree as to the amount thereof, may make a claim therefor as provided in Article 11. If, however, such Work is not found to be *defective*, CONTRACTOR shall be allowed an increase in the Contract Price or an extension of the Contract Times (or Milestones), or both, directly attributable to such uncovering, exposure, observation, inspection, testing, replacement and reconstruction; and, if the parties are unable to agree as to the amount or extent thereof, CONTRACTOR may make a claim therefor as provided in Articles 11 and 12.

OWNER May Stop the Work:

13.10. If the Work is *defective*, or CONTRACTOR fails to supply sufficient skilled workers or suitable materials or equipment, or fails to furnish or perform the Work in such a way that the completed Work will conform to the Contract Documents, OWNER may order CONTRACTOR to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, this right of OWNER to stop the Work

shall not give rise to any duty on the part of OWNER to exercise this right for the benefit of CONTRACTOR or any surety or other party.

Correction or Removal of Defective Work:

13.11. If required by ENGINEER, CONTRACTOR shall promptly, as directed, either correct all *defective* Work, whether or not fabricated, installed or completed, or, if the Work has been rejected by ENGINEER, remove it from the site and replace it with Work that is not *defective*. CONTRACTOR shall pay all claims, costs, losses and damages caused by or resulting from such correction or removal (including but not limited to all costs of repair or replacement of work of others).

13.12. ***Correction Period:***

13.12.1. If within one year after the date of Substantial Completion or such longer period of time as may be prescribed by Laws or Regulations or by the terms of any applicable special guarantee required by the Contract Documents or by any specific provision of the Contract Documents, any Work is found to be *defective*, CONTRACTOR shall promptly, without cost to OWNER and in accordance with OWNER's written instructions: (i) correct such *defective* Work, or, if it has been rejected by OWNER, remove it from the site and replace it with Work that is not *defective*, and (ii) satisfactorily correct or remove and replace any damage to other Work or the work of others resulting therefrom. If CONTRACTOR does not promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, OWNER may have the *defective* Work corrected or the rejected Work removed and replaced, and all claims, costs, losses and damages caused by or resulting from such removal and replacement (including but not limited to all costs of repair or replacement of work of others) will be paid by CONTRACTOR.

13.12.2. In special circumstances where a particular item of equipment is placed in continuous service before Substantial Completion of all the Work, the correction period for that item may start to run from an earlier date if so provided in the Specifications or by Written Amendment.

13.12.3. Where *defective* Work (and damage to other Work resulting therefrom) has been corrected, removed or replaced under this paragraph 13.12, the correction period hereunder with respect to such Work will be extended for an additional period of one year after such correction or removal and replacement has been satisfactorily completed.

Acceptance of Defective Work:

13.13. If, instead of requiring correction or removal and replacement of *defective* Work, OWNER (and, prior to ENGINEER's recommendation of final payment, also ENGINEER) prefers to accept it, OWNER may do so. CONTRACTOR shall pay all claims, costs, losses and damages attributable to OWNER's evaluation of and determination to accept such *defective* Work (such costs to be approved by ENGINEER as to reasonableness). If any such acceptance occurs prior to ENGINEER's recommendation of final payment, a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work; and OWNER shall be entitled to an appropriate decrease in the Contract Price, and, if the parties are unable to agree as to the amount thereof, OWNER may make a claim therefor as provided in Article 11. If the acceptance occurs after such recommendation, an appropriate amount will be paid by CONTRACTOR to OWNER.

OWNER May Correct Defective Work:

13.14. If CONTRACTOR fails within a reasonable time after written notice from ENGINEER to correct *defective* Work or to remove and replace rejected Work as required by ENGINEER in accordance with paragraph 13.11, or if CONTRACTOR fails to perform the Work in accordance with the Contract Documents, or if CONTRACTOR fails to comply with any other provision of the Contract Documents, OWNER may, after seven days' written notice to CONTRACTOR, correct and remedy any such deficiency. In exercising the rights and remedies under this paragraph OWNER shall proceed expeditiously. In connection with such corrective and remedial action, OWNER may exclude CONTRACTOR from all or part of the site, take possession of all or part of the Work, and suspend CONTRACTOR's services related thereto, take possession of CONTRACTOR's tools, appliances, construction equipment and machinery at the site and incorporate in the Work all materials and equipment stored at the site or for which OWNER has paid CONTRACTOR but which are stored elsewhere. CONTRACTOR shall allow OWNER, OWNER's representatives, agents and employees, OWNER's other contractors and ENGINEER and ENGINEER's Consultants access to the site to enable OWNER to exercise the rights and remedies under this paragraph. All claims, costs, losses and damages incurred or sustained by OWNER in exercising such rights and remedies will be charged against CONTRACTOR and a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work; and OWNER shall be entitled to an appropriate decrease in the Contract Price, and, if the parties are unable to agree as to the amount thereof, OWNER may make a claim therefor as provided in Article 11. Such claims, costs, losses and damages will include but not be limited to all costs of repair or replacement of work of others destroyed or damaged by correction, removal or replacement of CONTRACTOR's *defective* Work. CONTRACTOR shall not be allowed an extension of the Contract Times (or Milestones) because of any delay in the performance of the Work attributable to the exercise by OWNER of OWNER's rights and remedies hereunder.

ARTICLE 14—PAYMENTS TO CONTRACTOR AND COMPLETION

Schedule of Values:

14.1. The schedule of values established as provided in paragraph 2.9 will serve as the basis for progress payments and

will be incorporated into a form of Application for Payment acceptable to ENGINEER. Progress payments on account of Unit Price Work will be based on the number of units completed.

Application for Progress Payment:

14.2. At least twenty days before the date established for each progress payment (but not more often than once a month), CONTRACTOR shall submit to ENGINEER for review an Application for Payment filled out and signed by CONTRACTOR covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably stored at the site or at another location agreed to in writing, the Application for Payment shall also be accompanied by a bill of sale, invoice or other documentation warranting that OWNER has received the materials and equipment free and clear of all Liens and evidence that the materials and equipment are covered by appropriate property insurance and other arrangements to protect OWNER's interest therein, all of which will be satisfactory to OWNER. The amount of retainage with respect to progress payments will be as stipulated in the Agreement.

CONTRACTOR's Warranty of Title:

14.3. CONTRACTOR warrants and guarantees that title to all Work, materials and equipment covered by any Application for Payment, whether incorporated in the Project or not, will pass to OWNER no later than the time of payment free and clear of all Liens.

Review of Applications for Progress Payment:

14.4. ENGINEER will, within ten days after receipt of each Application for Payment, either indicate in writing a recommendation of payment and present the Application to OWNER, or return the Application to CONTRACTOR indicating in writing ENGINEER's reasons for refusing to recommend payment. In the latter case, CONTRACTOR may make the necessary corrections and resubmit the Application. Ten days after presentation of the Application for Payment to OWNER with ENGINEER's recommendation, the amount recommended will (subject to the provisions of the last sentence of paragraph 14.7) become due and when due will be paid by OWNER to CONTRACTOR.

14.5. ENGINEER's recommendation of any payment requested in an Application for Payment will constitute a representation by ENGINEER to OWNER, based on ENGINEER's on-site observations of the executed Work as an experienced and qualified design professional and on ENGINEER's review of the Application for Payment and the accompanying data and schedules, that to the best of ENGINEER's knowledge, information and belief:

14.5.1. the Work has progressed to the point indicated,

14.5.2. the quality of the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, to a final determination of quantities and classifications for Unit Price Work under paragraph 9.10, and to any other qualifications stated in the recommendation), and

14.5.3. the conditions precedent to CONTRACTOR's being entitled to such payment appear to have been fulfilled in so far as it is ENGINEER's responsibility to observe the Work.

However, by recommending any such payment ENGINEER will not thereby be deemed to have represented that: (i) exhaustive or continuous on-site inspections have been made to check the quality or the quantity of the Work beyond the responsibilities specifically assigned to ENGINEER in the Contract Documents or (ii) that there may not be other matters or issues between the parties that might entitle CONTRACTOR to be paid additionally by OWNER or entitle OWNER to withhold payment to CONTRACTOR.

14.6. ENGINEER's recommendation of any payment, including final payment, shall not mean that ENGINEER is responsible for CONTRACTOR's means, methods, techniques, sequences or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of CONTRACTOR to comply with Laws and Regulations applicable to the furnishing or performance of Work, or for any failure of CONTRACTOR to perform or furnish Work in accordance with the Contract Documents.

14.7. ENGINEER may refuse to recommend the whole or any part of any payment if, in ENGINEER's opinion, it would be incorrect to make the representations to OWNER referred to in paragraph 14.5. ENGINEER may also refuse to recommend any such payment, or, because of subsequently discovered evidence or the results of subsequent inspections or tests, nullify any such payment previously recommended, to such extent as may be necessary in ENGINEER's opinion to protect OWNER from loss because:

14.7.1. the Work is *defective*, or completed Work has been damaged requiring correction or replacement,

14.7.2. the Contract Price has been reduced by Written Amendment or Change Order,

14.7.3. OWNER has been required to correct *defective* Work or complete Work in accordance with paragraph 13.14, or

14.7.4. ENGINEER has actual knowledge of the occurrence of any of the events enumerated in paragraphs 15.2.1 through 15.2.4 inclusive.

OWNER may refuse to make payment of the full amount recommended by ENGINEER because:

14.7.5. claims have been made against OWNER on account of CONTRACTORs performance or furnishing of the Work,

14.7.6. Liens have been filed in connection with the Work, except where CONTRACTOR has delivered a specific Bond satisfactory to OWNER to secure the satisfaction and discharge of such Liens,

14.7.7. there are other items entitling OWNER to a set-off against the amount recommended, or

14.7.8. OWNER has actual knowledge of the occurrence of any of the events enumerated in paragraphs 14.7.1 through 14.7.3 or paragraphs 15.2.1 through 15.2.4 inclusive;

but OWNER must give CONTRACTOR immediate written notice (with a copy to ENGINEER) stating the reasons for such action and promptly pay CONTRACTOR the amount so withheld, or any adjustment thereto agreed to by OWNER and CONTRACTOR, when CONTRACTOR corrects to OWNER's satisfaction the reasons for such action.

Substantial Completion:

14.8. When CONTRACTOR considers the entire Work ready for its intended use CONTRACTOR shall notify OWNER and ENGINEER in writing that the entire Work is substantially complete (except for items specifically listed by CONTRACTOR as incomplete) and request that ENGINEER issue a certificate of Substantial Completion. Within a reasonable time thereafter, OWNER, CONTRACTOR and ENGINEER shall make an inspection of the Work to determine the status of completion. If ENGINEER does not consider the Work substantially complete, ENGINEER will notify CONTRACTOR in writing giving the reasons therefor. If ENGINEER considers the Work substantially complete, ENGINEER will prepare and deliver to OWNER a tentative certificate of Substantial Completion which shall fix the date of Substantial Completion. There shall be attached to the certificate a tentative list of items to be completed or corrected before final payment. OWNER shall have seven days after receipt of the tentative certificate during which to make written objection to ENGINEER as to any provisions of the certificate or attached list. If, after considering such objections, ENGINEER concludes that the Work is not substantially complete, ENGINEER will within fourteen days after submission of the tentative certificate to OWNER notify CONTRACTOR in writing, stating the reasons therefor. If, after consideration of OWNER's objections, ENGINEER considers the Work substantially complete, ENGINEER will within said fourteen days execute and deliver to OWNER and CONTRACTOR a definitive certificate of Substantial Completion (with a revised tentative list of items to be completed or corrected) reflecting such changes from the tentative certificate as ENGINEER believes justified after consideration of any objections from OWNER. At the time of delivery of the tentative certificate of Substantial Completion ENGINEER will deliver to OWNER and CONTRACTOR a written recommendation as to division of responsibilities pending final payment between OWNER and CONTRACTOR with respect to security, operation, safety, maintenance, heat, utilities, insurance and warranties and guarantees. Unless OWNER and CONTRACTOR agree otherwise in writing and so inform ENGINEER in writing prior to ENGINEER's issuing the definitive certificate of Substantial Completion, ENGINEER's aforesaid recommendation will be binding on OWNER and CONTRACTOR until final payment.

14.9. OWNER shall have the right to exclude CONTRACTOR from the Work after the date of Substantial Completion, but OWNER shall allow CONTRACTOR reasonable access to complete or correct items on the tentative list.

Partial Utilization:

14.10. Use by OWNER at OWNER's option of any substantially completed part of the Work which: (i) has specifically been identified in the Contract Documents, or (ii) OWNER, ENGINEER and CONTRACTOR agree constitutes a separately functioning and usable part of the Work that can be used by OWNER for its intended purpose without significant interference with CONTRACTOR's performance of the remainder of the Work, may be accomplished prior to Substantial Completion of all the Work subject to the following:

14.10.1. OWNER at any time may request CONTRACTOR in writing to permit OWNER to use any such part of the Work which OWNER believes to be ready for its intended use and substantially complete. If CONTRACTOR agrees that such part of the Work is substantially complete, CONTRACTOR will certify to OWNER and ENGINEER that such part of the Work is substantially complete and request ENGINEER to issue a certificate of Substantial Completion for that part of the Work. CONTRACTOR at any time may notify OWNER and ENGINEER in writing that CONTRACTOR considers any such part of the Work ready for its intended use and substantially complete and request ENGINEER to issue a certificate of Substantial Completion for that part of the Work. Within a reasonable time after either such request, OWNER, CONTRACTOR and ENGINEER shall make an inspection of that part of the Work to determine its status of completion. If ENGINEER does not consider that part of the Work to be substantially complete, ENGINEER will notify OWNER and CONTRACTOR in writing giving the reasons therefor. If ENGINEER considers that part of the Work to be substantially complete, the provisions of paragraphs 14.8 and 14.9 will apply with respect to certification of Substantial Completion of that part of the Work and the division of responsibility in respect thereof and access thereto.

14.10.2. No occupancy or separate operation of part of the Work will be accomplished prior to compliance with the requirements of paragraph 5.15 in respect of property insurance.

Final Inspection:

14.11. Upon written notice from CONTRACTOR that the entire Work or an agreed portion thereof is complete, ENGINEER will make a final inspection with OWNER and CONTRACTOR and will notify CONTRACTOR in writing of all

particulars in which this inspection reveals that the Work is incomplete or *defective*. CONTRACTOR shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

Final Application for Payment:

14.12. After CONTRACTOR has completed all such corrections to the satisfaction of ENGINEER and delivered in accordance with the Contract Documents all maintenance and operating instructions, schedules, guarantees, Bonds, certificates or other evidence of insurance required by paragraph 5.4, certificates of inspection, marked-up record documents (as provided in paragraph 6.19) and other documents, CONTRACTOR may make application for final payment following the procedure for progress payments. The final Application for Payment shall be accompanied (except as previously delivered) by: (i) all documentation called for in the Contract Documents, including but not limited to the evidence of insurance required by subparagraph 5.4.13, (ii) consent of the surety, if any, to final payment, and (iii) complete and legally effective releases or waivers (satisfactory to OWNER) of all Liens arising out of or filed in connection with the Work. In lieu of such releases or waivers of Liens and as approved by OWNER, CONTRACTOR may furnish receipts or releases in full and an affidavit of CONTRACTOR that: (i) the releases and receipts include all labor, services, material and equipment for which a Lien could be filed, and (ii) all payrolls, material and equipment bills and other indebtedness connected with the Work for which OWNER or OWNER's property might in any way be responsible have been paid or otherwise satisfied. If any Subcontractor or Supplier fails to furnish such a release or receipt in full, CONTRACTOR may furnish a Bond or other collateral satisfactory to OWNER to indemnify OWNER against any Lien.

Final Payment and Acceptance:

14.13. If, on the basis of ENGINEER's observation of the Work during construction and final inspection, and ENGINEER's review of the final Application for Payment and accompanying documentation as required by the Contract Documents, ENGINEER is satisfied that the Work has been completed and CONTRACTOR's other obligations under the Contract Documents have been fulfilled, ENGINEER will, within ten days after receipt of the final Application for Payment, indicate in writing ENGINEER's recommendation of payment and present the Application to OWNER for payment. At the same time ENGINEER will also give written notice to OWNER and CONTRACTOR that the Work is acceptable subject to the provisions of paragraph 14.15. Otherwise, ENGINEER will return the Application to CONTRACTOR, indicating in writing the reasons for refusing to recommend final payment, in which case CONTRACTOR shall make the necessary corrections and resubmit the Application. Thirty days after the presentation to OWNER of the Application and accompanying documentation, in appropriate form and substance and with ENGINEER's recommendation and notice of acceptability, the amount recommended by ENGINEER will become due and will be paid by OWNER to CONTRACTOR.

14.14. If, through no fault of CONTRACTOR, final completion of the Work is significantly delayed and if ENGINEER so confirms, OWNER shall, upon receipt of CONTRACTOR's final Application for Payment and recommendation of ENGINEER, and without terminating the Agreement, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance to be held by OWNER for Work not fully completed or corrected is less than the retainage stipulated in the Agreement, and if Bonds have been furnished as required in paragraph 5.1, the written consent of the surety to the payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by CONTRACTOR to ENGINEER with the Application for such payment. Such payment shall be made under the terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

Waiver of Claims:

14.15. The making and acceptance of final payment will constitute:

14.15.1. a waiver of all claims by OWNER against CONTRACTOR, except claims arising from unsettled Liens, from *defective* Work appearing after final inspection pursuant to paragraph 14.11, from failure to comply with the Contract Documents or the terms of any special guarantees specified therein, or from CONTRACTOR's continuing obligations under the Contract Documents; and

14.15.2. a waiver of all claims by CONTRACTOR against OWNER other than those previously made in writing and still unsettled.

ARTICLE 15—SUSPENSION OF WORK AND TERMINATION

OWNER May Suspend Work:

15.1. At any time and without cause, OWNER may suspend the Work or any portion thereof for a period of not more than ninety days by notice in writing to CONTRACTOR and ENGINEER which will fix the date on which Work will be resumed. CONTRACTOR shall resume the Work on the date so fixed. CONTRACTOR shall be allowed an adjustment in the Contract Price or an extension of the Contract Times, or both, directly attributable to any such suspension if CONTRACTOR makes an approved claim therefor as provided in Articles 11 and 12.

OWNER May Terminate:

15.2. Upon the occurrence of any one or more of the following events:

15.2.1. if CONTRACTOR persistently fails to perform the Work in accordance with the Contract Documents (including, but not limited to, failure to supply sufficient skilled workers or suitable materials or equipment or failure to adhere to the progress schedule established under paragraph 2.9 as adjusted from time to time pursuant to paragraph 6.6);

15.2.2. if CONTRACTOR disregards Laws or Regulations of any public body having jurisdiction;

15.2.2. if CONTRACTOR disregards the authority of ENGINEER; or

15.2.4. if CONTRACTOR otherwise violates in any substantial way any provisions of the Contract Documents;

OWNER may, after giving CONTRACTOR (and the surety, if any,) seven days' written notice and to the extent permitted by Laws and Regulations, terminate the services of CONTRACTOR, exclude CONTRACTOR from the site and take possession of the Work and of all CONTRACTOR's tools, appliances, construction equipment and machinery at the site and use the same to the full extent they could be used by CONTRACTOR (without liability to CONTRACTOR for trespass or conversion), incorporate in the Work all materials and equipment stored at the site or for which OWNER has paid CONTRACTOR but which are stored elsewhere, and finish the Work as OWNER may deem expedient. In such case CONTRACTOR shall not be entitled to receive any further payment until the Work is finished. If the unpaid balance of the Contract Price exceeds all claims, costs, losses and damages sustained by OWNER arising out of or resulting from completing the Work such excess will be paid to CONTRACTOR. If such claims, costs, losses and damages exceed such unpaid balance, CONTRACTOR shall pay the difference to OWNER. Such claims, costs, losses and damages incurred by OWNER will be reviewed by ENGINEER as to their reasonableness and when so approved by ENGINEER incorporated in a Change Order, provided that when exercising any rights or remedies under this paragraph OWNER shall not be required to obtain the lowest price for the Work performed.

15.3. Where CONTRACTOR's services have been so terminated by OWNER, the termination will not affect any rights or remedies of OWNER against CONTRACTOR then existing or which may thereafter accrue. Any retention or payment of moneys due CONTRACTOR by OWNER will not release CONTRACTOR from liability.

15.4. Upon seven days' written notice to CONTRACTOR and ENGINEER, OWNER may, without cause and without prejudice to any other right or remedy of OWNER, elect to terminate the Agreement. In such case, CONTRACTOR shall be paid (without duplication of any items):

15.4.1. for completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;

15.4.2. for expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses;

15.4.3. for all claims, costs, losses and damages incurred in settlement of terminated contracts with Subcontractors, Suppliers and others; and

15.4.4. for reasonable expenses directly attributable to termination.

CONTRACTOR shall not be paid on account of loss of anticipated profits or revenue or other economic loss arising out of or resulting from such termination.

CONTRACTOR May Stop Work or Terminate:

15.5. If, through no act or fault of CONTRACTOR, the Work is suspended for a period of more than ninety days by OWNER or under an order of court or other public authority, or ENGINEER fails to act on any Application for Payment within thirty days after it is submitted or OWNER fails for thirty days to pay CONTRACTOR any sum finally determined to be due, then CONTRACTOR may, upon seven days' written notice to OWNER and ENGINEER, and provided OWNER or ENGINEER do not remedy such suspension or failure within that time, terminate the Agreement and recover from OWNER payment on the same terms as provided in paragraph 15.4. In lieu of terminating the Agreement and without prejudice to any other right or remedy, if ENGINEER has failed to act on an Application for Payment within thirty days after it is submitted, or OWNER has failed for thirty days to pay CONTRACTOR any sum finally determined to be due, CONTRACTOR may upon seven day's written notice to OWNER and ENGINEER stop the Work until payment of all such amounts due CONTRACTOR, including interest thereon. The provisions of this paragraph 15.5 are not intended to preclude CONTRACTOR from making claim under Articles 11 and 12 for an increase in Contract Price or Contract Times or otherwise for expenses or damage directly attributable to CONTRACTOR's stopping Work as permitted by this paragraph.

ARTICLE 16—DISPUTE RESOLUTION

If and to the extent that OWNER and CONTRACTOR have agreed on the method and procedure for resolving disputes between them that may arise under this Agreement, such dispute resolution method and procedure, if any, shall be as set forth in Exhibit GC-A, "Dispute Resolution Agreement," to be attached hereto and made a part hereof. If no such agreement on the method and procedure for resolving such disputes has been reached, and subject to the provisions of paragraphs 9.10, 9.11, and 9.12, OWNER and CONTRACTOR may exercise

such rights or remedies as either may otherwise have under the Contract Documents or by Laws or Regulations in respect of any dispute.

ARTICLE 17—MISCELLANEOUS

Giving Notice:

17.1. Whenever any provision of the Contract Documents requires the giving of written notice, it will be deemed to have been validly given if delivered in person to the individual or to a member of the firm or to an officer of the corporation for whom it is intended, or if delivered at or sent by registered or certified mail, postage prepaid, to the last business address known to the giver of the notice.

Computation of Times:

17.2.1. When any period of time is referred to in the Contract Documents by days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a day made a legal holiday by the law of the applicable jurisdiction, such day will be omitted from the computation.

17.2.2. A calendar day of twenty-four hours measured from midnight to the next midnight will constitute a day.

Notice of Claim:

17.3. Should OWNER or CONTRACTOR suffer injury or damage to person or property because of any error, omission or act of the other party or of any of the other party's employees or agents or others for whose acts the other party is legally liable, claim will be made in writing to the other party within a reasonable time of the first observance of such injury or damage. The provisions of this paragraph 17.3 shall not be construed as a substitute for or a waiver of the provisions of any applicable statute of limitations or repose.

Cumulative Remedies:

17.4. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto, and, in particular but without limitation, the warranties, guarantees and obligations imposed upon CONTRACTOR by paragraphs 6.12, 6.16, 6.30, 6.31, 6.32, 13.1, 13.12, 13.14, 14.3 and 15.2 and all of the rights and remedies available to OWNER and ENGINEER thereunder, are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Laws or Regulations, by special warranty or guarantee or by other provisions of the Contract Documents, and the provisions of this paragraph will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right and remedy to which they apply.

Professional Fees and Court Costs Included:

17.5. Whenever reference is made to "claims, costs, losses and damages," it shall include in each case, but not be limited to, all fees and charges of engineers, architects, attorneys and other professionals and all court or arbitration or other dispute resolution costs.

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SPECIAL CONDITIONS

1. GENERAL: The provision of this Section of the Specifications shall govern in the event of any conflict between them and the "General Conditions of Agreement". The Contract Documents are complimentary and what is called for by one document shall be as binding as if called for by all. In case of conflict between any of the contract documents, priority of interpretations shall be in the following order: (1) special condition provisions; (2) construction contract; (3) performance and payment bonds; (4) special bonds, if any; (5) proposal; (6) technical specifications; and (7) plans.

2. OWNER: The word "Owner" in these Specifications shall be understood as referring to the City of Jacksonville.

3. ENGINEER: The word "Engineer" in these Specifications shall be understood as referring to "Stokes and Associates, Inc.", Henderson, Texas, Engineer or the Owner or such other Engineer or Inspector as may be authorized by said Owner to act in any particular position.

4. EXAMINATION OF SITE OF PROJECT: Prospective bidders shall make a careful examination of the site of the project, soil and water conditions to be encountered, improvements to be protected, disposal sites, methods of providing ingress and egress to private properties and of handling traffic during construction of the entire project.

5. LOCATION OF THE WORK: Location of the work is in the City of Jacksonville, Texas as shown on the location map in the plans.

6. QUALIFICATION OF LOW BIDDER: Before being awarded a contract, the low bidder shall submit such evidence as the Engineer may require to establish his financial responsibility, experience and possession of such equipment as may be needed to prosecute the work in an expeditious, safe and satisfactory manner.

   Should the low bidder fail to produce evidence satisfactory to the Engineer on any of the foregoing points he may be disqualified and the work awarded to the next low bidder so qualifying.

7. AWARD OF THE CONTRACT: The Owner, acting through its authorized representatives, will notify the successful bidder, in writing, within sixty (60) days after the date of receiving bids of its acceptance of his proposal. The Contractor shall complete the execution of the required Contract within Fifteen (15) days of such notice.

8. SCOPE OF THE WORK: The Contract work to be performed under these specifications consists of furnishing all of the required labor, materials, equipment, implements, supplies and supervision necessary for, or appurtenant to, the construction of the CITY OF JACKSONVILLE TxCDBG CDV23-0193 SEWER IMPROVEMENTS as per the Plans and specified herein.

9. REQUIREMENTS FOR PLAN DEPOSITS FOR MATERIALMEN AND PROSPECTIVE BIDDERS: One (1) copy of each set of documents may be obtained upon payment of $100.00. No purchase refunds will be made.

10. LIQUIDATED DAMAGES FOR DELAY: The Contractor agrees that time is of the essence in this Contract, and that for each day of delay beyond the number of days herein agreed upon for the completion of the work herein specified and contracted for (after due allowance for such extension of time as is provided for in the General Conditions of Agreement) the Owner may withhold, permanently from the Contractor's total compensation the sum of $500.00 per calendar day.

11. EXTENSIONS OF TIME: The Contractor may be granted an extension of time due to Acts of God, Acts of War, Strikes or non-delivery of materials provided he submits a request in writing to the Engineer no later than ten (10) days from the date of such occurrence. A separate request must be made for each occurrence.

12. TRADE NAMES AND MATERIALS: Where materials or equipment are specified by a trade or brand name, it is not the intention of the Owner to discriminate against an equal product of another manufacturer, but rather to set a definite standard of quality of performance, and to establish an equal basis for the evaluation of bids. Where the words "equivalent", "proper" or "equal to" are used, they shall be understood to mean that the thing referred to shall be proper, the equivalent of or equal to some other thing, in the opinion or judgment of the Engineer. Unless otherwise specified, all materials shall be the best of their respective kinds and shall be in all cases fully equal to approved samples. Notwithstanding that the words "or equal to" or other such expressions may be used in the specifications in connection with a material, manufactured article or process, the material, article or process specifically designated shall be used, unless a substitute shall be approved in writing by the Engineer, and the Engineer shall have the right to require the use of such specifically designated material, article or process. No material which has been used by the Contractor for any temporary purpose whatever is to be incorporated in the permanent structure without written consent of the Engineer.

13. QUALITY OF MATERIALS: In the absence of detailed specifications in other sections, all materials shall conform to latest standards of the American Water Works Association and the American Society for Testing Materials.

14. MATERIALS, SERVICES AND FACILITIES: It is understood that except as otherwise specifically stated in the Contract Documents, the Contractor shall provide and pay for all materials, labor, tools, equipment, equipment rental, plant, water, heat, light, fuel, power, transportation, superintendence, temporary construction of every nature and all other services and facilities of every nature whatsoever necessary to execute, complete and deliver the work within the specified time.

15. WORKMANSHIP, MATERIALS, EQUIPMENT AND STORAGE: All work done and all material and equipment furnished by the Contractor shall strictly conform to the plans, drawings and specifications. Competent labor, mechanics and tradesmen shall be used on the work. Experienced manufacturer's representatives shall be used to supervise the installation of equipment as may be required by the Engineer. Any special tools or equipment which may be required for first class work shall be provided by the Contractor.

    The acceptance at any time of materials by or in behalf of the Owner shall not be a bar to future rejection if they are subsequently found to be defective or inferior in quality or uniformity to the material specified, or are not as represented to the Engineer or Owner.

Contractor shall be responsible for the care and storage of materials delivered on the work or purchased for use thereon. Stored materials shall be carefully and continuously protected from damage or deterioration and so located as to facilitate inspection by the Owner and Engineer. This responsibility for the care and storage of materials shall be with the Contractor whether such materials are furnished by the Contractor or by the Owner.

16. WATER FOR CONSTRUCTION: Water used for construction or any other purpose incidental to this project will be furnished by the Owner. The Contractor shall make the necessary arrangements for securing and/or transporting such water and shall take such water in a manner and at such times that will not produce a harmful drain on the source of water. The Contractor shall be fully responsible for the draining and disposal of all water used in flushing and testing. The Contractor shall obtain approval of the Owner and Engineer of the manner in which the water will be drained and disposed of.

17. ELECTRICITY FOR CONSTRUCTION: Unless provided elsewhere in these Specifications, the Contractor shall provide all electricity required.

18. INSPECTION AND TESTING OF MATERIALS:

A. During the progress of the work, it shall be subject to the inspection and observance of the Engineer, and the Contractor shall afford every reasonable facility and assistance to the Engineer to make a thorough and intelligent inspection. If any work is covered up without approval or consent of the Engineer, it must, if required by the Engineer, be uncovered for examination at the Contractor's expense.

B. The fact that the Engineer is on the job site shall not be taken as an acceptance of the Contractor's work or any part of it. Contractor shall notify the Engineer upon completion of his contract and the work shall be given final inspection by the Engineer and any tests shall be witnessed by the Engineer. If all parts of the work are acceptable and substantially comply with the intent of the plans, drawings and specifications, a recommendation of final acceptance will be made by the Engineer to the Owner. If parts of the work are not acceptable and require additional work by the Contractor to complete the project, necessitating additional inspection by the Engineer, the cost of such additional inspections including time, travel and lodging, shall be paid for by the Contractor to the Owner who will reimburse the Engineer.

C. Contractor shall submit to the Engineer seven (7) days in advance of construction, and without charge, samples or specifications of materials he proposes to use and shall not use these materials until he has received approval from the Engineer.

D. Contractor shall furnish tests and reports on tests of all materials called for in the use of specifications. The testing laboratory must be approved by the Engineer and the Contractor shall pay the cost of the tests, including all transportation charges unless otherwise noted in the specifications.

E. All tests, unless otherwise provided, shall be performed in accordance with the pertinent sections of the latest edition of the standards applicable to the material or devices to be tested. A partial list of the principal societies referred to and their abbreviations follows:

ASTM	American Society for Testing Materials
AISC	American Institute of Steel Construction
ACI	American Concrete Institute
FS	Federal Specifications
AASHTO	American Association of State Highway Transportation Officials
AWWA	American Water Works Association

F. All parts of the improvements shall conform to the standard of construction as given in detail under the various items, and in general to the intent thereof, and if they do not conform, shall be made to do so by rebuilding or replacing or otherwise as directed by the Engineer or Owner before acceptance shall be made.

19. SCHEDULE AND SEQUENCE OF CONSTRUCTION: The Contractor shall notify the Owner at least forty-eight (48) hours in advance of commencing construction on the affected properties. Prior to beginning work, the Contractor shall prepare and submit a proposed schedule and sequence of construction to the Engineer for his approval. The Contractor shall also notify the Engineer or the person in charge of the project.

20. ADDENDA: Bidders desiring further information or interpretation of the Plans and Specifications must make request for such information in writing to Engineer, prior to forty-eight (48) hours before the bid opening.

Answers to all such requests will be given in writing to all Bidders, in Addendum form, and all Addenda will be bound with and made a part of the Contract Documents. No other explanation or interpretation will be considered official or binding. Should a bidder find discrepancies in, or omissions from, the Plans, Specifications or other Contract Documents, or should he be in doubt as to their meaning, he should at once notify the Engineer in order that a written Addendum may be sent to all Bidders. Any Addenda issued prior to twenty-four (24) hours of the opening bids will be mailed or delivered to each Contractor contemplating the submission of a proposal on this work. The proposal as submitted by the Contractor will be so constructed as to include any Addenda if such are issued by the Engineer prior to twenty-four (24) hours of the opening of the bids.

21. EXISTING UTILITIES AND SERVICE LINES: The Contractor shall be responsible for the protection of all existing utilities or service lines crossed or exposed by his construction operations. Where existing utilities or service lines are cut, broken or damaged, the Contractor shall replace or repair the utilities or service lines with the same type of original material and construction, or better, at his own cost and expense. Service on all utility repairs shall be reinstated within eight (8) hours.

22. USE OF EXPLOSIVES: Use of explosives will not be allowed on this project.

23. SANITARY REGULATIONS: The operations of the Contractor shall be in full conformity with all of the rules and regulations of boards and bodies having jurisdiction with respect to sanitation. The Contractor shall supply safe and sufficient drinking water to all of his employees, shall obey and enforce all sanitary regulations and orders, and shall take precaution against the spread of infectious diseases. The workmen engaged in work under this contract shall not use the permanent washroom facilities whether they are in an existing plant or are part of new construction work.

24. BARRICADES, LIGHTS AND WATCHMEN: Where the work is carried on in or adjacent to any street, alley or public place, the Contractor shall at his own cost and expense furnish and erect such barricades, fences, lights and danger signals, shall provide such watchmen and shall provide such other precautionary measures for the protection of persons or property and of the work as are necessary. Barricades shall be painted in a color that will be visible at night. From sunset to sunrise the Contractor shall furnish and maintain at least one light at each barricade and sufficient number of barricades shall be erected to keep vehicles from being driven on or into any work under construction. The Contractor shall furnish watchmen in sufficient numbers to protect the work.

The Contractor will be held responsible for all damage to the work due to failure of barricades, signs, lights and watchmen to protect it, and whenever evidence is found of such damage, the Engineer may order the damaged portion immediately removed and replaced by the Contractor at the Contractor's cost and expense. The Contractor's responsibility for the maintenance of barricades, signs and lights, and for providing watchmen shall not cease until the project shall have been accepted by the Owner.

The Contractor shall use only battery powered lights, enclosed lanterns or other lights satisfactory to the Engineer. Smudge pots or other lights which have an open flame will not be permitted.

All barricades, warning lights, etc. shall conform to the requirements set forth in the Texas Manual of Uniform Traffic Control Devices, latest revision.

25. DISPOSAL OF WASTE AND SURPLUS EXCAVATION: All trees, stumps, slashings, brush or other debris removed from the job site as a preliminary to the construction of the work or its appurtenances shall be removed from the property and disposed of in a manner approved by the Engineer.

All excavated earth in excess of that required for backfilling shall be removed from the job site and disposed of in a satisfactory manner except in locations where, in the judgment of the Engineer, it can be neatly spread over and along the right-of-way.

26. CLEANUP: At the conclusion of the work, all tools, temporary structures and materials belonging to the Contractor shall be promptly removed and all dirt, rubbish and other foreign substances shall be disposed of.

The Contractor shall thoroughly clean all equipment and materials installed by him and shall deliver over such materials and equipment undamaged in a bright, clean, polished and new appearing condition.

27. RECORDS OF MATERIALS PURCHASED: The Contractor shall keep on file, and furnish upon request by the Engineer or Owner, records of all materials purchased for incorporation in the Project. Such records shall be maintained throughout the life of the Contract and for a period of one (1) year thereafter.

28. PROPERTY LINES AND MONUMENTS: The Contractor shall protect all property lines, monuments and stakes encountered in his work. All monuments and stakes for later use that are disturbed or destroyed by the Contractor shall be replaced at his expense.

29. SPECIFICATIONS: Titles to divisions and paragraphs in these Contract Documents are introduced merely for convenience and are not to be taken as a correct or complete segregation of the several units of material and labor. No responsibility, either direct or implied, is assumed by the Engineer for omissions or duplications by the Contractor or his subcontractor due to real or alleged error in arrangement or matter in these Contract Documents.

30. PAY ITEMS: Pay items are listed in the proposal. All other items necessary to complete the work as shown and specified shall be considered as subsidiary obligations of the Contractor.

31. TEMPORARY SUSPENSION OF THE WORK: The Engineer shall have authority to suspend work wholly or in part for such period or periods of time as he may deem necessary due to unsuitable weather or other conditions considered unfavorable for the suitable prosecution of the work, or for the failure of the Contractor to carry out instructions or to perform any provisions of the contract. During periods of suspension, the Contractor shall properly protect the work from possible damage.

32. OWNER'S RIGHT TO DO WORK: If the Contractor should neglect to prosecute the work properly or fail to perform any provision of this contract, the Owner, after seven (7) days written notice to the Contractor, may, without prejudice to any other remedy the Owner may have, make good such deficiency and may deduct the cost thereof from the payment then or thereafter due the Contractor. Any money due the Owner after such deduction shall be paid by the Contractor or his sureties who hereby agree to these provisions.

33. RIGHT OF OWNER TO TERMINATE CONTRACT: Should it appear at any time that the work is not being prosecuted with sufficient competence or rapidity to insure the proper completion of the work within the stipulated time, and, if upon seven (7) days written notice to the Contractor, he fails to increase the quantity of his work, or both, the Owner reserves the right to annul and cancel this contract and relet the work or any part thereof, or at the Owner's option to complete it by day labor. The Contractor shall not be entitled to any claims for damages on account of such annulment, and he will be held liable for costs and expenses incurred in reletting or completing the work under this contract. All money due the Contractor will be retained until the work is completed and all expenses and costs have been deducted and any money due the Owner, after such deductions have been made, shall be paid by the Contractor or his Sureties who hereby agree to these provisions.

34. TERMINOLOGY: Throughout these specifications, the word "shall" denotes mandatory. The word "may" implies only permission. All other "terms" or "word phrases" shall be interpreted as having the meaning customarily ascribed to them by the several building trades of the United States.

35. DURING CONSTRUCTION: During construction of the work the Contractor shall, at all times, keep the site of the work and adjacent premises as free from material, debris and rubbish as is practicable and shall remove same from any portion of the site, if in the opinion of the Engineer, such material, debris or rubbish constitutes a nuisance or is objectionable.

The Contractor shall remove from the site all of his surplus materials and temporary structures when no further need thereof develops.

36. COPIES OF PLANS AND SPECIFICATIONS FURNISHED: Three (3) sets of plans and specifications shall be furnished to the Contractor, at no charge, for construction purposes. If plans have been reduced to one-half size, two (2) sets of those together with one set reproduced on the original scale shall constitute the three (3) sets of plans furnished to the Contractor. Additional copies may be obtained at cost of reproduction upon request.

37. EXISTING STRUCTURES: The plans show the locations of all known surface and subsurface structures. However, the Owner assumes no responsibility for failure to show any or all of these structures on the plans, or to show them in their exact location. It is mutually agreed that such failure shall not be considered sufficient basis for claims for additional compensation for extra work or for increasing the pay quantities in any manner whatsoever, unless the obstruction encountered is such as to necessitate changes in the lines or grades, or requires the building of special work, provisions for which are not made in the plans and proposal, in which case the provisions in these specifications for extra work shall apply.

38. SAFETY:

A. In accordance with generally accepted construction practices, the Contractor alone will be solely and completely responsible for conditions of the job site, including safety of all persons and property during performance of the work. This requirement will apply continuously and not be limited to normal working hours.

B. The duty of the Engineer to conduct construction review of the Contractor's performance is not intended to include review of the adequacy of the Contractor's safety measures, in or on, or near the construction site.

39. IRREGULAR PROPOSALS: Proposals shall be considered irregular and may be rejected for the following reasons unless otherwise provided by law:

A. If the proposal form furnished to the Contractor by the Owner or the Owner's Engineer is not used or is altered;

B. If there are unauthorized additions or conditional bids, or irregularities of any kind which may tend to make the proposal incomplete, indefinite or ambiguous to it's meaning;

C. If the bidder adds any provisions reserving the right to accept or reject any award, or to enter into a contract pursuant to an award;

D. If the unit or lump sum prices contained in the bid schedule are obviously unbalanced whether in excess or below the reasonable cost analysis values;

E. If the bidder fails to insert a unit price for every pay item indicated except in the case of authorized alternate pay items;

F. If the bidder fails to complete the proposal in any other particulars where information is requested so bidder's proposal may be properly evaluated.

The Owner reserves the right to reject any or all bids and waive irregularities as may be deemed best and in the Owner's interest.

40. CONSTRUCTION IN PUBLIC ROADWAYS AND PRIVATE DRIVEWAYS: No public road shall be entirely

closed overnight. It shall be the responsibility of the Contractor to build and maintain all-weather by-passes and detours, if necessary, and to properly light, barricade and mark all by-passes and detours that might be required on and across the road involved in the work included in this contract.

The Contractor shall make every effort to complete construction and allow immediate access to adjacent property at all driveway entrances located along the roads. Owners or tenants of improvements where access and/or entrance drives are located shall be notified at least eight (8) hours prior to the time the construction will be started at their drive-ins or entrances and informed as to the length of time driveways will be closed.

The Contractor shall be responsible for all road and entrance reconstruction, and repairs and maintenance of same, for a period of one (1) year from the date of such reconstruction. In the event the repairs and maintenance are not made immediately to the satisfaction of the Engineer, and it becomes necessary for the Owner to make such repairs, the Contractor shall reimburse the Owner for the cost of such repairs.

The Contractor shall, at all times, keep a sufficient width of the roadway clear of dirt and other material to allow the free flow of traffic. The Contractor shall assume any and all responsibility for damage, personal or otherwise, that may be caused by the construction along public roadways or private driveways.

41. CERTIFICATES AND GUARANTEES: Four (4) copies of any manufacturer's guarantee or certificate as may be required by the Contract Documents shall be submitted to the Owner prior to the acceptance of the work by the Owner.

42. STATE SALES TAX: This Contract is issued by an organization with qualifies for partial exemption of the Texas Limited Sales, Excise and Use Tax Act. The Contractor performing this contract may purchase materials used or consumed in the performance of this contract by issuing to his suppliers an exemption certificate. The instructions shown on the "Sales Tax Exemption" form must be followed.

43. COORDINATION WITH OTHERS: In the event other contractors are doing work in the same area simultaneously with this project, the Contractor shall coordinate his proposed construction with that of the other contractors.

44. DEWATERING EXCAVATION: The prospective bidders shall make sufficient subsurface explorations to determine the location of ground-water which might be encountered. The Contractor shall at his own expense, utilize a pumping system in order to place materials in de-watered excavations.

45. MUTUAL RESPONSIBILITY OF CONTRACTORS: If, through acts or neglect on the part of the Contractor, any other Contractor or Subcontractor shall suffer loss or damage to his work, the Contractor agrees to settle with such other Contractor or Subcontractor by agreement or arbitration, if such other Contractor or Subcontractor will so settle. If such other Contractor or Subcontractor asserts any claim against the Owner on account of any damage alleged to have been so sustained, the Owner shall notify the Contractor, who shall indemnify and save harmless the Owner against such claims and for any costs in connection with such claims.

46. PROTECTION OF PROPERTY: The Contractor shall, at no additional expense to the Owner, protect by false work, braces, shoring or other effective means, all buildings, foundations, walls, fences and other property along his line of work or affected directly by his work, including erosion onto adjacent property, against damage and shall repair the damages or repay the injured Owners if such damage occurs.

The Contractor shall exercise care to protect from injury all water pipes, sanitary sewer pipes, gas mains, telephone cables, electric cables, service pipes and other utilities or fixtures which may be encountered during the progress of the work. All utilities and other service facilities or fixtures, if damaged, shall be repaired by the Contractor without additional compensation.

The Contractor shall personally check and verify utility information on the plans. Where existing utilities or structures are shown on the plans or drawings, they are believed to be accurate but are not guaranteed to be such or that these are the only utilities or structures in the construction area. Protection is the Contractor's responsibility and he must satisfy himself as to the existence and location of all utilities and structures.

The Contractor shall give notice in writing at least forty-eight (48) hours before breaking ground, to all persons, superintendents, inspectors, or those otherwise in charge of property, streets, water pipes, gas pipes, sewer pipes, telephone cables, electric cables, railroads, or otherwise, who may be affected by the Contractor's operation, in order that they may remove any obstruction for which they are responsible and have a representative on the ground to see that their property is properly protected.

47. FAILURE TO COMPLETE WORK WITHIN CONTRACT PERIOD: If the Contractor fails to complete his work within the contract period, or any extension thereof, as provided in the "Extension of Contract Period", said contract shall, upon written notice to the Contractor and Surety, be in default.

The Owner may, at its (his) option, permit the Contractor or his Surety to complete the work included in the contract, or may proceed to complete the work in accordance with "Completion of Contract in Default". In either event, the Contractor or his Surety shall be responsible for all costs incidental to the completion of the work and also for the liquidated damages stipulated in "Liquidated Damages for Delay". The Owner may waive such portion of the liquidated damages as may occur after the work is in condition for the safe and convenient use by the Owner.

48. CONTRACTS IN DEFAULT: The Owner may declare a contract in default for any one or more of the following reasons:

A. Failure to complete the work within the contract period or any extension thereof;

B. Failure or refusal to comply with an order of the Engineer within a reasonable time;

C. Failure or refusal to remove rejected materials;

D. Failure or refusal to perform anew any defective or unacceptable work;

E. Bankruptcy or insolvency, or the making of an assignment for the benefit of creditors;

F. Failure to provide qualified superintendence, competent workmen or subcontractors to carry on the work in an acceptable manner or failure to prosecute the work according to the agreed schedule of completion;

G. Disregard or violation of any other important provisions of the Contract Documents as determined by the Engineer.

49. COMPLETION OF CONTRACTS IN DEFAULT: If for any reason a contract is declared in default, the Owner shall have the right, without process or action of law to take over all or any portion of the work and complete it at Owner's option, either by day labor or by reletting same. Written notice shall be given the Contractor by the Owner that his contract has been declared in default and upon receiving such notice, the Contractor shall peaceably relinquish possession of said work or the parts thereof specified in the notice.

The Owner may, at its (his) option and at a rental which it considers reasonable, retain all of the Contractor's material, equipment and tools on the work until the work is complete.

Neither the Owner nor the Owner's officers, agents or employees shall be in any way liable or accountable to the Contractor or his Surety for the method by which the completion of the said work, or any portion thereof, may be accomplished or for the price paid therefore. Should the cost of completing the work be in excess of the original contract price, the Contractor and his Surety shall be held responsible for such excess cost. Should the cost of such completion including all proper charges be less than the original contract price, the amount so saved shall be paid to the Contractor. Neither by taking over the work nor by declaring the Contract in default shall the Owner forfeit the right to recover damages from the Contractor or his Surety for failure to complete the entire contract. Maintenance of the work shall continue to be the Contractor's and Surety's responsibilities as provided for in the bond and Guarantee of the Contractor.

50. SPECIAL CONSTRUCTION REQUIREMENTS IN STATE HIGHWAY RIGHT-OF-WAY:

A. All highway signs removed or disturbed shall be restored to original condition.

B. All surplus material shall be removed from right-of-way and the excavation finished flush with surrounding natural ground.

C. Operation along highways shall be performed in such a manner that all excavated materials and operating equipment be kept off the pavements at all times.

D. Barricades, warning signs and flagmen shall be provided by the Contractor in accordance with the local Texas Department of Transportation and the Texas Manual of Uniform Traffic Control Devices (TMUTCD), latest revision.

51. EXCAVATION IN HIGHWAY RIGHTS-OF-WAY: No trench excavation within a highway right-of-way shall be carried closer than 10 feet of all pavement edges. No dirt from trench excavation shall be piled on roadway shoulders. Slopes, ditches and berms shall be restored to their original condition. The Contractor shall notify the Texas Department of Transportation of his construction schedule not less than five (5) days prior to commencing the work within the rights-of-way. The Contractor shall conform to the requirements of the Texas Department of Transportation as to details of construction methods and time of construction.

52. PROVISIONS FOR REROUTING AND DETOUR OF TRAFFIC: The Contractor will be required to furnish

all barricades, lights, signs and flagmen where it becomes necessary to reroute traffic during the time construction is in progress in the city streets or highways. The detour will be determined by the Contractor and approved by the Engineer and Owner and/or the Texas Department of Transportation, as applicable.

53. REMOVAL AND REPLACEMENT OF EXISTING PIPE CULVERTS: Existing pipe culverts in conflict with the proposed construction shall be unearthed carefully, disjointed and stockpiled adjacent to the right-of-way. The pipe culverts shall be cleaned and replaced immediately after the construction is clear so as to cause no serious inconveniences to the property owners and to allow access to their property as quickly as possible. Pipe culverts shall be laid to grade on a firm bedding and shall be backfilled and mechanically tamped to a density such that settlement will not occur. Where existing rubble or concrete headwalls are cut, damaged or removed, they shall be replaced in an equal or better condition as determined by the Engineer.

    Removal and replacement of existing pipe culverts and headwalls will not be measured and paid for unless included in the bid items.

54. LINE AND GRADES: All work shall be constructed to the lines and grades shown on the Plans. Exact locations of special structures will be staked on the ground by the Contractor. The Contractor shall provide competent personnel to assist the Engineer in making all necessary payment measurements. The Engineer will establish horizontal and vertical base control at the proposed location of work. The Contractor shall be responsible for all additional staking and layout during construction. Additional staking required by the Engineer, due to acts of the Contractor such as damage to construction stakes, shall be paid for by the Contractor.

55. CONTRACTOR'S AND SUBCONTRACTOR'S INSURANCE: The Contractor shall not commence work under this Contract until he has obtained at his expense all insurance required under this section of the General Conditions and by the Contract Documents, and such insurance has been approved by the Owner, nor shall the Contractor allow any subcontractor to commence work on any subcontract until all similar insurance required of the subcontractor has been so obtained and approved. Such insurance shall remain in full force and effect on all phases of the work, whether or not the work is occupied or utilized by the Owner, until all work under the Contract is completed and has been accepted by the Owner.

    Nothing contained in the insurance requirements shall be construed as limiting the extent of the Contractor's responsibility for payment of damages resulting from his operation under the Contract.

    Any insurance bearing on adequacy of performance will be maintained after completion of the project for the full guarantee period. The Contractor shall obtain and maintain for the full period of the Contract the following types of insurance in the form, minimum limits and amounts herein specified or as may be otherwise required in the Contract Documents. The Contractor shall automatically renew any policy which expires during the performance of his Contract and notify the Owner and Engineer of such a renewal prior to expiration date.

    A. See Section 67, "WORKERS' COMPENSATION INSURANCE COVERAGE"

B. Public Liability and Property Damage Insurance: (Note "Indemnity" clause hereinafter) Before commencement of the work, the Contractor shall submit written evidence that he and all his subcontractors have obtained for the period of the Contract, full Comprehensive General Liability and Property Damage Insurance coverage. This coverage shall protect the Contractor, the Owner, the Engineer, its architects and engineers, and each of their officers, agents and employees from claims for damages for bodily or personal injury, sickness or disease, including death, and from claims for damages to property which may arise directly or indirectly out of, or in connection with the performance of work under this contract by the Contractor, indirectly employed of either of them, or under the control of either of them and the minimum amount of such insurance shall be as follows unless higher minimum amounts are otherwise required in the Contract Documents:

General Public Liability Insurance providing bodily injury, including death, personal injury and property damage coverage with a combined single limit of at least $1,000,000 each occurrence or claim and a general aggregate limit of at least $2,000,000. This insurance shall provide Broad Form Contractual Liability covering the indemnity provisions contained in this Agreement, Underground Hazard, Products-Completed Operations with products-completed operation aggregate of at least $2,000,000, a separate general aggregate for the project (ISO Form CG 25 03 or equivalent), Broad Form Property Damage, severability of interests and name Railroad as an additional insured with respect to all liabilities arising out of Contractor's obligation to Railroad in the Agreement. Coverage purchased on a claims made form shall provide for at least a three (3) year extended reporting or discovery period if (a) the coverage is changed from a claims made form to an occurrence form, (b) there is a lapse/cancellation of coverage, or (3) the succeeding claims made policy retroactive date is different from the expiring policy.

The property damage portion of this coverage shall include, where applicable, explosion, collapse and underground exposure coverage. In addition, where completed Operation Insurance coverage is applicable, such coverage will be maintained after completion and acceptance of the project for the full guarantee period.

C. Automobile Liability and Property Damage Insurance providing bodily injury and property damage with a combined single limit of at least $1,000,000 each occurrence or claim. This insurance shall provide contractual liability by endorsement ISO Form CA 00 25 or equivalent covering all motor vehicles including hired and non-owned, mobile equipment to the extent it may be excluded from general liability insurance, severability of interests and name Railroad as an additional insured with respect to all liabilities arising out of Contractor's obligation to Railroad in the Agreement.

D. Standard Builder's Risk Policy against loss by fire and against loss or damage covered by the extended coverage insurance in an insurance company or companies acceptable to the Owner. The amount of the insurance at all times to be 100% of the estimated cost. The policies shall be in the names of the Owner and Contractor as their interests may appear and an original policy shall be delivered to the Engineer before work is begun.

E. Contractual Liability Coverage: Each and every policy for Liability Insurance carried by each Contractor and Subcontractor will include a "Contractual Liability Coverage" endorsement sufficiently broad to insure the provision titled "indemnity" hereinafter set forth.

F. Indemnity: The Contractor shall defend, indemnify and hold harmless the Owner; the Engineer, and each of their officers, agents, servants and employees from any and all suits, actions, claims, losses or damages of any character and from all expenses incidental to the defense of such suits,

actions or claims, based upon or arising out of; (1) any injury, disease, or sickness of any person or persons; (2) any property including in part loss of use thereof, caused by any act or omission of the Contractor, of any subcontractor of the Contractor, or by their officers, agents, servants, employees or anyone else under the Contractor's direction and control, and arising out of, occurring in connection with, resulting from or caused by the performance or non-performance of any work or services called for by the Contract or from conditions created by the performance or non-performance of said work or services, but not including the sole negligence of any party herein indemnified.

G. Evidence of Insurance Coverage: Before commencement of any work, the Contractor shall submit written evidence that he and all his Subcontractors have obtained the minimum insurance required by the Contract Documents. Such written evidence shall be in the form of a Certificate of Insurance (see attached form) executed by the Contractor's insurance carrier showing such policies in force for the specified period or by furnishing a copy of the actual policy or policies. Each policy or certificate will bear an endorsement or statement waiving right of cancellation or reduction in coverage without ten (10) days notice in writing to be delivered by registered mail to the Owner.

56. GUARANTEE: The Contractor shall guarantee all materials and equipment furnished and work performed for a period of one (1) year from the date of substantial completion, as determined by the Engineer. The Contractor shall warrant and guarantee for the one (1) year period that the completed system is free from all defects due to faulty materials or workmanship. The Contractor shall promptly make such corrections as may be necessary by reason of such defects including the repairs of any damage to other parts of the system resulting from such defects. The Owner will give notice of observed defects with reasonable promptness. In the event that the Contractor should fail to make such repairs, adjustments, or other work that may be made necessary by such defects, the Owner may do so and charge the Contractor the cost thereby incurred. The Performance Bond shall remain in full force and effect through the guarantee period, unless a separate maintenance bond has been provided as directed and approved by the Engineer.

57. SUBCONTRACTING: The contractor shall not award work to subcontractor (s), in excess of fifty (50%) percent of the contract price, without prior written approval of the Engineer. Nothing contained in this Contract shall create any contractual relation between any subcontractor and the owner.

58. PARTIAL PAYMENTS FOR STORED MATERIALS: When partial payments or monthly estimates include materials and equipment not incorporated in the work, but delivered and suitably stored at or near the job site, the following conditions must be complied with:

A. To establish the Owner's title to the materials and equipment, the Contractor shall furnish invoices showing the material or equipment has been paid in full.

B. The material shall be inspected by the Engineer prior to payment.

C. The Contractor shall furnish evidence that the material and equipment is covered by insurance by the Contractor.

Payment for materials or equipment does not relieve the Contractor of any obligations in the Contract Documents. The Contractor will be responsible for protection of all materials and equipment until the project is finalized and accepted by the Owner.

59. PAINTING: The Contractor shall utilize all means available to him for protection of automobiles, buildings, all structures and any other item from damage that might be caused by his painting operations. Any damage caused by falling or blown debris, parts, equipment, bolts or paint shall be the sole responsibility of the Contractor. The Contractor shall defend, indemnify and hold harmless the Owner, the Engineer, and each of their officers, agents, servants and employees from any and all suits, actions, claims, losses or damages of any character and from all expenses incidental to the defense of such suits, actions or claims, based upon or arising out of any property loss or damage claim as a result of his operations. The Contractor shall be liable for any such claim even though he has shown evidence of insurance as required by Item 55 of this section.

60. TIME FOR COMPLETION: The work which the Contractor is required to perform under this contract shall be commenced at the time stipulated by the Local Public Agency in the Notice to Proceed to the Contractor and shall be fully completed within 180 consecutive calendar days thereafter.

61. RESPONSIBILITIES OF CONTRACTOR: Except as otherwise specifically stated in the Contract Documents and Technical Specifications, the Contractor shall provide and pay for all materials, labor, tools, equipment, water, light, heat, power, transportation, superintendence, temporary construction of every nature, charges, levies, fees or other expenses and all other services and facilities of every nature whatsoever necessary for the performance of the Contract and to deliver all improvements embraced in this Contract complete in every respect within the specified time.

62. COMMUNICATIONS:

A. All notices, demands, requests, instructions, approvals, proposals, and claims must be in writing.

B. Any notice to or demand upon the Contractor shall be sufficiently stated on the signature page of the Agreement (or at such other office as the Contractor may from time to time designate in writing to the Local Public Agency), or if deposited in the United States mail in a sealed, postage-prepaid envelope, or delivered with charges prepaid to any telegraph company for transmission, in each case addressed to such office.

C. All papers required to be delivered to the Local Public Agency shall, unless otherwise specified in writing to the Contractor, be delivered to the City of Jacksonville, 315 S. Ragsdale Street, Jacksonville, Texas 75766 and any notice to or demand upon the Local Public Agency shall be sufficiently given if so delivered, or if deposited in the United States mail in a sealed, postage-prepaid envelope, or delivered with charges prepaid to any telegraph company for transmission to said Local Public Agency at such address, or to such other representatives of the Local Public Agency or to such other address as the Local Public Agency may subsequently specify in writing to the Contractor for such purpose.

D. Any such notice shall be deemed to have been given as of the time of actual delivery or (in the case of mailing) when the same should have been received in due course of post, or (in the case of telegrams) at the time of actual receipt, as the case may be.

63. JOB OFFICES:

A. The Contractor and his subcontractors may maintain such office and storage facilities on the site as are necessary for the proper conduct of the work. These shall be located so as to cause no interference to any work to be performed on the site. The Local Public Agency shall be consulted with regard to locations.

B. Upon completion of the improvements, or as directed by the Local Public Agency the Contractor shall remove all such temporary structures and facilities from the site, same to become his property, and leave the site of the work in the condition required by the Contract.

64. PARTIAL USE OF SITE IMPROVEMENTS: The Local Public Agency, at its election, may give notice to the Contractor and place in use those sections of the improvements which have been completed, inspected and can be accepted as complying with the Technical Specifications and if in its opinion, each such section is reasonably safe, fit, and convenient for the use and accommodation for which it was intended, provided;

A. The use of such sections of the improvements shall in no way impede the completion of the remainder of the work by the Contractor.

B. The Contractor shall not be responsible for any damages or maintenance costs due directly to the use of such sections.

C. The use of such sections shall in no way relieve the Contractor of his liability due to having used defective materials or to poor workmanship.

D. The period of guarantee stipulated hereof shall not begin to run until the date of the final acceptance of all work which the Contractor is required to construct under this Contract.

65. PROTECTION OF ADJOINING PROPERTY: The said Contractor shall take proper means to protect the adjacent or adjoining property or properties in any way encountered, which might be injured or seriously affected by any process of construction to be undertaken under this Agreement, from any damage or injury by reason of said process of construction; and he shall be liable for any and all claims for such damage on account of his failure to fully protect all adjoining property. The Contractor agrees to indemnify, save and hold harmless the Owner and Engineer against any claim or claims for damages due to any injury to any adjacent or adjoining property, arising or growing out of the performance of the contract.

66. PROTECTION AGAINST CLAIMS OF SUBCONTRACTORS, LABORERS, MATERIALMEN AND FURNISHERS OF MACHINERY, EQUIPMENT AND SUPPLIES: The Contractor agrees that he will indemnify and save the Owner and Engineer harmless from all claims growing out of the lawful demands of subcontractors, laborers, workmen, mechanics, materialmen and furnishers of machinery and parts thereof, equipment, power tools, and all supplies, including commissary, incurred in the furtherance of the performance of this Contract. When so desired by the Owner, the Contractor shall furnish satisfactory evidence that all obligations of the nature hereinabove designated have been paid, discharged or waived. If the Contractor fails to do so, then the Owner may at the option of the Contractor either pay directly any unpaid bills, of which the Owner has written notice, or withhold from the Contractor's unpaid compensation a sum of money deemed reasonably sufficient to liquidate any and all such lawful claims until satisfactory evidence is furnished that all liabilities have been fully discharged, whereupon payments to the Contractor shall be resumed in full, in accordance with the terms of this Contract, but in no event shall the provisions

of this sentence be construed to impose any obligation upon the Owner by either the Contractor or his Surety.

67. WORKERS' COMPENSATION INSURANCE COVERAGE:

A. Definitions:

Certificate of coverage ("certificate") - A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83 or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

Duration of the project - Includes the time from the beginning of the work on the project until the contractor's/person's work on the project has been completed and accepted by the governmental entity.

Persons providing services on the project (subcontractor) - includes all persons or entities performing all or part of the services the contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project. "Services" includes, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

B. The contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the contractor providing services on the project, for the duration of the project.

C. The contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.

D. If the coverage period shown on the contractor's current certificate of coverage ends during the duration of the project, the contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.

E. The contractor shall obtain from each person providing services on a project, and provide to the governmental entity:

(1) a certificate of coverage, prior to the person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and

(2) no later than seven days after receipt by the contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.

F. The contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.

G. The contractor shall notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.

H. The contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that are required to be covered, and stating how a person may verify coverage and report lack of coverage.

I. The contractor shall contractually require each person with whom it contracts to provide services on a project, to:

(1) provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project;

(2) provide to the contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project;

(3) provide the contractor, prior to the end of the coverage period, a new certificate of coverage showing extensions of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

(4) obtain from each other person with whom it contracts, and provide to the contractor:

(a) a certificate of coverage, prior to the other person beginning work on the project; and
(b) a new certificate of coverage showing extensions of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

(5) retain all required certificates of coverage on file for the duration of the project and for one year thereafter;

(6) notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and

(7) contractually require each person with whom it contracts, to perform as required by paragraphs (1) - (7), with the certificates of coverage to be provided to the person for whom they are providing services.

J. By signing this contract or providing or causing to be provided a certificate of coverage, the contractor is representing to the governmental entity that all employees of the contractor who will provide services on the project will be covered by workers' compensation coverage for the

duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier, or in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

K. The contractor's failure to comply with any of the provisions is a breach of contract by the contractor which entitles the governmental entity to declare the contract void if the contractor does not remedy the breach within ten days after receipt of notice of breach from the governmental entity.

HUD Section 3

Map

Employer Certification Form

Frequently Asked Questions

(Revised February 10, 2025)

CDBG Policy Issuance

About

Neighborhood Service Area Definition Tool

This tool allows Housing and Community Development Section 3 Recipients to identify Targeted Section 3 Workers in accordance with 24 C.F.R. § 75.19.

Targeted Section 3 Workers are Section 3 Workers located within a one-mile radius of a Section 3 Project. If fewer than 5,000 people live within a one-mile radius of the project, then the radius is expanded until it is sufficient block groups are selected to encompass a population of 5,000 or more according to the most recent census.

Start the search by typing in the address of the Section 3 Project, the map will auto zoom to the selected address, highlight all block groups that are included - *in full or in part* - within the default 1 mile radius, and provide a sum of the populations all highlighted block groups. Use the slider bar to expand the radius of the circle until the block groups total a population 5,000 or higher. Population total shows green when you have reached the population threshold. Population numbers are from ESRI's U.S. Census Block Group Layer.

To create a report or record of the block groups included click the up arrow on the bottom of the screen, select the Options dropdown, then click Export all to CSV. This can then be filed with your Section 3 Records.

Ref: 24 C.F.R. Part 75

Section 3 Neighborhood Service Area

Search for an address or locate on map

Jacksonville, Texas

Show results within 1 Miles

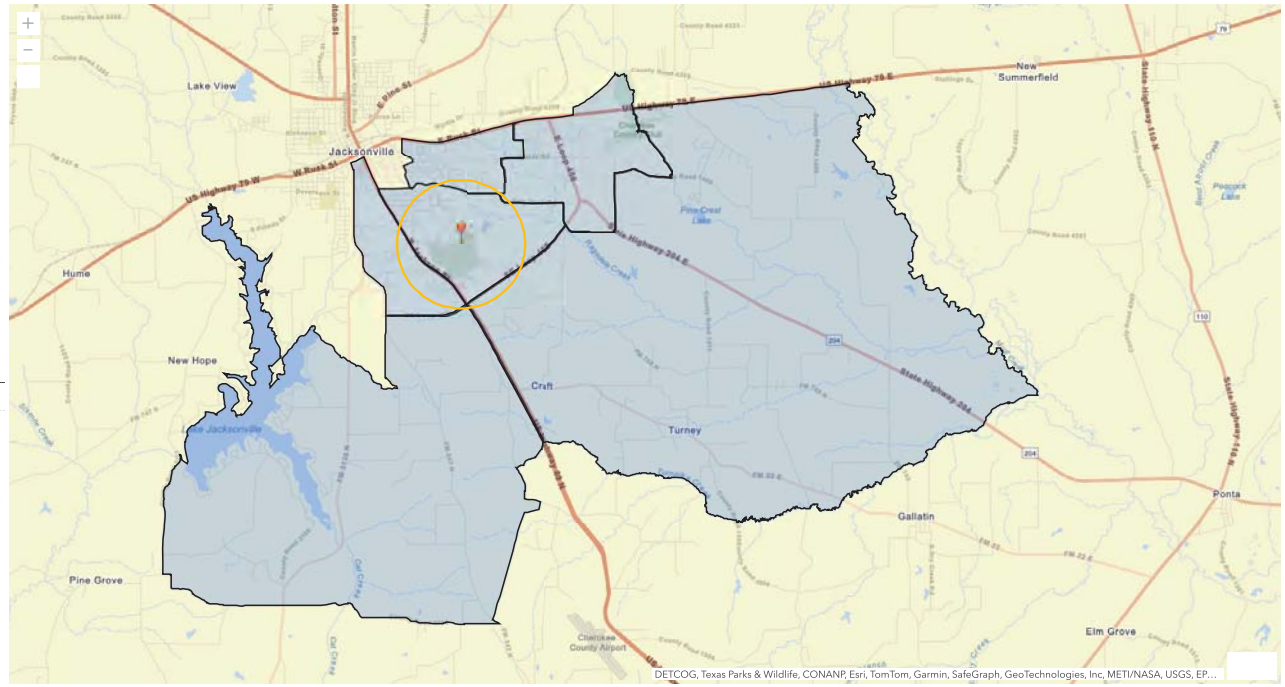
0 15

USA Census Block Group Boundaries	
Block Group 480739506004 in TX	0 mi
Block Group 480739507001 in TX	0.57 mi

Population

✓8,571

Population of Census Block Groups Within or Intersected by Radius



About

Neighborhood Service Area Definition Tool

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Targeted Section 3 Workers are Section 3 Workers located within a one-mile radius of a Section 3 Project. If fewer than 5,000 people live within a one-mile radius of the project, then the radius is expanded until it is sufficient block groups are selected to encompass a population of 5,000 or more according to the most recent census.

Start the search by typing in the address of the Section 3 Project, the map will auto zoom to the selected address, highlight all block groups that are included - ***in full or in part*** - within the default 1 mile radius, and provide a sum of the populations all highlighted block groups. Use the slider bar to expand the radius of the circle until the block groups total a population 5,000 or higher. Population total shows green when you have reached the population threshold. Population numbers are from ESRI's U.S. Census Block Group Layer.

To create a report or record of the block groups included click the up arrow on the bottom of the screen, select the Options dropdown, then click Export all to CSV. This can then be filed with your Section 3 Records.

Ref: 24 C.F.R. Part 75

Section 3 Neighborhood Service Area

Search for an address or locate on map

201-259 Sycamore St, Jacksonville, Texas, 75766

Show results within 1 Miles

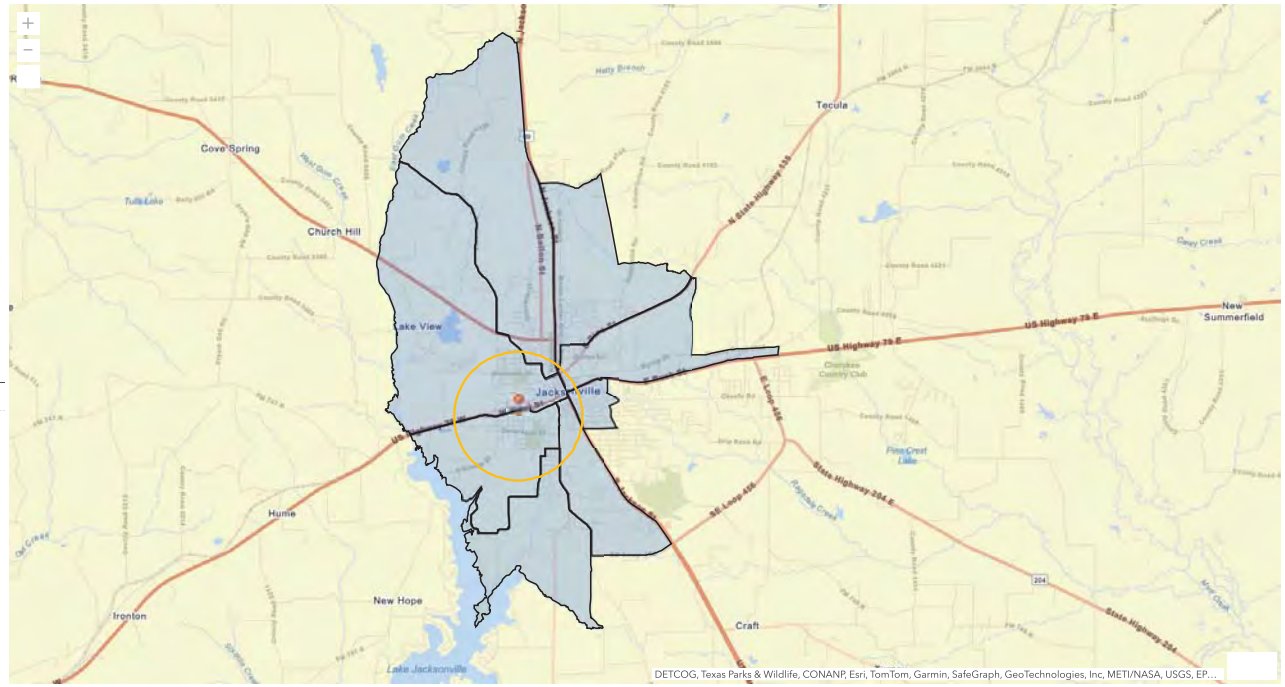
0 15

USA Census Block Group Boundaries	
Block Group 480739507002 in TX	0 mi
Block Group 480739505002 in TX	0.09 mi

Population

✓9,915

Population of Census Block Groups Within or Intersected by Radius



A1022 TxCDBG Section 3 Status Summary (2024 Income Limits)

Grant Recipient:	Grant No.	Business Name

County Name:	COG	Income **LESS** than:

List all employees that will work on the TxCDBG-assisted project.

Employee Name	Employee ID	Section 3 Status	Basis for Section 3 Status	Documentation Method for Section 3 Status

*Attach a map identifying the Section 3 Service Area and the residential address for each Targeted Section 3 Employee.

If this form serves as Employer Certification:

CERTIFICATION: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and this reporting measure is for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18 USC § 1001)

FREQUENTLY ASKED QUESTIONS

for

SECTION 3

Published: February 10, 2025

The following is a guidance document published by the Department of Housing and Urban Development Office of Field Policy and Management for the purpose of providing answers to frequently asked questions about Section 3 of the HUD Act of 1968 (12 U.S.C § 1701u) and its associated regulations (24 C.F.R. Part 75). This document is intended to provide guidance for Section 3 funding recipients, subrecipients, contractors, subcontractors, workers, and other stakeholders.

This guidance document covers questions in several topic areas and is divided into parts that contain questions on that part's topic.

I. GENERAL QUESTIONS REGARDING SECTION 3:

1. What is Section 3?

2. What Do "Best Efforts" and "to the Greatest Extent Feasible" Mean?

3. What Does "Section 3 Worker" Mean?

4. What Does "Targeted Section 3 Worker" Mean?

5. What Does "Section 3 Business Concern" mean?

6. How are low-income and very low-income determined?

7. What is YouthBuild?

8. As a funding recipient, what are my Section 3 reporting goals?

9. What is a Section 3 project?

10. Who is considered a recipient of Section 3 funding?

11. What are funding thresholds and how do they apply to Section 3 covered financial assistance?

12. Which recipient agencies (or sources of HUD financial assistance) are required to comply with Section 3?

13. Can a non-profit organization be considered a business concern for the purposes of Section 3?

14. What is a “Service Area” or “Neighborhood of the project”?

15. What if my agency does not meet all benchmark goals for employment or contracting?

16. My agency has met all benchmark goals for employment and contracting, does this mean that we are considered in compliance with Section 3?

II. APPLICABILITY:

1. What HUD assistance does Section 3 apply to?

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7. Are maintenance projects covered by Section 3?

8. Does the reduction and abatement of lead-based paint hazards constitute housing rehabilitation?

9. Are demolition projects covered by the requirements of Section 3?

10. Are professional service contracts required to be reported under Section 3?

11. Does Section 3 apply to labor hours by a CDBG-Entitlement recipient?

12. Does Section 3 apply to labor hours by a Public Housing Authority?

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3. What are the reporting requirements for Section 3 projects for which assistance or funds are committed during the transition period?

4. What is the reporting timeline for Public Housing Authorities and other recipients of public housing financial assistance?

5. What are the reporting requirements for Public Housing Authorities and other recipients of public housing financial assistance during the transition period?

6. What are good strategies for targeting Section 3 workers and businesses?

7. Are funds provided to recipients so that they can comply with the requirements of Section 3?

8. Are Section 3 workers or business concerns guaranteed employment or contracting opportunities under Section 3?

9. Are recipients, developers, and contractors required to provide long- term employment opportunities, and not simply seasonal or temporary employment?

10. When might a recipient agency be exempt from the quantitative reporting requirements of Section 3?

11. Are recipients required to request developers or contractors to make payments into Section 3 training or implementation funds?

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1. How can a prospective Section 3 worker or business concern certify that they meet the eligibility requirements?

2. What documentation must be maintained by HUD recipients, contractors and subcontractors certifying that low- and very-low individuals and business concerns meet the regulatory definitions under Section 3?

3. What are examples of acceptable evidence to determine eligibility as a Section 3 worker?

4. What are examples of acceptable evidence for determining eligibility as a Section 3 business concern?

5. Are all public housing residents considered Section 3 workers regardless of their income?

6. Does qualifying as a Section 3 businesses mean that the business will be selected if it meets the technical requirements of the bid, regardless of bid price?

7. Does a business have to be incorporated to be considered a Section 3 eligible business?

VI. ECONOMIC OPPORTUNITIES NUMERICAL BENCHMARKS:

1. How can low- and very low-income persons and businesses locate recipient agencies that are required to comply with Section 3 in their area?

2. How can I find Section 3 business concerns in my area?

3. Do the benchmark requirements only count toward new hires?

4. Should PHA's report on staff hours?

5. What category of PHA Staff should be included?

6. Are recipient agencies required to meet the Section 3 benchmarks, or are they optional?

7. Will there be changes to the benchmark requirements?

8. What is considered "other" public construction?

9. What is the meaning of the safe harbor determination?

VII. SECTION 3 COMPLAINTS:

1. How should complaints be made?

2. Where else can I file complaints alleging denied employment and contracting opportunities?

I. GENERAL QUESTIONS REGARDING SECTION 3:

1. What is Section 3?

Section 3 is a provision of the Housing and Urban Development Act of 1968. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

2. What Do "Best Efforts" and "to the Greatest Extent Feasible" Mean?

"Best efforts" and "greatest extent feasible" are statutory terms, used in the statute in different contexts. As such, HUD uses both terms to track compliance, and there are many ways to interpret the language. Traditionally, HUD has used the terms interchangeably, as referenced in

the statute, and will continue to be consistent with the statutory language. *See* 12 U.S.C. 1701u(b)-(d). These terms are integral to the statutory intent and provide flexibility, rather than administrative burden, to grantees or recipients of HUD funding.

HUD acknowledges that some perceive "best efforts" to be the more rigorous standard, while others perceive "greatest extent feasible" to be the more rigorous standard. HUD has determined not to define the difference between these two terms but rather to increase the emphasis on outcomes as a result of these efforts. A recipient's reported results will be compared to the outcome metrics defined in the benchmark notice. HUD program staff will evaluate the level of effort expended by those recipients that fail to meet the benchmark safe harbor, and thus will ensure that the statutory terms are being properly enforced. HUD included a list of examples in the regulation at 24 CFR §§ 75.15 and 75.25, including engagement in outreach efforts to generate job applicants who are Targeted Section 3 workers, providing training or apprenticeship opportunities, and providing technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).

3. What Does "Section 3 Worker" Mean?

A Section 3 worker is any worker who currently fits, or when hired within the past five years fit, at least one of the following categories, as documented:

1. The worker's income for the previous or annualized calendar year is below the income limit established by HUD (see Question 6 of this part I of these FAQs, below);
2. The worker is employed by a Section 3 business concern (see Question 5 of part I, below); or
3. The worker is a YouthBuild participant.

4. What Does "Targeted Section 3 Worker" Mean?

A Section 3 targeted worker for Public Housing Financial Assistance projects is a Section 3 worker who:

(1) is employed by a Section 3 business concern; or
(2) currently fits or when hired fit at least one of the following categories, as documented within the past five years:
  (i) A resident of public housing or Section 8-assisted housing;
  (ii) A resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance; or
  (iii) A YouthBuild participant.

A Section 3 targeted worker for Housing and Community Development Financial Assistance projects is a Section 3 worker who:

(1) is employed by a Section 3 business concern; or

(2) currently fits or when hired fit at least one of the following categories, as documented within the past five years:
   (i) Living within the service area or the neighborhood of the project, as defined in 24 CFR § 75.5; or
   (ii) A YouthBuild participant.

5. What Does "Section 3 Business Concern" mean?

A Section 3 business concern is a business that meets at least one of the following criteria, documented within the last six-month period:

1. At least 51 percent owned and controlled by low- or very low-income persons;
2. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
3. A business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

6. How are low-income and very low-income determined?

Low- and very low-income limits are defined in Section 3(b)(2) of the Housing Act of 1937 and are determined annually by HUD. These limits are typically established at 80 percent and 50 percent of the area median individual income. HUD income limits may be obtained from: https://www.huduser.gov/portal/datasets/il.html.

7. What is YouthBuild?

YouthBuild is a community-based pre-apprenticeship program that provides job training and educational opportunities for at-risk youth ages 16-24 who have previously dropped out of high school.

YouthBuild participants learn vocational skills in construction, as well as in other in-demand industries that include health care, information technology, and hospitality. Youth also provide community service through the required construction or rehabilitation of affordable housing for low-income or homeless families in their own neighborhoods.

The Division of Youth Services within the Employment and Training Administration's Office of Workforce Investment at the U.S. Department of Labor administers the YouthBuild program. Each year, more than 6,000 youth participate in approximately 210 YouthBuild programs in more than 40 states. More information can be found here: https://www.dol.gov/agencies/eta/youth/youthbuild.

8. As a funding recipient, what are my Section 3 reporting goals?

Your Section 3 reporting goals depend on the type of assistance you are receiving, whether public housing financial assistance or housing and community development financial assistance.

For public housing financial assistance, the benchmark for Section 3 workers is set at *25 percent* or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the PHA's or other recipient's fiscal year. The benchmark for Targeted Section 3 workers is set at *5 percent* or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the PHA's or other recipient's fiscal year. This means that the *5 percent* is included as part of the *25 percent* threshold.

For housing and community development financial assistance projects, the benchmark for Section 3 workers is set at *25 percent* or more of the total number of labor hours worked by all workers on a Section 3 project. The benchmark for Targeted Section 3 workers is set at *5 percent* or more of the total number of labor hours worked by all workers on a Section 3 project. This means that the *5 percent* is included as part of the *25 percent* threshold.

9. What is a Section 3 project?

Section 3 projects are housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of $200,000. The threshold is $100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z–1 or 1701z–2), the Lead-Based Paint Poisoning Prevention Act (42 U.S.C 4801 *et seq.*,; and/or the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 *et seq.*). (See Question 12 of this part I of these FAQs for more detail regarding Lead Hazard Control and Healthy Homes programs.)

The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing. The requirements of Part 75 apply to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

10. Who is considered a recipient of Section 3 funding?

A recipient is any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization. It does not include contractors or any intended beneficiary under the HUD program to which Section 3 applies, such as a homeowner or a Section 3 worker.

11. What are funding thresholds and how do they apply to Section 3 covered financial assistance?

Funding thresholds are minimum dollar amounts that trigger Section 3 requirements. There are no thresholds for public housing programs. The requirements of Section 3 apply to all programs

receiving public housing financial assistance regardless of the amount of assistance received from HUD. Section 3 also applies to the entirety of a mixed-finance development project as described in 24 CFR 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance.

Section 3 projects are housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of $200,000 (Lead Hazard Control and Healthy Homes (LHCHH) assistance is not included in calculating whether the assistance exceeds the $200,000 threshold).

The threshold is $100,000 when the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970, the Lead-Based Paint Poisoning Prevention Act, and the Residential Lead-Based Paint Hazard Reduction Act of 1992. LHCHH programs require Section 3 compliance if there is over $100,000 of LHCHH funding for the project (neither HUD public housing financial assistance nor HUD housing and community development financial assistance is included in calculating whether the assistance exceeds the $100,000 threshold). Recipients of LHCHH funding will also be required to comply with Section 3 regulations and report on the entirety of the project when the total amount of HUD housing and community development financial assistance to the project exceeds $200,000 (LHCHH funding is not included in calculating whether the total assistance exceeds the $200,000 threshold), or if any public housing financial assistance is provided.

12. Which recipient agencies (or sources of HUD financial assistance) are required to comply with Section 3?

For public housing financial assistance, Public Housing Authorities (PHAs), regardless of size or number of public housing units, are required to comply with Section 3 and its reporting requirements. However, small PHAs (fewer than 250 units) are permitted to report qualitatively as permitted under 24 CFR § 75.15(d). Some examples of those qualitative efforts are listed in the answer to Question 15.

As previously stated, Section 3 also applies to projects with more than $200,000 in funding from housing and community development financial assistance programs. The following is a list of examples of such funds:

- Community Development Block Grant (CDBG)
- HOME Investment Partnership
- Housing Trust Fund (HTF)
- Neighborhood Stabilization Program Grants (NSP 1, 2 & 3)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Emergency Solutions Grants (ESG)

- University Partnership Grants
- Economic Stimulus Funds
- 202/811 Grants
- Lead Hazard Control Grants ($100,000 threshold; see Question 12, above, in this part I of these FAQs)
- Healthy Homes Production Grants ($100,000 threshold; see Question 12, above, in this part I)
- Rental Assistance Demonstration (RAD) (see most recent RAD Notice, found through HUD's RAD website, www.hud.gov/rad/)

*Note: The requirements of Section 3 typically apply to recipients of HUD funds that will be used for housing construction, rehabilitation, or other public construction. Contact your local HUD field office to determine applicability to a particular project/activity.

13. Can a non-profit organization be considered a business concern for the purposes of Section 3?

Yes. A non-profit organization can be a business concern. Non-profit organizations must meet the criteria of a Section 3 business concern as defined at 24 CFR § 75.5 in order to receive Section 3 preference. See response to Question 5 above.

14. What is a "Service Area" or "Neighborhood of the project"?

"Service area" or the "neighborhood of the project" means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

15. What if my agency does not meet all benchmark goals for employment or contracting?

If reporting indicates that the agency has not met the Section 3 benchmarks, the agency must report in a method prescribed by HUD program offices on the qualitative nature of its activities and those its contractors and subcontractors pursued per 24 CFR § 75.15(b) and § 75.25(b).

Such qualitative efforts may, for example, include but are not limited to the following:

- Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
- Provided training or apprenticeship opportunities.
- Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
- Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
- Held one or more job fairs.

- Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, childcare).
- Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- Assisted Section 3 workers to obtain financial literacy training and/or coaching.
- Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
- Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
- Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
- Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act

16. My agency has met all benchmark goals for employment and contracting, does this mean that we are considered in compliance with Section 3?

Yes. Recipients will be considered to have complied with Section 3 requirements, in the absence of evidence to the contrary, if they meet all benchmark goals and certify compliance with prioritization requirements found in 24 CFR § 75.9 or §75.19. However, if subsequent HUD enforcement activities reveal that the recipient has failed to comply with the recipient responsibilities set forth at 24 CFR §75.13 or §75.23, this compliance determination may be rescinded.

II. APPLICABILITY:

1. What HUD assistance does Section 3 apply to?

Section 3 applies to both:

a. Public Housing Financial Assistance –
   i. Development assistance provided pursuant to Section 5 of the United States Housing Act of 1937 (the 1937 Act);
   ii. Operations and management assistance provided pursuant to Section 9(e) of the 1937 Act;
   iii. Development, modernization, and management assistance provided pursuant to Section 9(d) of the 1937 Act; and

iv. The entirety of a mixed-finance development project as described in 24 CFR 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance as defined in subsections (i) through (iii).

b. Housing and Community Development Financial Assistance expended for housing rehabilitation, housing construction, or other public construction. See Question #2 below for applicability thresholds.

2. Do the requirements of Section 3 apply to grantees on a per project basis?

Yes, for housing and community development financial assistance projects. Section 3 projects are housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of $200,000. The threshold is $100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs. See Question 12 of part I of these FAQs.

Section 3 applies to all public housing financial assistance funds, regardless of the amount of assistance from HUD.

3. If a project is funded with non-HUD assistance, do the requirements of Section 3 still apply?

Section 3 applies to projects that are fully or partially funded with HUD financial assistance. Projects that are financed with state, local or private matching or leveraged funds used in conjunction with HUD funds are covered by Section 3 if the amount of HUD funding for the project exceeds the regulatory thresholds (listed in Section I, Question #11).

For RAD projects, Section 3 applies regardless of what money is used to pay for repairs. Per the RAD Notice, “While most RAD conversions do not utilize funding covered by Section 3, HUD has established the alternative requirement that any Work required by the conversion after the RAD Closing that involves housing rehabilitation or housing construction is subject to the Section 3 requirements applicable to housing and community development activities as set forth in 12 U.S.C. 1701u(c)(2) and (d)(2) and the regulations derived from such provisions except that, with the exception of transactions receiving HUD housing and community development assistance, such as CDBG (24 CFR part 570) or HOME (24 CFR part 92), first priority for employment and other economic opportunities shall be given to residents of public housing or Section 8 assisted housing. Otherwise, the receipt of Section 8 rental assistance does not, in itself, trigger the applicability of Section 3.”

4. What recordkeeping responsibilities do contractors/subcontractors have if they receive Section 3 covered contracts?

Recordkeeping requirements for recipients are found at 24 CFR § 75.31. Recipients are required to maintain documentation to demonstrate compliance with the regulations and are responsible

for requiring their contractors/subcontractors to maintain or provide any documentation that will assist recipients in demonstrating compliance, including documentation that shows hours worked by Section 3 workers, Targeted Section 3 workers, and any qualitative efforts to comply with Section 3. Examples of documentation can be found in 24 CFR §75.31.

5. Do the Section 3 requirements apply to material only contracts?

No. Section 3 does not apply to material only contracts or those that do not require any labor. For example, a contract for office or janitorial supplies would not be covered by Section 3. In this example, Section 3 would be encouraged but not required. However, a contract to replace windows that includes the removal of existing windows and the installation of new windows would be covered due to the involvement of labor.

6. Do the Section 3 requirements apply to Section 8 project-based rental assistance contracts?

No. Section 8 project-based voucher or project-based rental assistance housing assistance payment contracts, are not covered by the statute, including properties converted through the Rental Assistance Demonstration (RAD).

7. Are maintenance projects covered by Section 3?

Yes, but only for PIH funded programs administered by Public Housing Authorities.

8. Does the reduction and abatement of lead-based paint hazards constitute housing rehabilitation?

No, reduction and abatement of lead-based paint hazards focuses on mitigating lead paint hazards only, not conducting general rehabilitation activities.

9. Are demolition projects covered by the requirements of Section 3?

Yes. Recipients of assistance covered by Section 3 should, where feasible, comply with Section 3 benchmarks.

10. Are professional service contracts required to be reported under Section 3?

No, professional service contracts for non-construction services that require an advanced degree or professional licensing are not required to be reported as a part of total Section 3 labor hours. However, this exclusion does not cover all non-construction services.

However, professional services staff labor hours are permitted to be reported and PHAs will be given credit for reporting opportunities created for professional services by including professional services labor hours in the numerator, and not in the denominator, of the reported outcome ratios. The reporting structure in the rule allows a recipient to count any work performed by a professional services Section 3 worker or Targeted Section 3 worker as Section 3 labor hours and as Targeted Section 3 labor hours (i.e., in the numerator of the calculation), even

when the professional services as a whole are not counted in the baseline reporting (i.e., in the denominator of the calculation). The effect of this reporting structure is to give a recipient a bonus if they are able to report Section 3 hires in the professional services context.

11. Does Section 3 apply to labor hours by a CDBG-Entitlement recipient?

Yes. If the recipient intends to use its HUD grant to perform housing construction, rehabilitation, or other public construction and the total HUD assistance to the project exceeds $200,000, then Section 3 applies to the project.

12. Does Section 3 apply to labor hours by a Public Housing Authority?

Yes. Section 3 applies to all Public Housing capital, operating, or development funds.

III. CONSISTENCY WITH OTHER LAWS:

1. Are recipients required to comply with Federal/state/local laws in addition to Section 3?

Yes. Compliance with Section 3 shall be achieved, to the greatest extent feasible, consistent with existing Federal, state and local laws and regulations. Accordingly, recipients of Section 3-covered assistance are required to develop strategies for meeting both the regulatory requirements at 24 CFR part 75 and any other applicable statutes or regulations.

2. What is the relationship between Section 3 and Davis Bacon requirements?

Compliance with Section 3 must be achieved consistent with the requirements of Davis-Bacon. Certain construction contracts are subject to compliance with the requirement to pay prevailing wages determined under the Davis-Bacon Act (40 U.S.C. 3141 et seq.) and implementing U.S. Department of Labor regulations in 29 CFR Part 5. Additionally, certain HUD-assisted rehabilitation and maintenance activities on public housing projects are subject to compliance with the requirement to pay prevailing wage rates, as determined or adopted by HUD, to laborers and mechanics employed in this work. (24 CFR § 965.101).

3. What does the new rule mean for Tribes and Tribally Designated Housing Entities?

After the Section 3 new rule went into effect on November 30, 2020, Tribes and Tribally Designated Housing Entities under the Indian Housing Block Grant and Indian Community Development Block Grant programs are no longer required comply with Section 3 requirements.

The new rule at 24 CFR part 75 provides that contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the requirements of 24 CFR Part 75.

IV. RECIPIENT RESPONSIBILITIES:

1. What are the responsibilities of recipient agencies under Section 3?

Recipients are required to ensure their own compliance and the compliance of their contractors/subcontractors with the Section 3 regulations, as outlined at 24 CFR part 75. These responsibilities include but are not limited to the following:

Designing and implementing procedures to comply with the requirements of Section 3: Recipient agencies must take an ***active role*** in ensuring Section 3 compliance. The first step is implementing procedures to ensure that all parties, including residents, businesses, contractors, and subcontractors, comply with Section 3 and maintain records verifying that compliance.

Facilitating the training and employment of Section 3 workers: The recipient agency must act as a facilitator, connecting Section 3 workers to training and employment opportunities.

Facilitating the award of contracts to Section 3 business concerns: The recipient agency must also work to link developers and contractors with capable Section 3 business concerns. Additionally, recipient agencies, when necessary, may direct Section 3 business concerns to organizations that provide capacity-building training.

Ensuring Contractor and Subcontractor Awareness of and Compliance with Section 3 Benchmarks and responsibilities: The recipient agency is responsible for ensuring that contractors and subcontractors are aware of, and in compliance with, Section 3 requirements.

Ensuring Compliance and Meeting Numerical Benchmarks: Recipient agencies shall ensure compliance with Section 3 by assessing the hiring and subcontracting needs of contractors; regularly monitoring contractor compliance; assisting and actively cooperating with the Secretary of HUD in obtaining the compliance of contractors; penalizing non-compliance; providing incentives for good performance; and refraining from entering into contracts with any contractor that previously failed to comply with the requirements of Section 3.

Reporting Requirements: Recipient agencies must document all actions taken to comply with the requirements of Section 3 and report these activities either through the Section 3 Reporting tool (currently under development- a notice will be issued when it is authorized for use), for Public Housing financial assistance, or any reporting system designated by program areas overseeing other funding. HUD financial assistance recipients must maintain their own record keeping for Section 3 requirements while reporting tools are not yet available.

2. What are the reporting requirements for legacy contracts entered into under the old Part 135 rule?

On and after November 30, 2020, Section 3 regulations codified at 24 CFR Part 135 (the old rule) have not applied and will not apply to new grants, commitments, contracts, or projects.

Contracts executed or projects for which assistance or funds were committed prior to November 30, 2020 are still required to adhere to the requirements of the old rule. Recipients of such assistance or funds will still be expected to maintain records of Section 3 statutory, regulatory, and contractual compliance but will no longer be required to report Section 3 compliance to HUD in the decommissioned Section 3 Performance Evaluation And Registration System (SPEARS).

HUD does not require funding recipients to change or alter contracts that were in place prior to the new Section 3 requirements becoming effective on November 30, 2020.

3. What are the reporting requirements for Section 3 projects for which assistance or funds are committed during the transition period?

Projects for which assistance or funds are committed between November 30, 2020 and July 1, 2021 are subject to the new Section 3 regulations found in 24 CFR part 75, and HUD expects that funding recipients will begin following this final rule's requirements for new grants, commitments, and contracts. Recipients will be expected to maintain records of statutory, regulatory, and contractual compliance with Section 3 for these projects but will not be required to report to HUD on the requirements found in 24 CFR part 75.

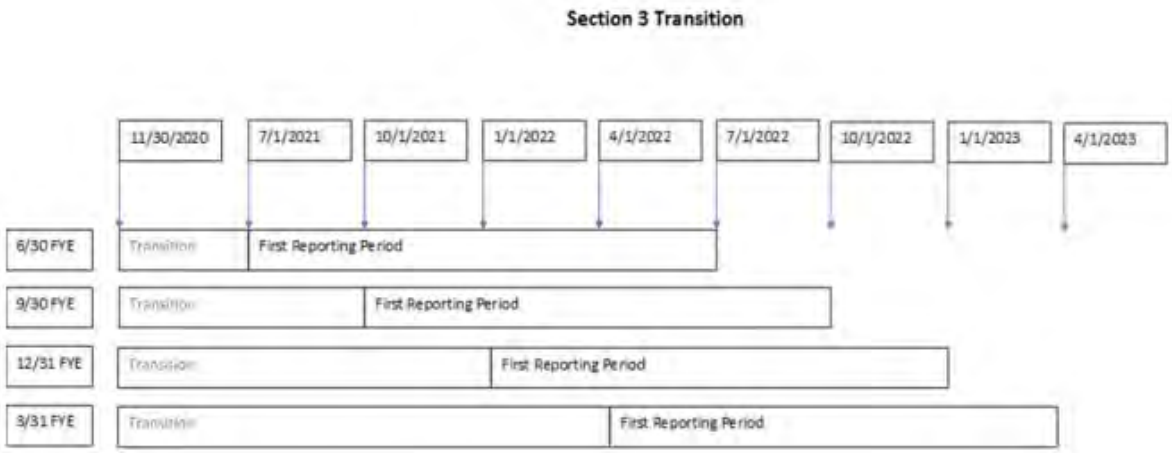
During the transition period between November 30, 2020 and July 1, 2021, recipients are expected to plan and revise processes, systems, and documents to comply with the new rule's requirements. During this time, funding recipients are still required to comply with Section 3's statutory requirements by ensuring that, to the greatest extent feasible, recipients continue to direct economic opportunities generated by certain HUD financial assistance to low- and very low-income persons and businesses that provide economic opportunities to low- and very low-income persons.

Recipients and employers should use this time to update policies and procedures for tracking labor hours and other requirements to ensure compliance with the new rules for projects for which funds are committed on or after July 1, 2021.

4. What is the reporting timeline for Public Housing Authorities and other recipients of public housing financial assistance?

As of November 30, 2020, PHAs' requirement to report their Section 3 activities and efforts starts 60 days after the end of their first fiscal year that begins after July 1, 2021. Please see the charts below for examples of PHA reporting schedules:

Fiscal Year End	New Reporting Period Begins	New Reporting Period Ends
6/30/21	7/1/21	6/30/22
9/30/21	10/1/21	9/30/22
12/31/21	1/1/22	12/13/22
3/31/22	4/1/22	3/31/23



5. What are the reporting requirements for Public Housing Authorities and other recipients of public housing financial assistance during the transition period?

All recipients of public housing financial assistance are required to follow the new Section 3 regulations found in 24 CFR part 75 beginning on November 30, 2020, and HUD expects that funding recipients and employers will begin following this final rule's requirements for new grants, commitments, and contracts on and after this date. Recipients will be expected to maintain records of statutory, regulatory, and contractual compliance with Section 3.

The Section 3 Reporting System is not yet available. The Office of Public and Indian Housing will issue a notice when it is ready as they are the HUD office which monitors Section 3 compliance for Public Housing Authorities. The most recent guidance related to PHA reporting on Section 3 can be found in this December 20, 2022 notice.

During the transition period between November 30, 2020 and a PHA or other recipient's required reporting start date, employers and grantees are expected to plan and revise processes, systems, and documents to comply with the new rule's requirements. During this time, PHAs and other recipients are still required to comply with Section 3's statutory requirements by ensuring that, to the greatest extent feasible, PHA's continue to direct economic opportunities generated by certain HUD financial assistance to low- and very low-income persons, tenants of public and assisted housing, and businesses that provide economic opportunities to low- and very low-income persons.

6. What are good strategies for targeting Section 3 workers and businesses?

In order to successfully target Section 3 workers and businesses for employment and contracting opportunities, recipients must establish and maintain an effective Section 3 program. HUD has found that hiring a Section 3 coordinator or assigning one individual the responsibility of coordinating all Section 3 related activities is instrumental in reaching Section 3's employment and contracting goals.

It is recommended that recipient agencies establish procedures to certify Section 3 workers and Section 3 business concerns for employment and contracting opportunities. Thereafter, they should maintain a list of eligible workers and businesses by skill, capacity or interest and contact them on a periodic basis when employment and contracting opportunities are available. Refer to the Section 3 regulations at 24 CFR § 75.15(b) and § 75.25(b) for a listing of qualitative efforts.

7. Are funds provided to recipients so that they can comply with the requirements of Section 3?

No. Funding has not been appropriated for Section 3 compliance. Section 3 requirements are only triggered when the normal expenditure of covered funds results in employment, training, or contracting opportunities.

8. Are Section 3 workers or business concerns guaranteed employment or contracting opportunities under Section 3?

Section 3 is not an entitlement program; therefore, employment and contracts are not guaranteed. Low and very low-income individuals and Section 3 business concerns must be able to demonstrate that they have the ability or capacity to perform the specific job or successfully complete the contract that they are seeking.

9. Are recipients, developers, and contractors required to provide long- term employment opportunities, and not simply seasonal or temporary employment?

Recipients, developers, and contractors are required, to the greatest extent feasible, to direct employment opportunities to low- and very low-income persons, including seasonal and temporary employment opportunities. Benchmark goals include the calculation of all Section 3 worker and Targeted Section 3 Worker labor hours as a percentage of all labor hours worked on a project.

Recipients, developers, and contractors are encouraged to provide long-term employment to ensure that they meet the benchmark goals.

10. When might a recipient agency be exempt from the quantitative reporting requirements of Section 3?

A Small Public Housing Agency (less than 250 units) may elect to not report on labor hours. If the agency does elect not to report on labor hours, it is required to report solely on qualitative efforts as permitted in 24 CFR § 75.15(d).

11. Are recipients required to request developers or contractors to make payments into Section 3 training or implementation funds?

No. Recipients are not required to request contractors to make payments into a fund.

V. SECTION 3 CERTIFICATION:

1. How can a prospective Section 3 worker or business concern certify that they meet the eligibility requirements?

The individual or business must contact the agency or developer from which they are seeking employment or contracting opportunities (e.g., the PHA, city, or local government). They should identify themselves as a Section 3 worker, Targeted Section 3 worker, or Section 3 business concern and provide whatever documentation that the recipient agency requires under their certification procedures. Prospective Section 3 workers and business concerns may self-certify that they meet the requirements as defined in the regulations. HUD recipients, contractors and subcontractors may also establish their own system to certify Section 3 workers and business concerns.

2. What documentation must be maintained by HUD recipients, subrecipients, contractors, and/or subcontractors certifying that low- and very-low individuals and business concerns meet the regulatory definitions under Section 3?

There are many ways that a worker can be certified as either a Section 3 Worker or Targeted Section 3 Worker under 24 CFR part 75:

For a worker to qualify as a *Section 3 worker*, one of the following must be maintained:

(i) A worker's self-certification that their income is below the income limit from the prior calendar year;
(ii) A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;
(iii) Certification from a PHA, or the owner or property manager of project-based Section 8- assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;
(iv) An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or
(v) An employer's certification that the worker is employed by a Section 3 business concern.

For a worker to qualify as a *Targeted Section 3 worker*, one of the following must be maintained:

For Public Housing Financial Assistance projects:

(i) A worker's self-certification of participation in public housing or Section 8-assisted housing programs;
(ii) Certification from a PHA, or the owner or property manager of project-based Section 8- assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;

(iii) An employer's certification that the worker is employed by a Section 3 business concern; or

(iv) A worker's certification that the worker is a YouthBuild participant.

For Housing and Community Development Financial Assistance projects:

(i) An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;

(ii) An employer's certification that the worker is employed by a Section 3 business concern; or

(iii) A worker's self-certification that the worker is a YouthBuild participant.

The documentation must be maintained for the time period required for record retentions in accordance with applicable program regulations or, in the absence of applicable program regulations, in accordance with 2 CFR § 200.334, Retention Requirements for Records (www.ecfr.gov/cgibin/retrieveECFR?n=se2.1.200_1334), which provides for retaining records for at least three years, as described in detail in that regulation.

A PHA or recipient may report on Section 3 workers and Targeted Section 3 workers for five years from when their certification as a Section 3 worker or Targeted Section 3 worker is established.

3. What are examples of acceptable evidence to determine eligibility as a Section 3 worker?

HUD does not prescribe that any specific forms of evidence to establish Section 3 eligibility. Acceptable documentation includes, but is not limited to the following:

- Proof of residency in a public housing project; or
- Evidence of participation in the YouthBuild program.

4. What are examples of acceptable evidence for determining eligibility as a Section 3 business concern?

HUD does not prescribe that any specific forms of evidence be required to establish Section 3 eligibility. The business seeking the preference must be able to demonstrate that they meet one of the following criteria:

1. At least 51 percent owned and controlled by low- or very low-income persons;
2. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
3. A business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

5. Are all public housing residents considered Section 3 workers regardless of their income?

No. To qualify as a Section 3 Worker, an individual must meet one of the following criteria:

1. The worker's income for the previous or annualized calendar year is below the income limit established by HUD;
2. The worker is employed by a Section 3 business concern; or
3. The worker is a YouthBuild participant.

6. Does qualifying as a Section 3 businesses mean that the business will be selected if it meets the technical requirements of the bid, regardless of bid price?

No. As provided in 2 CFR 200.318, contract awards shall only be made to responsible contractors possessing the ability to perform under the terms and conditions of the proposed contract. In order to meet the requirements of Section 3 and Federal and state procurement laws, recipient agencies must develop procedures that are consistent with all applicable regulations.

7. Does a business have to be incorporated to be considered a Section 3 eligible business?

No. A Section 3 business concern can be any type of business, such as a sole proprietorship, partnership, or a corporation, properly licensed and meeting all legal requirements to perform the contract under consideration.

VI. ECONOMIC OPPORTUNITIES NUMERICAL BENCHMARKS:

1. How can low- and very low-income persons and businesses locate recipient agencies that are required to comply with Section 3 in their area?

To find local recipients' agencies, Section 3 residents or businesses should contact their local HUD office. To find your closest office, visit: www.hud.gov/localoffices.

2. How can I find Section 3 business concerns in my area?

The Section 3 Business Registry is unavailable. One may use the Small Business Administration's Dynamic Small Business Search to find nearby small businesses. Please contact your local HUD field office for possible local business registries and the most recent list of Section 3 registered businesses, dated August 28, 2023.

3. Do the benchmark requirements only count toward new hires?

No, the rule does not apply to only new hires, but if someone is currently on staff and qualifies as a Section 3 resident under 24 CFR part 135, they will need to re-certify as either a Section 3 worker or Targeted Section 3 worker under 24 CFR part 75.

4. Should PHA's report on staff hours?

Yes, but not all PHA staff qualify as Section 3 workers. Only PHA staff that meet the definition of a Section 3 worker or Targeted Section 3 worker would qualify to be counted toward total

Section 3 or Targeted Section 3 labor hours. Once a PHA determines that a Section 3 worker or Targeted Section 3 worker is hired or currently employed, the PHA would just report those hours as the numerator over the total labor hours funded with public housing financial assistance as the denominator.

5. What category of PHA Staff should be included?

Both salaried and hourly workers need to be reported. There is a limited good faith assessment exception for PHAs and other recipient employers of hourly and salaried workers that are not subject to requirements specifying time and attendance reporting and do not have systems already in place to track labor hours. This exception is to address employers that do not already track labor hours without making changes in time and attendance or payroll.

6. Are recipient agencies required to meet the Section 3 benchmarks, or are they optional?

The Section 3 benchmarks are minimum targets that must be reached in order for the Department to consider a recipient in compliance. Recipient agencies are required to make best efforts, or to the greatest extent feasible, to achieve the benchmarks required for the number of labor hours performed by both Section 3 workers and Targeted Section 3 workers. If an agency fails to fully meet the Section 3 benchmarks, they must adequately document the efforts taken to meet the numerical goals (see Question #9 for a discussion of safe harbor.)

7. Will there be changes to the benchmark requirements?

The Secretary of Housing and Urban Development is required in the Benchmark Notice published in the Federal Register to review and update the Benchmarks by Federal Register notice no less frequently than once every three years.

8. What is considered "other" public construction?

Other public construction includes infrastructure work, such as extending water and sewage lines, sidewalk repairs, site preparation, and installing conduits for utility services.

9. What is the meaning of the safe harbor determination?

Recipients will be considered to have complied with the Section 3 requirements and met the safe harbor, in the absence of evidence to the contrary, if they certify that they have followed the required prioritization of effort and met or exceeded the applicable Section 3 benchmarks.

If a recipient agency or contractor does not meet the benchmark requirements but can provide evidence that they have made a number of qualitative efforts to assist low- and very low-income persons with employment and training opportunities, the recipient or contractor is considered to be in compliance with Section 3, absent evidence to the contrary (i.e., evidence or findings obtained from a Section 3 compliance review).

VII. SECTION 3 COMPLAINTS:

1. How should complaints be made?

Complaints alleging failure of compliance with this part may be reported to the HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office. These offices can be found through the HUD website, www.hud.gov/.

2. Where else can I file complaints alleging denied employment and contracting opportunities?

You may be eligible to bring complaints under other federal laws. The U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information (medical history or predisposition to disease). For more information about your rights, please contact EEOC at: www.EEOC.gov.

The Department of Labor Office of Federal Contract Compliance Programs (OFCCP) enforces, for the benefit of job seekers and wage earners, the contractual promise of affirmative action and equal employment opportunity required of those who do business with the Federal government. More information about the services they provide can be obtained at: http://www.dol.gov/ofccp/.

Texas Department of Agriculture
Texas Community Development Block Grant Program
PO Box 12847
Austin, TX 78711

POLICY ISSUANCE CDBG 20-01

Effective Date: July 1, 2021

SUBJECT: Federal Revisions for Section 3 Requirements

The Texas Department of Agriculture announces an update to the TxCDBG Project Implementation Manual, implementing HUD's recent Section 3 Final Rule.

BACKGROUND:

HUD published a final rule updating requirements related to Section 3 of the Housing and Urban Development Act of 1968, as amended. HUD's regulations implementing the requirements of Section 3 had not been updated since 1994. On April 4, 2019, HUD proposed a new rule to update the Section 3 regulations. See 84 FR 13177. The final rule was published on September 29, 2020 and became effective on November 30, 2020. This final rule updates HUD's Section 3 regulations to create more effective incentives for employers to retain and invest in their low- and very low-income workers, streamline reporting requirements by aligning them with typical business practices, provide for program-specific oversight, and clarify the obligations of entities that are covered by Section 3.

The final rule also includes a requirement that HUD set Section 3 benchmarks. If a CDBG Grant Recipient complies with the statutory priorities regarding effort and meets the outcome benchmarks, HUD will presume the recipient is following Section 3 requirements, absent evidence to the contrary.

Key changes in the new ruling and in HUD's implementation include:

- Focusing on key outcome metrics, such as the sustained employment of individuals in targeted populations.
- Crediting retention of low- and very low-income employees and successful sustained employment in the reporting metrics.
- Aligning Section 3 reporting with standard business practices and payroll tracking methods.
- Allowing for tailored outcome benchmarks for different geographies and/or different projects.
- Reducing reporting requirements for grantees who are meeting outcome benchmarks.
- Integrating Section 3 oversight into the work of the program offices who are in regular contact with the grantees.
- Promoting the newly created portal to connect low- and very low-income people, who need jobs most, with businesses who have Section 3 job opportunities in their area.

ACTION: The TxCDBG Project Implementation Manual is modified to read as follows:

- Chapter 10 Section 10.2.2 is replaced with the attached text;

- The following forms are deleted:
  - Form A1001 Equal Opportunity Guidelines for Construction Contractors,
  - Form A1002 Sample Section 3 Plan,
  - Form A1011 Section 3 Annual Report,
  - Form A1012 Prime Contractor Section 3 Report; and

- The following forms are added:
    - Form A1021 Sample Section 3 Service Area,
    - Form A1022 Employer Certification Form,
    - Form A1023 Certification as Section 3 Business, and
    - Form A1024 Section 3 Sample Presentation to Local Community.

APPLICABILITY/TRANSITION:
These changes will apply to all TxCDBG contracts that have not submitted a Project Completion Report (PCR) on or before July 1, 2021.

All construction and administrative services contracts awarded by the local governing body on or after July 1, 2021, must comply with the revised Section 3 rule.

Instructions for the transition, including submittal of a final Annual Section 3 Report Form A1011, using the guidance included in the 2020 TxCDBG Project Implementation Manual effective September 2020, are identified below:

Type of Contract	**Date Awarded by the local Governing Body:**	**Date Work Completed**	**Instructions**	**Final Annual Report Form A1011**
Construction and Administration	On or after July 1, 2021	all	comply with the revised Chapter 10.2.2	n/a
Construction	Prior to July 1, 2021	On or after September 1, 2021	Immediately begin to collect Section 3 data under this revised policy - include all hours on or after December 1, 2020.	n/a
Administration	Prior to July 1, 2021	On or after September 1, 2021	Immediately begin to collect Section 3 data under this revised policy - include all hours on or after July 1, 2021.	Submit by September 30, 2021 for period 10/1/2020-6/30/2021;
Construction	Prior to July 1, 2021	Prior to September 1, 2021	Submit COCC indicating final inspection date is no later than August 31, 2021	Submit by September 30, 2021 for period 10/1/2020-8/31/2021;
Administration	Prior to July 1, 2021	Prior to September 1, 2021	Submit FY21 Annual Section 3 Report for period 10/1/2020-8/31/2021;	Submit by September 30, 2021 for period 10/1/2020-8/31/2021;

- The following forms are added:
    - Form A1021 Sample Section 3 Service Area,
    - Form A1022 Employer Certification Form,
    - Form A1023 Certification as Section 3 Business, and
    - Form A1024 Section 3 Sample Presentation to Local Community.

APPLICABILITY/TRANSITION:
These changes will apply to all TxCDBG contracts that have not submitted a Project Completion Report (PCR) on or before July 1, 2021.

All construction and administrative services contracts awarded by the local governing body on or after July 1, 2021, must comply with the revised Section 3 rule.

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Type of Contract	**Date Awarded by the local Governing Body:**	**Date Work Completed**	**Instructions**	**Final Annual Report Form A1011**
Construction and Administration	On or after July 1, 2021	all	comply with the revised Chapter 10.2.2	n/a
Construction	Prior to July 1, 2021	On or after September 1, 2021	Immediately begin to collect Section 3 data under this revised policy - include all hours on or after December 1, 2020.	n/a
Administration	Prior to July 1, 2021	On or after September 1, 2021	Immediately begin to collect Section 3 data under this revised policy - include all hours on or after July 1, 2021.	Submit by September 30, 2021 for period 10/1/2020-6/30/2021;
Construction	Prior to July 1, 2021	Prior to September 1, 2021	Submit COCC indicating final inspection date is no later than August 31, 2021	Submit by September 30, 2021 for period 10/1/2020-8/31/2021;
Administration	Prior to July 1, 2021	Prior to September 1, 2021	Submit FY21 Annual Section 3 Report for period 10/1/2020-8/31/2021;	Submit by September 30, 2021 for period 10/1/2020-8/31/2021;

			Submit PCR no later than August 31, 2021	

The Grant Recipient shall take all appropriate action, including execution of a change order or addendum to the services contract as appropriate, to ensure compliance with the revised rule.

Grant Recipients that awarded construction and/or administration services contracts prior to July 1, 2021, and then submit closeout documentation after on or after September 1, 2021, must include the following in the Section 3 narrative portion of the closeout report:

> *This report of Section 3 labor hours includes hours worked on or after December 1, 2020, only. All Section 3 efforts prior to this date were evaluated under 24 CFR 135.*

Thank you for your efforts to ensure compliance with all federal, state and program requirements. If you have any questions or if we can provide any further assistance, please contact me or Melinda (Reed) Kapelka at 512-936-2086 or Melinda.Reed@TexasAgriculture.gov.



Suzanne Barnard, State Director
Texas Community Development Block Grant Program
Texas Department of Agriculture

10.2.2 Section 3 Requirements

Section 3 of the Housing and Urban Development Act of 1968 requires that, to the greatest extent feasible, economic opportunity generated by CDBG funds and other HUD assistance, most importantly employment, is directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, as well as residents of the community in which the federal funds are spent.

HUD established benchmarks for Section 3 goals and expects the TxCDBG program to cumulatively report 25% of the total labor hours for grant-assisted projects each year as performed by Section 3 Workers; the HUD benchmark for Targeted Section 3 Workers is 5% of total labor hours worked. Failure to achieve these benchmarks requires additional justification by the state, which may necessitate additional information from Grant Recipients.

HUD's regulations for implementing Section 3 mandates can be found at 24 CFR Part 75. These administrative rules establish the requirements to be followed to ensure the objectives of Section 3 are met. Federal rules do not require Grant Recipients to contract or subcontract with a Section 3 business concern, nor do the rules require hiring of Section 3 workers. However, Grant Recipients must be able to demonstrate that, where possible, contracting, employment, and training opportunities were made available to workers and businesses meeting Section 3 designation criteria.

Applicability

Section 3 requirements apply to all TxCDBG grants unless otherwise identified by this Implementation Manual or the Grant Agreement.

- The requirements apply to the entire project that is funded with Section 3 covered financial assistance, regardless of whether the Section 3 project is fully- or partially-funded with CDBG assistance.
- All construction and administrative services contracts must comply with the programmatic requirements below.
- Section 3 goals and data reporting requirements generally do not apply to contracts for materials, planning, and professional services. Professional services include non-construction services that require an advanced degree or professional licensing (e.g., engineering, architecture, land surveying, accounting).

Section 3 Compliance

Grant Recipients must complete each of the following steps in order to be considered compliant with Section 3 programmatic requirements – key terms for these steps are described in the following sections:

1. Identify the Section 3 Service Area. A map of this service area must be submitted to TDA, as described in Chapter 2, Group A requirements.
2. Facilitate contracting opportunities for Section 3 Businesses. Prior to procuring or selecting any contract for construction services, report the contracting opportunity to the following resources—retain a screen shot of each resource demonstrating that the data was provided at least ten business days prior to the bid opening date for each opportunity unless otherwise directed by TDA staff:
    - HUD's Section 3 Opportunity Portal: https://hudapps.hud.gov/OpportunityPortal/search.action–

- At least one organization providing access to and assistance with bid opportunities, particularly those that recognize small and disadvantaged businesses that are likely to include Section 3 Businesses, such as:
    i. Public/non-profit organizations;
    ii. Private plan rooms; or
    iii. Local Workforce Solutions Offices (WIOA One Stop Shop), if applicable – see https://www.twc.texas.gov/directory-workforce-solutions-offices-;
- TDA-GO! Materials and Services Record Pre-Selection Clearance data including bid opening date. This requirement is effective beginning 30 days after the launch of the TDA-GO Project Management module.

  NOTE: TDA will ensure that Section 3 Businesses are included in the pre-qualified grant administrator application process, therefore this step is not required for administration services.

3. Facilitate general employment opportunity information for Section 3 Workers. In an open meeting of the local governing body, the Grant Recipient must present the Section 3 goals of the CDBG program. This item must be reflected in the agenda and/or minutes of the meeting. TDA recommends completing this step at the meeting in which the first construction contract is awarded; however, in all cases it must be completed prior to requesting grant funds to reimburse construction costs - see Chapter 2, Group B requirements. The presentation must include:
    - HUD's Section 3 Opportunity Portal - https://hudapps.hud.gov/OpportunityPortal/search.action
    - Texas Workforce Solutions - WorkInTexas.com and
    - other Section 3 information as described in the *Section 3 Sample Presentation to Local Community* **(Form A1024).**
4. Facilitate specific employment opportunities for Section 3 Workers. If new employees are needed OR if vacancies exist for work on the TxCDBG-assisted project, the Grant Recipient and/or contractor must access the following resources to identify potential Section 3 employees—a printout of the results of the portal search in the local files is acceptable documentation of this effort. Grant Recipients and contractors are not required to employ Section 3 workers, nor to modify the qualification or requirements of the position, but must demonstrate an effort to identify potential employees as appropriate, including documentation for any applicants that are Section 3 Workers.
    - HUD's Section 3 Opportunity Portal - https://hudapps.hud.gov/OpportunityPortal/search.action; .
    - Texas Workforce Solutions - WorkInTexas.com; and
    - Local Workforce Solutions Office (WIOA One Stop Shop), if applicable - https://www.twc.texas.gov/directory-workforce-solutions-offices-services.
5. Ensure Contractor compliance.
    - Include the required contract provision in all applicable contracting opportunities. See Appendices D and F.
    - Collect records for all construction and administration service providers, including subcontractors, documenting the labor hours performed by each employee and the Section 3 status of each employee. Generally, this consists of payroll records and certification of status for each employee. A summary of this information must be reported to TDA as part of the Project Completion Report, and support documentation must be maintained in the local files.

6. Additional Efforts. Record all additional efforts to ensure Section 3 Businesses have opportunity to compete for contracting opportunities, and that Section 3 Workers and Targeted Section 3 Workers have the opportunity to benefit from the TxCDBG assistance. These efforts support the state's explanation, should the program not meet the established benchmarks, and identify areas where the TxCDBG program could support Section 3 Business and Workers in the future. Examples include:
   - o Outreach efforts
   - o Training or apprenticeship opportunities
   - o Technical assistance to Section 3 Workers (multiple types)
   - o Technical assistance to Section 3 Business concerns
   - o Job fairs
   - o Divide contracts into smaller jobs
   - o Bonding assistance
   - o Other Business registries

Key Definitions

It order to meet the Section 3 reporting requirements, all workers for the project must be classified as one of three worker categories – report the most restrictive category that is appropriate for an individual worker:



Criteria for All Worker Designation

All individuals performing applicable work (labor hours) for the TxCDBG-funded project that do not meet one of the Section 3 designations are reported only under the All Workers category.

Criteria for Section 3 Worker Designation

To comply with Section 3 Reporting requirements, the Grant Recipient must determine whether each individual performing construction or administrative work on the project meets the criteria for a Section 3 Worker. A Section 3 Worker is any worker who currently, or when hired by the current employer within the past five years, fits at least one of the following categories:

- The worker's individual income for the previous or annualized calendar year is below the income limit published on TDA's website for use in income surveys. **NOTE**: Income of family members other than the employee are excluded from this determination.
- The worker is employed by a Section 3 business concern.
- The worker is a YouthBuild participant.

Each Section 3 Worker's status must be documented with one of the following:

- A worker's self-certification that their income is below the income limit using the TxCDBG Income Survey Questionnaire, clearly marked in the **place field** as "Section 3 Income Only";
- A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;
- Certification from a public housing authority (PHA), or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;
- Section 3 *Employer Certification Form* **(Form A1022)**, certifying that each listed worker's income from that employer is below the income limit. This certification is based on a calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or
- Section 3 *Employer Certification Form* **(Form A1022)**, if the employer is a Section 3 business, identifying all workers for the project.

Criteria for Targeted Section 3 Worker Designation

The Targeted Section 3 Worker reflects both statutory and policy priorities to direct employment and economic opportunities to low- and very low-income individuals.

For CDBG, the definition of a Targeted Section 3 Worker is a Section 3 worker that is

- employed by a Section 3 business (see Section 3 Business definition above); or
- a worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
  - Living within the service area of the project; or
  - A YouthBuild participant.

Section 3 Service Area

To correctly identify Targeted Section 3 Workers, the Grant Recipient must first confirm the Section 3 Service Area. A Section 3 Service Area for a TxCDBG project is determined as follows:

- Identify the project site. For infrastructure projects, the project site is the area included in the Environmental Review project description. The center point of this project site is the basis for the Section 3 Service Area.
- Identify a circle with a one-mile radius, with the project site central point as the origin.
- Calculate the population that resides within the one-mile circle. If less than 5,000 people according to the most recent U.S. Census, then aggregate census block group geographies totaling a minimum of 5,000 persons that both
  - surrounds all components of a Project Site, AND
  - most closely approximates a circle shape.

For an example, see *Sample Section 3 Service Area* **(Form A1021)**. TDA has discretion to determine whether the geographies identified by the subrecipient are the appropriate Service Area, and to require revision if necessary.

Criteria for Section 3 Business Designation

One way to target grant funding to the workers that are described in HUD's Section 3 goals is to identify Section 3 Businesses. Section 3 Businesses must meet at least one of the following regulatory criteria, documented within the last six-month period:

- It is at least 51% owned and controlled by low- or very low-income persons;

- Over 75% of the labor hours performed for the business over the previous three-month period are performed by Section 3 Workers; or
- It is a business at least 51% owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

Documentation of Section 3 Business status can be met in one of two ways:

- *Certification as Section 3 Business* **(Form A1023)**, or
- Inclusion on any list or database published by HUD reporting Section 3 status.

Section 3 Business status will be reported once for each contract for services. Once a business is determined to be a Section 3 Business, the designation will remain in effect for the life of the contract for services. Records supporting this status must be made available upon request to TDA, HUD, or other state or federal authorized officials. Please redact Personally Identifiable Information (PII) from payroll records prior to releasing any documentation under this requirement. For construction contractor certified payroll reports, HUD requires first payroll on which each employee appears to include the employee's name and an individually identifying number. Afterward, the identifying number does not need to be reported unless it is necessary to distinguish between employees.

NOTE: Section 3 Businesses may only be selected in accordance with the procurement standards of Chapter 5—including price, ability, and willingness to comply with program requirements, to be considered lowest responsible bidders on contracting opportunities being sought. However, Grant Recipients should make every effort to ensure that Section 3 Businesses are able to effectively participate in the opportunity. In turn, contractors and others should direct their efforts to award subcontracting opportunities generated from the expenditure of housing and community development financial assistance to Section 3 Businesses.

The Grant Recipient shall take all appropriate action, including execution of a change order or addendum to the services contract as appropriate, to ensure compliance with the revised rule where applicable.

A. APPLICABILITY

The Project or Program to which the construction work covered by this Contract pertains is being assisted by the United States of America, and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

1. Minimum wages and fringe benefits

i. All laborers and mechanics employed or working upon the site of the work (or otherwise working in construction or development of the project under a development statute), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of basic hourly wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. As provided in 29 CFR 5.5(d) and (e), the appropriate wage determinations are effective by operation of law even if they have not been attached to the contract. Contributions made or costs reasonably anticipated for bona fide fringe benefits under the Davis-Bacon Act (40 U.S.C. 3141(2)(B)) on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(v) of these contract clauses; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics must be paid the appropriate wage rate and fringe benefits on the wage determination for the classification(s) of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: *Provided,* That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classifications and wage rates conformed under 29 CFR 5.5(a)(1)(iii)) and the Davis-Bacon poster (WH-1321) must be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

ii. Frequently recurring classifications

A. In addition to wage and fringe benefit rates that have been determined to be prevailing under the procedures set forth in 29 CFR part 1, a wage determination may contain, pursuant to § 1.3(f), wage and fringe benefit rates for classifications of laborers and mechanics for which conformance requests are regularly submitted pursuant to 29 CFR 5.5(a)(1)(iii), provided that:

1. The work performed by the classification is not performed by a classification in the wage determination for which a prevailing wage rate has been determined;

2. The classification is used in the area by the construction industry; and

3. The wage rate for the classification bears a reasonable relationship to the prevailing wage rates contained in the wage determination.

B. The Administrator will establish wage rates for such classifications in accordance with 29 CFR 5.5(a)(1)(iii)(A)(3). Work performed in such a classification must be paid at no less than the wage and fringe benefit rate listed on the wage determination for such classification.

iii. Conformance

A. The contracting officer must require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract be

classified in conformance with the wage determination. Conformance of an additional classification and wage rate and fringe benefits is appropriate only when the following criteria have been met:

1. The work to be performed by the classification requested is not performed by a classification in the wage determination; and
2. The classification is used in the area by the construction industry; and
3. The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

B. The conformance process may not be used to split, subdivide, or otherwise avoid application of classifications listed in the wage determination.

C. If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken will be sent by the contracting officer by email to DBAconformance@dol.gov. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30–day period that additional time is necessary.

D. In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer will, by email to DBAconformance@dol.gov, refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30–day period that additional time is necessary.

E. The contracting officer must promptly notify the contractor of the action taken by the Wage and Hour Division under 29 CFR 5.5 (a)(1)(iii)(C) and (D). The contractor must furnish a written copy of such determination to each affected worker or it must be posted as a part of the wage determination. The wage rate (including fringe benefits where appropriate) determined pursuant to 29 CFR 5.5 (a)(1)(iii)(C) or (D) must be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

iv. Fringe benefits not expressed as an hourly rate

Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor may either pay the benefit as stated in the wage determination or may pay another bona fide fringe benefit or an hourly cash equivalent thereof.

v. Unfunded plans

If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, *Provided,* That the Secretary of Labor has found, upon the written request of the contractor, in accordance with the criteria set forth in 29 CFR 5.28, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

vi. Interest In the event of a failure to pay all or part of the wages required by the contract, the contractor will be required to pay interest on any underpayment of wages.

2. Withholding

i. Withholding requirements

The U. S. Department of Housing and Urban Development may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for the full amount of wages and monetary relief, including interest, required by the clauses set forth in 29 CFR 5.5(a) for violations of this contract, or to satisfy any such liabilities required by any other Federal contract, or federally assisted contract subject to Davis-Bacon labor standards, that is held by the same prime contractor (as defined in 29 CFR 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to Davis-Bacon labor standards requirements and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld. In the event of a contractor's failure to pay any laborer or mechanic, including any apprentice or helper working on the site of the work (or otherwise working in construction or development of the project under a development statute) all or part of the wages required by the contract, or upon the contractor's failure to submit the required records as discussed in 29 CFR 5.5(a)(3)(iv), HUD may on its own initiative and after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

ii. Priority to withheld funds

The Department has priority to funds withheld or to be withheld in accordance with 29 CFR 5.5(a)(2)(i) or (b)(3)(i), or both, over claims to those funds by:

- **A.** A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;
- **B.** A contracting agency for its reprocurement costs;
- **C.** A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;
- **D.** A contractor's assignee(s);
- **E.** A contractor's successor(s); or
- **F.** A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901-3907.

3. Records and certified payrolls

i. Basic record requirements

- **A. Length of record retention.** All regular payrolls and other basic records must be maintained by the contractor and any subcontractor during the course of the work and preserved for all laborers and mechanics working at the site of the work (or otherwise working in construction or development of the project under a development statute) for a period of at least 3 years after all the work on the prime contract is completed.
- **B. Information required** Such records must contain the name; Social Security number; last known address, telephone number, and email address of each such worker; each worker's correct classification(s) of work actually performed; hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in 40 U.S.C. 3141(2)(B) of the Davis-Bacon Act); daily and weekly number of hours actually worked in total and on each covered contract; deductions made; and actual wages paid.
- **C. Additional records relating to fringe benefits***.* Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(v) that the wages of any laborer or mechanic include the amount of any

costs reasonably anticipated in providing benefits under a plan or program described in 40 U.S.C. 3141(2)(B) of the Davis-Bacon Act, the contractor must maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits.

D. Additional records relating to apprenticeship Contractors with apprentices working under approved programs must maintain written evidence of the registration of apprenticeship programs, the registration of the apprentices, and the ratios and wage rates prescribed in the applicable programs.

ii. Certified payroll requirements

A. Frequency and method of submission The contractor or subcontractor must submit weekly, for each week in which any DBA- or Related Acts-covered work is performed, certified payrolls to HUD if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the certified payrolls to the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records, for transmission to HUD. The prime contractor is responsible for the submission of all certified payrolls by all subcontractors. A contracting agency or prime contractor may permit or require contractors to submit certified payrolls through an electronic system, as long as the electronic system requires a legally valid electronic signature; the system allows the contractor, the contracting agency, and the Department of Labor to access the certified payrolls upon request for at least 3 years after the work on the prime contract has been completed; and the contracting agency or prime contractor permits other methods of submission in situations where the contractor is unable or limited in its ability to use or access the electronic system

B. Information required The certified payrolls submitted must set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i)(B), except that full Social Security numbers and last known addresses, telephone numbers, and email addresses must not be included on weekly transmittals. Instead, the certified payrolls need only include an individually identifying number for each worker (*e.g.*, the last four digits of the worker's Social Security number). The required weekly certified payroll information may be submitted using Optional Form WH-347 or in any other format desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at *https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/wh347.pdf* or its successor website. It is not a violation of this section for a prime contractor to require a subcontractor to provide full Social Security numbers and last known addresses, telephone numbers, and email addresses to the prime contractor for its own records, without weekly submission by the subcontractor to the sponsoring government agency (or the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records).

C. Statement of Compliance Each certified payroll submitted must be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor, or the contractor's or subcontractor's agent who pays or supervises the payment of the persons working on the contract, and must certify the following:

1. That the certified payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information and basic records are being maintained under 29 CFR 5.5 (a)(3)(i), and such information and records are correct and complete;

2. That each laborer or mechanic (including each helper and apprentice) working on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly

from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3; and

3. That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification(s) of work actually performed, as specified in the applicable wage determination incorporated into the contract.

D. Use of Optional Form WH-347 The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 will satisfy the requirement for submission of the "Statement of Compliance" required by 29 CFR 5.5(a)(3)(ii)(C).

E. Signature The signature by the contractor, subcontractor, or the contractor's or subcontractor's agent must be an original handwritten signature or a legally valid electronic signature.

F. Falsification The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under 18 U.S.C. 1001 and 31 U.S.C. 3729.

G. Length of certified payroll retention The contractor or subcontractor must preserve all certified payrolls during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

iii. Contracts, subcontracts, and related documents The contractor or subcontractor must maintain this contract or subcontract and related documents including, without limitation, bids, proposals, amendments, modifications, and extensions. The contractor or subcontractor must preserve these contracts, subcontracts, and related documents during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

iv Required disclosures and access

A. Required record disclosures and access to workers The contractor or subcontractor must make the records required under 29 CFR 5.5(a)(3)(i)–(iii), and any other documents that HUD or the Department of Labor deems necessary to determine compliance with the labor standards provisions of any of the applicable statutes referenced by 29 CFR 5.1, available for inspection, copying, or transcription by authorized representatives of HUD or the Department of Labor, and must permit such representatives to interview workers during working hours on the job.

B. Sanctions for non-compliance with records and worker access requirements If the contractor or subcontractor fails to submit the required records or to make them available, or refuses to permit worker interviews during working hours on the job, the Federal agency may, after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, that maintains such records or that employs such workers, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available, or to permit worker interviews during working hours on the job, may be grounds for debarment action pursuant to 29 CFR 5.12. In addition, any contractor or other person that fails to submit the required records or make those records available to WHD within the time WHD requests that the records be produced will be precluded from introducing as evidence in an administrative proceeding under 29 CFR part 6 any of the required records that were not provided or made available to WHD. WHD will take into consideration a reasonable request from the contractor or person for an extension of the time for submission of records. WHD will determine the reasonableness of the request and may consider, among other things, the location of the records and the volume of production.

C. Required information disclosures Contractors and subcontractors must maintain the full Social Security number and last known address, telephone number, and email address of each covered worker, and must provide them upon request to HUD if the agency is a party to

the contract, or to the Wage and Hour Division of the Department of Labor. If the Federal agency is not such a party to the contract, the contractor, subcontractor, or both, must, upon request, provide the full Social Security number and last known address, telephone number, and email address of each covered worker to the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records, for transmission to HUD, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or other compliance action.

4. Apprentices and equal employment opportunity

i. Apprentices

A. Rate of pay Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship (OA), or with a State Apprenticeship Agency recognized by the OA. A person who is not individually registered in the program, but who has been certified by the OA or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice, will be permitted to work at less than the predetermined rate for the work they perform in the first 90 days of probationary employment as an apprentice in such a program. In the event the OA or a State Apprenticeship Agency recognized by the OA withdraws approval of an apprenticeship program, the contractor will no longer be permitted to use apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

B. Fringe benefits Apprentices must be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringe benefits must be paid in accordance with that determination.

C. Apprenticeship ratio The allowable ratio of apprentices to journeyworkers on the job site in any craft classification must not be greater than the ratio permitted to the contractor as to the entire work force under the registered program or the ratio applicable to the locality of the project pursuant to 29 CFR 5.5(a)(4)(i)(D). Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in 29 CFR 5.5(a)(4)(i)(A), must be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under this section must be paid not less than the applicable wage rate on the wage determination for the work actually performed.

D. Reciprocity of ratios and wage rates Where a contractor is performing construction on a project in a locality other than the locality in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyworker's hourly rate) applicable within the locality in which the construction is being performed must be observed. If there is no applicable ratio or wage rate for the locality of the project, the ratio and wage rate specified in the contractor's registered program must be observed.

ii Equal employment opportunity The use of apprentices and journeyworkers under this part must be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

5 Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

6 Subcontracts. The contractor or subcontractor must insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (11), along with the applicable wage determination(s) and such other clauses or contract modifications as the U.S. Department of Housing and
Urban Development may by appropriate instructions require, and a clause requiring the subcontractors to include these clauses and wage determination(s) in any lower tier subcontracts. The prime contractor is responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section. In the event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss, due to any workers of lower-tier subcontractors, and may be subject to debarment, as appropriate.

7 Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8 Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

9 Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility.

i. By entering into this contract, the contractor certifies that neither it nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of 40 U.S.C. 3144(b) or 29 CFR 5.12(a).

ii. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of 40 U.S.C. 3144(b) or 29 CFR 5.12(a).

iii. The penalty for making false statements is prescribed in the U.S. Code, Title 18 Crimes and Criminal Procedure, 18 U.S.C. 1001.

11 Anti-retaliation It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

- **i.** Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the DBA, Related Acts, or 29 CFR parts 1, 3, or 5;
- **ii.** Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under the DBA, Related Acts, or 29 CFR parts 1, 3, or 5;
- **iii.** Cooperating in any investigation or other compliance action, or testifying in any proceeding under the DBA, Related Acts, or 29 CFR parts 1, 3, or 5; or
- **iv.** Informing any other person about their rights under the DBA, Related Acts, or 29 CFR parts 1, 3, or 5.

B. Contract Work Hours and Safety Standards Act (CWHSSA)

The Agency Head must cause or require the contracting officer to insert the following clauses set forth in 29 CFR 5.5(b)(1), (2), (3), (4), and (5) in full, or (for contracts covered by the Federal Acquisition Regulation) by reference, in any contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses must

be inserted in addition to the clauses required by 29 CFR 5.5(a) or 4.6. As used in this paragraph, the terms "laborers and mechanics" include watchpersons and guards.

1. **Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
2. **Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in 29 CFR 5.5(b)(1) the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages and interest from the date of the underpayment. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchpersons and guards, employed in violation of the clause set forth in 29 CFR 5.5(b)(1), in the sum of $31 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in 29 CFR 5.5(b)(1).
3. **Withholding for unpaid wages and liquidated damages**

i. **Withholding process** The U.S Department of Housing and Urban Development or the recipient of Federal assistance may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for any unpaid wages; monetary relief, including interest; and liquidated damages required by the clauses set forth in 29 CFR 5.5(b) on this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act that is held by the same prime contractor (as defined in 29 CFR 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to the Contract Work Hours and Safety Standards Act and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld.

ii **Priority to withheld funds** The Department has priority to funds withheld or to be withheld in accordance with 29 CFR 5.5(a)(2)(i) or (b)(3)(i), or both, over claims to those funds by:

- **A.** A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;
- **B.** A contracting agency for its reprocurement costs;
- **C.** A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;
- **D.** A contractor's assignee(s);
- **E.** A contractor's successor(s); or
- **F.** A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901-3907.

4. ***Subcontracts***. The contractor or subcontractor must insert in any subcontracts the clauses set forth in 29 CFR 5.5(b)(1) through (5) and a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor is responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in 29 CFR 5.5(b)(1) through (5). In the event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss,

due to any workers of lower-tier subcontractors, and associated liquidated damages and may be subject to debarment, as appropriate.

5 Anti-retaliation It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

- **i.** Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the Contract Work Hours and Safety Standards Act (CWHSSA) or its implementing regulations in 29 CFR part 5;
- **ii.** Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under CWHSSA or 29 CFR part 5;
- **iii.** Cooperating in any investigation or other compliance action, or testifying in any proceeding under CWHSSA or 29 CFR part 5; or
- **iv.** Informing any other person about their rights under CWHSSA or 29 CFR part 5.

C. CWHSSA required records clause In addition to the clauses contained in 29 CFR 5.5(b), in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other laws referenced by 29 CFR 5.1, the Agency Head must cause or require the contracting officer to insert a clause requiring that the contractor or subcontractor must maintain regular payrolls and other basic records during the course of the work and must preserve them for a period of 3 years after all the work on the prime contract is completed for all laborers and mechanics, including guards and watchpersons, working on the contract. Such records must contain the name; last known address, telephone number, and email address; and social security number of each such worker; each worker's correct classification(s) of work actually performed; hourly rates of wages paid; daily and weekly number of hours actually worked; deductions made and actual wages paid. Further, the Agency Head must cause or require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph must be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview workers during working hours on the job.

D. Incorporation of contract clauses and wage determinations by reference Although agencies are required to insert the contract clauses set forth in this section, along with appropriate wage determinations, in full into covered contracts, and contractors and subcontractors are required to insert them in any lower-tier subcontracts, the incorporation by reference of the required contract clauses and appropriate wage determinations will be given the same force and effect as if they were inserted in full text.

E. Incorporation by operation of law The contract clauses set forth in this section (or their equivalent under the Federal Acquisition Regulation), along with the correct wage determinations, will be considered to be a part of every prime contract required by the applicable statutes referenced by 29 CFR 5.1 to include such clauses, and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Administrator grants a variance, tolerance, or exemption from the application of this paragraph. Where the clauses and applicable wage determinations are effective by operation of law under this paragraph, the prime contractor must be compensated for any resulting increase in wages in accordance with applicable law.

F. HEALTH AND SAFETY

The provisions of this paragraph (F) are applicable where the amount of the prime contract exceeds **$100,000**.

1. No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his or her health and safety, as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.
2. The contractor shall comply with all regulations issued by the Secretary of Labor pursuant to 29 CFR Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96), 40 U.S.C. § 3701 et seq.
3. The contractor shall include the provisions of this paragraph in every subcontract, so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
CONTRACTOR'S CERTIFICATION

CONCERNING LABOR STANDARDS AND PREVAILING WAGE REQUIREMENTS

TO (appropriate recipient)	DATE
	PROJECT NUMBER (if any)
C/O	PROJECT NAME

1. The undersigned, having executed a contract with _____ for the construction of the above-identified project, acknowledges that:

   (a) The Labor Standards provisions are included in the aforesaid contract,

   (b) Correction of any infractions of the aforesaid conditions, including infractions by any subcontractors and any lower tier subcontractors, is Contractor's responsibility.

2. Certifies that:

   (a) Neither Contractor nor any firm, partnership or association in which it has substantial interest is designated as an ineligible contractor by the Comptroller General of the United States pursuant to Section 5.6(b) of the Regulations of the Secretary of Labor, Part 5 (29 CFR, Part 5) or pursuant to Section 3(a) of the Davis-Bacon Act, as amended.

   (b) No part of the aforementioned contract has been or will be subcontracted to any subcontractor if such subcontractor or any firm, corporation, partnership or association in which such subcontractor has a substantial interest is designated as an ineligible contractor pursuant to any of the aforementioned regulatory or statutory provisions.

3. Contractor agrees to obtain and forward to the aforementioned recipient within ten days after the execution of any subcontract, including those executed by subcontractors and any lower tier subcontractors, a Subcontractor's Certification Concerning Labor Standards and Prevailing Wage Requirements executed by the subcontractors.

4. Certifies that:

   (a) The legal name and the business address of the undersigned are:

   (b) The undersigned is (choose one):

(1) A SINGLE PROPRIETORSHIP	(3) A CORPORATION ORGANIZED IN THE STATE OF
(2) A PARTNERSHIP	(4) OTHER ORGANIZATION (Describe)

   (c) The name, title and address of the owner, partners or officers of the undersigned are:

NAME	TITLE	ADDRESS

   (d) The names and addresses of all other persons having a substantial interest in the undersigned, and the nature of the interest are:

NAME	ADDRESS	NATURE OF INTEREST

(e) The names, addresses and trade classifications of all other building construction contractors in which the undersigned has a substantial interest are:

NAME	ADDRESS	TRADE CLASSIFICATION

(Contractor)

Date _____

By _____

Buy America, Build America (BABA) Compliance

CDBG Policy Issuance

Compliance Form

(Revised January 13, 2025)

Contractor Certification

Checklist & Best Practices

Special Condition Language

Grant agreements issued in Program Year 2023 contain the following language:

> *9. Grant Recipient must comply with the requirements of the Build America, Buy America Act (BABA), 41 USC ch. 8301 note, and all applicable rules and notices, as may be amended, if applicable to Grant Recipient's infrastructure project. Any funds obligated under this Agreement are subject to BABA requirements as described in Chapter 4 of the TxCDBG Project Implementation Manual, unless excepted by a waiver.*
>
> *10. In addition to the documentation required by Chapter 2 of the Project Implementation Manual, funds awarded under this Agreement will not be disbursed to Grant Recipient until these special conditions are met. Grant Recipient shall submit to the department a certification of compliance with the requirements of the Violence Against Women Act Reauthorization of 2022 and the Right to Report Crime and Emergencies from One's Home, confirming that no ordinances, local regulations, or policies adopted by the local government and currently in effect contain any financial or regulatory penalty imposed on property owners or residents as a result of any use of emergency services as required by TxCDBG Policy Issuance 23-01.*

Chapter 4 – Grant Agreement Special Conditions

Section 4.1.7 Buy America Preference is replaced in its entirety with the following:

4.1.7 Buy America Preference

Pursuant to the Buy America, Build America Act (BABA), Grant Recipients that are awarded funding for infrastructure projects beginning in Program Year 2023 must ensure that the required items used in the project are produced in the United States. HUD's phased implementation will apply BABA documentation requirements to additional items each year – new grant awards must comply with the BABA requirements applicable to the period in which they are awarded.

Item Description.[1] [2]	**BABA Requirements Apply to New Awards Beginning**
All iron and steel	9/1/2023
Specifically listed construction materials: a. Metals other than iron or steel (non-ferrous metals), b. Lumber, c. Composite building materials, and d. Plastic and polymer-based pipe and tube materials, including PVC pipe.	9/1/2024
All construction materials and manufactured products.	9/1/2025
Items not applicable for BABA documentation: a. Tools, equipment, and supplies, such as temporary	n/a

[1] White House Memorandum M-22-11

[2] HUD Public Interest Phased Implementation Waiver

scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project; b. Equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project, but are not an integral part of the structure or permanently affixed to the infrastructure project c. Purchases that are not intended for construction, alteration, maintenance, or repair of infrastructure.	

The Buy America preference applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. An item meets BABA requirements if:

- Iron and steel - all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
- Construction materials and manufactured products –
    - the item was manufactured in the United States; or
    - the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product; or
    - the components of the manufactured product meets another standard for determining the minimum amount of domestic content of the manufactured product established under applicable law or regulation.

The Grant Recipient must provide an itemization to identify the products, quantities, and costs as support documentation.

- The bid tab must be sufficiently detailed to itemize each separate product or material and indicate BABA applicability, OR a separate schedule must be attached to identify BABA applicability for all products or materials.
- If a change to the contract includes new products or materials, and updated itemization must be submitted with the change order.

Documentation of BABA compliance must be provided for a minimum of 95% of all iron, steel, manufactured products, and construction materials used in the project, according to the phased implementation schedule. TDA has not received guidance as to the documentation necessary to support the Buy America status of the project. Until further guidance is provided, the Grant Recipient must provide written evidence from the manufacturer or supplier that:

- Identifies the item purchased;
- Affirms the location of manufacture as within the United States; and
- If signed by an authorized company representative.

In rare instances, a BABA waiver may be available. To request such a waiver, the Grant Recipient must provide a letter to the TxCDBG Director requesting a BABA waiver, citing the relevant exception, and providing a narrative justification and any supporting documentation for how the exception applies to the project. NOTE: TDA does not have the authority to waive BABA requirements; all requests for waivers will be evaluated by TDA and, if applicable, forwarded for review and potential approval by both HUD and the Office of Management and Budget. **Any project delays due to the waiver process will not be considered for proposed Grant Agreement extensions.**

Appendices B, F, and G

The Materials and Workmanship section of each sample contract is revised as follows – the Grant Recipient must select the appropriate language to reflect the items required by the phased implementation schedule:

X. Materials and Workmanship

…

(x) Domestic Preferences - As appropriate and to the extent consistent with law and to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

For purposes of this section:

(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

(3) [Iron and steel products, Manufactured Products, and Construction Materials] used in this project comply with the Build America, Buy America Act (BABA) requirements mandated by Title IX of the Infrastructure Investment and Jobs Act ("IIJA"), Pub. L. 177-58.

BABA Compliance Form

A400

Grant Agreement #:		Payment Request#:		Material Total:	$ 145,000.00
Grantee Name:				BABA Total:	$ 140,000.00
				De minimus Total:	$ 5,000.00

	Material Description	Related Bid Item #	Material Unit of Measure	Material Qty.	Material Unit Cost	Material Sub Total	% of total BABA Applicable Materials (used for De Minimis)	Mfg's Certification Included?
1	Rebar (Curb & Gutter) (SAMPLE, REMOVE AS NEEDED)	01A	LF	1000	$ 100.00	$ 100,000.00	71.4%	Attached
2	Cement Aggregate (Curb & Gutter) (SAMPLE, REMOVE AS NEEDED)	01A	SY	500	$ 10.00	$ 5,000.00	0.0%	Not BABA Applicable
3	Rebar (Curb Stops) (SAMPLE, REMOVE AS NEEDED)	02A	EA	25	$ 1,000.00	$ 25,000.00	17.9%	Attached
4	Iron Benches (SAMPLE, REMOVE AS NEEDED)	CO-01	EA	1	$ 5,000.00	$ 5,000.00	3.6%	No, 5%
5	Bronze Plaque (SAMPLE, REMOVE AS NEEDED)	CO-02	LS	1	$ 10,000.00	$ 10,000.00	7.1%	Submitted
6						$ -	0.0%	
7						$ -	0.0%	
8						$ -	0.0%	
9						$ -	0.0%	
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A402

Contractor's BABA Compliance Certification

Project Information

Grant Recipient	
Grant Number	
Project Description	

This "*Contractor's BABA Compliance Certification*" is a form that, in lieu of a Manufacturer's Certification, the Prime Contractor may use to certify that, as required by the Build America, Buy America (BABA) Act, all of the iron, steel, manufactured products, and construction materials listed in the table below and incorporated into the public infrastructure project specified above are produced in the United States, unless exempted by a HUD general waiver or a project-/product-specific waiver approved by HUD and the Made in America Office (MIAO) at the Office of Management and Budget (OMB).

For Covered Materials not otherwise exempted from BABA requirements, the undersigned certifies the following:

- All iron and steel used in the project are produced in the United States. This means all manufacturing processes, from the initial melting stage through the application of coatings occurred in the United States;
- All manufactured products used in the project are produced in the United States. This means the manufactured product was manufactured in the United States, and the cost of the components of the manufactured product that are mine, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard that meets or exceeds this standard has been established under applicable law or regulation for determining the minimum amount of domestic content of the manufactured product; and
- All construction materials used in the project are manufactured in the United States. This means that all manufacturing processes for the construction material occurred in the United States.

Use the table below to list all Covered Materials procured by the signatory, used in the project, and to be certified as BABA Compliant by the signatory. (If a material used in the project has been documented as BABA Compliant through another approved method, it does not need to be included on this list.)

For "Type of Material": Indicate if the material is Iron, Steel, Manufactured Product, or Construction Material.

Type of Material	Material	Cost Per Unit	Total Cost	Manufacturer

Type of Material	Material	Cost Per Unit	Total Cost	Manufacturer

Attach an additional sheet if more space is needed to list materials.

TDA or HUD may, at any time, request additional documentation regarding a material's compliance with BABA requirements. Please ensure all documentation is kept in the Local File.

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct.

WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012, 1014; 31 U.S.C. §§ 3729, 3802).

Signature Title Date

1/23/2025

BABA Checklist & Best Practices

BABA Activities Checklist

ACTIVITY	Consultant	Engineer/ Architect	Contractor
A. Pre-Award			
While preparing the bid packet, identify bid items that will, or are likely to include BABA Applicable Materials.			
Include BABA Requirements when advertising for bids to ensure responsible bid responses.			
B. Post-Award			
Finalize list of all materials based on the bid awarded.			
Fill out Form A400 with the initial list of *all* materials to be used in the project & upload to the Group B Performance Report in TDA-GO.			
As materials are ordered, request a Manufacturer's Certification for all BABA-applicable materials that are included in the current and all previous BABA Implementation Phases.			
Review and update the A400 as necessary with each submitted Change Order or Construction MSR.			
C. Payment Requests			
Submit an updated Form A400 & all *new* Manufacturer's Certifications with *each* payment request for Construction funds.			
D. Satisfy BABA Special Condition			
Upload the *final* Form A400 to the Special Condition on the Grant Overview page in TDA-GO.			

BABA Best Practices

Documenting Materials on Form A400:

- The purpose of Form A400 is to document **ALL** materials being used in a project to ensure BABA compliance. Even materials that are not BABA Applicable should be listed so TDA can ensure all compliance requirements are met and provide appropriate Technical Assistance to help prevent potential Findings.
- Form A400 requests the Related Bid Item # for each Material Description. However, this form should list all materials, not necessarily all bid items.
    - Some materials (such as fasteners) may be used across multiple bid items. For ease of reporting, these materials may be listed once with each associated Bid Item # noted rather than listing them out separately for each Related Bid Item #.
    - Some bid items (such as Curb & Gutter) may use multiple different materials (Cement Aggregate & Rebar). Each material should be listed separately (to the extent feasible).

- When submitting Form A400 with the Group B Performance Report, not all information may be known (such as the Material Unit Cost). TDA will just be looking for the Material Description, Bid Item #, and Quantity. If the material listed is not BABA Applicable or exempt under the current phased implementation, please mark that in the Mfg's Certification column.
- Anytime there is a change to the materials being used (such as on a Change Order adding new bid items or when awarding a second Construction Contract that includes substantially different work), please ensure Form A400 is updated and submitted in TDA-GO in the Additional Documentation attachment field. For quantity-only Change Orders, ensure the A400 submitted on all subsequent Payment Requests is updated to reflect those changes.
- TDA has provided two lists of materials that may be used as guides and safe harbor for identifying materials subject to BABA. The first list is published by the Texas Water Development Board and can be found HERE. The second list is included in the Orange "Phased Implementation Schedule" tab at the bottom of the Form A400.

Payment Request Procedures:

- Each time a Payment Request is submitted for Construction funds, an updated Form A400 is required to be uploaded to the Request.
- The first time Construction funds are requested for a specific bid item, all Manufacturer's Certifications for materials associated with that bid item must be submitted with the Payment Request (mark the Mfg's Certification column on Form A400 as "Attached"). If a Manufacturer's Certification has already been submitted for a specific material in a previous payment request, it does not need to be re-submitted (mark the Mfg's Certification column on Form A400 as "Submitted").

Satisfying BABA Special Condition:

- When submitting the final payment request for 100% of construction funds, upload the finalized Form A400 to the Special Condition upload field on the Grant Overview Page in TDA-GO. TDA is not notified when a change is made to the Grant Overview page, as such, please email your TDA Grant Specialist whenever uploading any document to this page. Once notified, your TDA Grant Specialist will mark the Special Condition as complete.

Mfg's Certification Option Meanings:

OPTION	**Meaning**
Attached	The Manufacturer's Certification for this material is attached to this Payment Request
Submitted	The Manufacturer's Certification for this material was submitted with a previous Payment Request
No, 5%	This material is BABA Applicable but is part of a *De Minimis* portion of the project.*
No, Exempted Phase	This material is BABA Applicable but is not required to be reported under the current Implementation Phase. A Manufacturer's Certification is not required to be submitted.
Not BABA Applicable	This material is not BABA Applicable under any phase, and no Manufacturer's Certification is needed.

***HUD has waived the application of the Buy America Preference for a De Minimis portion of an infrastructure project, meaning a cumulative total of no more than 5% of the total cost of the iron, steel, manufactured products, and construction materials used in and incorporated into the infrastructure project, up to a maximum of $1 million. Grant Recipients are not required to submit BABA documentation for materials claimed as part of the De Minimis. Use the % column on Form A400 to determine if a material may be included in the De Minimis. The total % of all materials claimed as part of the De Minimis must be less than or equal to 5%. Only BABA Applicable materials are used to calculate the De Minimis.*

Categorization of Materials:

- Materials should only be classified into one of the following categories to determine when BABA requirements apply:
    - BABA Applicable Materials:
        - Iron or steel products;
        - Construction materials; or
        - Manufactured products.
    - BABA-Exempt Materials:
        - Section 70917(c) materials.
- Each material should be classified in only one of the categories listed above. In some cases, a material may not fall under any of the categories listed here.
    - HUD has provided clarification regarding *when* materials should be categorized. **The classification of a material must be made based on its status at the time it is brought to the work site.** Section 70917(c) materials that are used at the work site, such as wet concrete or hot asphalt, are not subject to BABA requirements. However, Section 70917(c) materials may be components of manufactured products if, for example, they are used to produce precast concrete products before being transported to the work site. In this case, as a component of a manufactured product, the Section 70917(c) material would be subject to BABA requirements.

Documentation of BABA Compliance:

- TDA will accept the following as proof of BABA compliance.
    - A copy of the label indicating the material was made in the United States;
    - A copy of the product description or technical specifications that provides sufficient detail to conclude that the materials comply with BABA;
    - A certificate or other documentation from the manufacturer demonstrating that the materials comply with BABA;
    - A signed certification from the contractor of a project certifying compliance with BABA; or
        - **If a contractor is certifying BABA compliance, please utilize Form A402**
    - A signed certification from the manufacturer of the materials certifying compliance with BABA.

BABA Definitions

Materials:

- Materials: The term “materials” is used by TDA to describe all articles, materials, and supplies that are used within a TxCDBG funded infrastructure project.

Iron and Steel Products:

- The term “iron and steel products” is defined in 2 CFR 184.3 and means materials that consists wholly or predominantly of iron or steel, or a combination of both.
    - **Predominantly iron or steel or a combination of both** means that the cost of the iron and steel content is more than 50 percent of the total cost of all its components. The cost of iron and steel is the cost of the mill products, castings, or forgings utilized in the manufacture of the product.

Section 70917(c) Materials:

- The term “section 70917(c) materials” is defined in 2 CFR 184.3 and means cement and cementitious materials; aggregates such as stone, sand, or gravel, or aggregate binding agents or additives.

Construction Materials:

- The term “construction materials: is defined in 2 CFR § 184.3 and means materials that consist of only one of the items listed below.
    - **Specifically listed construction materials** must meet BABA requirements for **grants awarded 9/1/<u>2024</u> or after** and include:
        - Non-ferrous metals;
        - Lumber;
        - Composite building materials; and
        - Plastic and polymer-based pipe and tube.
    - **Not listed construction materials** must meet BABA requirements for **grants awarded 9/1/<u>2025</u> or after** and include:
        - Plastic and polymer-based products other than composite building materials or plastic and polymer-based pipe or tube;
        - glass (including optic glass); and
        - drywall.
    - **As a note:** minor additions of articles, materials, supplies or binding agents to a construction material do not change the categorization of the construction material.

Manufactured Products:

- The term “manufactured products” is defined in 2 CFR 184.3 and means:
    - Materials that have been:
        - Processed into a specific form and shape; or
        - Combined with other materials to create a product with different properties than the individual materials.
    - If an item is classified as an iron or steel product, a construction material, or a section 70917(c) material, then it is not a manufactured product. However, a material classified as a manufactured product may include components that are construction materials, iron or steel products, or section 70917(c) materials.

Requesting a Project-/Product-Specific Waiver

As a Note:

- As of January 2025, TDA has not seen any waiver applications approved for projects similar to TxCDBG funded projects. Submitting a waiver application does not guarantee approval.
- Any project delays due to the waiver process will not be considered for proposed Grant Agreement extensions.
- **<u>Per HUD and OMB, project-/product-specific waivers will not be approved retroactively for materials that have already been purchased or incorporated into a project.</u>**

Types of Waivers:

- **Nonavailability Waiver:**
    - May be requested if the types of iron, steel, manufactured products, or construction materials required for the project are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality.
- **Unreasonable Cost Waiver:**
    - May be requested when the inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent.

- **Public Interest Waiver:**
    - May be requested if the use of American made products would be inconsistent with the public interest. Grantees should explain how waiving the BABA requirement for the project or product will serve the public interest and demonstrate definite impacts on the community if specific materials are not utilized in an infrastructure project to support this waiver type.

Process:

- Fill out Form A400 to calculate the De Minimis limit and ensure that flexibility is fully applied to the materials used in the project that cannot be procured from domestic manufacturers.
- Determine the type of waiver to be requested.
- Complete the necessary market research to support the need for a waiver. (See next section.)
- Collect the required information to submit the waiver request to TDA. (See next section.)
- Submit to your TDA Grant Specialist a notarized letter addressed to the TxCDBG Director which includes all the required information as specified in the next section.
- TDA will review the information provided, contact the Grant Recipient if additional information is needed, and submit to HUD if deemed appropriate.
- HUD will review the waiver application and contact TDA if additional information is needed to validate the need for a waiver.
- If an application is approved by HUD, the proposed waiver will be posted in the Federal Register for a minimum 15-day public comment period and then submit the request to the Made In America Office (MIAO) at the Office of Management and Budget (OMB).
- The MIAO will review the proposed waiver and public comments for final approval and communicate a final decision to HUD which will communicate it to TDA who will then notify the Grant Recipient.

Required Information to Submit a Waiver:

- Per HUD's requirements, the following information is required to submit a waiver application. Please ensure all this information is included in your letter to the TxCDBG Director. If you have not included all the required information, TDA will reject your request.
    - Market research supporting the need for a waiver;
        - Market research may be completed by the contractor who is purchasing the materials to be incorporated into the project.
        - Sufficient market research should include one or more of the following:
            - Document the report showing results of supplier scouting services provided by the NIST MEP, or similar supplier scouting service.
            - Document that the purchaser has made a good faith effort to contact a minimum of three (3) manufacturers or suppliers to determine if a BABA-compliant material is available in sufficient quantity and satisfactory quality. This documentation should include the following:
                - PDF files or screenshots of Internet searches; and
                - Email communications; and
                - Documentation of phone conversations that notes the date and time of the call, the phone number, the contact person with whom the purchaser spoke, and a summary of the information received.
    - Detailed description of the project and location;
    - List of all Federal Agencies funding the project;
        - If any Federal Agencies besides HUD are co-funding the project, please include the Federal Agency's name, Office, Program, and Contact Information.
    - Total sources and amounts of funding, including federal and non-federal shares;
    - Total estimated project costs, including federal and non-federal shares;

- A listing of the material, technical specification, and quantity;
  - HUD requires the name of the iron or steel item, manufactured product, or construction material proposed to be excepted from BABA requirements, including name, cost, countries of origin, relevant Product Service Code (PSC), *and* North American Industry Classification System (NAICS) code.
  - **As a note:** if you have multiple products you would like HUD to review, a waiver application must be submitted for each product.
- Waiver type requested;
  - **Nonavailability Waiver:**
    - If applying for a Nonavailability Waiver, responses to the following are required:
      - A description of the due diligence performed by the applicant, including names and contact information of the manufacturers, distributors, or suppliers contacted for quotes (minimum 3), and the responses provided.
      - In the instance that the lead time to obtain a BABA compliant item is excessive, please attach documentation which indicates:
        - The sum of the project cost and product that was identified;
        - The cost differential between the BABA compliant product and the Non-BABA compliant product that increases the overall project cost to be above the threshold of 25%; and
        - Any quality or quantity issues that were interfaced in the BABA compliant process.
  - **Unreasonable Cost Waiver:**
    - If applying for an Unreasonable Cost Waiver, responses to the following are required:
      - What is the additional cost of the BABA compliant item, compared to using iron and steel, manufactured products, and construction materials of non-domestic or unknown origin?
      - Please demonstrate how the BABA compliant item increases the total project cost by more than 25 percent.
      - Attach documentation of prices for BABA compliant and non-compliant items for the cost comparison.
  - **Public Interest Waiver:**
    - If applying for a Public Interest Waiver, responses to the following are required:
      - Explain how waiving the BABA requirement for this project or product serves the public interest.
- Provide any additional information for HUD's consideration of the requested waiver;
- Identify any anticipated impacts if no waiver is issued;
- Include the following language at the end of the waiver application letter to certify that the Grant Recipient made a good faith effort to solicit bids for domestic products supported by terms included in requests for proposals, contracts, and nonproprietary communications with the prime contractor;
  - "**I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct.**
    WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012, 1014; 31 U.S.C. §3729, 3802)."
- Signed by the Authorized Official; and
- Notarized by a notary public.

SECTION 504 CERTIFICATION

POLICY OF NONDISCRIMINATION ON THE BASIS OF DISABILITY

The _____ does not discriminate on the basis of disability status in the admission or access to, or treatment or employment in, its federally assisted programs or activities.

(Name) _____

(Address) _____

_____
City State Zip

Telephone Number ( ) _____ - _____ Voice
( ) _____ - _____ TDD

_____has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's (HUD) regulations implementing Section 504 (24 CFR Part 8. dated June 2, 1988).

ATTORNEY'S REVIEW CERTIFICATION

I, the undersigned, _____, the duly authorized and acting legal representative of the _____, do hereby certify as follows:

I have examined the attached contract(s) and surety bonds and am of the opinion that each of the agreements may be duly executed by the proper parties, acting through their duly authorized representatives; that said representatives have full power and authority to execute said agreements on behalf of the respective parties; and that the agreements shall constitute valid and legally binding obligations upon the parties executing the same in accordance with terms, conditions and provisions thereof.

Attorney's signature: _____ Date: _____

Print Attorney's Name: _____

Texas State Bar Number: _____

NOTICE OF AWARD

Date: _____

TO: _____
(BIDDER)

ADDRESS: _____

_____

_____

CONTRACT FOR City of Jacksonville TxCDBG CDV23-0193 Sewer Improvements
(Insert name of Contract as it appears in the Bidding Documents)

You are notified that your Bid dated _____, 2026 for the above Contract has been considered. You are the apparent successful bidder and have been awarded a contract for:

_____
(Indicate total Work, alternates or sections of Work Awarded)

The Contract Price of your contract is _____

_____

Three copies of each of the proposed Contract Documents (except Drawings) accompany this Notice of Award. Three sets of the Drawings will be delivered separately or otherwise made available to you immediately.

You must comply with the following conditions precedent within fifteen days of the date of this Notice of Award, that is by _____, 2026

1. You must deliver to the OWNER three fully executed counterparts of the Agreement including all the Contract Documents. Each of the Contract Documents must bear your signature.

2. You must deliver with the executed Agreement the Contract Security (Bonds) as specified in the Instructions to Bidders, General Conditions and Supplementary Conditions.

3. (List other conditions precedent).

Failure to comply with these conditions within the time specified will entitle OWNER to consider your bid abandoned, to annul this Notice of Award and to declare your Bid Security forfeited.

Within ten days after you comply with those conditions, OWNER will return to you one fully signed counterpart of the Agreement with the Contract Documents attached.

City of Jacksonville
(OWNER)

BY: _____
(AUTHORIZED SIGNATURE)

_____
(TITLE)

Copy to ENGINEER

NOTICE TO PROCEED

Date_____,2024

TO: _____
(CONTRACTOR)

ADDRESS: _____

_____

CONTRACT FOR City of Jacksonville TxCDBG CDV23-0193 Sewer Improvements
(Insert name of Contract as it appears in the Bidding Documents)

You are notified that the Contract Time under the above contract will commence to run on _____, 2026. By that date, you are to start performing your obligations under the Contract Documents. In accordance with Article 3 of the Agreement the dates of Substantial Completion and Final Completion are _____, and _____, 20____.

Before you may start any work, paragraph 2.7 of the General Conditions provides that you and Owner must deliver to the other (with copies to the ENGINEER) certificates of insurance which each is required to purchase and maintain in accordance with the Contract Documents.

Also before you may start Work at the site, you must: (Add other requirements)

_____

_____

City of Jacksonville
(OWNER)

BY: _____
(AUTHORIZED SIGNATURE)

_____
(TITLE)

ACCEPTANCE OF AWARD

BY: _____
(CONTRACTOR)

_____
(AUTHORIZED SIGNATURE)

_____
(TITLE)

_____
(DATE)

TECHNICAL SPECIFICATIONS

SEWER MAIN CONSTRUCTION

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I. GENERAL

A. SCOPE OF WORK: The Contract work to be performed under these specifications includes the furnishing of all labor, materials, equipment, implements, transportation, supplies and supervision for the complete and satisfactory installation of the City of Jacksonville - TxCDBG CDV23-0193 Sewer Improvements.

B. PERMITS, CERTIFICATES, LAWS AND ORDINANCES: The Contractor shall at his own expense procure all permits, certificates and licenses required of him by law for the execution of the work. He shall comply with all federal, state or local laws, ordinances or rules and regulations relating to the performance of the work.

C. LOCATION: The utilities to be constructed herein are to be located within the City of Jacksonville, Texas.

D. PROTECTION OF UTILITIES: The Contractor shall exercise care when working in the vicinity of existing utility lines. All utilities are not shown on the plans. Cutting or breaking of existing telephone lines, water lines, sewer lines and gas or oil pipelines shall be avoided. Such lines, if broken or cut, shall be promptly restored to their original condition by the Contractor at his expense. The contractor shall contact each utility and verify location of all utility lines.

When active sanitary sewer lines are cut in the trenching operations, temporary flumes shall be constructed across the trench. The lines shall be restored to their original condition and elevation when backfilling has progressed to the original bedding lines.

E. FENCES: All fences crossed by the new construction or otherwise damaged as a result of Contractor's operations, shall be repaired at his expense. Repair shall be accomplished immediately after the work has progressed past the damaged areas. The damaged fences shall be mended to a condition equal to or better than their existing state.

F. DRIVEWAYS/ROADWAYS: All driveways/roadways cut by trenching or otherwise damaged as a result of the Contractor's operations shall be repaired and shall be resurfaced with materials equal to or better than the damaged surface by the Contractor at his expense. The Contractor shall be responsible for notifying all affected persons prior to cutting the driveways. The Contractor shall accommodate any person desiring passage across the open trench. Excavation in driveways shall be made only between saw-cut lines in the affected pavements.

G. BARRICADES, SIGNS, AND TRAFFIC CONTROL: The Contractor shall provide, maintain, and remove upon completion of work all barricades, signs, barriers, cones, lights, signals and other such devices for handling traffic as outlined in the Texas Manual on Uniform Traffic Control Devices (TMUTCD) and in accordance with the Special Conditions (Item 24) of these Contract Documents.

H. MAILBOXES, STEPS, SIDEWALKS, WALLS, ETC.: The Contractor shall protect, maintain, or replace all mailboxes, steps, sidewalks, retaining walls, or other incidental decorative items encountered or damaged during the course of construction operations. Care shall be taken to maintain or replace mailboxes in accordance with the Federal Postal Regulations for location, height, and access with respect to street construction.

I. APPLICABLE SPECIFICATIONS.: The following specifications and standards of the issue below but referred to thereafter by basic designation only, form a part of this specification to the extent indicated by the reference thereto. The Contractor, if necessary, may obtain a copy of these specifications and standards from the Engineer upon request and at the cost of reproduction.

TEXAS DEPARTMENT OF TRANSPORTATION

All street materials, construction methods, and testing requirements shall conform to the latest Standard Specifications of Construction of Highways, Streets, and Bridges.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ)

All construction activities regarding water shall be in compliance with Texas Administrative Code (TAC) Title 30 Chapter 290 – Public Drinking Water.

All construction activities regarding sewer shall be in compliance with Texas Administrative Code (TAC) Title 30 Chapter 217 – Design Criteria For Sewerage Systems.

TEXAS MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES

All construction activities regarding barricades, signs, traffic control, pavement markings, and striping shall be governed by and conform to the current edition of the Texas Manual on Uniform Traffic Control Devices.

AMERICAN SOCIETY FOR TESTING MATERIALS

A 139	Standard Specification for Electronic Fusion (ARC) - Welded Steel Pipe (Sizes 4" and Over).
C 76	Standard Specification for Reinforced Concrete Sewer, Storm Drain and Culvert Pipe.
C 443	Standard Specification for Joints for Circular Concrete Sewer and Culvert Pipe, Using Rubber Gaskets.
C 478	Standard Specification for Precast Reinforced Concrete Manhole Sections.
D 1784	Standard Specification for Rigid Poly (Vinyl Chloride) (PVC) Compounds and Chlorinated Poly (Vinyl Chloride) (CPVC) Compounds.
D 2122	Determining Dimensions of Thermoplastic Pipe and Fittings.
D 2241	Standard Specification for Poly (Vinyl Chloride)(PVC) Plastic Pipe (SDR-PR).
D 2321	Standard Recommended Practice for Underground Installation of Flexible Thermoplastic Sewer Pipe.
D 2412	External Loading Properties of Plastic Pipe by Parallel-Plate Loading.
D 2487	Standard Method for Classification of Soils for Engineering Purposes.
D 2774	Standard Recommended Practice for Underground Installation of Thermoplastic Pressure Piping.
D 3034	Standard Specification for Type PSM Poly (Vinyl Chloride) (PVC) Sewer Pipe and Fittings.

AMERICAN WATER WORKS ASSOCIATION

C 104	American National Standard for Cement-Mortar Lining for Ductile-Iron and Gray-Iron Pipe and Fittings for Water.
C 110	American National Standard for Gray-Iron and Ductile-Iron Fittings 3 Inches through 48 Inches for Water and other Liquids.
C 151	American National Standard for Ductile-Iron Pipe, Centrifugally Cast in Metal Molds or Sand-Lined Molds for Water or other Liquids.
C 153	American National Standard for Ductile-iron Compact Fittings, 3 inches through 16 inches, for water and other liquids.
C 515	American Water Works Standard for Resilient Seated Gate Valves, 3 Inches through 36 Inches NPS for Water Supply Services.
C 600	American National Standard for Installation of Gray and Ductile Cast-Iron Water Mains and Appurtenances.
C 900	American Water Works Association Standard for Polyvinyl Chloride (PVC) Pressure Pipe 4 Inches 12 Inches for Water.

II. SITE PREPARATION

A. SCOPE OF WORK: The Contract work to be performed under this section of the specifications includes furnishing all labor, materials, equipment, implements, transportation, supplies and supervision for performing all operations in connection with site clearing, site grading and disposal of refuse.

B. CLEARING AND GRUBBING:

1. Description: "Clearing and Grubbing" shall consist of the removal and disposal of trees, stumps, brush, roots, vegetation, logs, rubbish and other objectionable matter.

2. Construction Methods: All rights-of-way shall be cleared of brush, logs, rubbish, trees and shrubs, except such trees and shrubs and certain areas designated by the Engineer for preservation. Those trees, shrubs and other landscape features specifically designated by the Engineer for preservation shall be carefully protected from abuse, marring or damage during construction operations. Continual parking and/or servicing of equipment under the branches of trees designated for preservation will not be permitted.

   All cleared and grubbed material shall be disposed of in a manner satisfactory to the Engineer. Acceptable methods for disposal of woody debris shall include chipping or hauling to an approved site located outside the City Limits. When chipping is performed, all processed material shall be uniformly distributed along the route in a manner acceptable to the Owner. When hauling of debris is performed, Contractor shall adhere to all State and Federal laws pertaining to disposal of this refuse. Unless otherwise provided, all merchantable timber removed, as required above, shall become the property of the Contractor. Tree stumps shall be chipped or hauled and disposed off-site

C. BURNING OF BRUSH: Burning of brush will not be allowed.

D. SITE GRADING: After all utilities are installed and accepted it shall be the responsibility of the Contractor to smoothly grade to natural elevations all of the project site or any areas damaged by the Contractor. The finished surface shall be reasonably smooth, compacted and free from irregular surface change. However, a gradual arched area may be constructed immediately above the trench to accommodate trench settlement. All ditches and gutters shall be finished so as to readily drain.

E. SEEDING FOR EROSION CONTROL: "Seeding for Erosion Control" consists of preparing the ground, providing for sowing of seeds, mulching with straw and other management practices. Seeding for Erosion Control shall be accomplished in all areas of construction and all areas damaged by the Work, unless designated otherwise.

1. Materials: All seed must meet the requirements of the Texas Seed Law including the labeling requirements for showing purity, germination, name and type of seed. Seed furnished shall be of the previous season's crop and the date of analysis shown on each bag shall be within nine months of the time of delivery to the project. Seed shall be furnished and delivered in separate bags or containers. A sample of seed shall be furnished for analysis and testing when directed by the Engineer. The amount of seed planted per acre shall be of the type specified below and shall equal or exceed the following percentages for purity and germination or an equivalent amount of pure live seed.

Common Name	Scientific Name	Purity	Germination
Bermuda and Giant Bermuda Grass (Hulled)	Cynodon dactylon	95%	90%
Oats		98%	90%

PLANTING SEASON: All planting shall be done between the dates specified except as specifically authorized in writing.

The seeds planted per acre shall be of the type specified with the mixture, rate and planting dates as follows except as specifically shown on plans:

Planting Date	Mixture for Clay or Tight Soils	Mixture for Sand or Sandy Soils
Year Round	Bermuda grass, 8 lbs.	Bermuda grass, 8 lbs.
October 1 to January 1	Oats, 50 lbs.	Oats, 50 lbs.

2. Construction Methods: After areas have been completed to the lines and grades shown on the Plans and as provided for in other items of this Contract, seeding shall be performed in accordance with the requirements hereinafter described. All areas to be seeded shall be cultivated to a depth of at least 4 inches. The seed-bed shall be cultivated sufficiently to reduce the soil to a state of good tilth. The seed-bed shall be deemed in a state of good tilth when the soil particles on the surface are small enough and lie closely enough together to prevent the seed from being covered too deep for optimum germination. Cultivation of seed-bed will not be required in loose sand where depth of sand is 4 inches or more.

3. Broadcast Seeding: The seed or seed mixture in the quantity specified shall be uniformly distributed over the areas shown on Plans or where directed. If the sowing of seed is by hand, rather than by mechanical methods, the seed shall be sown in two directions at right angles to each other. If mechanical equipment is used, all varieties of seed as well as fertilizer may be distributed at the same time provided that each component is uniformly applied at the specified rate. When seed and fertilizer are to be distributed as a water slurry, the mixture shall be applied to the area to be seeded within 30 minutes after all components are placed in the equipment. After planting, the planted area shall be rolled with a corrugated roller of the "Cultipacker" type. All rolling of the slope areas shall be on the contour.

F. SODDING FOR EROSION CONTROL: "Sodding for Erosion Control" shall consist of providing and planting Bermuda grass sod or other acceptable sod along or across such areas as are designated herein and in accordance with specification requirements herein outlined.

1. Materials: The sod shall consist of live, growing Bermuda grass or other acceptable sod secured from sources where the soil is fertile. Bermuda sod shall have a healthy, virile root system of dense, thickly matted roots throughout the soil of the sod for a thickness of at least 3 inches. St. Augustine sod shall have a healthy,

virile root system of dense, thickly matted roots throughout the soil of the sod for a minimum thickness of 1 inch. The Contractor shall not use sod from areas where the grass is thinned out, nor where the grass roots have been dried out by exposure to the air and sun to such an extent as to damage its ability to grow when transplanted. The sod shall be free from noxious weeds or other grasses and shall not contain any matter deleterious to its growth or which might affect its subsistence or hardiness when transplanted. Unless the area has been closely pastured, it shall be closely mowed and raked to remove all weeds and long-standing stems. Sources from which sod is to be secured shall be approved by the Engineer.

Care shall be taken at all times to retain the native soil on the roots of the sod during process of excavating, hauling and planting. Sod material shall be kept moist from the time it is dug until planted.

2. Construction Methods: After the designated areas have been completed to the lines, grades and cross sections shown on the Plans and as provided for in other items of this Specification, sodding of the type specified shall be performed in accordance with the requirements hereinafter described.

   a. Block Sodding: All highway slopes over 2% in grade shall be block sodded. All sod blocks shall be carefully placed on the prepared areas. The fertilizer shall then be applied in accordance with the applicable provisions of the Item "Fertilizer" and thoroughly watered. When sufficiently dry, the sodded area shall be rolled or tamped to form a thoroughly compacted, solid mat. Any voids left in the block sodding shall be filled with additional sod and tamped. Surfaces of block sod, which, in the opinion of the Engineer, may slide due to the height and slope of the surface or nature of the soil, shall upon direction of the Engineer, be secured with pegs driven through the sod blocks into firm earth sufficiently close to hold the block sod firmly in place. Edges along curbs, drives, walkways, etc. shall be carefully trimmed and maintained until accepted.

   b. Mulch Sodding: All highway slopes of 2% in grade or less shall receive mulch sodding. The sod source shall be disked in two directions cutting the soil thoroughly to a depth of not less than 4 inches. Sod material shall be excavated to a depth of not less than 4 inches or more than 10 inches being careful to avoid having soil containing no grass roots. The disked sod may be windrowed or otherwise handled in a manner satisfactory to the Engineer. The material shall be rejected if not kept in a moist condition.

      Prior to placing mulch sod, the slopes shall be scarified by plowing furrows 4 inches to 6 inches deep along horizontal slope lines at 2 foot vertical intervals. Fertilizer shall be distributed uniformly over the area in accordance with the Item, "Fertilizer". The sod shall then be dumped upon the prepared area and spread uniformly to a minimum thickness of 4 inches.

      After the sod material has been spread and shaped, it shall be compacted with a corrugated roller of the "Cultipacker" type. All rolling of slope areas shall be on the contour.

G. FERTILIZER: "Fertilizer" shall consist of providing and distributing fertilizer over all areas of construction and in accordance with these specifications.

1. Materials: All fertilizer used shall be delivered in bags or containers clearly labeled showing the analysis. The fertilizer is subject to testing by the State Chemist in accordance with the Texas Fertilizer Law. A pelleted or granulated fertilizer shall be used with an analysis of 13-13-13. The figures in the analysis represent the percent of nitrogen, phosphoric acid and potash nutrients respectively as determined by the methods of the Association of Official Agricultural Chemists.

In the event it is necessary to substitute a fertilizer of a different analysis, it shall be a pelleted or granulated fertilizer with a lower concentration. The total amount of nutrients furnished and applied per acre shall equal or exceed that specified for each nutrient.

2. Construction Methods: Pelleted or granulated fertilizer shall be applied uniformly over the area specified to be fertilized and in the manner directed for the particular item of work. The fertilizer shall be dry and in good physical condition. Fertilizer that is powdered or caked will be rejected. Distribution of fertilizer for the particular item of work shall meet the approval of the Engineer.

   Unless otherwise indicated on the Plans, fertilizer shall be applied uniformly at the average rate of 300 pounds per acre for all types of "Sodding for Erosion Control" and 400 pounds per acre for all types of "Seeding for Erosion Control".

   Watering of fertilizer, sodding and seeds shall be accomplished by the Contractor for a duration until a healthy stand of grass covers the entire area and as approved by the Engineer. Watering shall be a subsidiary item to sodding, seeding or fertilizer.

H. INTENT: The intent of Section E, F and G is for the Contractor to leave all excavated areas along the area or route of construction with a surface growth capable of resisting erosion. A secondary intent is to provide a pleasing appearance once construction is completed. Therefore, the Contractor shall include these items in his bid price at the time of submitting his bid.

I. MEASUREMENT: No separate measurement will be made for the work covered under this section of the Specifications.

J. PAYMENT: The work performed and materials furnished as prescribed by this item will be paid for based on the unit prices bid. These prices shall be full compensation to the Contractor for furnishing all materials, for all preparation, installation and hauling of same and for all labor, tools, equipment, supervision and incidentals to complete the work herein described.

III. EXCAVATION, TRENCHING, BEDDING & BACKFILLING FOR UTILITIES

A. SCOPE OF WORK: The Contract work to be performed under this section of the Specifications includes furnishing all labor, materials, equipment, implements, transportation, supplies and supervision for performing all operations in connection with the excavation, trenching and backfilling for utilities. Items in this section shall be completed in accordance with the applicable specifications and drawings and be subject to terms and conditions of the Contract.

B. GENERAL: This item shall govern all excavation required for construction and for backfilling to the level of the original ground, all in conformity with the locations, lines and grades shown on the plans or as given by the Engineer and in accordance with these specifications. This item shall also govern the necessary pumping or bailing, drainage and all sheathing and bracing of trench walls. Unless otherwise provided, this item shall also govern the removal and disposal of tree stumps and other obstructions, abandoned structures or portions thereof, blocking of the ends of abandoned sewers cut and left in place, restoration of existing utilities, pavements and base courses damaged in the process of excavation, furnishing and placing of stabilized backfill, hauling and disposition of surplus materials, bridging and trenches and other provisions for maintenance of traffic or access as provided herein.

C. EXCAVATION, TRENCHING, BEDDING AND BACKFILLING: Excavation, trenching, bedding and backfilling for utilities shall conform to the following:

1. POLYVINYL CHLORIDE GRAVITY PIPE shall be installed in strict accordance with ASTM D2321.

Trenches shall be backfilled with materials selected from the trench excavation or obtained from other sources, which is free from organic matter, stones of such size as to interfere with compaction and is free from large lumps which will not break down readily under compaction. The Engineer shall have the right to reject any material excavated in such a manner as to produce large lumps not easily broken down or which cannot be spread in loose layers.

D. MEASUREMENT: No separate measurement will be made for excavation, filling and backfilling. Road repair shall be considered subsidiary to pipe installation unless otherwise provided for as a unit bid in the bid proposal titled "Pavement Repair".

E. PAYMENT: No separate payment will be made for excavation, filling and backfilling and all costs in connection with these items shall be included in the Contract price for the item to which the work pertains. Road repair shall be considered subsidiary to pipe installation unless otherwise provided for as a unit bid price in the bid proposal titled "Pavement Repair". This price shall be full compensation to the contractor for furnishing all materials, for all preparation and hauling of same, and for all labor, tools, equipment, supervision and incidentals to complete the work in strict accordance with this specifications and the construction plans.

A. SCOPE OF WORK: The contract work to be performed under this section of the Specifications includes furnishing all labor, materials, equipment, implements, transportation, supplies and supervision for performing all operations in connection with the installation of sewer lines. All items shall be completed in strict accordance with this section of the Specifications and the applicable drawings and subject to the terms and conditions of the Contract.

B. GENERAL: Piping for sewer lines shall be of types and materials specified herein. The interior of the pipe shall be thoroughly cleaned of foreign matter before being lowered into the trench and shall be kept clean during laying operations by plugging or other approved method. The full length of each section of pipe shall rest solidly upon the pipe bed with recesses excavated to accommodate bells and joints. Any pipe that has the grade or joint disturbed after laying shall be taken up and re-laid. Pipe shall not be laid in water or when trench or weather conditions are unsuitable for the work except by permission of the Engineer. When work is not in progress, open ends of pipe and fittings shall be securely closed so that no trench water, earth or other substances will enter the pipes or fittings. Any section of pipe found to be defective before or after laying shall be replaced with sound pipe without additional expense to the Owner. Where pipe ends are left for future connections, they shall be plugged or capped, as directed by the Engineer. The pipe and accessories shall be new and unused.

C. PLASTIC PIPE: This specification designates the requirements for Polyvinyl Chloride Plastic (PVC) Pipe for gravity mains.

1. Materials: PVC pipe and fittings for gravity mains, sizes 18 inches and larger in diameter, shall conform to all the requirements set forth in ASTM F-679 with a PS-115. PVC pipe and fittings for 15 inches in diameter and smaller shall conform to all the requirements set forth in ASTM D-3034 with an SDR of 26 or as noted on the plans.

2. Installation: All PVC pipe shall be installed in accordance with ASTM D-2321. *PVC pipe 18" Ø and larger shall utilize Class I material (crushed stone) for embedment.* Pipe shall be bent to the minimum radius recommended by the manufacturer for the kind, type, grade, wall thickness and diameter of the specified type. During pipe lowering operations, care shall be taken to avoid imposing strains that will overstress or buckle the pipe. Seal lubricant for joints shall be applied in accordance with the pipe manufacturer's recommendations and in accordance with ASTM D-3034 and ASTM D-3212.

   The Contractor shall be responsible for supplying and installing any required adapters or fittings necessary for joining the specified PVC pipe to other pipe or fittings at the locations shown on the Plans at no additional cost to Owner.

   PVC pipe shall be stored so as to prevent damage by crushing or piercing. If stored for any extended length of time, it shall be under cover and not in direct sunlight.

D. MANHOLES: Manholes shall be constructed in accordance with the Plans, Detail Sheets and these Specifications for materials and construction. All manholes shall be tested for leakage and shall meet or exceed all testing requirements.

1. Materials:

   a. Poured-in-Place Manhole Bases: The base shall be poured-in-place and vibrated to assure a monolithic structure free from infiltration. All concrete shall have an average compressive strength at 28 days equal to or greater than 4,000 PSI. A waterstop (Synko-Flex or approved equal) shall be used at all construction joints and pipe penetrations.
   b. Rubber Gasket Precast Reinforced Concrete Manholes with Precast Base shall conform to all requirements set forth in ASTM C-478. All joints shall be sealed with a rubber gasket that conforms with all requirements set forth in ASTM C-443. Precast manhole riser shall be the same diameter as the precast concrete base section - no reducing sections will be allowed. Manholes shall have watertight, size-on-size resilient pipe connectors that conform to all requirements set forth in ASTM C-923.

2. Installation:

   The concrete for manholes shall have an average compressive strength at 28 days equal to or greater than 4,000 PSI. The base shall be poured and vibrated to assure the structure free from infiltration.

   The invert of standard manholes shall be formed in a pattern typical of the wall construction.

   Flow channels equivalent to the diameter of the pipe shall be formed with concrete then troweled to a smooth, even finish with a steel trowel.

   The manhole bottom from wall line to flow channels shall be sloped and troweled smooth on a grade of 1 inch/foot with a liberal radius applied at flow channel intercepts.

   All manholes shall have a 300 pound cast iron or approved ductile iron ring and cover installed in accordance with the detail drawing in the Plans. Precast grade rings shall be used to adjust the ring and cover to final grade.

   If ductile iron rings and covers are used, the Contractor must submit to the Engineer information which shall include, but not be limited to, the following items prior to approval:

   a. Shop drawings including dimensions and weights of each component.
   b. Manufacturer's test results indicating product strength. Strength testing shall adhere to applicable standards.
   c. List of two nearby references where similar installations have been in operation for two years.

   Manhole covers with pick slots shall be used in all locations.

E. SERVICE CONNECTIONS: Service connections shall be supplied and installed in accordance with this section of the Specifications, the applicable detail drawings and at the locations shown on the Plans.

1. Materials: All materials used for service connections shall be 4 inch PVC sewer pipe and fittings, ASTM D-3034 with an SDR of 26.

2. Installation: All service connections shall be installed in accordance with ASTM D-2321 and the applicable detail drawings in the Plans and at the locations shown in the Plans. All service connections will consist of 4 inch diameter PVC pipe including main wye, fittings, cleanouts and any necessary adaptors to connect new service to existing lines.

F. MANHOLE INSERT: NOT APPLICABLE THIS PROJECT. The fiberglass inflow prevention device shall be designed to minimize inflow into the sanitary sewer manhole. The device shall be load tested to withstand 800 pounds outside of traffic areas and 3000 pounds within traffic areas. The inflow prevention device shall be equal to the "Rainstopper" as manufactured by Southwestern Packing and Seals, Inc. The device shall include gasket, relief valve and handle. The handle shall be designed to withstand 500 pounds of force before failure.

G. CLEANUP: Upon completion of the installation of the sewer lines and all appurtenances, the Contractor shall remove all debris and surplus materials resulting from the work.

H. MEASUREMENT: Measurement will be based on the following procedures:

1. Piping: All piping measurements shall be in the form of linear foot measured along the centerline of the ditch as shown on the Plans.

2. Manholes: Each manhole, satisfactorily completed, shall be measured for compliance with depths specified in the Plans.

3. Sewer Services: Sewer services shall be measured complete in place per connection. Each sewer service shall include main wye, fittings, clean outs and adaptors necessary to connect new service to existing system. All fittings and adaptors shall be considered subsidiary to installation of service main.

4. Manhole Inserts: All manhole inserts shall be measured complete in place per insert. Each manhole insert shall include gasket, relief valve and handle.

I. PAYMENT: The work performed and materials furnished as prescribed by this item will be paid for based on the following methods:

1. Piping: Piping shall be paid for based on the unit price bid and measured in accordance with the item "Measurement".

2. Manholes: Manholes shall be paid for based on the unit price bid for each depth and measured in accordance with the item "Measurement".

3. Sewer Services: Sewer Services shall be paid for based on the unit price bid per connection and measured in accordance with the Item "Measurement".

4. Manhole Inserts: Manhole Inserts shall be paid for based on the unit price bid per insert and measured in accordance with the Item "Measurement".

Payments as provided for in this section of the Specifications shall be full compensation to the Contractor for furnishing all materials, supplies, for all preparation, installation and transportation of same and for all labor, tools, equipment, supervision and incidentals to complete the work herein described. Fittings, whether or not shown on the Plans, but necessary for construction, including but not limited to caps, plugs and adaptors, shall not be paid for separately but shall be included in the contract price bid for the item or pipe to which the fittings shall be installed.

V. DRY BORES

A. SCOPE OF WORK: The Contract work to be performed under this section of the Specifications includes furnishing all labor, materials, equipment, implements, transportation, supplies and supervision for performing all work in accordance with the installation of an encasement pipe. All items shall be completed in strict accordance with this section of the Specifications and the applicable drawings and subject to the terms and conditions of the Contract.

B. GENERAL: The following paragraphs shall apply to the construction of a road bore together with the installation of an encasement pipe and carrier pipe, and shall include but not be limited to, the furnishing of all labor, equipment, tools, supplies, supervision and materials to perform the work as described herein and shown on the Plans.

C. ENCASEMENT PIPE:

1. Materials: Encasement pipe shall conform to all requirements set forth in ASTM A139 or ASTM A252 for welded steel pipe, Grade A and be of the diameter and wall thickness as specified on the Plans. Any variation of diameter and wall thickness, as may be required for various types of carrier pipe, shall be approved by the Engineer prior to installation.

2. Installation: The Encasement pipe shall be installed by dry-boring methods only. The boring shall proceed from a pit provided for the boring equipment and workmen. The Contractor shall be responsible for the installation of shoring and braces as needed to prevent cave-in. The location of the pit shall meet the approval of the Engineer.

   The Contractor shall furnish, for the approval of the Engineer, a plan showing his proposed method of handling, arrangement and positioning of boring equipment, type of equipment to be used, pipe guides, etc., complete in assembled position. The approval of this plan by the Engineer will not relieve the Contractor from his responsibility to obtain the results herein or as shown on the Plans.

   Any pipe damaged in boring operations shall be removed and replaced by the Contractor at his expense. The pits or trenches excavated to facilitate boring operations shall be backfilled completely after the boring of the pipe has been completed and approved.

   When boring of pipe is once begun, the operation shall be carried on without interruption, insofar as practicable, to prevent the pipe from becoming firmly set in the embankment.

D. CARRIER PIPE:

1. Materials: Carrier pipes shall conform to all requirements set forth and be of the diameter and material as specified on the Plans and as indicated in the bid proposal.

2. Installation: After the encasement pipe has been installed and approved by the Engineer, the carrier pipe may be pushed or pulled through the completed encasement pipe. HDPE casing spacers, RACI Type or approved equal shall be placed on the carrier pipe, as shown on the Plans, to ensure approximate centering within the encasement pipe and to prevent damage during installation. End seals shall also be installed to seal the encasement pipe.

E. PAYMENT: The work performed and materials furnished as prescribed by this item will be paid for based on the unit price bid. This price shall be full compensation to the Contractor for furnishing all materials, for all preparation and hauling of same, and for all labor, tools, equipment, supervision and incidentals to complete the work, including but not limited to, excavation, backfilling, and disposal of surplus materials. Payment of this item shall exclude the furnishing and installation of the carrier pipe.

VI. SEWER LINE AND MANHOLE TESTING

A. GENERAL: All lines constructed in accordance with these Specifications shall be tested. The Contractor shall utilize one of the procedures explained herein. All completed sections shall be tested prior to final acceptance by the Engineer. All tests shall be performed in the presence of the Engineer or his duly authorized representative.

B. PREPARATION: Prior to performing any test, the Contractor shall pass a sewer cleaning ball through the lines from manhole to manhole to assure that the line is free from defects and debris. Pre-cleaning by high velocity jet or other methods may be necessary.

Tests may be performed prior to installation of the service connections but with the wyes in place. All ends and open fittings shall be plugged to resist the test pressure.

C. GRAVITY SEWER PIPE:

PROCEDURES: The Contractor shall perform a leakage test in accordance with the following procedure:

1. Air Test: This test shall conform to the procedure described in ASTM C-828, ASTM C-924 or other appropriate procedures. For safety reasons, air testing of sections of pipe shall be limited to lines less than 36-inch average inside diameter~~. Lines 36-inch average inside diameter and larger may be air tested at each joint. The maximum time allowable for the pressure to drop from 3.5 pounds per square inch gauge to 2.5 pounds per square inch gauge during a joint test, regardless of pipe size, shall be 20 seconds.~~ For sections of pipe less than 36-inch average inside diameter, the minimum time allowable for the pressure to drop from 3.5 pounds per square inch gauge to 2.5 pounds per square inch gauge shall be computed by the following equation:

T	=	0.0850 (D) (K)/(Q) where T = time for pressure to drop 1.0 pounds per square inch gauge in seconds.
K	=	0.000419DL, but not less than 1.0
D	=	average inside diameter in inches
L	=	length of line of same pipe size in feet
Q	=	rate of loss, assume 00.0015 ft^3/min/sq ft internal surface

Minimum testing time for each pipe diameter are outlined below:

Pipe Diameter	Minimum Time	Length for Minimum Time	Time for Longer Length
(inches)	(seconds)	(feet)	(seconds)
6	340	398	0.855 (L)
8	454	298	1.520 (L)
10	567	239	2.374 (L)
12	680	199	3.419 (L)
15	850	159	5.342 (L)
18	1020	133	7.693 (L)
21	1190	114	10.471 (L)
24	1360	100	13.676 (L)
27	1530	88	17.309 (L)
30	1700	80	21.369 (L)
33	1870	72	25.856 (L)

Any line not meeting this test is presumed to have failed.

D. PRESSURE SEWER PIPE: All pressure pipe installations shall be tested for leakage. Leakage shall be defined as the quantity of water that must be supplied into the pipe, or any valved section thereof, to maintain pressure within 5 pounds per square inch of the specified test pressure after the air in the pipeline has been expelled. The test pressure shall be a minimum of 125 pounds per square inch gauge. The test shall run for a minimum of four (4) hours. The maximum allowable leakage rate shall not exceed 10 gallon/inch of diameter/mile/day. If the quantity of leakage exceeds the maximum amount calculated, remedial action shall be taken to reduce the leakage to an amount within the allowable limit.

E. MANHOLES: Manholes shall be tested for leakage separately and independently of the wastewater lines by hydrostatic exfiltration testing. If a manhole fails a leakage test, the manhole must be made water tight and retested. Manholes shall be tested as follows:

1. For precast concrete manholes with tongue and groove joints, the maximum leakage for hydrostatic testing shall be 0.025 gallons per foot diameter per foot of manhole depth per hour.

2. For manholes designated as watertight (fiberglass or precast concrete manholes with rubber gaskets), the maximum leakage for hydrostatic testing shall be zero (0.000) gallons per foot diameter per foot of manhole depth per hour.

   Hydrostatic exfiltration testing shall be performed by sealing all wastewater lines coming into the manhole with an internal pipe plug, then the manhole shall be filled with water and maintained full for at least one hour. For concrete manholes, a wetting period of 24 hours may be used prior to testing in order to allow saturation of the concrete.

3. Vacuum testing shall be per 30 TAC 217.58(b)(2).

F. DEFLECTION TEST: Deflection Test shall be performed on all flexible or semi-rigid pipe. The test shall be conducted after the final backfill has been in place at least 30 days. No pipe shall exceed a deflection of 5%. If the deflection test is to be run using a rigid ball or mandrel, it shall have a diameter equal to 95% of the inside

diameter of the pipe. The test shall be performed without mechanical pulling devices.

G. ACCEPTANCE OR REJECTION: Any section, after being tested, that fails to meet the allowable pressure loss, leakage requirements or the deflection test established herein shall be rejected. The Contractor shall repair or replace any rejected segment and retest the segment at no additional expense to the Owner.

H. PAYMENT: No separate payment shall be made for testing. All cost associated with this item shall be included in the unit price bid to which the work pertains.

VII. TRENCH SAFETY

A. TRENCH SAFETY SYSTEMS: In accordance with House Bill 662 and House Bill 665, as passed by the 70th Legislature - Regular Session, the contractor shall be required to furnish and utilize a trench safety system. The trench safety system utilized shall meet all requirements of the proposed amendments to OSHA rules and regulations 29 CFR 1926, Subpart P, Excavations. This standard classifies soil types and the corresponding method of protection required, shoring, sloping, benching and blocking. If in the opinion of the Engineer the method being used does not correspond with the soil type encountered then the Engineer will require the Contractor to furnish the appropriate method. The proposed amendments as discussed above can be found in the OSHA handbook.

B. MEASUREMENT: No separate measurement will be made for this bid item – the approximate quantity is shown in the Bid Proposal.

C. PAYMENT: The work performed and materials furnished as described under the item "Trench Safety System" will be paid for based on the unit price bid. This price shall be full compensation to the Contractor for furnishing all materials for all preparation, installation and hauling of same for all labor, tools, equipment, supervision and incidentals to complete the work herein described.

Payment will be based on Bid Proposal quantity and no measurement will be made. Therefore, the Contractor shall make a diligent effort to check the plans to assure himself that they agree with the quantities stated prior to submitting a bid.

TECHNICAL SPECIFICATIONS

STREET CONSTRUCTION

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I. GENERAL REQUIREMENTS

A. SCOPE OF WORK: The Contract work to be performed under these specifications includes the furnishing of all labor, materials, equipment, implements, transportation, supplies and supervision for the complete and satisfactory construction of the City of Jacksonville – TxCDBG CDV23-0193 Sewer Improvements as described herein and as shown on the appendices included herein.

B. PERMITS, CERTIFICATES, LAW AND ORDINANCES: The Contractor shall at his own expense procure all permits, certificates and licenses required of him by law for the execution of the work. He shall comply will all federal, state or local laws, ordinances or rules and regulations relating to the performance of the work.

C. LOCATION: The improvements to be constructed herein are located within Jacksonville, Texas as shown on the location map of the plan sheet.

D. GENERAL:

1. The Contractor shall exercise care when performing paving operations to protect the existing curb and gutter. It shall be the Contractors responsibility to restore the curb and gutter to a condition equal to or better than prior to construction. No separate payment shall be made for this work, but shall be considered a part of and subsidiary to other items of work for the project.

2. The Contractor shall exercise care when performing paving operations to properly cover and protect the surfaces of all manhole covers, valve boxes, etc. It shall be the Contractor's responsibility to restore the surfaces to a condition equal to or better than prior to construction. No separate payment shall be made for this work, but shall be considered a part of and subsidiary to other items of work for the project, unless otherwise noted.

3. The Contractor must use public easement and rights-of-way for execution of the work and will at no time enter onto private property. The City assumes no responsibility for Contractor equipment left on-site at any time.

   The Contractor shall at all times keep the site and structures or facilities thereon, free from accumulation of waste materials, debris or rubbish caused by Contractor's employees or work. At the completion of the work Contractor shall remove from the site all tools, surplus materials, debris and shall leave the site clean. Limit site work and storage to the project site as directed. The Contractor shall restore the project site to a condition equal or better than existed prior to his beginning work. The Contractor shall be responsible for any damage that may occur to the existing improvements and facilities as a result of improper construction procedures or negligent practices. The extent of responsibility will be determined by the Owner and or Engineer.

4. Perform all work in strict accordance with pertinent requirements of these Specifications and, in the event no such requirements are determined, in conformance with the Owners and or Engineer's written direction.

5. Barricades, warning signals, and flagmen (when necessary), shall be provided by the Contractor, and shall be in accordance with the State of Texas Manual of Uniform Traffic Control Devices.

6. Under no circumstances shall any roads or streets be closed without prior approval from the Owner. Contractor, during construction, shall coordinate with businesses to provide access during operating hours. Also, during construction on residential streets, Contractor shall provide emergency access

at all times.

7. Contractor shall notify all affected businesses and residents 24 hours prior to construction on the adjacent road or street. Notification shall be in the form of a leaflet or door-to-door.

8. It is the responsibility of the Contractor to notify and adhere to the requirements of applicable Utility companies. Damages made to any public utility line, cable, etc. will be the sole responsibility of the contractor. Contractor shall notify the appropriate agency(s) necessary for marking all utilities prior to beginning construction.

9. Contractor shall be responsible for the immediate repair of all utilities broken during construction.

10. Contractor shall be responsible for repairing or replacing any curb and gutter damaged during construction.

11. All saw-cut edges shall be considered subsidiary to the unit prices bid and no separate payment will be made.

12. All proposed striping shall be installed in locations exactly as existing striping unless otherwise noted on the Plans. It is the Contractor's responsibility to note the existing striping pattern prior to construction activities.

13. ~~The Owner has identified all areas to be patched, repaired or replaced. The Contractor shall use these markings as guides for their limits of work. Any deviations or changes from these markings must be approved by the Owner.~~

14. Any tree roots exposed during repairs of streets or curb and gutter shall be cut and removed at the back of curb. This work shall be considered subsidiary and no separate payment will be made for this work.

15. Removal of existing materials for new curb & gutters and valley gutters shall be considered subsidiary to other bid items, therefore no separate payment will be made.

16. ~~If residential driveways are constructed of an improved surface (concrete or HMAC) and stop at the right-of-way or property line then the contractor shall pave the area from the edge of the street to the existing improved driveway unless otherwise noted on the Plans.~~

17. The removal of overhead tree limbs and or non-landscaped vegetation in public rights-of-way that inhibit the construction of the roadway or impairs the installation process of hot-mixing operations shall be neatly trimmed, removed and disposed offsite. This debris removal shall be considered subsidiary to the other items of work and no separate payment will be made for this item unless otherwise provided for in the bid proposal.

II. TESTING LABORATORY SERVICES AND QUALITY CONTROL

A. The Contractor shall furnish at his own expense, suitable evidence that all the material he proposes to incorporate into the work are in accordance with the Specifications. Manufacturer's or supplier's test results will be acceptable for such items as pipe and fittings, when it is definite that the materials being furnished are those to which the test results apply. Should the Contractor fail to provide the above information, the Engineer shall have the right to require tests to be made by the Contractors laboratory to obtain the information and the cost shall be borne by the Contractor.

B. Mix designs for asphaltic concrete and for Portland cement concrete shall be furnished by the Contractor at his own expense. Testing and mix design shall be performed by an independent certified testing laboratory approved by the Engineer.

C. In any event, the Engineer may have further tests made by commercial laboratory or may make test himself, to insure that the Specifications are complied with by the Contractor. Cost of these tests will be borne by the Owner unless such tests indicate the material tested fail to meet the specifications. In this case the cost will be borne by the Contractor.

D. Employment of a testing laboratory by the Contractor in no way relieves the Contractor of his obligation to perform the work according to the Contract Documents.

E. Any testing laboratory utilized on the project shall meet "Recommended Requirements for Independent Laboratory Qualifications", latest edition, published by the American Council of Independent Laboratories, and shall be currently state certified.

F. The Contractor shall engage an independent testing laboratory to conduct compacted sub-grade and stabilized subgrade testing. All costs in connection with work performed by the laboratory will be paid by the Contractor.

Field moisture-density tests shall be taken at the rate of one test for each 1000 square yards of sub-grade area or a minimum of three tests, whichever is greater. Thickness determination of the stabilized sub-grade shall be made at random locations.

After the stabilized sub-grade has been compacted and density tests performed; the sub-grade shall be allowed to cure for a period of 72 hours. After 72 hours the entire sub-grade shall be proof-rolled with a heavily loaded vehicle. The vehicle shall have a loaded GVW of 50,000 pounds with a single axle weight of at least 18,000 pounds and a tire pressure of 90 psi. Sub-grade that is pumping or deforming shall be reworked, replaced or otherwise modified to form a smooth, stable, non-yielding base for subsequent paving courses, at no additional cost to the Owner. The Engineer shall be notified at least 48 hours before final proof-rolling.

The results of field density tests, thickness and proof-rolling shall be submitted for approval by the Engineer. Provided all tests are acceptable, the sub-grade will be approved and the next paving course can be placed.

G. The Contractor shall engage an independent testing laboratory to conduct flexible base testing. All costs in connection with work performed by the laboratory will be paid by the Contractor.

At least one sample for each 2000 square yards of base course material placed, with a minimum of two samples, shall be tested to determine gradation and Atterberg limits. Should these tests indicate that the

material does not meet specifications, the material shall be removed and replaced. During placement and compaction, compaction curves will be required for each material used. Field moisture-density tests shall be taken of each lift of material at random locations at approximate intervals of one test for each 1000 square yards of base. Copies of all haul tickets shall be provided to the Engineer.

The results of field density tests shall be submitted to and reviewed by the Engineer. Provided all tests are acceptable, the aggregate base course materials, placement, and compaction will be approved and the next paving course can be placed.

H. The Contractor shall engage an independent testing laboratory to conduct density and thickness testing of the HMAC pavement. All costs associated with this independent testing shall be borne by the Contractor.

DENSITY - Hot mix asphaltic concrete will be accepted for density and depth on a street by street basis. Cores shall be sampled for testing every 500 linear feet of street as marked by the Engineer and a minimum of three (3) tests shall be made for each street unless otherwise determined by the Engineer the amount of HMAC to be placed warrants fewer tests.

Each paved street will be accepted, with respect to density, when the average field density is equal to or greater than 92.0 percent of the average maximum theoretical density (94% to 95% is optimum) as determined in accordance with ASTM D2041, and when no individual determination is less than 89.0 % of the average maximum theoretical density. Cores or sawed samples taken from the pavement will be used to determine the field density. The density of the cored or sawed samples shall be determined in accordance with ASTM D 2726.

When the average field density is less than 92.0 % or when one core is less than 89.0%, the Owner reserves the right to reject the lot of pavement. Any additional work requested by the Owner due to deficiencies shall be accomplished at no additional cost to the Owner.

Specimens used for field density determination shall be carefully crumbled, using heat if necessary, and maximum theoretical density determined in accordance with ASTM D2041. If heating is necessary, the specimen shall be heated to the lowest temperature required for proper preparation of the sample.

The use of nuclear field density determinations shall not be used as the basis for acceptance with respect to density.

THICKNESS - In-place compacted thickness shall not be less than thickness specified on the drawings. If tests results indicate two (2) or more samples are less than the plan specified depth, the Contractor's pay schedule for this item shall be adjusted in accordance with the following table. Deficient samples shall be averaged and used in determining the adjusted payment for HMAC. This collected average shall be applied to the entire street.

Core Thickness (inches)	Payment Adjustment
2 or Greater	100%
1.51 – 1.90	80%
1.50 or less	Rejected

Any one (1) sample that is 1.50" or less in thickness shall be cause for rejection. At the discretion of Owner, the entire street shall receive a tack coat and a minimum 1" overlay; or shall be removed and replaced to the proper thickness until specified thickness of the course is met or exceeded at no additional expense to the Owner.

Coring holes shall be immediately filled with full depth asphalt.

Copies of all haul tickets shall be provided to the Engineer. Should these tests indicate that the material does not meet specifications; the material shall be removed and replaced by the Contractor, at no additional cost to the Owner.

I. The Contractor shall engage an independent testing laboratory to conduct concrete tests on structural concrete and concrete pavement. Unless otherwise informed, the Contractor will be responsible for sampling concrete for test cylinders, recording, and delivering them to the laboratory, providing all materials required, and for making all slump tests in the field directed by the Engineer. All costs in connection with work performed by the laboratory will be paid by the Contractor. The Contractor shall be responsible for the costs of work performed by the laboratory required for redesign of concrete proportions and retesting of in place concrete when cylinders indicate low strength concrete has occurred.

At least one test shall be made on fresh concrete for each seventy-five (75) cu. yd. of each strength of concrete (or fraction thereof) placed on any one day and in any event, not less than one test for each class of concrete each day it is used. Testing shall be done in accordance with the following ASTM Specifications, latest edition:

C172 Standard Method of Sampling Fresh Concrete
C31 Standard Method of Making and Curing Concrete Compression & Flexure Test Specimens in the Field
C39 Standard Method of Test of Compressive Strength of Molded Concrete Cylinders
C143 Standard Method of Slump Test for Consistency of Portland Cement Concrete

Before any concrete is poured, the Contractor shall construct a storage box in accordance with ASTM Specification C31. Each set of tests shall consist of one slump test and four compression test cylinders. All cylinders shall be kept in the storage box for the first 24 hours.

The four cylinders shall be laboratory cured and tested for adequacy of the design for strength of the concrete in accordance with ASTM Specification C31. Two cylinders shall be tested at 7 days and two at 28 days.

1. Failure of Concrete to Meet Strength Requirements: The concrete shall be considered acceptable if, for any one class of concrete, the average of all tests or any five consecutive tests is equal to or greater than the specified strength, provided that no more than one test of the five falls between 90% and 100% of the specified strength. The only cylinders to be used for determination of concrete acceptability will be those laboratory cured and tested at 28 days. When it appears the tests of laboratory-cured cylinders will fail to meet these requirements, the Engineer may require changes in the proportions of concrete for the remainder of the work in order to meet the strength requirements. In addition, the Engineer may also require additional curing not to exceed a total of 21 days on portions of the concrete already poured.

   The Engineer may also require tests in accordance with Methods of Securing, Preparing and Testing Specimen from Hardened Concrete for Compressive and Flexural Strengths (ASTM Specifications C42) when the concrete cylinder tests fail to meet strength requirements. In the event there still is question as to the quality of the concrete in the structure, the Engineer may require load tests for that portion where the questionable concrete has been placed. Such load tests will be made as outlined in Chapter 20 of American Concrete Institute Building Code. (ACI 318-71), and shall be at the expense of the Contractor.

2. Removal of Under Strength Concrete: If the above tests indicate that a particular batch of previously placed concrete is under strength, the Engineer may direct that the under strength batch be removed and replaced. The removal of the under strength concrete shall also include the removal of concrete that has obtained the required strength if the Engineer deems this necessary to obtain structural or visible continuity when the concrete is replaced.

   The removal, and replacement of any under strength concrete, shall be made at no additional cost to the Owner. This shall include any new formwork required or any reinforcing steel that may be required. The Owner shall not be charged any additional costs for any extra work that is required because of the failure of any concrete to meet the minimum test requirements.

3. Mix Designs for Portland cement concrete shall be furnished by the Contractor at his own expense. Testing and mix design shall be performed by an independent certified testing laboratory approved by the Contractor.

III. TEMPORARY TRAFFIC CONTROL

A. SIGNS AND BARRICADES: The Contractor shall provide and install barricades, delineators, warning devices and construction signs in accordance with the State of Texas Manual of Uniform Traffic Control Devices, latest edition.

B. ROAD CLOSURES AND DETOURS: The Contractor shall not close any street or highway without first obtaining the approval of the Engineer and Owner. Barricading, traffic control and detour diagrams shall be submitted by the Contractor as required by the Engineer.

C. ACCESS: At such times as driveways are inaccessible due to the Contractor's work they shall be blocked by two (2) Class II barricades or one (1) Class II barricade and two (2) delineators. Driveways that are ramped or planked for temporary access shall be provided with a barricade or delineator at each side. The Contractor shall give 24-hour notice to affected property owners. All driveways shall be opened for access at the end of each work day unless permission to do otherwise is given in writing by the affected property owners prior to blocking any driveway. Where existing paved or improved driveway surfacing has been disturbed by Contractor's work, Contractor shall place a minimum of 3 inches crushed rock base on the disturbed areas prior to opening the access to traffic. This temporary rock surfacing shall be maintained until permanent repairs have been completed to the driveway. This temporary surfacing shall be at the Contractor's expense and will not be paid for separately.

The Contractor shall provide access for refuse collection on the regularly scheduled days. He shall also facilitate or assist in the collection where such work is hampered by his operation.

The Contractor shall provide flagmen to direct traffic whenever the normal traffic path is obstructed. Such flagmen shall be dressed and equipped in accordance with TxDOT regulations.

D. BARRICADES: The Contractor shall provide and maintain Class II barricades along excavation edges parallel to the flow of traffic at a spacing of twenty five feet (25'). Class II barricades mounted with flashers shall be installed around work areas in parkways and shoulder areas. Class II barricades shall have alternating black and reflectorized white (or yellow) stripes at an angle of 45 degrees. The stripe width shall be four to six inches (4" - 6").

During pavement operations barricades may be supplemented with minimum size eighteen inch (18") high traffic cones and delineators such that spacing between barricades and/or cones or delineators is no greater than twenty-five feet (25'). At all access points such as intersecting streets, alleys and driveways, barricades and/or cones shall be provided at five foot (5') intervals so as to prevent vehicular access to the paving area. Where access from an intersecting street is prohibited, a "Road Closed" sign shall be provided. "No Left Turn" signs shall be provided wherever required by the Engineer.

When one-way access from a side street or alley is permitted, barricades and cones shall be provided at five-foot (5') intervals for a distance of fifty feet (50') on either side of the centerline of the intersecting street or alley.

E. INSUFFICIENT SAFETY DEVICES: Should the Contractor fail to furnish a sufficient amount of traffic and/or pedestrian safety devices, the Owner will place such necessary items and the Contractor shall be liable for the cost of providing such devices. Judgment as to adequate or sufficient barricading shall be that which is adequate or sufficient in the opinion of the Engineer.

F. RELOCATION AND MAINTENANCE: The Contractor shall relocate, preserve and maintain the visibility of all existing signs within the project limits which affect the flow of traffic as directed by the Engineer. Any signs which are damaged or found to be missing during the course of construction shall be replaced by the Contractor at his expense as directed by the Engineer.

During adverse weather or unusual traffic or working conditions; additional traffic devices shall be placed as directed by the Engineer.

G. PAYMENT: No separate payment will be made for this item, unless otherwise stated or referred to in the bid proposal and listed as a unit bid item, but shall be considered subsidiary to the unit bid price for other items and shall include signage, traffic control, lights, barricades, and flagmen necessary to adequately redirect traffic during all phases of construction, all in accordance with TxDOT's Manual of Uniform Control Devices.

IV. UNCLASSIFIED EXCAVATION

A. SCOPE OF WORK: Roadway excavation shall consist of all the required excavation within the limits of the right-of-way and areas adjacent thereto (except excavation specifically described and provided for elsewhere in the specifications), the removal, proper utilization or disposal of all excavated material; and the shaping and finishing of all earthwork in conformity with the lines and grades as shown on the plans or as established by the Owner all in accordance with the specification requirements contained herein.

B. CLASSIFICATION: Without regard to materials encountered, all excavations shall be unclassified and shall be designated as "Unclassified Excavation" which shall include all materials excavated. It is to be distinctly understood that any reference to rock or any other material on the plans, and/or in this specifications is solely for the Owner's and Contractor's information, and is not to be taken as an indication of classification of excavation.

C. CONSTRUCTION METHODS: All excavation shall be in accordance with the lines, grades and typical sections as shown on the plans or as established by the Owner. Unless otherwise shown on the plans or established by the Owner, the excavation shall be made to the existing HMAC pavement and sub-grade of the roadway to the lines and grades as shown on the plans. Where excavation to grades established in the field by the Owner or Engineer would terminate in unstable soil, the Contractor shall remove the unstable soil and backfill to the required grade.

Where excavation to grade established in the field by the Owner or Engineer terminates in loose or solid rock, the Contractor may be required to extend the depth of excavation six inches; and to backfill with on-site select material and compact as required.

The Contractor shall conduct his operation in such a manner that adequate measurements may be taken before any backfill, as required above, is placed.

D. PROVISIONS FOR DRAINAGE: If it is necessary in the execution of the work to interrupt the natural drainage of the surface, or the flow of artificial drains, the Contractor shall provide temporary drainage facilities that shall prevent damage to public or private interest; and shall restore the original drains as soon as the work shall permit.

The Contractor shall be held liable for all damages which may result from neglect to provide for either natural or artificial drainage which his work may have interrupted.

E. EXCESS EXCAVATION: Excavation in excess of that needed for construction shall be disposed of by the Contractor. In general, suitable excess street excavation shall be used in construction, widening of embankments, flattening of slopes, etc.; but, if it becomes necessary to waste any material, it shall be disposed of in such a manner as to present a neat appearance and to not obstruct proper drainage or cause injury to any street improvements or abutting property. The Contractor shall be responsible for the proper disposal of all excess material not to be incorporated into the project.

F. MEASUREMENT: No separate measurement will be made for the work covered under this section of the Specifications unless specifically referred to in the bid proposal as a bid item.

G. PAYMENT: No separate payment will be made for work covered under this Section of the Specifications and all cost in connection therewith shall be included in the contract price for the item to which the work pertains unless otherwise stated or referred to in the bid proposal and listed as a unit bid item.

V. CONCRETE CURB AND GUTTER

A. SCOPE OF WORK: This item shall govern for new and or replacement of curb and gutter, with reinforcing steel, composed of portland cement concrete on approved sub-grade, compacted crushed stone foundation material and finished surface in accordance with the lines and grades established by the Engineer and in conformance with the details shown on the drawings.

B. MATERIALS: All materials shall conform to the pertinent requirements of the following TxDOT Specifications Items:

No. 360, "Concrete Pavement"
No. 420, "Concrete Structures"
No. 421, "Hydraulic Cement Concrete"

Concrete used in conventionally formed and slipformed construction shall be a minimum Class "A" concrete in accordance with TxDOT Specification Item No. 421, unless shown otherwise on the Plans.

Material for expansion joints shall be 1/2" fiberboard.

C. CONSTRUCTION METHODS: For those portions of curb and gutter designated to be replaced, the Contractor shall remove and dispose old curb and gutter and construct a neat straight face on existing curb and gutter to abut the new curb and gutter. After removal or prior to new curb and gutter construction, the sub-grade shall be shaped and compacted as shown on the drawings.

Other construction methods shall be in accordance with TxDOT Specifications Item No. 529.

Backfilling of curb and gutter is required and shall be completed within 12 hours of removing forms to an acceptable condition as determined by the Engineer.

D. MEASUREMENT: Typical catch, spill, and lay-down curb and gutter shall be measured by the linear foot.

E. PAYMENT : The work performed and materials furnished in accordance with this item and measured as provided under “Measurement” will be paid for at the unit price bid for "Concrete Curb and Gutter" of the type specified. This shall be full compensation for in place curb and gutter including sawcuts, removal and disposal of existing concrete curb and gutter and miscellaneous debris, tree root removal, placement of select material to bring sub-grade to the desired elevation, reshaping as required for grading behind new curbs and installation of 6” compacted crushed limestone sub-grade.

VI. SCARIFY, MIX, RESHAPE AND RECOMPACT BLENDED SUBGRADE

A. SCOPE OF WORK: This item shall govern for reworking existing base material (with or without an asphaltic concrete pavement) in accordance with the requirements as herein specified and with the provisions of TxDOT Specifications Item No. 251.

B. CONSTRUCTION METHODS: Scarify and mix existing base and surface course to the depth specified in the plans. Mixing operations shall continue to insure uniformity and until new sub-grade is thoroughly mixed and material gradation is less than 2". The uniform mixed base shall be shaped and compacted to 95 percent of ASTM D 698 (Standard Proctor) density. The moisture content shall be maintained within two percent of optimum moisture.

Contractor shall reshape the newly blended sub-grade and uniformly "Crown" the roadway by moving material from the outer pavement edges to the center section of the street. The complete surface shall provide positive drainage from the centerline to the edges of the completed base. Where curb and gutter is present; the new sub-grade shall be shaped to allow a minimum 2" HMAC pavement course to be applied to match the curb and gutter edge. In no case shall the new pavement be lower than the adjacent concrete curb line.

All excavated and surplus material from scarifying the streets shall be temporarily stockpiled for use on other streets or properly disposed of in accordance with "Unclassified Excavation".

C. MEASUREMENT: No separate measurement will be made for the work covered under this section of the Specifications unless specifically referred to in the bid proposal.

D. PAYMENT: No separate payment will be made for work covered under this Section of the Specifications and all cost in connection therewith shall be included in the contract price for Cement Stabilized Sub-grade.

VII. CEMENT STABILIZED SUBGRADE

A. SCOPE OF WORK: This item shall govern for treating the newly prepared sub-grade by pulverizing, adding cement, mixing, and compacting the material as specified in this item.

B. MATERIALS: Cement shall be in accordance with TxDOT Specifications Item No. 275.

C. CONSTRUCTION METHODS: All sub-grade, as indicated on the plans for pavement reconstruction shall be stabilized with 4.5 pounds of cement per square yard per inch of sub-grade thickness (36 lbs. / sy at 8" depth). All testing for cement stabilized sub-grade shall be in accordance with Section II, TESTING LABORATORY SERVICES AND QUALITY CONTROL. The soil and cement should be thoroughly mixed at the proper moisture content and the mixture should be compacted to a minimum of 95 percent of ASTM D 698 (Standard Proctor) density.

Hydrated cement materials, mixing, processing, compaction, construction, and curing of the cement stabilized subgrade shall be performed in accordance with the provisions of TxDOT Specifications Item No. 275.

D. MEASUREMENT: Cement stabilized sub-grade will be measured by the square yard of surface area to the lines and grades shown on the plans. This is a plan quantity measurement item and no additional measurements will be made. The quantity to be paid is the quantity shown in the Bid proposal. Cement will not be measured separately but shall be considered subsidiary to this item. Contractor shall provide to the Engineer a copy of all cement delivery tickets specific to each street.

E. PAYMENT: The work performed and materials furnished in accordance with this item and measured as provided under "Measurement" will be paid for at the unit price bid for "Cement Stabilized Sub-grade" of the depth specified. No payment will be made for thickness or width exceeding that shown on the plans. This price is full compensation for mixing and shaping existing material, loosening, pulverizing, providing cement, spreading, applying cement, compacting, finishing, curing, curing materials, blading, shaping and maintaining shape, disposing of loosened materials, processing, hauling, preparing secondary sub-grade, water, equipment labor, tools and incidentals.

Cement will not be paid for directly but shall be considered subsidiary to the unit price bid for "Cement Stabilized Sub-grade" of the depth specified.

VIII. HOT MIX ASPHALTIC CONCRETE PAVEMENT

A. SCOPE OF WORK : This item shall govern for the construction of a base and surface course being composed of a compacted mixture of aggregate and asphalt cement mixed hot in a mixing plant, in accordance with the details shown on the plans and the requirements herein.

B. MATERIALS : The design mix shall be "Type D" for all new surfaces unless otherwise specified in the Plans. The design mix shall be in accordance with TXDOT Specifications Item 340. The mix shall have a minimum of 5% asphalt cement content and that the coarse aggregate contain at least 50% by weight of crushed pieces having two or more fractured faces.

The proposed HMAC mix designs shall be submitted for approval at least 7 days prior to placement.

C. CONSTRUCTION METHODS : Shall be in accordance with TXDOT Specifications Item No. 340 and the following:

1. The HMAC shall be compacted to a minimum of 95% of the laboratory molded density and in accordance with Section III, TESTING LABORATORY SERVICES AND QUALITY CONTROL. The contractor will be responsible for providing testing equipment that will verify compliance with density requirements. The Contractor is encouraged to perform rolling patterns at 50-75 ton intervals to establish density control for Contractor's selected equipment.

2. Pavement thickness shall be as shown on the plans. Contractor shall establish strict depth control to obtain the minimum thickness shown on the Plans. Contractor shall reference Section III, TESTING LABORATORY SERVICES AND QUALITY CONTROL for testing procedures for determining pavement thickness.

3. The finished HMAC surface shall be in accordance with the plan details after compaction. Under no circumstances shall new surface be lower than any concrete surface.

4. If in the opinion of the Engineer, the completed in place HMAC does not meet the Specification requirements, the Contractor shall, at his expense, deliver a test example to a reputable testing laboratory for analysis. Failure of the HMAC to meet the Specification requirements shall be cause for rejection and the Contractor shall remove and replace the faulty mix at his own expense.

5. Haul trucks shall obtain a ticket at the HMAC plant, clearly stating the "Type of Mix" and the total weight of the mix loaded on the truck. These tickets shall also show what job the mix was purchased for. It will be the responsibility of the Contractor to provide the Engineer copies of all haul tickets on a <u>DAILY</u> basis for each street completed.

D. COMPACTION :

1. Pneumatic-Tire Roller. The roller shall be an acceptable medium pneumatic tire roller conforming to the requirements of TXDOT Specifications Item No. 210, "Rolling", unless otherwise specified on the plans. Pneumatic-tire rollers used for compaction shall provide a minimum 80 psi ground contact pressure. When used for kneading and sealing the surface only, they shall provide a minimum of 55 psi ground contact pressure.

2. Two-Axle Tandem Roller. This roller shall be an acceptable self-propelled tandem roller weighing not less than 8 tons.

3. Three-Wheel Roller. This roller shall be an acceptable self-propelled three wheel roller weighing not less than 10 tons.

4. Three-Axle Tandem Roller. This roller shall be an acceptable self-propelled three axle roller weighing not less than 10 tons.

5. Trench Roller. This roller shall be an acceptable self-propelled trench roller equipped with a sprinkler for keeping the wheels wet and an adjustable road wheel so that the roller may be kept level during rolling. The drive wheel shall be not less than 20 inches wide. The roller under working conditions shall produce not less than 325 pounds per linear inch of roller width and be so geared that a speed of approximately 1.8 miles per hour is obtained in low gear.

6. Vibratory Steel-Wheel Roller. This roller shall have a minimum weight of 6 tons. The compactor shall be equipped with amplitude and frequency controls and shall be specifically designed to compact the material on which it is used.

E. HMAC INSTALLATION :

1. General. It shall be the responsibility of the Contractor to produce, transport, place and compact the specified paving mixture in accordance with the requirements herein.

The tack coat and asphaltic mixture, when placed with a spreading and finishing machine, shall not be placed when the air temperature is below 50 F and is falling, but it may be placed when the air temperature is above 40 F and is rising.

The asphaltic mixture, when placed with a motor grader, shall not be placed when the air temperature is below 60 F and is falling, but may be placed when the air temperature is above 50 F and is rising.

The air temperature shall be taken in the shade away from artificial heat.

Mat thicknesses of 1-1/2 inches and less shall not be placed when the temperature of the surface on which the mat is to be placed is below 50 F.

Mixtures with lightweight coarse aggregate shall not be placed when the temperature of the surface on which the mat is to be placed is below 50 F.

Additional surface temperature requirements may be shown on the plans.

It is further provided that the tack coat or asphaltic mixture shall be placed only when the humidity, general weather conditions and temperature and moisture condition of the base, in the opinion of the Engineer, are suitable.

If, after being discharged from the mixer and prior to placing, the temperature of the asphaltic mixture is 50 F or more below the selected discharge temperature established by the Engineer, all or any part of the load may be rejected and payment will not be made for the rejected material.

2. Tack Coat. The surface upon which the tack coat is to be placed shall be thoroughly cleaned with a rotary broom or brush to the satisfaction of the Engineer. The surface shall be given a uniform application of tack coat using material Type SS-1 in accordance with TxDOT Specifications Item No. 300, "Asphalts, Oils and Emulsions. This tack coat shall be applied, as directed by the Engineer, with an approved sprayer at a rate not to exceed 0.05 gallon residual asphalt per square yard of surface. All contact surfaces of curbs and structures and all joints shall be painted with a thin uniform application of tack coat. During the application of tack coat, care shall be taken to prevent splattering of adjacent pavement, curb and gutter and structures. The tack coat shall be rolled with a pneumatic tire roller when directed by the Engineer.

3. Transporting Asphaltic Concrete. The asphaltic mixture shall be hauled to the work site in tight vehicles previously cleaned of all foreign material. The dispatching of the vehicles shall be arranged so that all material delivered is placed and all rolling completed during daylight hours unless otherwise shown on the plans. In cool weather or for long hauls, covering and insulating of the truck bodies may be required. If necessary, to prevent the mixture from adhering to the body, the inside of the truck may be given a light coating of release agent satisfactory to the Engineer.

4. Placing.
   a. The asphaltic mixture shall be dumped and spread on the approved prepared surface with the spreading and finishing machine. When properly compacted, the finished pavement shall be smooth, of uniform texture and density and shall meet the requirements of the typical cross sections and the surface tests. In addition, the placing of the asphaltic mixture shall be done without tearing, shoving, gouging or segregating the mixture and without producing streaks in the mat.
      Unloading into the finishing machine shall be controlled so that bouncing or jarring the spreading and finishing machine shall not occur and the required lines and grades shall be obtained without resorting to hand finishing.
      Unless otherwise shown on the plans, dumping of the asphaltic mixture in a windrow and then placing the mixture in the finishing machine with windrow pick-up equipment will be permitted. The windrow pick-up equipment shall be operated in such a manner that substantially all the mixture deposited on the roadbed is picked up and loaded into the finishing machine without contamination by foreign material. The windrow pick-up equipment will be so operated that the finishing machine will obtain the required line, grade and surface without resorting to hand finishing. Any operation of the windrow pick-up equipment resulting in the accumulation and subsequent shedding of accumulated material into the asphaltic mixture will not be permitted.

   b. When approved by the Engineer or Owner, level-up courses may be spread with a motor grader.

   c. The spreading and finishing machine shall be operated at a uniform forward speed consistent with the plant production rate, hauling capability, and roller train capacity to result in a continuous operation. The speed shall be slow enough that stopping between trucks is not ordinarily required. If, in the opinion of the Engineer, sporadic delivery of material is adversely affecting the mat, the Engineer may require paving operations to cease until acceptable methods are provided to minimize starting and stopping of the paver.
      The hopper flow gates of the spreading and finishing machine shall be adjusted to provide an adequate and consistent flow of material. These shall result in enough material being delivered to the augers so that they are operating approximately 85 percent of the time or more. The augers shall provide means to supply adequate flow of material to the center of the paver. Augers shall supply an adequate flow of material for the full width of the mat, as approved by

the Engineer. Augers should be kept approximately one-half to three-quarters full of mixture at all times during the paving operation.

d. When the asphaltic mixture is placed in a narrow strip along the edge of an existing pavement, or used to level up small areas of an existing pavement, or placed in small irregular areas where the use of a finishing machine is not practical, the finishing machine may be eliminated when authorized by the Engineer.

e. Adjacent to flush curbs, gutters and structures, the surface shall be finished uniformly high so that when compacted it will be slightly above the edge of the curb or structure.

f. Construction joints of successive courses of asphaltic material shall be offset at least 6 inches. Construction joints on surface courses shall coincide with lane lines, or as directed by the Engineer.

g. If a pattern of surface irregularities or segregation is detected, the Contractor shall make an investigation into the causes and immediately take the necessary corrective action. With the approval of the Engineer, placement may continue for no more than one full production day from the time the Contractor is first notified and while corrective actions are being taken. If the problem still exists after that time, paving shall cease until the Contractor further investigates the causes and the Engineer approves further corrective action to be taken.

5. Compacting.

a. The pavement shall be compacted thoroughly and uniformly with the necessary rollers to obtain the compaction and cross section of the finished paving mixture meeting the requirements of the plans and specifications.

b. When rolling with the three-wheel, tandem or vibratory rollers, rolling shall start by first rolling the joint with the adjacent pavement and then continue by rolling longitudinally at the sides and proceed toward the center of the pavement, overlapping on successive trips by at least one foot, unless otherwise directed by the Engineer. Alternate trips of the roller shall be slightly different in length. On super-elevated curves, rolling shall begin at the low side and progress toward the high side, unless otherwise directed by the Engineer.

When rolling with vibratory steel-wheel rollers, equipment operation shall be in accordance with TXDOT Specifications Item No. 210, "Rolling", and the manufacturer's recommendations, unless otherwise directed by the Engineer. Vibratory rollers shall not be left vibrating while not rolling or when changing directions. Unless otherwise shown on the plans or approved by the Engineer, vibratory rollers shall not be allowed in the vibrating mode on mats with a plan depth of less than 1-1/2 inches.

The motion of the rollers shall be slow enough to avoid other than usual initial displacement of the mixture. If any displacement occurs, it shall be corrected to the satisfaction of the Engineer. The roller shall not be allowed to stand on pavement which has not been fully compacted. To prevent adhesion of the surface mixture to the steel-wheel rollers, the wheels shall be kept thoroughly moistened with water, but an excess of water will not be permitted. Necessary precautions shall be taken to prevent the dropping of diesel, gasoline, oil, grease or other foreign matter on the pavement, either when the rollers are in operation or when standing.

c. The edges of the pavement along curbs, headers and similar structures, and all places not accessible to the roller, or in such positions as will not allow thorough compaction with the rollers, shall be thoroughly compacted with lightly oiled tamps.

d. Rolling with a trench roller will be required on widened areas, in trenches and other limited areas where satisfactory compaction cannot be obtained with the approved rollers.

6. In-Place Compaction Control. In-place compaction control is required for all mixtures. Unless otherwise shown on the plans, air void control shall be required.

a. Air Void Control. The Contractor shall be responsible for determining the number and type of rollers to be used to obtain compaction to within the air void range required herein. The rollers shall be operated in accordance with the requirements of this specification and as approved by the Engineer.

Unless otherwise shown on the plans, rolling with a pneumatic-tire roller to seal the surface shall be provided. Rolling with a tandem or other steel-wheel roller shall be provided if required to iron out any roller marks.

Asphaltic concrete shall be placed and compacted to contain from 5 to 9 percent air voids. The percent air voids will be calculated using the maximum theoretical specific gravity of the mixture determined according to Test Method Tex-227-F. Roadway specimens, which shall be either cores or sections of asphaltic pavement, will be tested according to Test Method Tex-207-F. The nuclear-density gauge or other methods which correlate satisfactorily with results obtained from project roadway specimens may be used when approved by the Engineer. Unless otherwise shown on the plans, the Contractor shall be responsible for obtaining the required roadway specimens at his expense and in a manner and at locations selected by the Engineer.

If the percent air voids in the compacted placement is greater than 9 percent but is 10 percent or less, production may proceed with subsequent changes in the construction operations and/or mixture. If the air void content is not reduced to between 5 and 9 percent within one production day from the time the Contractor is notified, production shall cease. At that point, a test section as described below shall be required.

If the percent air voids is more than 10 percent, production shall cease immediately and a test section shall be required as described below.

In either case, the Contractor shall only be allowed to place a test section of one lane width, not to exceed 0.2 mile in length, to demonstrate that compaction to between 5 and 9 percent air voids can be obtained. This procedure will continue until a test section with 5 to 9 percent air voids can be produced. Only two (2) test sections per day will be allowed. When a test section producing satisfactory air void content is placed, full production may then resume.

Increasing the asphalt content of the mixture in order to reduce pavement air voids will not be allowed.

If the percent air voids is determined to be below 5 percent or greater than 9 percent, immediate adjustments shall be made to the plant production and placement qunatities by the Contractor, as approved by the Engineer, within the tolerances as outlined in TXDOT Specifications Item No. 340.4.C, so that an adequate air void level results.

The Contractor is encouraged to perform supplemental compaction testing for his own information.

b. Ordinary Compaction Control. When the requirement of air void control has been removed by plan note, one (1) three-wheel roller, one (1) pneumatic-tire roller, and one (1) tandem roller shall be furnished for each compaction operation except as provided below or approved by the Engineer. The use of a tandem roller may be waived by the Engineer when the surface is already adequately smooth and further steel-wheel rolling is shown to be ineffective. With approval of the Engineer, the Contractor may substitute a vibratory roller for the three-wheel roller and/or the tandem roller. Use of at least one (1) pneumatic-tire roller is required.

Additional or heavier rollers shall be furnished if required by the Engineer.
Rolling patterns shall be established by the Contractor as outlined in Test Method Tex-207-F, Part IV, to achieve the maximum compaction, unless otherwise directed by the Engineer. The selected rolling pattern shall be followed unless changes in the mixture or placement conditions occur which affect compaction. When changes in the mixture or placement conditions occur, a new rolling pattern shall be established.

c. Compaction Cessation Temperature. Regardless of the method required for in-place compaction control, all rolling for compaction shall be completed before the mixture temperature drops below 175 F.

7. Ride Quality. Unless otherwise shown on the plans, Ride Quality will be required in accordance with Item 585, "Ride Quality for Pavement Surfaces".

8. Opening to Traffic. The pavement shall be opened to traffic when directed by the Engineer. The Contractor's attention is directed to the fact that all construction traffic allowed on the pavement open to the public will be subject to the State laws governing traffic on highways.

If the surface ravels, flushes, ruts or deteriorates in any manner prior to final acceptance of the work, it will be the Contractor's responsibility to correct this condition at his expense, to the satisfaction of the Engineer and in conformance with the requirements of this specification.

F. MEASUREMENT : "HMAC Pavement" will be measured by the square yard, at the specified depth, of the type used in the completed and accepted work in accordance with the plans and specifications. This is a plan quantity measurement item and no additional measurements will be made. The quantity to be paid is the quantity shown in the Bid proposal. Additionally Contractor shall engage an independent testing laboratory to core the new HMAC pavement to verify the density and in-place thickness.

G. PAYMENT : The work performed and materials furnished in accordance with this item and measured as provided under "Measurement" will be paid for at the unit price bid for "HMAC Pavement" of the type specified. This shall be full compensation for all materials, additives, freight, heating, mixing, hauling, cleaning, tack coat, placing, rolling and finishing, asphaltic concrete and all manipulations, tools, equipment and incidentals necessary to complete the work.

If in the opinion of the Engineer and as determined by the core samples the desired thickness is less than specified on the Plans; Engineer shall adjust Contractors payment in accordance with Section II, TESTING LABORATORY SERVICES AND QUALITY CONTROL.

IX. PRIME COAT

A. SCOPE OF WORK : This item provides for the furnishing and installing of a prime coat on the completed base course as shown on the plans and directed by the Engineer.

B. MATERIALS : The material to be used shall be MC-30 in accordance with TXDOT Specifications Item No. 300.

C. CONSTRUCTION METHODS : The prime coat shall be applied at a rate of .25 gallons per square yard. All construction methods shall be in accordance with TXDOT Specifications Item No. 310.

The Contractor shall exercise care in applying the prime coat to prevent over spray from coming into contact with the curb and gutter and an existing private property. The Contractor shall be responsible for cleaning all surfaces that are contacted by the application of the prime coat. Excessive application of the MC-30 that does not penetrate shall be uniformly sanded and broomed so as to prevent tracking by vehicles onto adjacent pavements. This item shall be approved by the Engineer or Owner prior to hot mix application.

D. MEASUREMENT : “Prime Coat” will be measured by the square yard, used in the completed and accepted work in accordance with the plans and specifications. This is a plan quantity measurement item and no additional measurements will be made. The quantity to be paid is the quantity shown in the Bid proposal.

E. PAYMENT : The work performed and materials furnished in accordance with this item and measured as provided under “Measurement” will be paid for at the unit price bid for "Prime Coat".

X. UTILITY COVER ADJUSTMENTS

A. SCOPE OF WORK: This item shall govern for adjusting existing manhole, water or drainage inlet covers as shown on the plans and in accordance with this Item or as directed by the Engineer. Subject to the approval of the engineer, prefabricated metal extension rings shall be furnished by the Contractor for the adjustment of all utility covers. Drainage junction boxes will be classified as manholes.

B. MATERIALS: Manholes or inlet rings, plates, grates and covers, and brick in good condition, removed from the manholes and inlets in the process of abandonment, capping or adjustments, may be reused. Additional materials when required shall conform to the pertinent provisions of TxDOT Specification Item 465, "Manholes and Inlets".

C. CONSTRUCTION METHODS: Manholes or inlet rings, covers, plates, and grates shall be removed carefully and the contact areas shall be cleaned of all mortar and grease. Rings, covers, plates, or grates broken in the process of removal and cleaning shall be replaced by the Contractor at his expense.

When prefabricated metal extension rings are furnished, they may be either single piece or multiple piece as necessary for the amount of adjustment. They shall be installed in accordance with the manufacturer's instructions.

If the adjustment involves lowering the top of a manhole, or inlet, a sufficient depth of brick courses or concrete shall be removed to permit reconstruction on a batter not exceeding one (1) inch horizontal to two (2) inches vertical. In the case of brickwork, the mortar shall be cleaned from the top course of brick remaining in place and from all brick to be reused and the manhole or inlet rebuilt to the original top dimensions. The manhole or inlet ring, cover, plate, or grate shall then be installed with the top conforming to the proposed new surfaces.

If the adjustment involves raising the elevation of the top of a manhole or inlet, the top surface of brick or concrete shall be cleaned and built up vertically to the new elevation using new brick, brick salvaged from other manholes or inlet adjustments, concrete rings or Class "A" concrete, and the ring, cover, plate, or grate installed with the top conforming to the proposed new surfaces.

When capping of an inlet or manhole is required, it shall be removed to a minimum of one (1) foot below subgrade elevation or as otherwise indicated on the plans, and capped as shown on the plans.

All work shall be in accordance with TxDOT Specification Item 465, "Manholes and Inlets"

Excavation and backfill shall conform to TxDOT Specification Item 400, "Excavation and Backfill for Structures".

~~D. MEASUREMENT: Utility covers adjusted, or capped as prescribed above, will be measured as each is adjusted.~~

~~E. PAYMENT: The work performed and materials furnished on accordance with this item and measured as provided under "Measurement" will be paid for at the unit price bid for Utility Cover Adjustment. This price shall be full compensation for furnishing all required materials, including backfill as required, excavation, tools, labor, equipment, and incidentals required to complete the work.~~

XI. CLEANUP

A. SCOPE OF WORK: The Contractor shall furnish all labor, equipment, materials and incidentals to restore any disturbed or damaged surfaces and/or items to a condition equal to or better than that which existed before work began. The Contractor shall leave the construction site clean.

B. CONSTRUCTION METHODS: As soon as the work is completed in any area, the Contractor shall, to the satisfaction of the Owner, clean the construction site and any adjoining areas used by Contractor and shall make any restorations necessary to leave the site in a condition equal to or better than prior to construction. This work shall be done without any additional expense to the Owner.

The Contractor shall restore and/or replace any paving, curbing, sidewalks, culverts, gutters, shrubbery, or other plants, fences, sod or other disturbed surfaces or structures. The size, thickness, strength, texture, or condition of restored items shall be equal to that which existed before work began, all to the satisfaction of the Owner.

Private roads used by the Contractor shall be restored to former condition to the satisfaction of the Engineer.

Any rock, including loose rock having a dimension three inches or more, encountered by the grading, trenching or boring operations, not backfilled according to the specifications, shall be removed from the construction site and disposed of at locations and in a manner that is satisfactory to the Engineer.

Unless directed otherwise by the Owner, all materials used for providing temporary roadways for construction equipment shall be removed and disposed of.

All debris, pavement and excess earth from excavations shall be removed and disposed of by the Contractor in a manner satisfactory to the Owner.

If the Contractor attempts to perform cleanup operations during adverse weather or wet ground conditions, the Contractor shall assume full risk of acceptance and the Contractor may required to again perform such cleanup at the Contractor's expense in order to meet the required standard of normal dry weather cleanup.

At no time during the progress of the work shall the completed cleanup operation be a greater distance behind the completed work than is deemed advisable by the Owner. It is the intent of this specification that site cleanup be a continuous effort and the Contractor is expected to take whatever measures are required to keep the site clean.

Before the final acceptance of the project, the entire project site shall be cleared of all surplus and waste materials from the work and otherwise restored to a condition equal to or better than that which existed before the work began.

C. PAYMENT: No separate or extra payment will be made for restoration and clean up. It shall be included in the prices bid for the various items of work.

APPENDIX

PROJECT SIGN

The Contractor shall erect a temporary project sign in a prominent location at each project site within the locality as directed by Owner and Engineer. The sign shall be a minimum size of 2' x 2' and constructed of wood or similar material. Sign shall be painted white with black lettering no smaller than ½". The wording shall be as follows (verify with Engineer prior to fabrication):

> "This project is funded by the Texas Department of Agriculture with funds allocated by the U.S. Department of Housing and Urban Development through the Community Development Block Grant Program."

CITY OF JACKSONVILLE, TEXAS

SEWER IMPROVEMENTS

Tx CDBG CDV23-0193

FEBRUARY 2026

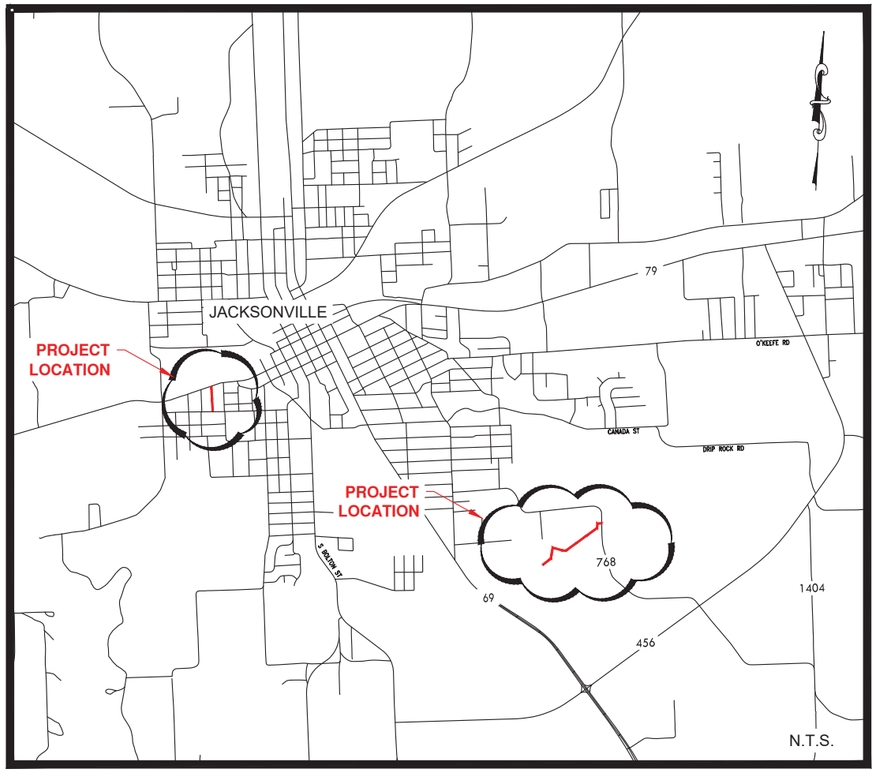
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MAYOR
RANDY GORHAM

CITY COUNCIL
MINDY GELLOCK
ROB GOWIN
TIM MCRAE
LETITIA HORACE

CITY MANAGER
JAMES HUBBARD

DIRECTOR OF PUBLIC AND COMMUNITY SERVICES
RANDALL CHANDLER



SUBMITTED BY:
STOKES & ASSOCIATES, INC.

STATE OF TEXAS
STEVEN B. WICK
78475
REGISTERED
PROFESSIONAL ENGINEER
2/17/26

STEVE WICK, P.E.

BY	CHK.	APP.	DATE
SBC	SBW	SBW	2/17/26
SBC	SBW	SBW	2/11/26

NO.	REVISION
1	ISSUE FOR BID
0	ISSUE FOR REVIEW
MK.	

CHEROKEE COUNTY, TEXAS

PROJECT NO.: 030-2423

SHEET IDENTIFICATION: C-001

CITY OF JACKSONVILLE
CDBG SEWER IMPROVEMENTS
COVER SHEET

File Name & Layout Name: *Cover Sheet.dwg/C-001*

CITY OF JACKSONVILLE

DWN BY: SBC DATE: XX/XX/XX
CHK BY: SBW DATE: XX/XX/XX

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General Construction

1. Contractor shall contact state notification centers at the numbers below, for utility locate request(s), at least 48 hours prior to beginning excavation.

   One-Call System of Texas: 1-800-545-6005
   Dig Tess: 1-800-344-8377
   Lone Star Notification: 1-800-669-8344
   Texas One-Call: 1-800-245-4545

2. Contractor shall also contact the local public works department, for utility locate request(s), at least 48 hours prior to beginning excavation.

3. Existing utility locations shown on the plans are approximate. The Contractor is hereby notified that all existing buried utilities may or may not be shown and that the Contractor is responsible for locating and repairing any utilities damaged as a result of construction operations.

4. Prior to beginning construction, Contractor shall prepare, or obtain a copy of, a Stormwater Pollution Prevention Plan (SWPPP), if necessary, in accordance with United States Environmental Protection Agency (USEPA) requirements and file a Notice of Intent (NOI). Contractor shall be responsible for all filing fees required by the Texas Commission on Environmental Quality (TCEQ). Contractor shall maintain the SWPPP notebook and weekly reports onsite at all times in compliance with USEPA and TCEQ requirements. Maintenance of erosion control measures and required reporting shall be continuous throughout construction. Preparation of the SWPPP and maintenance of the erosion control measures shall be subsidiary to the overall project cost unless provided for otherwise.

5. Contractor shall seed and fertilize all areas disturbed by construction in order to establish permanent vegetation in accordance with the Stormwater Pollution Prevention Plan and the Technical Specifications. Contractor shall restore construction limits to original or better condition to ensure proper drainage.

6. Contractor shall incorporate the use of a trench box or other acceptable safety system in any trench that exceeds five (5) feet in depth. The box or safety system shall meet all OSHA requirements.

7. Contractor shall use care when working on private property to not damage grass, trees, shrubs, etc. outside the immediate working area of the proposed pipe installation. All items damaged or removed by the Contractor as a result of construction procedures shall be replaced and all costs shall be borne by the Contractor.

8. All improved roadways/driveways surfaced with gravel, oiled sand or crushed stone that are damaged shall be repaired with like materials. As a minimum, the repaired section shall contain at least 6" of compacted like material.

9. Contractor on job site must have a copy of all Texas Department of Transportation (TxDOT) construction permit(s), when applicable, and be fully aware of the requirements contained therein when working within state highway right-of-way.

10. Contractor shall provide traffic control, lights, barricades, signage, etc. and protect open trenches in accordance with TxDOT's Manual of Uniform Traffic Control Devices (MUTCD), latest revision.

11. Operations along highways or public streets shall be performed in such a manner that all excavated materials be kept off the pavement at all times, as well as all operating equipment.

12. All boring pits shall be closed the same day they are opened if at all possible. Any pit left open overnight shall be properly barricaded in accordance with TxDOT guidelines and OSHA.

13. Contractor shall sawcut all pavement surfaces encountered, with the exception of those located within TxDOT right-of-way, unless shown otherwise. Contractor shall only remove that portion of paved area required to install the proposed improvements. Cutting, removal, disposal, repair, and replacement shall be considered subsidiary to overall project cost unless provided for otherwise. Paved surfaces within TxDOT right-of-way shall be bored unless directed otherwise by the Engineer.

14. Contractor shall bore (without casing pipe) all improved driveways, streets, and parking areas unless shown otherwise.

15. Where open trench operations cause traffic flow problems, the Contractor shall notify all area business and residential property owners at least 48 hours prior to beginning construction.

16. Contractor shall provide access across trench(es) to all business and residential properties at all times.

17. Trench backfill shall be installed with mechanical tamp for full depth of the trench when working in pavement sections. Contractor shall compact backfill in maximum 6" lifts.

18. Any and all driveways damaged due to construction operations shall be repaired immediately.

19. During construction all existing utilities (mains, laterals, and service connections) are to remain in service. If there is a conflict between the grades of existing and proposed improvements the Contractor shall immediately notify the Engineer of the conflict.

20. Contractor shall exercise caution when working in the vicinity of landscape sprinkler systems. All sprinkler systems damaged due to construction operations shall be repaired immediately by the Contractor at no additional cost to the Owner.

21. Sprinkler systems found to be in conflict with proposed improvements shall be adequately capped and repaired upon completion of construction. This repair shall be considered subsidiary to the overall project cost unless provided for otherwise.

22. No additions or deletions to the construction shall be made without prior approval of the Owner, Engineer, and City. Any changes made without approval may result in non-payment for the materials and labor associated with the added or deleted work.

23. Engineer shall provide horizontal and vertical control for construction staking by contractor.

Sanitary Sewer Construction

1. Sanitary sewer construction shall meet the requirements of Title 30 of the Texas Administrative Code Chapter 217 "Design Criteria for Domestic Wastewater Systems".

2. During construction, the existing sewer main, laterals, and service connections are to remain in service. If there is a conflict with grades of existing lines, Contractor shall provide by-pass piping or other means acceptable to the Engineer and City around construction of new sewer main. Once the new sewer main is accepted by the Engineer and the Owner as operational, Contractor shall connect the existing laterals and service connections to the new sewer main with minimal loss of sanitary sewer service.

3. Contractor shall plug with concrete all sewer mains to be abandoned. Concrete plugs shall be installed in all abandoned lines at each abandoned manhole.

4. Manholes to be abandoned shall be backfilled and the top demolished a minimum of 24 inches below finished grade. Contractor shall salvage all rings and covers and deliver them to Owner.

5. Contractor shall adjust all manhole and clean-out covers to match finished pavement when located within a paved area.

6. Contractor shall install tracer wire on all PVC sewer mains. Installation of tracer wire shall be considered subsidiary to pipe installation.

7. When connecting proposed gravity sewer mains to existing manholes, the Contractor shall rebuild the invert(s) of the existing manhole to ensure proper flow through the manhole between the proposed invert(s) and the existing invert(s) to remain in service.

8. 30 TAC 217.53 (d) – Separation distances between public water supply pipes and wastewater collection system pipes or manholes.

   (1) Collection system pipes must be installed in trenches separate from public water supply trenches.
   (2) Collection system pipes must be no closer than nine feet in any direction to a public water supply line.
   (3) If a nine-foot separation distance cannot be achieved, the following guidelines will apply.
      (A) If a collection system parallels a public water supply pipe the following requirements apply.
         (i) A collection system pipe must be constructed of cast iron, ductile iron, or PVC meeting ASTM specifications with at least a 150 pounds per square inch (psi) pressure rating for both the pipe and joints.
         (ii) A vertical separation must be at least two feet between the outside diameters of the pipes.
         (iii) A horizontal separation must be at least four feet between outside diameters of the pipes.
         (iv) A collection system pipe must be below a public water supply pipe.
      (B) If a collection system pipe crosses a public water supply pipe, the following requirements apply:
         (i) If a collection system is constructed of cast iron, ductile iron, or PVC with a minimum pressure rating of 150 psi, the following requirements apply:
      (I) A minimum separation distance is six inches between outside diameters of the pipes.
      (II) A collection system pipe must be below a public water supply pipe.
      (III) Collection system pipe joints must be located as far as possible from an intersection with a public water supply line.
         (ii) If a collection system pipe crosses under a public water supply pipe and the collection system pipe is constructed of acrylonitrile butadiene styrene (ABS) truss pipe, similar semi-rigid plastic composite pipe, clay pipe, or concrete pipe with gasketed joints, the following requirements apply:
      (I) A minimum separation distance is two feet.
      (II) If a collection system pipe is within nine feet of a public water supply pipe, the initial backfill around the collection system pipe must be:
            (-a-) sand stabilized with two or more 80 pound bags of cement per cubic yard of sand for any section of collection system pipe within nine feet of a public water supply pipe.
            (-b-) installed from one quarter of the diameter of the collection system pipe below the centerline of the collection system pipe to one pipe diameter (but not less than 12 inches) above the top of the collection system pipe.
         (iii) If a collection system crosses over a public water supply pipe, one of the following procedures must be followed:
      (I) Each portion of a collection system pipe within nine feet of a public water supply pipe must be constructed of cast iron, ductile iron, or PVC pipe with at least a 150 psi pressure rating using appropriate adapters.
      (II) A collection system pipe must be encased in a joint of at least 150 psi pressure class pipe that is:
            (-a-) centered on the crossing;
            (-b-) sealed at both ends with cement grout or manufactured seal;
            (-c-) at least 18 feet long;
            (-d-) at least two nominal sizes larger than the wastewater collection pipe; and
            (-e-) supported by spacers between the collection system pipe and the encasing pipe at a maximum of five-foot intervals.
   (4) Public water supply pipe and collection system manhole separation.
      (A) Unless collection system manholes and the connecting collection system pipe are watertight, as supported by leakage tests showing no leakage, they must be installed a minimum of nine feet of horizontal clearance from an existing or proposed public water supply pipe.
      (B) If a nine-foot separation distance cannot be achieved, the requirements in paragraph (3) of this subsection apply.

Street Construction

1. Contractor shall remove and dispose of all surplus reclaimed asphalt pavement (RAP) not incorporated into the Project on construction that involves rework of existing base courses.

2. Contractor shall stockpile all salvageable roadway excavation for use as "sholdering" pavement edges on non curbed streets, flattening of slopes, repair of unstable subgrade or for miscellaneous grading as required to ensure proper drainage.

3. Contractor shall provide & maintain temporary mailboxes, when necessary, during construction. Contractor shall be responsible for coordination of temporary mailboxes with the local Post Master General. Temporary mailboxes shall meet all applicable postal codes and shall be placed at a location acceptable to the Post Master General. Temporary mailboxes shall be considered subsidiary to street construction and no extra payment shall be made unless otherwise provided.

4. Contractor shall sequence all construction activities so as to minimize any and all street closures.

5. Contractor shall periodically water the work zone(s) for the purpose of dust control.

6. Contractor shall ensure that the street under construction shall remain passable at all times to local residential traffic and emergency services vehicles.

7. All elevations shown on the plans are centerline of finished pavement unless noted otherwise.

8. All utility covers (manholes, valve boxes, etc.) in paved areas shall be adjusted to be flush with finished surfaces.

9. Contractor shall ensure that all driveway surfaces transition to match the grade of the finished street. All driveways shall be constructed in accordance with the typical detail unless noted otherwise.

10. Contractor is hereby notified that no additional measurements will be made for asphalt, prime, stabilized subgrade or concrete. Contractor may take measurements prior to bidding and make necessary adjustments to his bid pricing for completion of the work.

11. Contractor shall use care when installing cement treated subgrade, prime and tack coats to not damage or mark curbs, utility covers, sidewalks and private property. Contractor will be required to completely remove all cement and petroleum product residue that damages public/private property at no additional cost to the Owner.

12. The Contractor shall provide access for garbage collection on the regularly scheduled days. He shall also facilitate or assist in the collection where such work is hampered by Contractor's work.

13. The Contractor shall clean and clear all existing curb and gutter from any and all debris and dispose accordingly. This work shall be considered subsidiary to other items of work.

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LEGEND

LINE OBJECTS	LINE TYPE	SYMBOL NAME	EXISTING	PROPOSED
CULVERT		BENCHMARK		
DITCH FLOWLINE		SOIL BORE		
DITCH HIGH BANK		IRON ROD FOUND		
EASEMENT (TYPICAL – AS NOTED)		IRON PIPE FOUND		
FENCE – BARBED WIRE	X	RIGHT-OF-WAY MARKER		
FENCE – CHAIN LINK	O	MAIL BOX		
FENCE – WOOD	//	SIGN		
PAVEMENT – EDGE OF ASPHALT	//// ////	LIGHT POLE		
PAVEMENT – CENTERLINE		GAS METER		
PAVEMENT – BACK OF CURB		GAS VALVE		
PAVEMENT – GUTTER FLOWLINE		POWER POLE		
PIPELINE (GENERIC)		GUY WIRE & ANCHOR		
PROPERTY/RIGHT-OF-WAY LINE		ELECTRIC VAULT	P	P
FIBER OPTIC CABLE	FO	TRANSFORMER (PAD)		
FORCE MAIN LINE	FM	TELEPHONE RISER		
GAS LINE	GAS	TELEPHONE VAULT	T	T
SANITARY SEWER LINE	S	FIRE HYDRANT		
STORM SEWER LINE	SS	WATER METER		
OVERHEAD TELEPHONE LINE	TEL	GATE VALVE		
UNDERGROUND TELEPHONE LINE	UGT	AIR RELEASE VALVE		
OVERHEAD ELECTRIC LINE	OHE	CHECK VALVE		
WATER LINE	W	SEWER CLEAN-OUT		
INDEX CONTOUR – EXISTING	###	SEWER MANHOLE		
INTERMEDIATE CONTOUR – EXISTING		RIP-RAP		
INDEX CONTOUR – PROPOSED	###	SHRUB		
INTERMEDIATE CONTOUR – PROPOSED		TREES		

MK.	REVISION	BY	CHK.	APP.	DATE
0	ISSUE FOR BID	SBC	SBW	SBW	2/17/26

SEAL:

STATE OF TEXAS
STEVEN B. WICK
78475
REGISTERED
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2/17/26

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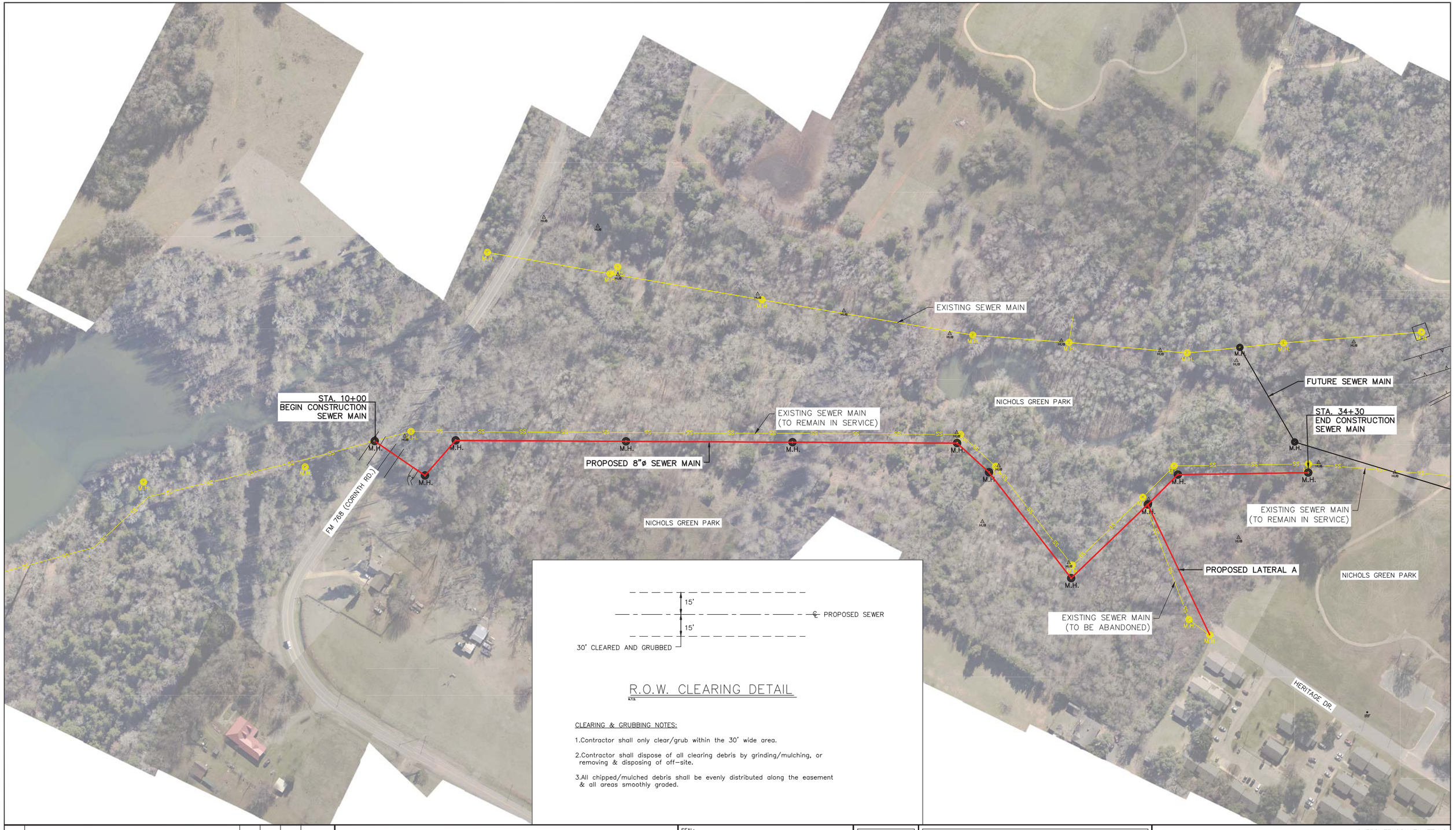
CITY OF JACKSONVILLE CHEROKEE COUNTY, TEXAS

CITY OF JACKSONVILLE
CDBG SEWER IMPROVEMENTS
GENERAL NOTES & TABLE OF CONTENTS

PROJECT NO.: 030-2423

SHEET IDENTIFICATION: C-002

File Name & Layout Name:
General Notes.dwg/C-002



R.O.W. CLEARING DETAIL

N.T.S.

CLEARING & GRUBBING NOTES:

1. Contractor shall only clear/grub within the 30' wide area.
2. Contractor shall dispose of all clearing debris by grinding/mulching, or removing & disposing of off-site.
3. All chipped/mulched debris shall be evenly distributed along the easement & all areas smoothly graded.

MK.	REVISION	BY	CHK.	APP.	DATE
0	ISSUE FOR BID	SBC	SBC	SBW	2/17/26

100 0 100 200
SCALE FEET

SEAL:
STATE OF TEXAS
STEVEN B. WICK
78475
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2/17/26

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CITY OF JACKSONVILLE CHEROKEE COUNTY, TEXAS

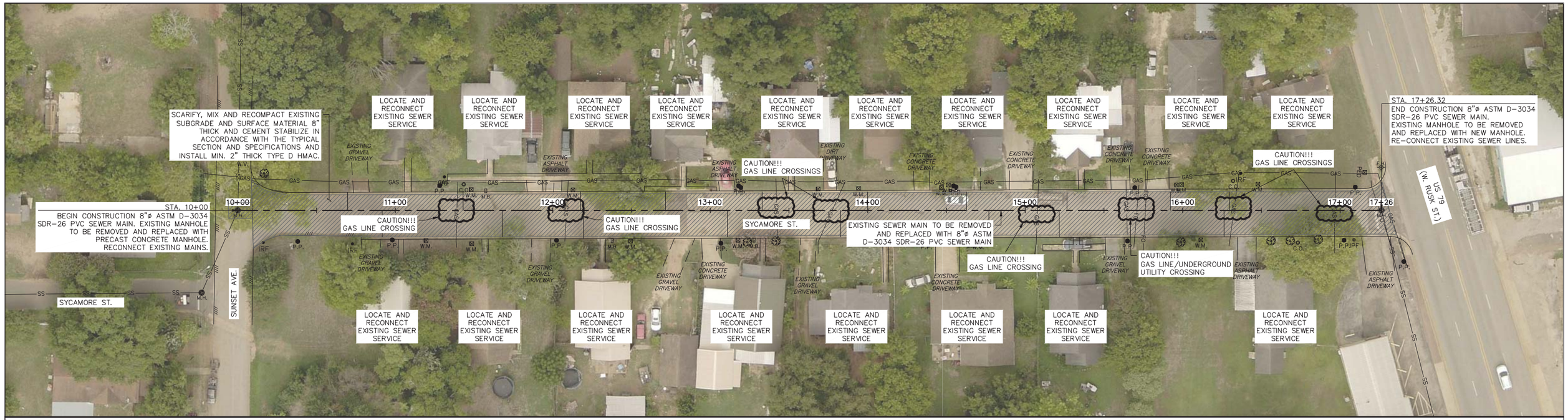
CITY OF JACKSONVILLE
CDBG SEWER IMPROVEMENTS
NICHOLS-GREEN SEWER MAIN
OVERALL MAP

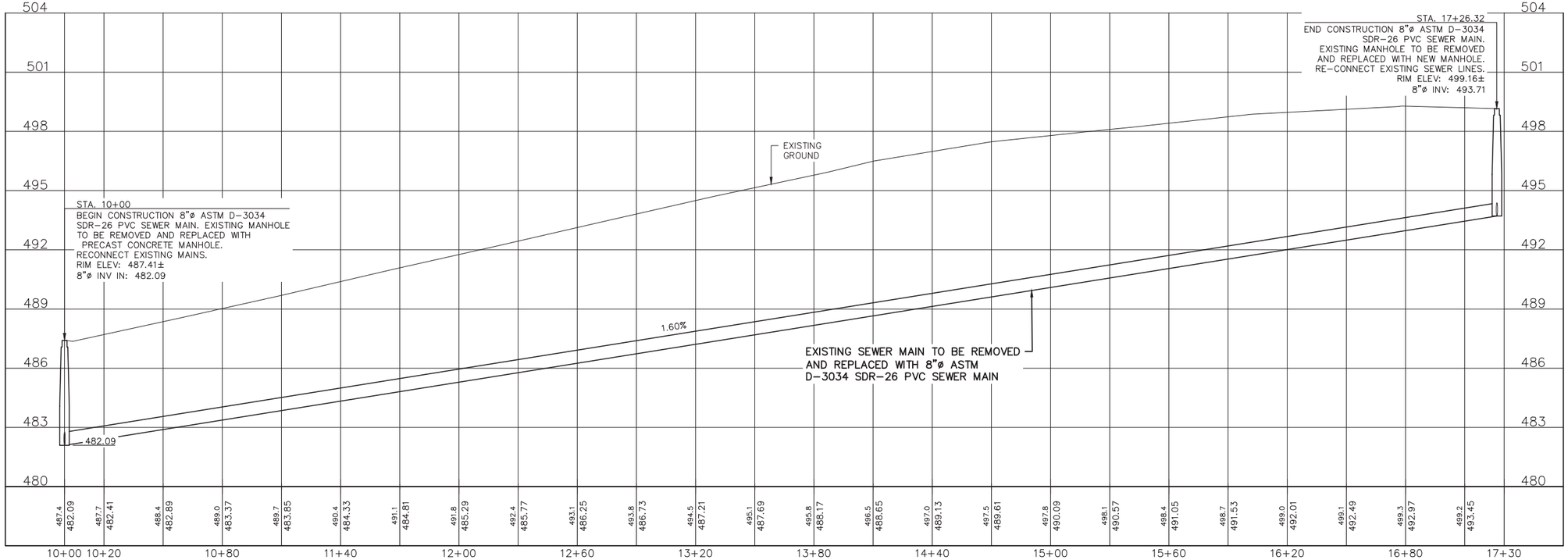
PROJECT NO.: 030-2423

SHEET IDENTIFICATION: C-003

File Name & Layout Name: Nichols-Green Sewer P&P_recover_recover.dwg/C-003

PLOT DATE: Feb. 18, 2026
PLOT STYLE: SAI_Standard_2015.ctb
PLOT SCALE: 1:1
FILE: Y:\Jville\030-2423\Production Drawings\Nichols-Green Sewer P&P_recover_recover\C-003





MK.	REVISION	BY	CHK.	APP.	DATE
0	ISSUE FOR BID	SBC	SBC	SBW	2/17/26

30 0 30 60 HORIZONTAL SCALE FEET

3 0 3 6 VERTICAL SCALE FEET

SEAL: STATE OF TEXAS · STEVEN B. WICK · 78475 · REGISTERED PROFESSIONAL ENGINEER · 2/17/26

STOKES & ASSOCIATES, INC.
CONSULTANT ENGINEERS
P.O. BOX 1114 HENDERSON, TEXAS 75653 Tel (903) 657-7558
TEXAS FIRM REGISTRATION NO. F-967 Fax (903) 657-7864

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CITY OF JACKSONVILLE CHEROKEE COUNTY, TEXAS

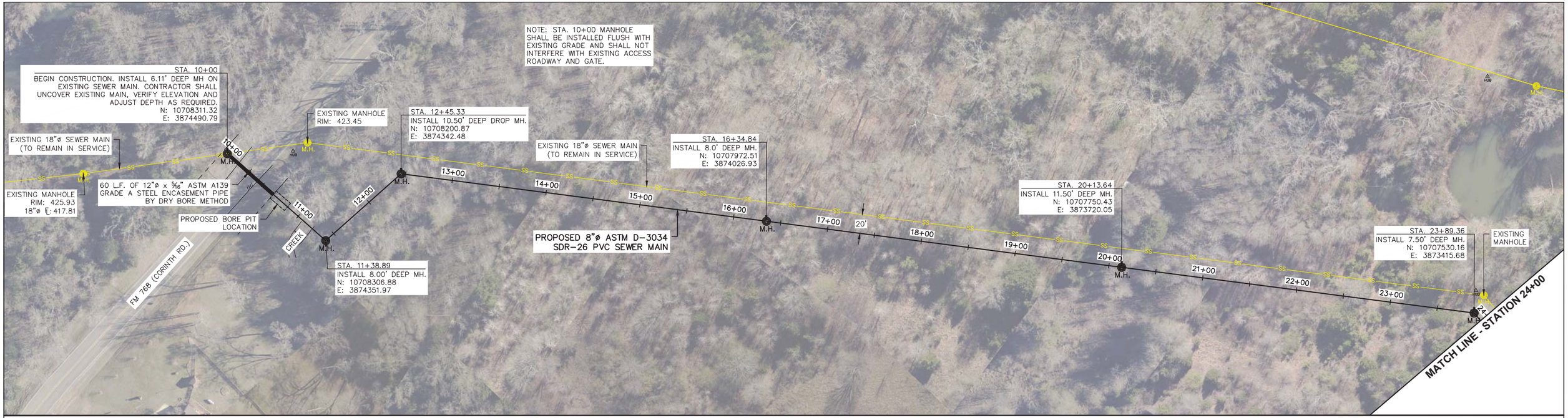
CITY OF JACKSONVILLE
CDBG SEWER IMPROVEMENTS
SYCAMORE ST. SEWER MAIN

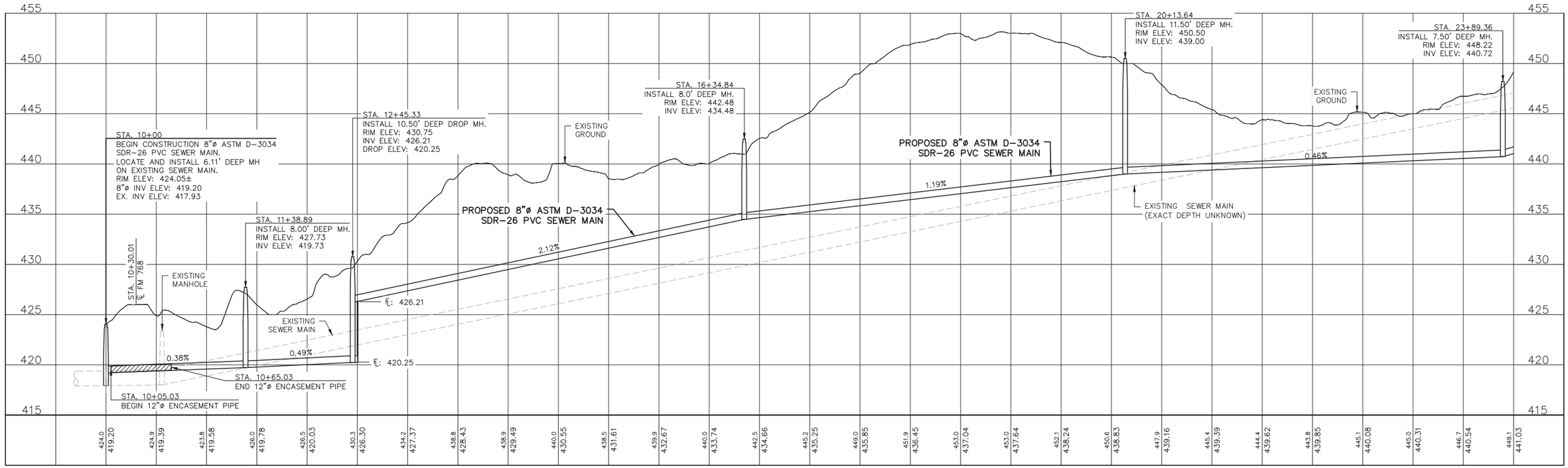
PROJECT NO.: 030-2423

SHEET IDENTIFICATION: C-100

File Name & Layout Name: Sycamore St.Sewer P&P.dwg/C-100

PLOT DATE: Feb. 18, 2026
PLOT STYLE: SAI_Standard_2015.ctb
PLOT SCALE: 1:1
FILE: Y:_Ville\030-2423\Production Drawings\Sycamore St.Sewer P&P\C-100





MK.	REVISION	BY	CHK.	APP.	DATE
0	ISSUE FOR BID	SBC	SBC	SBW	2/17/26

50 0 50 100 HORIZONTAL SCALE FEET

5 0 5 10 VERTICAL SCALE FEET

SEAL: STATE OF TEXAS · STEVEN B. WICK · 78475 · REGISTERED PROFESSIONAL ENGINEER · 2/17/26

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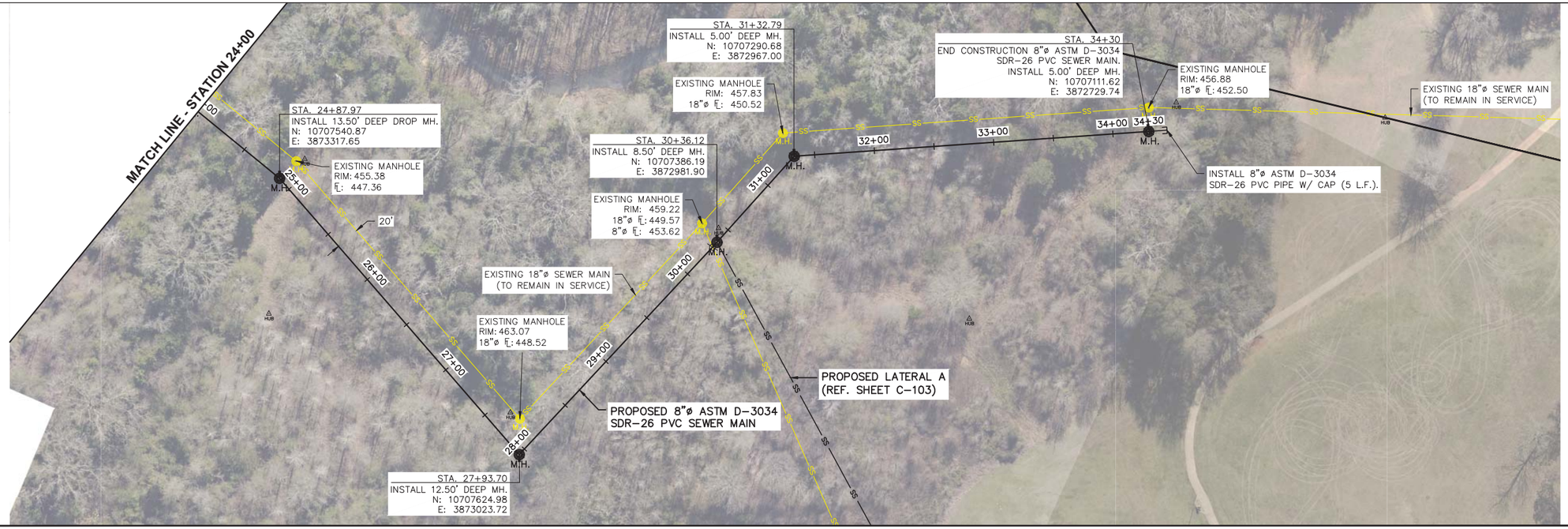
CITY OF JACKSONVILLE CHEROKEE COUNTY, TEXAS

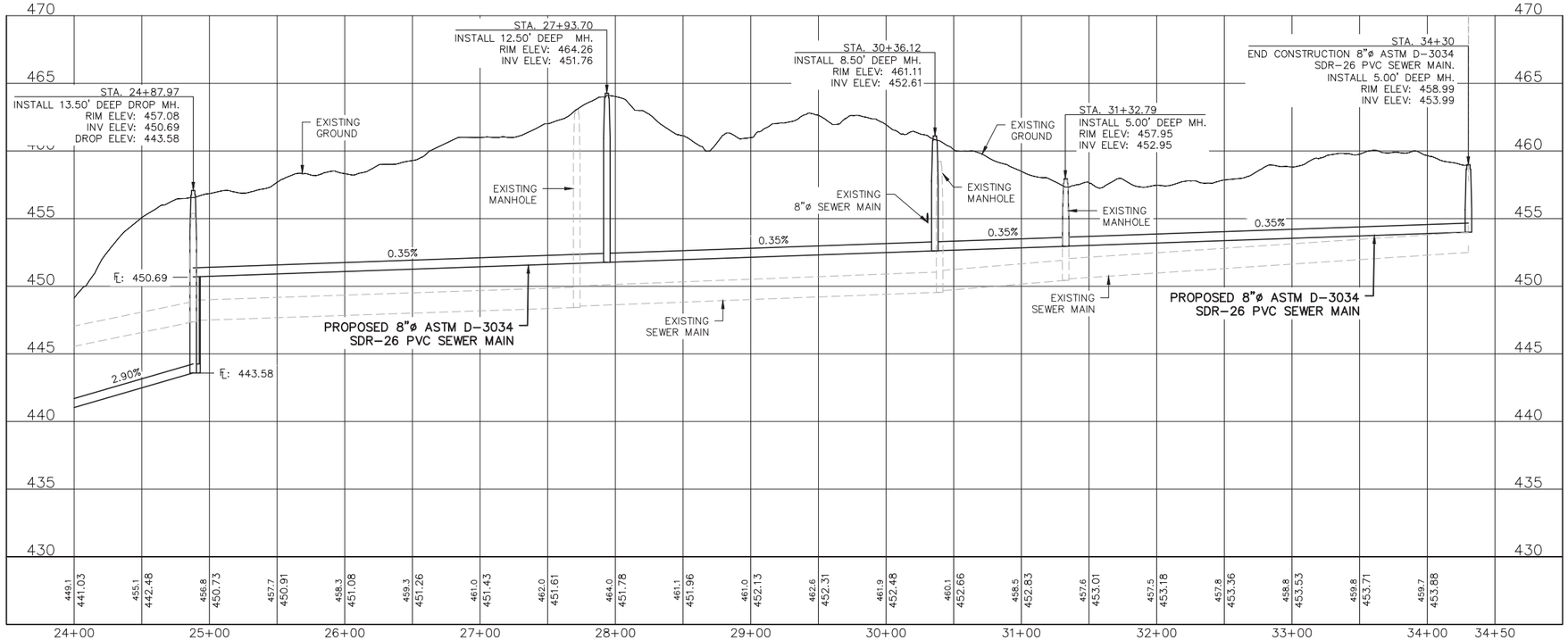
CITY OF JACKSONVILLE
CDBG SEWER IMPROVEMENTS
NICHOLS-GREEN SEWER MAIN
STATION 10+00 TO 24+00

PROJECT NO.: 030-2423

SHEET IDENTIFICATION: C-101

File Name & Layout Name: Nichols-Green Sewer P&P_recover_recover.dwg/C-101





MK.	REVISION	BY	CHK.	APP.	DATE
0	ISSUE FOR BID	SBC	SBC	SBW	2/17/26

50 0 50 100 HORIZONTAL SCALE FEET

5 0 5 10 VERTICAL SCALE FEET

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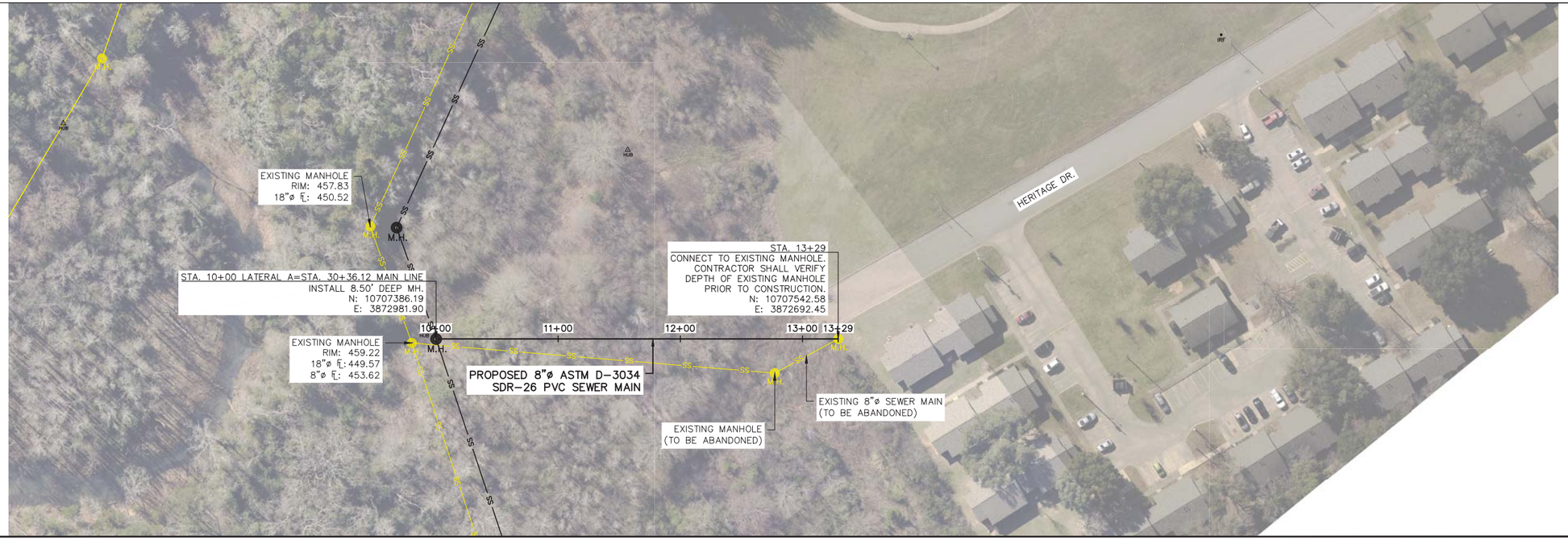
CITY OF JACKSONVILLE CHEROKEE COUNTY, TEXAS

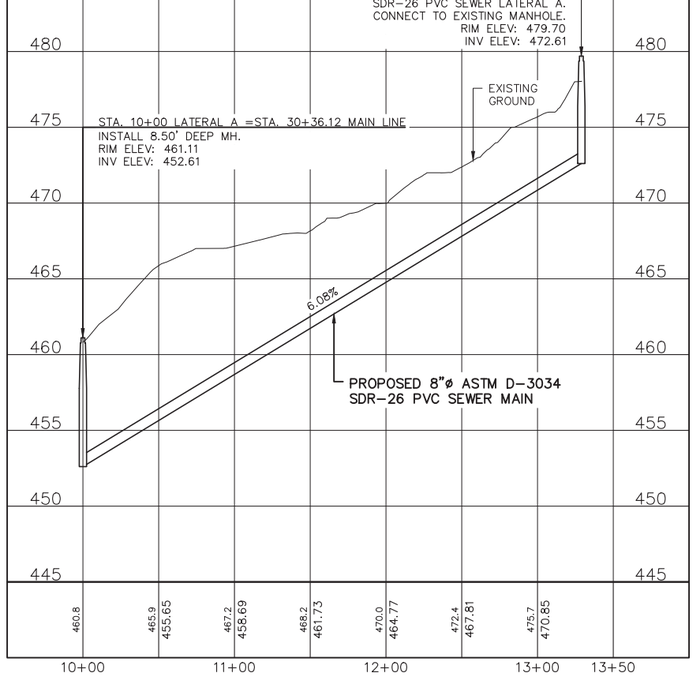
CITY OF JACKSONVILLE
CDBG SEWER IMPROVEMENTS
NICHOLS-GREEN SEWER MAIN
STATION 24+00 TO 34+30

File Name & Layout Name: Nichols-Green Sewer P&P_recover_recover.dwg/C-102

PROJECT NO.: 030-2423

SHEET IDENTIFICATION: C-102





MK.	REVISION	BY	CHK.	APP.	DATE
0	ISSUE FOR BID	SBC	SBC	SBW	2/17/26

50 0 50 100 HORIZONTAL SCALE FEET

5 0 5 10 VERTICAL SCALE FEET

SEAL: STATE OF TEXAS · STEVEN B. WICK · 78475 · REGISTERED PROFESSIONAL ENGINEER · 2/17/26

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CONSULTANT ENGINEERS
P.O. BOX 1114 HENDERSON, TEXAS 75653 Tel (903) 657-7558
TEXAS FIRM REGISTRATION NO. F-967 Fax (903) 657-7864

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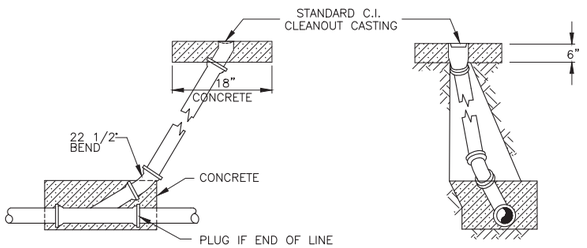
CITY OF JACKSONVILLE — CHEROKEE COUNTY, TEXAS

CITY OF JACKSONVILLE
CDBG SEWER IMPROVEMENTS
NICHOLS-GREEN SEWER MAIN
LATERAL A - STATION 10+00 TO 13+29

PROJECT NO.: 030-2423

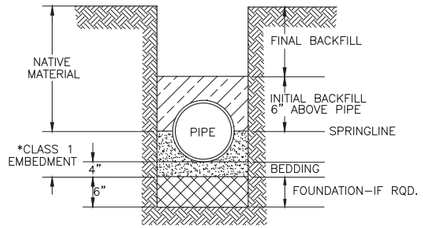
SHEET IDENTIFICATION: C-103

File Name & Layout Name: Nichols-Green Sewer P&P_recover_recover.dwg/C-103



CLEANOUT DETAIL

N.T.S.

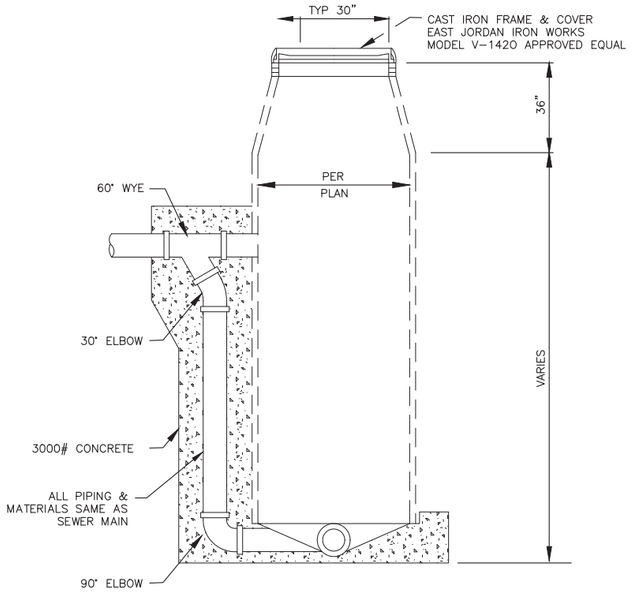


PVC PIPE EMBEDMENT DETAIL

N.T.S.

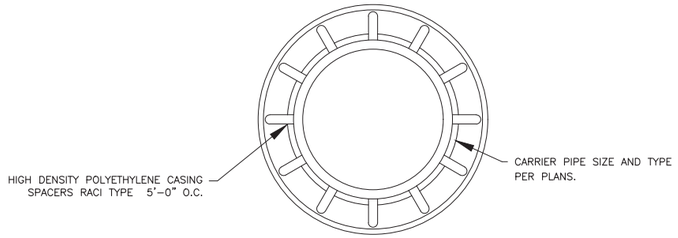
NOTES:

1) CLASS I EMBEDMENT (CRUSHED STONE) IF REQUIRED



TYPICAL DROP MANHOLE DETAIL

N.T.S.

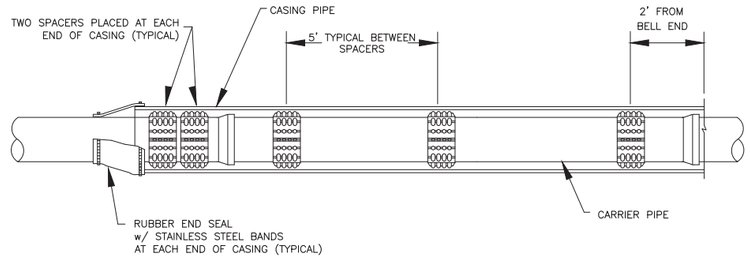


CASING SPACERS SHALL BE USED TO INSTALL CARRIER PIPE INSIDE THE ENCASEMENT PIPE. TO PROVIDE SUPPORT AROUND THE PERIPHERY OF THE PIPE SHOULD THE PIPE TWIST AS IT IS PUSHED THROUGH THE CASING, THE SPACERS SHALL BE OF A PROJECTION TYPE THAT HAS A MINIMUM NUMBER OF PROJECTIONS AROUND THE CIRCUMFERENCE TOTALLING THE NUMBER OF DIAMETER INCHES. FOR EXAMPLE, 8" PIPE SHALL HAVE A MINIMUM OF 8 PROJECTIONS AND 18" PIPE SHALL HAVE A MINIMUM NUMBER OF 18 PROJECTIONS.

CASING SPACERS SHALL HAVE A MAXIMUM SPACING SPAN OF 5 FEET. THE SPAN BETWEEN SPACERS SHOULD RESULT IN CONSERVATIVE LONG TERM SAFETY FACTOR PROVIDED TOTAL LOAD PER SPACER DOES NOT EXCEED THE MAXIMUM LOAD FOR PIPE FULL OF LIQUID PER SPACER LISTED IN THE LITERATURE FOR CLASS SPACER USED. SPACERS SHALL HAVE A MINIMUM HEIGHT THAT CLEARS THE PIPE BELL OR AS OTHERWISE INDICATED ON PLANS. CASING SPACERS SHALL USE DOUBLE BACKED TAPE PROVIDED WITH THE SPACERS, TO FASTEN TIGHTLY ONTO THE CARRIER PIPE, SO THAT THE SPACERS DO NOT MOVE DURING INSTALLATION.

PIPE SPACER DETAIL

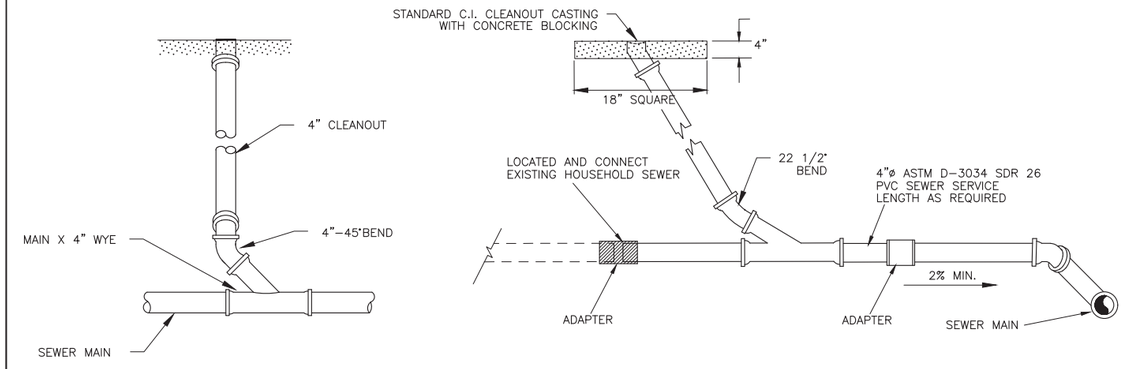
NOTE: SPACERS SHALL BE RACI HIGH DENSITY POLYETHYLENE OR APPROVED OTHER.



SPACER DETAIL

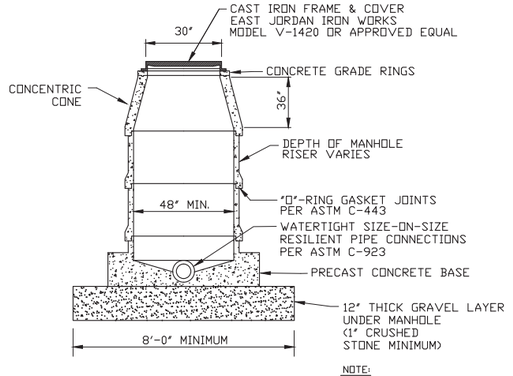
TYPICAL STEEL ENCASEMENT/DRY BORE DETAIL

N.T.S.



TYPICAL SERVICE CONNECTION WITH CLEANOUT

N.T.S.

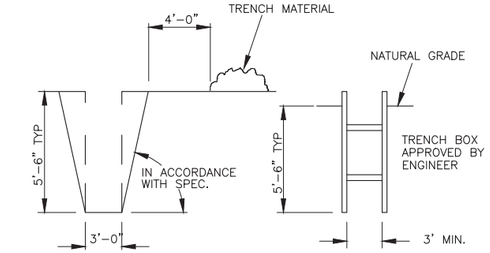


PRECAST CONCRETE "O"–RING GASKET MANHOLE WITH PRECAST BASE

N.T.S.

NOTE:

PRECAST MANHOLE RISER SHALL BE THE SAME DIAMETER AS THE PRECAST CONCRETE BASE SECTION – NO REDUCING SECTIONS WILL BE ALLOWED.



TRENCH SAFETY SYSTEM

N.T.S.

NOTES:

WHEN AN UNSTABLE TRENCH BOTTOM IS ENCOUNTERED, CONTRACTOR SHALL OVER EXCAVATE TRENCH AND PLACE MINIMUM OF 6" OF CLASS I MATERIAL FOR FOUNDATION.

MK.	REVISION	BY	CHK.	APP.	DATE
0	ISSUE FOR BID	SBC	SBC	SBW	2/17/26

SEAL:

STATE OF TEXAS
STEVEN B. WICK
78475
REGISTERED
PROFESSIONAL ENGINEER
2/17/26

STOKES & ASSOCIATES, INC.
CONSULTANT ENGINEERS
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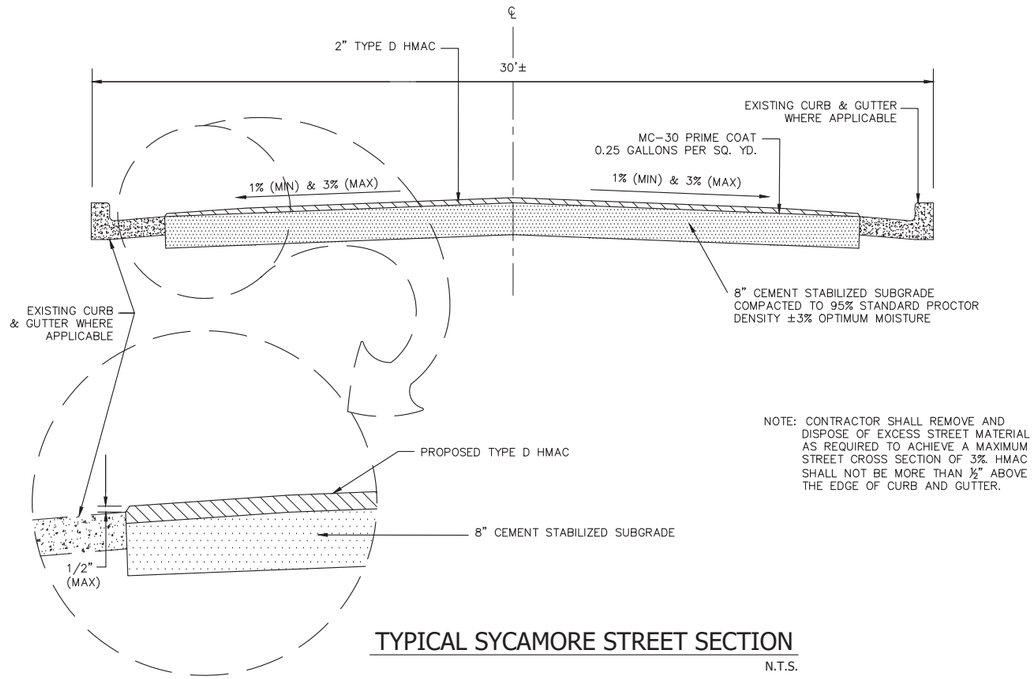
CITY OF JACKSONVILLE — CHEROKEE COUNTY, TEXAS

CITY OF JACKSONVILLE
CDBG SEWER IMPROVEMENTS
SEWER DETAILS

PROJECT NO.: 030–2423

SHEET IDENTIFICATION: C-200

File Name & Layout Name: Sewer Details.dwg/C–200

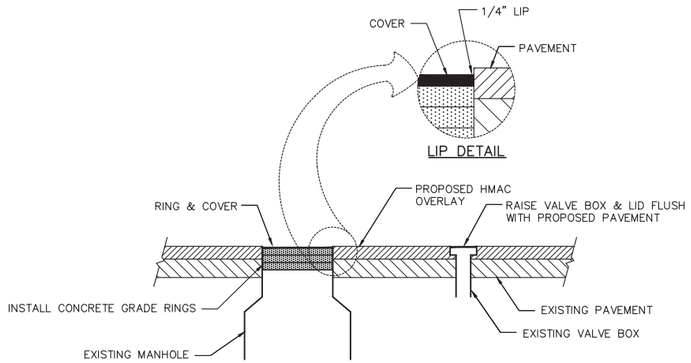


NOTE: CONTRACTOR SHALL REMOVE AND DISPOSE OF EXCESS STREET MATERIAL AS REQUIRED TO ACHIEVE A MAXIMUM STREET CROSS SECTION OF 3%. HMAC SHALL NOT BE MORE THAN ½" ABOVE THE EDGE OF CURB AND GUTTER.

TYPICAL SYCAMORE STREET SECTION

N.T.S.

EDGE DETAIL

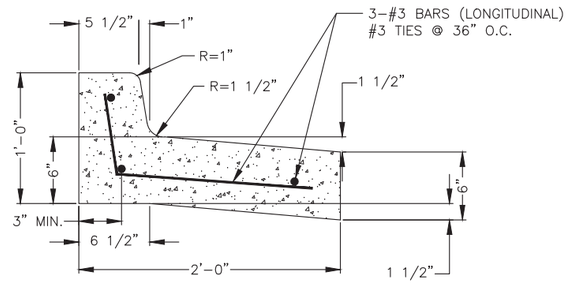


LIP DETAIL

NOTES:
1. THE REQUIRED MANHOLE ADJUSTMENTS CAN BE ACCOMPLISHED WITH THE USE OF STEEL ADJUSTABLE RISERS.
2. UPON COMPLETION OF THE FINISH PAVEMENT, CONTRACTOR SHALL DEMONSTRATE TO OWNER/ENGINEER THE REMOVAL OF EACH MANHOLE AND WATER VALVE TO INSURE PROPER ACCESS FOR FUTURE USE BY CITY PERSONNEL.

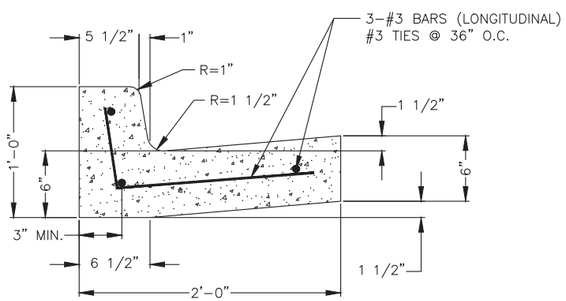
UTILITY ADJUSTMENTS

N.T.S.



SPILL CURB & GUTTER SECTION

N.T.S.



TYP. CURB & GUTTER SECTION

N.T.S.

MK.	REVISION	BY	CHK.	APP.	DATE
0	ISSUE FOR BID	SBC	SBC	SBW	2/17/26

SEAL: STATE OF TEXAS · STEVEN B. WICK · 78475 · REGISTERED PROFESSIONAL ENGINEER · 2/17/26

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CITY OF JACKSONVILLE — CHEROKEE COUNTY, TEXAS

CITY OF JACKSONVILLE
CDBG SEWER IMPROVEMENTS
STREET DETAILS

PROJECT NO.: 030-2423

SHEET IDENTIFICATION: C-201

File Name & Layout Name: Street Details.dwg/C-201

STOKES & ASSOCIATES, INC.
CONSULTANT ENGINEERS

City of Jacksonville
TxCDBG CDV23 - 0193 Sewer Improvements

Bid Tabulation - March 5, 2026

Nichols Green Sewer Main				*Dynasty Development*		*Capps-Capco Construction*		*Rub-A-Dub Plumbing*		*J2 Construction Services*	
Item	Qty	Unit	Description	Unit	Total	Unit	Total	Unit	Total	Unit	Total
1	2,764	LF	8" Ø ASTM D-3034 SDR-26 PVC Sewer Pipe	$33.00	$91,212.00	$46.50	$128,526.00	$24.83	$68,630.12	$53.00	$146,492.00
2	9	EA	4' Ø Precast Concrete Manhole (0'-5' deep)	$3,935.00	$35,415.00	$4,510.00	$40,590.00	$4,209.29	$37,883.61	$4,417.00	$39,753.00
3	2	EA	4' Ø Precast Concrete Drop Manhole (0'-5' deep)	$4,361.00	$8,722.00	$5,175.00	$10,350.00	$6,467.62	$12,935.24	$7,113.00	$14,226.00
4	40	VF	Furnish and Install Extra Depth for MH	$125.00	$5,000.00	$225.00	$9,000.00	$226.82	$9,072.80	$131.00	$5,240.00
5	1	EA	Plug and Abandon Existing Manholes	$1,010.00	$1,010.00	$1,750.00	$1,750.00	$205.56	$205.56	$1,031.00	$1,031.00
6	60	LF	12" Ø Encased Dry Bore	$400.00	$24,000.00	$385.00	$23,100.00	$745.93	$44,755.80	$347.00	$20,820.00
7	2	EA	Reconnection of the New Sewer Pipe/System to the Existing Sewer Pipe/System	$758.00	$1,516.00	$1,500.00	$3,000.00	$315.84	$631.68	$1,212.00	$2,424.00
8	1	LS	ROW Preparation, Project Sign, Erosion Control and Site Restoration	$19,661.00	$19,661.00	$24,500.00	$24,500.00	$46,835.44	$46,835.44	$36,750.00	$36,750.00
9	2,764	LF	Rock Excavation and Disposal (if required)	$5.75	$15,893.00	$10.00	$27,640.00	$1.69	$4,671.16	$3.50	$9,674.00
10	150	CY	Additional Class I Foundation Material (if reqd)	$80.00	$12,000.00	$85.00	$12,750.00	$114.29	$17,143.50	$123.00	$18,450.00
11	1	LS	Trench Safety System	$5,053.00	$5,053.00	$12,500.00	$12,500.00	$510.20	$510.20	$6,158.00	$6,158.00
			Total Nichols Green Sewer Main		$219,482.00		$293,706.00		$243,275.11		$301,018.00

Sycamore Street Sewer Improvements				*Dynasty Development*		*Capps-Capco Construction*		*Rub-A-Dub Plumbing*		*J2 Construction Services*	
Item	Qty	Unit	Description	Unit	Total	Unit	Total	Unit	Total	Unit	Total
1	726	LF	8" Ø ASTM D-3034 SDR-26 PVC Sewer Pipe	$60.00	$43,560.00	$39.50	$28,677.00	$24.83	$18,026.58	$78.00	$56,628.00
2	3	EA	4' Ø Precast Concrete Manhole	$4,185.00	$12,555.00	$4,450.00	$13,350.00	$4,209.29	$12,627.87	$3,820.00	$11,460.00
3	18	EA	4" Ø Sewer Service	$1,707.00	$30,726.00	$1,595.00	$28,710.00	$6,467.62	$116,417.16	$1,513.00	$27,234.00
4	1	LS	Site Restoration and Project Sign	$8,062.00	$8,062.00	$2,450.00	$2,450.00	$2,054.55	$2,054.55	$4,972.00	$4,972.00
5	2	EA	Reconnection of the New Sewer Pipe/System to the Existing Sewer Pipe/System	$1,261.00	$2,522.00	$750.00	$1,500.00	$394.11	$788.22	$627.00	$1,254.00
6	1	LS	Traffic Control	$4,595.00	$4,595.00	$2,500.00	$2,500.00	$275.51	$275.51	$2,100.00	$2,100.00
7	50	CY	Additional Class I Foundation Material (if reqd)	$80.00	$4,000.00	$85.00	$4,250.00	$121.52	$6,076.00	$123.00	$6,150.00
8	1	LS	By-Pass Pumping	$8,062.00	$8,062.00	$2,700.00	$2,700.00	$909.09	$909.09	$7,914.00	$7,914.00
9	1	LS	Trench Safety System	$2,527.00	$2,527.00	$4,750.00	$4,750.00	$228.81	$228.81	$2,291.00	$2,291.00
10	1	LS	Pavement Repair (approx 2,200 SY)	$81,112.00	$81,112.00	$96,390.00	$96,390.00	$115,297.62	$115,297.62	$106,260.00	$106,260.00
			Total Sycamore Street Sewer Improvements		$197,721.00		$185,277.00		$272,701.41		$226,263.00

TOTAL ALL BID ITEMS	$417,203.00	$478,983.00	$515,976.52	$527,281.00

205 South Marshall Street ● P.O. Box 1114 ● Henderson, Texas 75653-1114 ● Telephone (903) 657-7558 ● Fax (903) 657-7864
Texas Professional Engineering Firm No. F-967

STOKES & ASSOCIATES, INC.
CONSULTANT ENGINEERS

City of Jacksonville
TxCDBG CDV23 - 0193 Sewer Improvements

Bid Tabulation - March 5, 2026

Nichols Green Sewer Main				*Fritcher Construction*		*John Wright Construction*		*McKinney & Moore of Texas*		*Duplichain Contractors*	
Item	Qty	Unit	Description	Unit	Total	Unit	Total	Unit	Total	Unit	Total
1	2,764	LF	8" Ø ASTM D-3034 SDR-26 PVC Sewer Pipe	$62.00	$171,368.00	$75.00	$207,300.00	$44.29	$122,417.56	$70.00	$193,480.00
2	9	EA	4' Ø Precast Concrete Manhole (0'-5' deep)	$3,272.00	$29,448.00	$5,000.00	$45,000.00	$4,151.06	$37,359.54	$5,000.00	$45,000.00
3	2	EA	4' Ø Precast Concrete Drop Manhole (0'-5' deep)	$4,172.00	$8,344.00	$6,000.00	$12,000.00	$4,549.85	$9,099.70	$7,500.00	$15,000.00
4	40	VF	Furnish and Install Extra Depth For MH	$290.00	$11,600.00	$225.00	$9,000.00	$264.28	$10,571.20	$250.00	$10,000.00
5	1	EA	Plug and Abandon Existing Manholes	$2,200.00	$2,200.00	$1,000.00	$1,000.00	$5,353.41	$5,353.41	$2,000.00	$2,000.00
6	60	LF	12" Ø Encased Dry Bore	$502.00	$30,120.00	$250.00	$15,000.00	$585.98	$35,158.80	$215.00	$12,900.00
7	2	EA	Reconnection of the New Sewer Pipe/System to the Existing Sewer Pipe/System	$2,454.00	$4,908.00	$2,500.00	$5,000.00	$3,009.47	$6,018.94	$3,000.00	$6,000.00
8	1	LS	ROW Preparation, Project Sign, Erosion Control and Site Restoration	$41,928.00	$41,928.00	$24,000.00	$24,000.00	$59,111.81	$59,111.81	$50,000.00	$50,000.00
9	2,764	LF	Rock Excavation and Disposal (if required)	$1.00	$2,764.00	$5.00	$13,820.00	$22.82	$63,074.48	$1.00	$2,764.00
10	150	CY	Additional Class I Foundation Material (if reqd)	$128.00	$19,200.00	$10.00	$1,500.00	$105.70	$15,855.00	$50.00	$7,500.00
11	1	LS	Trench Safety System	$5,528.00	$5,528.00	$7,500.00	$7,500.00	$20,615.10	$20,615.10	$10,000.00	$10,000.00
			Total Nichols Green Sewer Main		$327,408.00		$341,120.00		$384,635.54		$354,644.00

Sycamore Street Sewer Improvements				*Fritcher Construction*		*John Wright Construction*		*McKinney & Moore of Texas*		*Duplichain Contractors*	
Item	Qty	Unit	Description	Unit	Total	Unit	Total	Unit	Total	Unit	Total
1	726	LF	8" Ø ASTM D-3034 SDR-26 PVC Sewer Pipe	$71.00	$51,546.00	$110.00	$79,860.00	$67.13	$48,736.38	$100.00	$72,600.00
2	3	EA	4' Ø Precast Concrete Manhole	$3,272.00	$9,816.00	$6,000.00	$18,000.00	$4,142.60	$12,427.80	$5,500.00	$16,500.00
3	18	EA	4" Ø Sewer Service	$1,433.00	$25,794.00	$2,700.00	$48,600.00	$1,225.33	$22,055.94	$2,800.00	$50,400.00
4	1	LS	Site Restoration and Project Sign	$20,000.00	$20,000.00	$4,500.00	$4,500.00	$17,100.10	$17,100.10	$5,000.00	$5,000.00
5	2	EA	Reconnection of the New Sewer Pipe/System to the Existing Sewer Pipe/System	$1,354.00	$2,708.00	$2,000.00	$4,000.00	$1,964.55	$3,929.10	$3,000.00	$6,000.00
6	1	LS	Traffic Control	$12,000.00	$12,000.00	$4,000.00	$4,000.00	$5,823.47	$5,823.47	$10,000.00	$10,000.00
7	50	CY	Additional Class I Foundation Material (if reqd)	$128.00	$6,400.00	$50.00	$2,500.00	$105.70	$5,285.00	$10.00	$500.00
8	1	LS	By-Pass Pumping	$18,500.00	$18,500.00	$10,000.00	$10,000.00	$18,401.06	$18,401.06	$5,000.00	$5,000.00
9	1	LS	Trench Safety System	$1,452.00	$1,452.00	$5,000.00	$5,000.00	$5,241.13	$5,241.13	$3,000.00	$3,000.00
10	1	LS	Pavement Repair (approx 2,200 SY)	$85,195.00	$85,195.00	$82,395.00	$82,395.00	$79,199.25	$79,199.25	$155,000.00	$155,000.00
			Total Sycamore Street Sewer Improvements		$233,411.00		$258,855.00		$218,199.23		$324,000.00

TOTAL ALL BID ITEMS	$560,819.00	$599,975.00	$602,834.77	$678,644.00

205 South Marshall Street ● P.O. Box 1114 ● Henderson, Texas 75653-1114 ● Telephone (903) 657-7558 ● Fax (903) 657-7864
Texas Professional Engineering Firm No. F-967

A509

TxCDBG Construction/Service Provider Award Detail Certification

Grant Agreement Number:	CDV23-0193
Grant Recipient Name:	City of Jacksonville
Materials & Services Report Number:	CDV23-0193-MSR-01
Contractor/Service Provider Name:	Dynasty Development
Bid/RFP/RFQ Opening Date:	March 5, 2026
Contract Award Date:	March 10, 2026

Bid Items Awarded:(select all that are applicable)

X Base Bid	$417,203.00
□ One or More Alternate Bid Items (list)	
Total Award Amount:	$417,203.00

I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the award details are for the purposes and objectives set forth in the terms and conditions of the Federal award.

	Mayor	
Authorized Official Signature	**Title**	**Date**

STOKES & ASSOCIATES, INC.
CONSULTANT ENGINEERS

March 9, 2026

Mr. James Hubbard, City Manager
City of Jacksonville
315 S. Ragsdale St.
Jacksonville, Texas 75766

Re: TxCDBG CDV23-0193 Sewer Improvements
Bid Summary / Recommendation to Award

Dear Mr. Hubbard:

On Thursday, March 5, 2026, the City of Jacksonville received eight (8) bids on the above referenced project. Attached is a copy of the bid tabulation for your review.

The low bidder is Dynasty Development from Tyler, Texas with a total bid price of $417,203.00. As you are aware, this is a grant project that includes the replacement of a sewer line within Nichols Green Park as well as the replacement of an existing sewer main within Sycamore Street. The low bid was well within the grant budget of $454,500.00.

Our firm has not worked on a project with Dynasty Development. Based on discussions with them and the references that they provided, they do have experience in underground utility construction, although it is with private development. They are a subsidiary of a large and well known development company in Tyler, The Genecov Group, which should provide an incentive for them to perform well for the City of Jacksonville. It is our recommendation that the City accept the low bid and award the contract to Dynasty Development in the amount of $417,203.00.

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

Steve Wick

Steve Wick, P.E.

encl

cc: Mr. Randall Chandler, Director of Public and Community Services
Mr. Chris McNertney, Dynasty Development
Ms. Katlin Fox Brown, Project Manager, Traylor & Associates
.

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	11.
DEPARTMENT:	Jacksonville Economic Development Corporation	PREPARED BY:	
INITIATED BY:		EXHIBITS:	8C - 12.15.25 Jacksonville Infill Workforce Housing Program
ITEM TITLE:	CONSIDER WITH POSSIBLE ACTION CREATION OF A NEW MATCHING JEDCO GRANT PROGRAM TO ENCOURAGE INFILL HOUSING DEVELOPMENT		

EXECUTIVE SUMMARY:

Program Purpose

The purpose of the IWH Program is to encourage the construction of new single-family workforce homes within established neighborhoods across Jacksonville, improving housing accessibility while strengthening long-term neighborhood stability and economic vitality.

The program is designed to:

- Expand workforce housing options citywide
- Support neighborhood reinvestment and stabilization
- Improve accessibility to homeownership for working families
- Enhance quality of life and long-term taxable value

Program Structure

The IWH Program provides a fixed, performance-based reimbursement to qualified builders for each completed and sold workforce home that meets program criteria.

Key program features include:

- Incentives tied directly to delivery of finished homes
- Clear pricing and eligibility standards
- Defined annual program limits
- Reimbursement issued only after construction, occupancy approval, and sale

Eligible Applicants

Applicants must:

- Be residential builders or developers registered with the City of Jacksonville
- Be current on all City, County, and School District taxes
- Have no outstanding City liens
- Demonstrate capacity to complete residential construction projects

Eligible Projects

Projects must:

- Be located on vacant or underutilized residential lots within the Jacksonville city limits
- Be within or adjacent to established residential neighborhoods
- Result in construction of a new single-family home
- Have a final sales price not exceeding $250,000
- Begin within 90 days of approval and be completed within six months, with one 90-day extension available

Eligible lots may include previously cleared parcels, including those resulting from demolition, but the program is not limited to those sites.

Incentive Details
JEDCO will provide a $10,000 reimbursement per completed home that meets all program requirements.

Reimbursement will occur after:

- Construction is complete
- The City issues a Certificate of Occupancy
- The home is sold
- Required documentation is submitted and verified

Program Limits and Oversight

- Annual funding limits established by the Board
- Builder participation thresholds to ensure broad access
- Staff oversight to confirm compliance and program intent
- Owner-occupancy focus to support neighborhood stability

Economic Development Impact
The IWH Program is expected to:

- Increase attainable housing options throughout the city
- Strengthen established neighborhoods through reinvestment
- Improve workforce recruitment and retention for local employers
- Expand homeownership access for working households

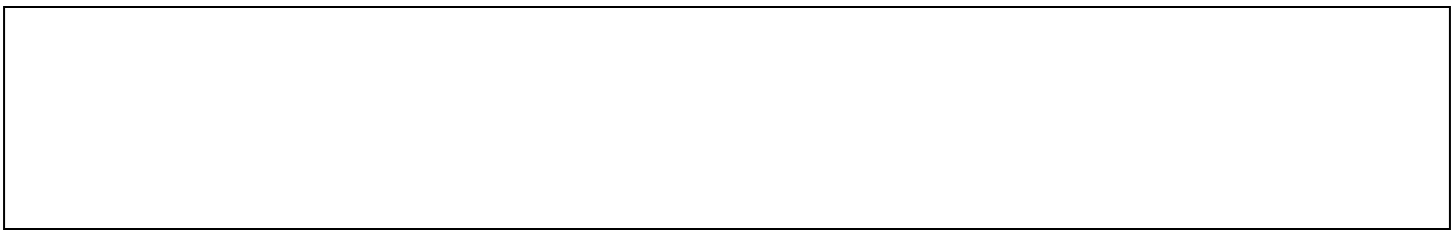
Generate new long-term taxable value

RECOMMENDED ACTION:

BID AND AWARD:

BUDGET DATA:

BUDGET JUSTIFICATION:



STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
1.2 Leverage the talent and input of citizens ☐	2.2 Parks, recreation, and community building ☐	3.2 Proactively seek process improvements ☐	4.2 Strengthen routine maintenance programs ☐	5.2 Leverage and maximize City facilities ☐
1.3 Transparent and engaging communication ☐	2.3 Community policing and crime prevention ☐	3.3 Ensure financial stability and stewardship ☐	4.3 Adopt a capital improvement program ☐	5.3 Disasters and emergencies ☐
1.4 Ensure value of services ☐	2.4 Preserve and revitalize existing neighborhoods ☐	3.4 Pursue partnerships and grants ☐	4.4 Protect natural resources ☐	5.4 Comprehensive community planning ☐

POLICY/GOAL CONSIDERATION:

LEGAL:

JACKSONVILLE INFILL WORKFORCE HOUSING PROGRAM (IWH PROGRAM)

PURPOSE – IWH PROGRAM

The Jacksonville Infill Workforce Housing Program (IWH) provides incentives to reduce development barriers and encourage construction of new single-family workforce homes on vacant lots within existing neighborhoods. The program supports local economic development and new or expanded business development by expanding attainable homeownership opportunities, revitalizing underutilized residential areas, and strengthening Jacksonville's workforce housing supply.

All incentives are reimbursed only upon project completion, ensuring the program remains fiscally conservative and low-risk.

PROGRAM GOALS – IWH PROGRAM

- Expand workforce housing opportunities within the Jacksonville city limits.
- Encourage reinvestment in established neighborhoods.
- Support employer recruitment and retention by increasing local homeownership opportunities.
- Deliver 6–10 new homes per year through public/private partnership.
- Convert underutilized residential land into long-term taxable value.

NOTICES – IWH PROGRAM

- JEDCO will not reimburse Applicants for work that begins before execution of the Agreement and issuance of a **Notice to Proceed (NTP)**.
- Deviations from the approved Agreement must be pre-approved by JEDCO Staff.
- JEDCO may terminate any Agreement if the Applicant violates program conditions or fails to meet required timelines.
- JEDCO may amend, suspend, or discontinue the program at any time.
- JEDCO is solely responsible for determining whether a proposed project meets the intent and spirit of the program.

DEFINITIONS – IWH PROGRAM

Applicant: A residential builder or developer registered with the City of Jacksonville applying for program participation. **Builder:** A qualified contractor or homebuilder responsible for constructing a new single-family home.

Certificate of Occupancy (COO): The document issued by the City of Jacksonville confirming the home has passed all required final inspections.

Eligible Lot:
A vacant residential lot located within the **Jacksonville city limits** (ETJ not eligible), situated within or adjacent to an existing, established residential neighborhood, and suitable for construction of a single-family home. Eligible lots may include:

- Any currently vacant, undeveloped residential lot;
- Any lot where a prior home has been, or will be legally demolished, whether by the property owner or the City; or
- Lots acquired through the City's demolition program, Bid-in-Trust inventory, or other public conveyance sources.

Established Residential Neighborhood: A geographically identifiable area within the Jacksonville city limits that is primarily composed of or adjacent to existing single-family homes, has an active residential land use pattern, and contains the infrastructure, streets, and utilities associated with a developed neighborhood. Areas characterized by long-standing residential occupancy, consistent housing stock, and an existing community fabric qualify as established neighborhoods. Newly platted subdivisions without existing homes or infrastructure do not qualify.

Notice to Proceed (NTP): A written authorization issued by JEDCO permitting the Applicant to begin eligible activities.

Program Agreement: The executed contract between JEDCO and the Applicant establishing the requirements, conditions, and obligations for participation in the program.

ELIGIBILITY – IWH PROGRAM

Applicant Eligibility

Applicant must:

- Be a builder or developer registered to construct residential homes with the city of Jacksonville,Texas.
- Be current on all City, School District and County taxes.
- Not have outstanding City liens, including but not limited to: weed liens, demolition liens, nuisance liens, or paving liens.
- Comply with all applicable State and local building codes, zoning regulations, and permitting requirements.
- Demonstrate capacity and financial ability to complete the project.

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Project Eligibility

The project must:

- Be located on an **Eligible Lot** within the Jacksonville city limits (no ETJ participation).
- Be within or adjacent to an **Established Residential Neighborhood**, as determined by JEDCO Staff.
- Result in construction of a new single-family home.
- If demolition is conducted, it must be for the purpose of clearing the lot for a new single-family home.
- Have a final sales price not exceeding $250,000 to remain focused on workforce housing.
- Begin within 90 days of NTP and be completed within 6 months, with a single 90-day extension available for cause.

ASSISTANCE – IWH PROGRAM

JEDCO Assistance

JEDCO will provide a maximum, $10,000.00 improvement incentive per single-family dwelling constructed containing at least 1,100 square feet, and constructed on an **Eligible Lot**

Annual Limits

- Maximum 10 homes per builder per fiscal year.
- Annual program funding cap: $150,000. Funding amounts may be amended at the discretion of the JEDCO Board of Directors.

Reimbursement Requirements

Reimbursement will occur only after:

1. Construction is complete;
2. The City issues the Certificate of Occupancy;
3. Upon sale by Builder of each house on an Eligible Lot, Builder submits to ;
4. JEDCO verifies project completion and compliance.

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PROCEDURES – IWH PROGRAM

1. **Applicant Consultation**
   Applicant meets with JEDCO Staff to review program requirements and available eligible lots.

2. **Application Submission**
   Applicant submits a completed application and all required documentation.

3. **Staff Review & Board Consideration**
   JEDCO Staff evaluates eligibility and approves/disapproves the project.

4. **Agreement Execution & Notice to Proceed**
   Upon approval, Applicant signs the **Program Agreement** and receives a Notice to Proceed.

5. **Construction Phase**
   - Construction must begin within 90 days after NTP.
   - Completion required within 6 months, with one 90-day extension available.

6. **Completion & Inspection**
   - Applicant notifies Staff upon project completion.
   - City inspects the property and issues the COO.

7. **Reimbursement Request**
   Applicant provides:
   - JEDCO a copy of the settlement statement prepared in connection with such sale showing a sales price of less than $250,000.00 reflected on line 101 of the settlement statement. Certificate of Occupancy
   - Any additional compliance documents requested

8. **Reimbursement Issued**
   JEDCO issues $10,000.00 incentive payment within 30 days after receiving a complete and verified packet.

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Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	12.
DEPARTMENT:	Administration	PREPARED BY:	
INITIATED BY:		EXHIBITS:	2-6.6 Health Insurance for retired employees
ITEM TITLE:	CONSIDER WITH POSSIBLE ACTION AN AMENDMENT TO THE HEALTH INSURANCE ORDINANCE 1363		

EXECUTIVE SUMMARY:

Ordinance 1700 will clarify the previous ordinance and add stipulations on the eligibility of retirement health care if hired before October 1, 2009. It will now be based on the employee leaving employment in good standing with The City of Jacksonville. The new ordinance will also disqualify anyone hired after April 1, 2026, from being eligible to keep the City's health insurance at their own expense.

RECOMMENDED ACTION:

BID AND AWARD:

BUDGET DATA:

BUDGET JUSTIFICATION:

STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
1.2 Leverage the talent and input of citizens ☐	2.2 Parks, recreation, and community building ☐	3.2 Proactively seek process improvements ☐	4.2 Strengthen routine maintenance programs ☐	5.2 Leverage and maximize City facilities ☐
1.3 Transparent and engaging communication ☐	2.3 Community policing and crime prevention ☐	3.3 Ensure financial stability and stewardship ☐	4.3 Adopt a capital improvement program ☐	5.3 Disasters and emergencies ☐
1.4 Ensure value of services ☐	2.4 Preserve and revitalize existing neighborhoods ☐	3.4 Pursue partnerships and grants ☐	4.4 Protect natural resources ☐	5.4 Comprehensive community planning ☐

POLICY/GOAL CONSIDERATION:

LEGAL:

ORDINANCE NO. 1699

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF JACKSONVILLE, TEXAS, AMENDING CHAPTER 2. ADMINISTRATION, ARTICLE I, IN GENERAL, SECTION 2-6.6 HEALTH INSURANCE FOR RETIRED CITY EMPLOYEES OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE, TEXAS TO ADOPT NEW AND CLARIFYING CONDITIONS UNDER WHICH THE CITY ELECTS TO PROVIDE HEALTH INSURANCE COVERAGE TO CERTAIN RETIRES AND LIMITING SUCH COVERAGE TO RETIRED EMPLOYEES HIRED PRIOR TO APRIL 1, 2026; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the City of Jacksonville is a home rule municipality having full power of local self-government pursuant to Article 11, Section 5 of the Texas Constitution and its Home Rule Charter; and

WHEREAS Section 2-6.6, Health Insurance for Retired Employees, under Chapter 2, Administration of the Code of Ordinances of the City of Jacksonville, Texas sets for the requisites for a retiree of the City of Jacksonville receiving health insurance from the City of Jacksonville; and

WHEREAS, there is a need to update this ordinance to reflect current economic conditions; and

WHEREAS, the City of Jacksonville desires to protect the health, safety and welfare of its residents.

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

Section I.

The foregoing recitals are incorporated into this Ordinance as findings of fact.

Section II.

The Code of Ordinances of the City of Jacksonville, Texas Chapter 2 (Administration) Article I (In General) Section 2-6.6 is hereby amended to read as follows:

Sec. 2-6.6. Health insurance for retired City employees.

The City hereby elects to provide health insurance coverage to its retirees, as hereinafter defined and provided for, through the provider/insurer of the City's health insurance.

a) General Conditions

1. The provision of health insurance coverage under this Ordinance extends to medical plans only.
2. Health insurance coverage is limited to the eligible retiree only.
3. Health insurance coverage is limited to the currently adopted base level health coverage plan, or the plan the City provides for current employees. A retiree may not elect a plan other than the base level plan, even if they are willing to pay the difference in premiums.
4. The eligible retiree must notify City in writing of their intent to maintain healthcare coverage under the provisions of this ordinance prior to the last business day in the month of their separation.
5. The extension of healthcare coverage to retirees is limited to those who retire in good standing with the City. Separation related to unacceptable conduct shall deem an employee ineligible for retiree healthcare benefits regardless of their Texas Municipal Retirement System (TMRS) status.
6. Coverage under the City's health insurance plan shall automatically terminate effective the first day of the month following the retiree's sixty-fifth (65) birthday.

b) Definition of Retiree for the Purposes of Eligibility

1. For the purposes of this ordinance and eligibility the term "retiree" shall be defined as:
    i. An employee of the City who retires under the Texas Municipal Retirement System plan with the City as his/her most recent employer with twenty (20) years of service to the City; or
    ii. An employee eligible for retirement with credits from other TMRS cities that have been employed by the City for the final ten (10) years of employment and have accumulated a total of twenty (20) years under TMRS, and be fifty-five (55) years of age. City employees with thirty (30) years with TMRS and otherwise meeting the foregoing definition of "retiree" shall be entitled to the benefits provided in this section regardless of age.

c) Eligibility Based on Hire Date

1. Hired prior to October 1, 2009:

i. If retiree elects to accept insurance coverage provided herein, the City will pay the premium for such health insurance coverage. The health insurance benefits provided for in this section apply to presently retired City employees who qualify as described above.

2. Hired on or after October 1, 2009 and prior to April 1, 2026:
    i. If retiree elects to accept insurance coverage provided herein, retiree shall pay the City's health insurance carrier, on demand, for the premiums attributable to such retiree for such insurance coverage.
3. Hired on or after April 1, 2026
    i. The extension of healthcare coverage to retirees is not available.

d) This section may be repealed or modified at any time, but will remain in effect for any employee retiring while it is in effect.

Section III.

Severability. It is the intention of the City Council of the City of Jacksonville that if any phrase, sentence, word, section or paragraph of this ordinance be declared unconstitutional or otherwise invalid by final judgement by a court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remainder of this ordinance since the same would have been enacted by the City Council without the incorporation of the unconstitutional or invalid phrase.

Section IV.

Compliance. A notice was posted and this ordinance was passed accordance with the Texas Open Meetings Act.

Section V.

Effectiveness. The City Council by the City Jacksonville, Texas declares that this ordinance shall go into effect after its passage, approval and publication according to law, and effective April 1, 2026.

Passed and adopted the _____ day of March, 2026.

Randy Gorham, Mayor

ATTEST:

Dianah Surber, City Clerk

APPROVED AS TO FORM:

D. Brett Brewer, City Attorney

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	13.
DEPARTMENT:	Administration	PREPARED BY:	
INITIATED BY:		EXHIBITS:	Public Safety Complex - CMAR RFP (5 Feb 2026)
ITEM TITLE:	DISCUSS AND AWARD CONSTRUCTION MANAGER AT RISK SERVICES AGREEMENT		

EXECUTIVE SUMMARY:

Pursuant to the provisions of Texas Government Code Chapter 2269, Subchapter F, it is the intention of the City of Jacksonville (the "City") to select, via the one-step Request for Proposal process, a Construction Manager-at-Risk (a "Construction Manager") for the construction of the project described herein ("Project"). Persons or entities submitting proposals are referred to herein as "Offeror(s)."

I. SCOPE OF WORK, FORM OF CONTRACT
A. Scope of Work:
1. Project: The proposed Project consists of the repair and modification of the HVAC systems, roof and building envelope, and related elements in the Public Safety Complex.
2. Scope of Services: The selected Offeror shall serve as a Construction Manager-at-Risk for the Project, providing (1) Preconstruction Services, and provided that the parties agree on a Guaranteed Maximum Price, (2) construction services for the construction of the Project.
February 18, 2026
Request for Proposals City of Jacksonville
3 of 22
Such services are generally outlined below.
i. Preconstruction Services: Construction Manager shall provide preconstruction services for the Project as specified in the Contract Documents and as otherwise agreed by the parties. Such preconstruction services may include, but shall not be limited to, the following:
a. Cost estimating services;
b. Constructability analysis;
c. Scheduling and planning services;
d. Value engineering;
e. Preparation of preliminary bid packages for subcontractors and suppliers;
f. Identification of long-lead procurement items; and
g. Preparation of a GMP proposal.
ii. Construction Services: Construction Manager shall provide services and Work during the construction phase of the Project as specified in the Contract Documents, if the parties execute a Guaranteed Maximum Price amendment, which may include but shall not be limited to the following:
a. Performance of the Work specified in the Contract Documents;
b. Procurement of materials and equipment;
c. Bidding, award, and management of subcontracts and supplier agreements, in compliance with City's requirements;
d. Quality control measures;
e. Coordination with the City's Architect/Engineer as necessary for the performance of the Work;
f. Management of site operations and safety programs; and
g. Coordination with authorities having jurisdiction as necessary for the performance of the Work.
B. Timing/Anticipated Schedule:

At this time, the City is estimating the Project should be substantially complete within 9-12 months of execution of the Agreement, as defined below.

RECOMMENDED ACTION:

BID AND AWARD:

BUDGET DATA:

The final budget for this Project is still being determined; however, Offerors should provide estimated General Conditions Costs and a proposed Fee based upon an estimated budget of Two Million Dollars ($2,000,000) for the construction of the Project.

BUDGET JUSTIFICATION:

STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
1.2 Leverage the talent and input of citizens ☐	2.2 Parks, recreation, and community building ☐	3.2 Proactively seek process improvements ☐	4.2 Strengthen routine maintenance programs ☐	5.2 Leverage and maximize City facilities ☐
1.3 Transparent and engaging communication ☐	2.3 Community policing and crime prevention ☐	3.3 Ensure financial stability and stewardship ☐	4.3 Adopt a capital improvement program ☐	5.3 Disasters and emergencies ☐
1.4 Ensure value of services ☐	2.4 Preserve and revitalize existing neighborhoods ☐	3.4 Pursue partnerships and grants ☐	4.4 Protect natural resources ☐	5.4 Comprehensive community planning ☐

POLICY/GOAL CONSIDERATION:

LEGAL:

PUBLIC SAFETY COMPLEX

REQUEST FOR PROPOSALS
FOR CONSTRUCTION MANAGER-AT-RISK SERVICES

CITY OF JACKSONVILLE, TEXAS

Pursuant to the provisions of Texas Government Code Chapter 2269, Subchapter F, it is the intention of the City of Jacksonville (the "City") to select, via the one-step Request for Proposal process, a Construction Manager-at-Risk (a "Construction Manager") for the construction of the project described herein ("Project"). Persons or entities submitting proposals are referred to herein as "Offeror(s)."

Proposals are to include the information requested in Section II of this Request for Proposals (the "Request") in the sequence and format prescribed. In addition to and separate from the requested information, Offerors submitting proposals may provide supplementary materials further describing their capabilities and experience. Four (4) copies of the proposals are required.

PROPOSALS MUST BE RECEIVED NO LATER THAN
10:00 A.M. ON MARCH 6, 2026

Any proposal received after such time will not be considered and will be returned unopened. Proposals will be received by:

City of Jacksonville, Texas
Attn: Dianah Surber, City Clerk
315 S. Ragsdale Street
Jacksonville, Texas 75766

Proposal envelopes must be plainly marked on the outside with the Offeror's name and address and the following information:

SEALED PROPOSAL – DO NOT OPEN
CITY OF JACKSONVILLE
315 S. RAGSDALE STREET, JACKSONVILLE TEXAS 75766
DUE AT 10:00 A.M. ON MARCH 6, 2026

Following the deadline for receipt, the City's staff will receive, publicly open, and read aloud the names of the Offerors and all fees and prices stated in the proposals. Within forty-five (45) days following the date of the opening, the City will evaluate and rank each proposal submitted in relation to the selection criteria set forth herein. The City may also request additional information from Offerors at any time prior to final ranking of Offerors. The City may select all, some or none of the Offerors for interviews. The interview, if any, will not be scored separately from the proposal, but may result in an adjustment in score. A recommendation will be made to the City Council as to the ranking of the proposals.

Following the City's ranking of the Offerors based on the published selection criteria, the City will attempt to negotiate an agreement with the Offeror that offers the best value to the City. If the City is unable to negotiate an agreement with the selected Offeror, the City shall, formally and in writing, end negotiations with that Offeror and begin the negotiation process with the next ranked Offeror in the order of selection ranking until a contract is reached or negotiations with all ranked Offerors end.

Pursuant to Texas Government Code Section 2269.254, the City will rank the proposals based on the following criteria and relative weights:

WEIGHT	/CRITERIA
15%	Offeror's proposed Fee and General Conditions Costs
30%	Offeror's experience and past performance on similar projects
15%	Quality of the Offeror's work and services
15%	Qualifications of Offeror's proposed personnel
5%	Offeror's financial strength
5%	Offeror's safety record
15%	Offeror's proximity to the worksite

All responses in the Offerors' proposals may be used to rank Offerors based on the criteria. The City reserves the right to verify the accuracy and completeness of all responses by utilizing any information available to the City without regard to whether such information appears in your proposal.

By submitting a proposal, each Offeror agrees to waive any claim it has or may have against the City, the Architect/Engineer, and their respective trustees, agents and employees, and any reference sources, arising out of or in connection with the administration, evaluation, or recommendation of any proposal; waiver of any requirements under the Request for Proposals; acceptance or rejection of any proposal; and award of a contract.

The City shall have no contractual obligation to any Offeror, nor will any Offeror have any property interest or other right in the contract or Work being proposed unless and until a contract is unconditionally executed and delivered by all parties, and all conditions to be fulfilled by the Offeror have been so fulfilled by the Offeror.

I. SCOPE OF WORK, FORM OF CONTRACT

A. Scope of Work:

1. **Project:** The proposed Project consists of the repair and modification of the HVAC systems, roof and building envelope, and related elements in the Public Safety Complex.

2. **Scope of Services:** The selected Offeror shall serve as a Construction Manager-at-Risk for the Project, providing (1) Preconstruction Services, and provided that the parties agree on a Guaranteed Maximum Price, (2) construction services for the construction of the Project.

Such services are generally outlined below.

i. **Preconstruction Services:** Construction Manager shall provide preconstruction services for the Project as specified in the Contract Documents and as otherwise agreed by the parties. Such preconstruction services may include, but shall not be limited to, the following:
   a. Cost estimating services;
   b. Constructability analysis;
   c. Scheduling and planning services;
   d. Value engineering;
   e. Preparation of preliminary bid packages for subcontractors and suppliers;
   f. Identification of long-lead procurement items; and
   g. Preparation of a GMP proposal.

ii. **Construction Services:** Construction Manager shall provide services and Work during the construction phase of the Project as specified in the Contract Documents, if the parties execute a Guaranteed Maximum Price amendment, which may include but shall not be limited to the following:
   a. Performance of the Work specified in the Contract Documents;
   b. Procurement of materials and equipment;
   c. Bidding, award, and management of subcontracts and supplier agreements, in compliance with City's requirements;
   d. Quality control measures;
   e. Coordination with the City's Architect/Engineer as necessary for the performance of the Work;
   f. Management of site operations and safety programs; and
   g. Coordination with authorities having jurisdiction as necessary for the performance of the Work.

B. Timing/Anticipated Schedule:

At this time, the City is estimating the Project should be substantially complete within 9-12 months of execution of the Agreement, as defined below.

C. Budget:

The final budget for this Project is still being determined; however, Offerors should provide estimated General Conditions Costs and a proposed Fee based upon an estimated budget of Two Million Dollars ($2,000,000) for the construction of the Project.

D. Form of Contract:

The contract between the City and the Construction Manager shall be the "Standard Form of Agreement Between Owner and Construction Manager as Contractor Where the Basis of Payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price," AIA Document A133-2019,

as modified by the City for this Project ("Agreement"). A copy of the Agreement, as modified, is attached as **Exhibit "A."** The General Conditions shall be the General Conditions of the Contract for Construction, AIA Document A201-2017, as modified by the City for this project ("General Conditions"), attached as **Exhibit "B."** The GMP Amendment form, AIA Document A133 – 2019 Exhibit A, "Guaranteed Maximum Price Amendment" ("GMP Amendment Form") is attached as **Exhibit "A-1."** The insurance requirements with which Construction Manager must comply ("Insurance Requirements") are attached as **Exhibit "A-2."**

By executing and submitting a response to this Request, Offeror represents that it has reviewed the terms and conditions of the Agreement, General Conditions, GMP Amendment Form, and Insurance Requirements, and will execute these documents in substantially similar form, subject to final approval by the City Council. **Offeror must state any requested modifications to these Contract Documents as part of its response to this Request. If no requests are made, Offeror will be expected to execute the contract without modification.**

The Prevailing Wage Schedule adopted by the City Council is attached as **Exhibit "C."**

Offerors must complete and submit the Conflict of Interest Questionnaire (**Exhibit "D"**) and Non-Collusion Affidavit (**Exhibit "E"**) with its response to this Request.

E. The Offerors, or any agent or representative of Offerors, shall not undertake any activities or actions to promote or advertise their qualifications or Proposal to any member of the City Council, the City's Administration or their respective staff persons, except as specifically requested in writing by the City, at any time between the date of publication of the Request and the date of award of an Agreement by the City Council. This restriction extends to "thank you" letters, phone calls, emails and any contact that results in the direct or indirect discussion of the Request and/or proposals submitted by Offerors.

F. Other Conditions and Terms:

1. Liquidated damages, if any, shall be as set forth in the Contract Documents.
2. Selected Offeror shall be required to provide performance and payment bonds in accordance with the terms of the Contract Documents and Texas law, including Section 2269.258 of the Texas Government Code.
3. The City will not be responsible for the costs incurred by any Offeror or other party relating to the preparation or submittal of a proposal.
4. Respondents are advised that the Texas Prevailing Wage Law will be administered in accordance with the procedures set forth in the Contract Documents and as required by Chapter 2258 of the Texas Government Code. Applicable rates and prevailing wage requirements are shown in **Exhibit "C."**

II. INFORMATION TO BE PROVIDED BY OFFEROR IN PROPOSAL

Please provide the following information concerning your firm:

A. Offeror Information

1. Legal Name of Firm
2. Business Address
3. Telephone Number
4. Fax Number
5. Email Address
6. Type of Organization (Individual, Partnership, Corporation, Association)
7. Number of Permanent Employees (Employees hired for the duration of a specific project or under a fixed-term contract are not considered permanent employees for purposes of this proposal)
    i. Home Office Permanent Employees
    ii. Field Permanent Employees
8. Primary Contact Person for City Inquiries
9. Main Office Location (if different than above)
10. Describe any substantial changes in ownership of your firm during the past five (5) years.
11. How many years has your firm operated under its current form of business organization?
12. List all professional or industry organizations in which your firm or its principals are members.
13. In addition to completing and submitting form CIQ (attached hereto as **Exhibit "D"**), in order to assist the City in determining whether there exist any conflicts of interest, please describe any business or family relationships between any member of the City Council and:
    i. your firm;
    ii. any principal of your firm;
    iii. any subcontractor you are considering using to perform any portion of the Project Work; or,
    iv. any principal of such subcontractor.

B. Personnel Information

Provide brief resumes (2-page limit) for the persons listed below:

1. Principals/ Corporate Officers:
    i. President
    ii. Vice President
    iii. Partners

2. Project Management Candidates
    i. Project Manager
    ii. Superintendent

For the Project Manager and Superintendent candidates, please list up to three (3) persons you consider qualified for the positions. Please also provide a list of the principal duties and responsibilities you anticipate assigning to the Project Manager and to the Superintendent.

C. Licensing

List jurisdictions and trade categories in which your organization is legally qualified to do business and indicate registrations or license numbers, if applicable.

D. City/Municipal/Non-Profit Projects

List all municipal or non-profit building projects your firm has completed within the past ten (10) years, and for each project list:

1. Project Owner
2. Brief description of the project
3. Client, client contact person, and telephone number for reference purposes
4. Date construction completed
5. Managing Principal
6. Project Architect or Engineer

For the ten (10) largest projects please also provide the following information:

7. Original contract amount
8. Final contract amount
9. Number of change orders
    i. initiated by contractor; and
    ii. initiated by owner or architect

References shall be considered relevant based on specific project participation and experience with the Offeror. The City may contact references during any part of this process.

E. Organization

1. Describe the most common problem or challenge which you have encountered in municipal construction and your method for addressing the issue. (Maximum 2 page).
2. Describe your firm's concepts for working in a team relationship with the City and Architect during the design and construction of major projects. (Maximum 2 page).
3. Explain in detail how your firm will handle warranty issues.
4. List the classifications of work or trades which you anticipate performing with in- house forces.
5. Provide information regarding your firm's strategy for completing projects timely and on-budget.

F. Claims and Litigation

1. Identify any claims or suits, if any, brought against your firm within the last five (5) years.
2. Describe all instances in which your firm was unable to complete the work under a contract.
3. Identify any judgments, claims arbitration proceedings or suits pending or outstanding against your firm or its officers.
4. Identify any lawsuits filed or arbitration requested by your firm with respect to construction contracts of your firm.

G. Current Work Load

Provide the following information for the five (5) largest projects you currently have under contract:

1. Project name
2. Location
3. Owner
4. Architect
5. Current contract amount
6. Percent complete
7. Specified contract completion date

H. Financial Information

Provide the following information:

1. Total amount of work performed as general contractor for each of the past five (5) years.
2. Bonding capacity
    i. Per project
    ii. Aggregate
3. Bank reference(s)
    i. Contact name, title
    ii. Name of bank
    iii. Address
    iv. Telephone
4. Bonding Company reference(s)
    i. Contact name, title
    ii. Name of bank
    iii. Address
    iv. Telephone
5. Dunn & Bradstreet rating, if available
6. Financial statement, preferably audited; include your organization's latest balance sheet and income statement showing the following items:
    i. Current assets (e.g., case, joint venture accounts, accounts receivable, notes receivable, accrued income, deposits, materials inventory, and prepaid expenses.)

ii. Non-current assets (e.g., net fixed assets, other assets.)
iii. Current liabilities (e.g., accounts payable, notes payable, (current), accrued expenses, provision for income taxes, advances, accrued salaries and accrued payroll taxes.)
iv. Non-current liabilities (e.g., notes payable.)
v. Capital accounts and equity positions (e.g., capital, capital stock, authorized and outstanding shares per value, earned surplus and retained earnings.)
vi. Name and address of firm preparing attached financial statement and date thereof.

I. Cost Control Information

Provide responses to the following items:

1. Describe your organization's methods for estimating costs, and for scheduling during the design phase. It is currently anticipated that the Contract Documents will require that a Guaranteed Maximum Price be furnished at the 90% construction document phase (Maximum ½ page).
2. Attach a sample conceptual cost estimate prepared during the design phase of a project, and a sample of the final cost estimate/breakdown used to fix the contract amount for the construction of the same project (The identity of the project may be concealed. The intent is to see the nature and the format of the cost information provided) (Maximum 3 sample pages for each phase.)
3. Describe your organizations cost control system utilized during the Construction Phase (Maximum ½ Page).

J. Safety Record

Provide the following information:

1. Submit the safety performance record in the form of your Worker's Compensation modifier for the current year and the three previous years and your Total Recordable Incident Rating (TRIR) for each of the three previous years.

PROPOSAL FORM

Offeror's Company Name: _____

Address: _____

_____

Phone: _____ Fax: _____

A. FEE PROPOSAL

Having examined the Request for Proposal, the following is a breakdown of all proposed fees and costs:

1. FEE: (percentage of Cost of the Work) _____ %

Includes the cost of Preconstruction Services, Overhead, Profit, Home Office Labor and Expenses.

2. GENERAL CONDITIONS COSTS: (percentages of Cost of Work)

2.1 Premium for Required Performance and Payment Bonds _____ %

2.2 General, Automobile & Umbrella Liability Insurance _____ %

2.3 Builder's Risk Insurance _____ %

2.4 General Conditions Items (see below and Schedule A) _____ %

Superintendent (full time)	Job Office Rental
Assistant Superintendent (as needed)	Haul and Set-up Trailer Project
Manager (as needed)	Pick-up Truck Rental
Field Operations Manager (as needed)	Pick-up Truck Fuel & Maintenance
Employee Benefits for above	Secretarial Support
SS and Unemployment Taxes for above	Two-way Radios
Workers Compensation Insurance for above	Project Office Telephones Printing –
Record & Shop Drawings only	First-Aid Supplies
Project Office Supplies	Drug Screens
Postage & Express Shipping Charges	Progress Schedules
Personnel Relocation	Accounting Fees
Project Office Utilities	Data Processing Fees
Travel, Meals, and Lodging	Project Office Machines

TOTAL OF ALL GENERAL CONDITIONS COSTS _____ %

3. PRECONSTRUCTION SERVICES (NOT-TO-EXCEED COST)

All costs for preconstruction services shall be included in the FEE, item A.1 above. However, if the parties do not execute a Guaranteed Maximum Price amendment, or the construction phase does not commence for any reason, payment to the selected Offeror for preconstruction services shall be the

necessary and reasonable cost of such services, supported by reasonable documentation as the City may require, not to exceed a value of:

_____Dollars ($ _____)
If the amount is "zero", enter "0"; do not enter "no bid"

B. ADDENDA

Undersigned acknowledges receipt of Addenda Nos.:

_____.

C. CONSTRUCTION MANAGER'S PERSONNEL

The Offeror agrees that once a Project Manager and Project Superintendent are assigned to the Project (subject to City's approval), such individuals shall be in place for the entire duration of the Offeror's Work on the Project at the positions indicated. Offeror agrees not to remove them from the Work nor replace them with others except as otherwise allowed in the Contract Documents or approved in writing by City. Subject to the City's approval of such individuals, the Offeror proposes the following personnel for such positions:

Project Manager: _____

Project Superintendent: _____

D. REVIEW OF CONTRACT AGREEMENTS

By executing and submitting this proposal, Offeror agrees, represents, and warrants to the City that:

1. Offeror has reviewed the Agreement, the GMP Amendment Form, the General Conditions, and the Insurance Requirements, as attached to the Request as Exhibits A and B;
2. Any revisions requested by the Offeror to the terms and conditions of the Agreement, the GMP Amendment Form, the General Conditions, or the Insurance Requirements, as attached to the Request as Exhibits A and B, are listed below or attached on a separate sheet and submitted with the Offeror's proposal;
3. No revisions to the Agreement, GMP Amendment Form, General Conditions, or Insurance Requirements shall be considered unless such revisions are provided with the Offeror's proposal.

Requested revisions to the Agreement, GMP Amendment Form, General Conditions, or Insurance Requirements:

_____
_____
_____
_____

E. REPRESENTATIONS AND CERTIFICATIONS

By execution and submission of this proposal, the Offeror hereby agrees, represents and warrants to City as follows:

1. Offeror will hold proposal open for acceptance for ninety (90) days.
2. Offeror accepts City ’s right to reject any or all proposals, to waive formalities and to accept the Proposal which Owner considers most advantageous.
3. By signing this Proposal Form, the undersigned on behalf of the Offeror affirms that, to the best of Offeror’s knowledge, the information concerning this proposal has been arrived at independently and is being submitted without collusion with anyone to obtain information or gain any favoritism that would in any way limit competition or give an unfair advantage over other offerors in the award of the contemplated contract.
4. All contingencies and savings under the executed contract, if any, shall be returned one hundred percent (100%) to the City.
5. Offeror has read and understands the Request (and all attachments thereto) and all currently available Contract Documents, and this proposal is made in accordance with the terms of the Request.
6. Offeror has carefully inspected the Project site, and from the Offeror’s own investigation, the Offeror has satisfied itself as to the nature and location of the Work within the scope of the Project and the character, quality, quantities, materials and difficulties to be encountered; the kind and extent of equipment and other facilities needed for the performance of the Work; the general and local conditions and other items which may in any way affect the Work or its performance; and the Offeror has correlated the Offeror’s site observations with the requirements of the Contract Documents. The Offeror understands and accepts the difficulties and costs associated with the Work and the Project site and the potential delays, disruptions in Work and costs associated therewith, and has included such considerations in its proposal.
7. All information submitted by the Offeror to the City in response to this Request is true and correct. The City, or any authorized representative of the City, is authorized by the undersigned to contact any firm, institution, or person to obtain information about Offeror’s services, financial condition, and any other information which the City might determine as being desirable.
8. To the fullest extent permitted by applicable law, the Offeror waives any claim it has or may have against the Owner, the Architect/Engineer, and their respective trustees, officers, shareholders, directors, partners, agents, contractors, consultants and employees arising out of or in connection with the administration, evaluation or recommendation of any offers; waiver of any requirements under the Request or the Contract Documents; acceptance or rejection of any proposals; and the award of a contract.
9. The Project will be undertaken in accordance with the applicable provisions of Chapter 2269, Subchapter F of the Texas Government Code.
10. Offeror acknowledges and agrees that pursuant to Tex. Gov't Code § 2252.908, the City may not award any contract to a Respondent unless the Respondent has provided to the Authority a completed, signed TEC Form 1295 which has been assigned a certificate number by the Texas Ethics Commission (“TEC”). Pursuant to the rules prescribed by the TEC, TEC Form 1295 must be completed online through the TEC's website, assigned a certificate number, printed, signed, and provided to the City. The City shall have no responsibility for advising any Offeror with respect to the proper completion of TEC Form 1295.

11. Certifications under Texas Government Code:
   i. In accordance with Texas Government Code § 2271.002, Offeror certifies that neither Offeror nor any of its affiliates currently boycott Israel nor will Offeror nor any of its affiliates boycott Israel during the term of any contract with the City. "Boycott Israel" has the meaning provided in Tex. Gov't Code § 808.001.
   ii. In accordance with Tex. Gov't Code § 2274.002, Offeror certifies that Offeror and its affiliates either: (1) meet an exemption criterion under Tex. Gov't Code § 2274.002, or (2) do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association, nor will Offeror or its affiliates discriminate against a firearm entity or firearm trade association during the term of any contract with the City. "Firearm entity" and "firearm trade association" have the meanings provided in Tex. Gov't Code § 2274.001.
   iii. In accordance with Tex. Gov't Code § 2276.002, Offeror certifies that Offeror and its affiliates either: (1) meet an exemption criterion under Tex. Gov't Code § 2276.002, or (2) do not boycott energy companies and will not boycott energy companies during the term of any contract with the City.
   iv. By execution and submission of a proposal, and as a condition of the execution of any contract with the City, the chosen Offeror certifies that neither the Offeror, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Offeror is a company listed by the Texas Comptroller of Public Accounts under Sections Tex. Gov't Code § 2252.153 or § 2270.0201.
   v. For purposes of the foregoing certifications, the term "affiliate" means an entity that controls, is controlled by, or is under common control with the Offeror within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

By: _____ _____ _____
(Signature) (Printed Name) (Title)

SCHEDULE A
GENERAL CONDITIONS ITEMS

The following items are included in the General Conditions Costs compensated under Section A.2.4 of the Proposal Form. For purposes of this Schedule A, "Construction Manager" shall mean the selected Offeror, and "Owner" shall mean the City.

1. LABOR COSTS

1.1 Wages and salaries of the Construction Manager's supervisory and administrative personnel when stationed at the site.

1.2 Wages and salaries of the Construction Manager's supervisory and administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work.

1.3 Costs paid or incurred by the Construction Manager for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements, and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided that such costs are based on wages and salaries included under Sections 1.2 and 1.3.

2. MATERIAL AND EQUIPMENT, TEMPORARY FACILITIES AND RELATED ITEMS

2.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

2.2 Costs of materials described in Section 2.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, 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.

2.3 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner's prior approval.

3. MISCELLANEOUS COSTS

3.1 Sales, use or other similar taxes imposed by a governmental authority that are related to the Work and for which the Owner (1) is not exempt under Texas law, or (2) has not timely provided a certificate of exemption or similar proof of the Owner's tax-exempt status.

3.2 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.

3.3 Royalties and license fees paid for the use of a particular design, process, or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirements of the Contract Documents.

EXHIBIT “A”

AIA A133—2019, AS MODIFIED BY OWNER (“AGREEMENT”)

[Page(s) to follow.]

DRAFT

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

AGREEMENT made as of the day of in the year 2026
(In words, indicate day, month, and year.)

BETWEEN the Owner:
(Name and address)

City of Jacksonville, Texas
315 S Ragsdale Street
Jacksonville, TX 75766
Attn: James Hubbard, City Manager
Phone: 903-339-3300
E-mail: james.hubbard@jacksonvilletx.org

and the Construction Manager:
(Name and address)

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

Jacksonville Public Safety Complex
907 S Bolton Street
Jacksonville, TX 75766

The Architect:
(Name and address)

Tom Green & Company Engineers, Inc., a Texas Corporation
3701 Executive Center Drive, Suite 258
Austin, TX 78731
Attn: Cameron Labunski, Principal Engineer
Phone: 512-345-7793
Email: cameronl@tgce.com

[The reference to "Architect" means the Owner's primary design professional. Accordingly, if the Owner's design professional is an engineer or other design consultant, the term "Architect" shall mean such engineer or other design consultant.]

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.

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.

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EXHIBIT A GUARANTEED MAXIMUM PRICE AMENDMENT FORM
EXHIBIT B INSURANCE REQUIREMENTS

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.)

[INSERT PROGRAMMING INFORMATION]

§ 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.)

[INSERT PHYSICAL CHARACTERISTICS]

§ 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.)

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[INSERT BUDGET]

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

.1 Design phase milestone dates, if any:

TBD

.2 Construction commencement date:

TBD

.3 Substantial Completion date or dates:

TBD

.4 Other milestone dates:

TBD

§ 1.1.5 The Owner's requirements for accelerated or fast-track scheduling, or phased construction, are set forth below:
(Identify any requirements for fast-track scheduling or phased construction.)

Not applicable.

§ 1.1.6 The Owner's anticipated Sustainable Objective for the Project:
(Identify and describe the Owner's Sustainable Objective for the Project, if any.)

Not applicable.

§ 1.1.6.1 *Intentionally omitted.*

§ 1.1.7 Other Project information:
(Identify special characteristics or needs of the Project not provided elsewhere.)

TBD

§ 1.1.8 The Owner identifies the following representative in accordance with Section 4.2:
(List name, address, and other contact information.)

James Hubbard, City Manager
City of Jacksonville, Texas
315 S Ragsdale Street
Jacksonville, TX 75766
Phone: 903-339-3300
E-mail: james.hubbard@jacksonvilletx.org

§ 1.1.9 The persons or entities, in addition to the Owner's representative, who are required to review the Construction Manager's submittals to the Owner are as follows:
(List name, address and other contact information.)

Not applicable.

§ 1.1.10 The Owner shall retain the following consultants and contractors:
(List name, legal status, address, and other contact information.)

.1 Not used.

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User Notes: (729180023)

.2 Not used.

.3 Not used.

§ 1.1.11 The Architect's representative:
(List name, address, and other contact information.)

Cameron Labunski, Principal Engineer
Tom Green & Company Engineers, Inc., a Texas Corporation
3701 Executive Center Drive, Suite 258
Austin, TX 78731
Phone: 512-345-7793
Email: cameronl@tgce.com

§ 1.1.12 The Construction Manager identifies the following representative in accordance with Article 3:
(List name, address, and other contact information.)

§ 1.1.13 The Owner's requirements for the Construction Manager's staffing plan for Preconstruction Services, as required under Section 3.1.9:
(List any Owner-specific requirements to be included in the staffing plan.)

See **Exhibit D**, Staffing Plan.

§ 1.1.14 The Owner's requirements for subcontractor procurement for the performance of the Work:
(List any Owner-specific requirements for subcontractor procurement.)

As required by Applicable Law.

§ 1.1.15 Other Initial Information on which this Agreement is based:

Not applicable.

§ 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 may appropriately adjust the Project schedule, the Construction Manager's services, and the Construction Manager's compensation. The Owner may 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.

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

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described in Section 3.2.3 and identified in the Guaranteed Maximum Price Amendment. 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.

§ 2.2 Relationship of the Parties

The Construction Manager accepts the relationship of trust and confidence established by this Agreement. Construction Manager represents itself as having expertise in planning, scheduling, budgeting, and construction means and methods dictated by design parameters outlined in Contract Documents, and Construction Manager covenants with the Owner to cooperate with the Architect, Owner's separate contractors, consultants, and design professionals, if any, 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. In its capacity as a general contractor, not as a design professional, the Construction Manager represents and warrants to the Owner that is experienced in the construction of projects of similar size, scope, and quality to the Project and that it is familiar with and knowledgeable regarding the components that are properly and customarily included with such a project, including the requirements of state laws, local building codes, labor laws and labor markets applicable to the Work, and local building officials consistent with the knowledge of a competent construction manager and general contractor regularly engaged in the construction of such comparable projects.

§ 2.3 General Conditions

§ 2.3.1 For the Preconstruction Phase, AIA Document A201–2017, General Conditions of the Contract for Construction, as modified, shall apply as follows: Section 1.5, Ownership and Use of Drawings, Specifications, and Other Instruments of Service; Section 1.6.3, Digital Data Use and Transmission; Section 1.8, Building Information Models Use and Reliance; Section 3.12.10, Professional Services; Section 10.3, Hazardous Materials and Substances; Section 13.1, Governing Law.

§ 2.3.2 For the Construction Phase, the general conditions of the contract shall be as set forth in A201–2017, as modified, which document is incorporated herein by reference. The term "Contractor" as used in A201–2017, as modified, 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, as modified, 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's representative authorized to act on behalf of the Construction Manager with respect to the Project is identified in Section 1.1.12. Time is of the essence as it pertains to all Construction Manager's obligations under the Contract Documents.

§ 3.1 Preconstruction Phase

§ 3.1.1 Extent of Responsibility

The Construction Manager shall exercise reasonable care in performing its Preconstruction Services, including the preparation of schedules, estimates, and other documents. 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. Except as otherwise required by applicable federal, state, and local life safety and building codes, laws, rules, regulations, statutes, ordinances, including equal employment opportunity programs, and other programs as may be required by governmental and quasi-governmental authorities, including accessibility laws ("Applicable Law"), the Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with Applicable Law, 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 or Owner 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.

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§ 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 provide recommendations consistent with the Project requirements, in writing, to the Owner and Architect on proposed site use and improvements; selection of materials; building systems; equipment; constructability; scope; availability of materials and labor; 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 and Owner regarding professional services to be provided by the Construction Manager during the Construction Phase.

§ 3.1.3.3 Not used.

§ 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 Owner's review and approval. 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 and Sub-subcontractor; ordering and delivery of products, including those that must be ordered in advance of construction; proposed date of Substantial Completion; and the occupancy requirements of the Owner. If Project schedule updates indicate that previously approved schedules may not be met, the Construction Manager shall make appropriate recommendations to the Owner and Architect in writing including recovery efforts as applicable.

§ 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 if requested by Owner. 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 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 in writing.

§ 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, in writing, the Owner and Architect in the event that the estimate of the Cost of the Work exceeds the latest approved Project budget, and make recommendations for corrective action. One cost estimates shall be provided, at a minimum, prior to submission of the GMP proposal].

§ 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. Construction Manager

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further agrees to work cooperatively with the Architect and review the Construction Documents and specifications, to be developed by the Architect in Construction Manager's capacity as a contractor and provide comments and recommendations to the Owner and Architect relating to the constructability with reasonable efficiency considering the site of the Project, availability of work force, time constraints, and prevailing trade practices within the construction industry concerning projects of this kind.

§ 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 *Intentionally omitted.*

§ 3.1.11 Subcontractors

§ 3.1.11.1 If the Owner has provided requirements for Subcontractor procurement in Section 1.1.14, the Construction Manager shall provide a subcontracting plan, addressing the Owner's requirements, for the Owner's review and approval. The Construction Manager shall develop and prepare Subcontractor bid and proposal packages, addressing the Owner's requirements, for the Owner's review and approval.

§ 3.1.11.2 The Construction Manager shall develop bidders' interest in the Project by publicly advertising for bids for the performance of all major elements of the work, other than minor work that may be included in Construction Manager's general conditions. Construction Manager shall conduct pre-bid meetings and receive Subcontractor bids in accordance with Article 9 and Applicable Law.

§ 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 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.

§ 3.1.13 Compliance with Laws

The Construction Manager shall comply with all Applicable Laws that in any way relate to the Construction Manager's obligations under the Contract Documents.

§ 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.)

[Insert information or exhibit reference, as applicable]

§ 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 the Guaranteed Maximum Price proposal for the Owner's review and acceptance, using the form attached as **Exhibit A**. 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.

§ 3.2.2 To the extent that the Contract Documents are anticipated to require further development, the Guaranteed Maximum Price shall include the costs attributable to such further development consistent with the Contract Documents

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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. By executing this Agreement and submitting the Guaranteed Maximum Price proposal, the Construction Manager agrees that the Contract Documents and materials and information furnished to the Construction Manager as of the date of submission of the Guaranteed Maximum Price proposal have described the scope, construction requirements, and actual building program and design (as specifically represented by said documents) of the Work in sufficient detail so as to support the proposal. The Construction Manager is not permitted to claim any adjustment in either the Guaranteed Maximum Price or Contract Time in connection with the completion of final drawings and specifications except as specifically provided herein.

§ 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 A proposed Project schedule (reflecting revisions to any previously approved Project schedule), showing all critical path milestones as well as the anticipated date of Substantial Completion upon which the proposed Guaranteed Maximum Price is based; and

.5 A date by which the Owner must accept the Guaranteed Maximum Price.

§ 3.2.4 In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager may include a contingency for the Construction Manager's use to cover those costs that are considered reimbursable as Cost of the Work but are not subject to a Change Order ("Contingency"). If included, the Contingency may be drawn upon by the Construction Manager to pay only for Costs of the Work, provided that (i) the Construction Manager provides the Owner with a written explanation of each requested draw upon the Contingency, along with back-up documentation reasonably requested by the Owner, with each Application for Payment in which such draw is requested, (ii) each Application for Payment contains a report aggregating the Construction Manager's use of the Contingency, and (iii) each draw on the Contingency, is approved in advance by the Owner.

§ 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, the basis of the proposal, 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 in the form attached hereto as **Exhibit A**, 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 *Intentionally omitted.*

§ 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.

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§ 3.3 Construction Phase

§ 3.3.1 General

§ 3.3.1.1 For purposes of Section 8.1.2 of A201–2017, as modified, 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 as set forth in the Guaranteed Maximum Price Amendment or, prior to acceptance of a 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. In no event shall the date of commencement be later than the date on which the Construction Phase actually commences. Prior to the commencement of the Construction Phase, the Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work without prior written approval by the Owner.

§ 3.3.1.3 The Construction Manager shall fully execute the Work described in the Contract Documents and reasonably inferable therefrom to provide the results intended by the Contract Documents except to the extent specifically indicated in the Contract Documents to be the responsibility of others.

§ 3.3.1.4 The Construction Manager shall furnish only experienced staff for the performance of the Work and in accordance with **Exhibit D**. Key members of the Construction Manager's staff shall not be changed without the advanced written consent of the Owner, unless such person becomes unable to perform any required duties due to death, disability, transfer, or termination of employment with the Construction Manager or unless Owner requests removal. If a key member is no longer capable of performing or is removed by the Owner, the Owner and the Construction Manager shall agree on a mutually acceptable substitute. Written notice from the Owner or the Architect to the Construction Manager's superintendent, designated representative, or its project manager in connection with defective Work, or instruction for performance, shall be considered notice of such issues to the Construction Manager.

§ 3.3.1.5 At all times during the progress of the Work, Construction Manager shall assign a competent resident superintendent who is able to communicate fluently in English, along with any necessary assistant(s) who is/are satisfactory to Owner. Any superintendent designee shall be identified in writing to Owner promptly after Owner issues written Notice to Proceed. The superintendent shall represent Construction Manager at all times and all directions given to the superintendent shall be binding on Construction Manager. The designated superintendent shall not be replaced without written notice to and the approval of Owner, which approval shall not be unreasonably withheld, except with good reason (including any termination or disability of the superintendent) or under extraordinary circumstances or as otherwise permitted under the Contract. The superintendent may not be employed on any other project prior to Final Completion of the Work without the approval of Owner, which approval shall not be unreasonably withheld.

§ 3.3.1.6 Construction Manager shall furnish an updated list to Architect and Owner of all engineers, consultants, job-site superintendents, Subcontractors, and Sub-subcontractors involved in the Project.

§ 3.3.1.7 Owner reserves the right to utilize one or more of its employees or consultants to function in the capacity of Owner's inspector or construction observer, whose primary function shall be daily inspections of the Work, checking pay requests or construction timelines and the verification of the storage of supplies and materials.

§ 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, as modified.

§ 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, consumption and status of contingency, and other information required by the Owner. The reports shall include current properly annotated photographs, updated milestone and critical path reports, and the findings or feedback from any inspections of the site or Work by any third parties.

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§ 3.3.2.4 Daily Logs
The Construction Manager shall keep, and make available to the Owner and Architect, 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.

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 Not used.

§ 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 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 Upon written request of Construction Manager, the Owner shall furnish available surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site.

§ 4.1.4.3 Not used.

§ 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 necessary for 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 The Owner's acknowledgement of any portion of the Work furnished hereunder shall not in any way relieve the Construction Manager of responsibility for the accuracy of the Work, consistent with the requirements of the Contract Documents. The Owner's acknowledgement or acceptance of, or payment for, any of the Construction Manager's services shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of performance under 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 and furnish information in a reasonable amount of time. Except as

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otherwise provided in Section 4.2.1 of A201–2017, as modified, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 4.2.1 Not used.

§ 4.3 Architect
The Owner shall retain an Architect to provide services, duties, and responsibilities as necessary for the Project consistent with the Contract Documents.

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.)

Compensation for Preconstruction Phase services shall be included in the Construction Manager's Fee; provided however, if the parties do not execute a GMP Amendment or the construction phase does not commence for any reason, payment to the Construction Manager for Preconstruction Phase services shall be the necessary and reasonable cost of such services, supported by reasonable documentation as the Owner may require, not to exceed a value of [INSERT] dollars ($[INSERT]).

If the Preconstruction Phase services covered by this Agreement have not been completed within [ ] ( ) months of the date of this Agreement, through no fault of the Construction Manager, or if additional Preconstruction Phase services beyond those established in Sections 3.1 and 3.2 are requested by the Owner, the Construction Manager shall perform those services at the hourly rates established in Section 5.1.2 or otherwise as mutually agreed to in writing. Construction Manager shall not perform any additional Preconstruction Phase services beyond those outlined in Sections 3.1 and 3.2 without Owner's prior written approval.

§ 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.)

See **Exhibit C**

§ 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.

§ 5.2 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 thirty (30) days after Owner's receipt of Construction Manager's complete and accurate Application for Payment. Owner shall not be liable for interest on any progress or final payment to be made under the Contract Documents, except as may be provided by the applicable provisions of the Prompt Payment Act, Chapter 2251, Texas Government Code, as amended.

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.)

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The Construction Manager's Fee shall be an amount equal to [INSERT] percent ([INSERT]%) of the total Cost of the Work.

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

Construction Manager's Fee for changes in the Work shall be calculated at the same percentage of the Cost of the Work set forth in Section 6.1.2, applied to the Cost of the Work associated with the change in the Work.

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

Ten percent (10%).

§ 6.1.5 Rental rates for Construction Manager-owned equipment shall not exceed ninety percent (90%) of the standard rental rate paid at the place of the Project in accordance with Section 7.5.2.

§ 6.1.6 Liquidated damages, if any:
(Insert terms and conditions for liquidated damages, if any.)

In the event that Substantial Completion of the entirety of the Work or a designated portion thereof is not achieved by the required date of Substantial Completion (including extensions of time to which the Construction Manager may be entitled under the express terms of this Agreement), the Construction Manager shall pay to the Owner, as liquidated damages and not as a penalty (and in lieu of damages incurred by the Owner as a result of such delay), the liquidated damage amount specified in the GMP Amendment.

The parties acknowledge and agree that the actual delay damages which Owner will suffer in the event of a delay in achieving Substantial Completion of the entirety of the Work or a designated portion thereof within the Contract Time are difficult, if not impossible, to determine and that the liquidated damages described herein shall in no way be deemed a penalty, and are a fair and reasonable estimate of the delay damages which the Owner is expected to suffer in the event of such delay. Owner may deduct any liquidated damages due hereunder from payments due Construction Manager until liquidated damages due hereunder are paid to the Owner. Liquidated damages will be the Owner's exclusive damage remedy for the Construction Manager's failure to achieve Substantial Completion of the entirety of the Work or a designated portion thereof within the timeline set forth in any GMP Amendment, but such damages will in no way limit the Owner's exercise of any other rights and remedies under the Contract or entitlement to damages for any other injury, damage or loss, other than for delay, for which the Construction Manager may be responsible pursuant to the terms of this Agreement or Applicable Law, including, without limitation, any termination rights that the Owner may have as a result of such delay.

If Construction Manager challenges the enforceability of the liquidated damages as set forth in this Section and the liquidated damages are deemed by a court or arbitrator of competent jurisdiction to be unenforceable, then notwithstanding anything to the contrary set forth in the Contract Documents, Owner shall be entitled to recover all damages sustained by Owner, including but not limited to actual and consequential damages proximately caused as a result of the Construction Manager's failure to achieve Substantial Completion within the timeline set forth herein.

§ 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.)

Not applicable.

§ 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 or "GMP". 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

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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 (with Owner's prior approval) or Owner, may order minor changes in the Work as provided in Article 7 of AIA Document A201–2017, General Conditions of the Contract for Construction, as modified.

§ 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, as modified.

§ 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 modified, 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 this Agreement, unless the Owner has furnished the Construction Manager with prior written approval of the form and substance of a subcontract, in which case such adjustment shall be calculated in accordance with the terms of those subcontracts.

§ 6.3.4 The Construction Manager shall submit detailed proposals or Subcontractor proposals showing the price to be paid for all materials, supplies, equipment, rental costs and related items used in the Change Order. The labor burden used for the Change Order work shall be as provided in Article 7. Any other costs included in the Change Order, including labor rates, shall be documented as to actual and direct cost to the Construction Manager.

§ 6.3.5 In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in Article 7 of AIA Document A201–2017, as modified, 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.

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 and shall never include the Construction Manager's Fee.

§ 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.

§ 7.1.4 Notwithstanding the breakdown or categorization of any costs to be reimbursed in this Article 7 or elsewhere in the Contract Documents, there shall be no duplication of payment. If any particular item for which payment may be requested can be characterized as falling into more than one compensable or reimbursable item under the Contract Documents, the Construction Manager shall make full disclosure of such item and allocate such item to a compensable reimbursable category as directed by the Owner.

§ 7.1.5 Not used.

§ 7.2 Labor Costs.

§ 7.2.1 Only those direct and actual wages of the Construction Manager's on-site construction workers directly employed by the Construction Manager to perform the construction of the Work at the site or, with the Owner's prior written approval, at off-site locations at the agreed rates set forth in **Exhibit C**.

§ 7.2.2 Only those direct and actual wages or salaries of the Construction Manager's supervisory and administrative personnel when stationed at the site and performing Work, with the Owner's prior approval, at the agreed rates set forth in **Exhibit C**.

§ 7.2.2.1 Wages or salaries of the Construction Manager's supervisory and administrative personnel when performing Work and stationed at a location other than the site, but only for that portion of time required for the Work, and limited to the personnel and activities listed below:

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(Identify the personnel, type of activity and, if applicable, any agreed upon percentage of time to be devoted to the Work.)

At the agreed rates set forth in **Exhibit C**, or as otherwise approved by Owner in writing.

§ 7.2.3 Not used.

§ 7.2.4 Not used.

§ 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 All costs for labor shall be subject to the provisions of Chapter 2258 of the Texas Government regarding prevailing wage requirements, as stipulated in Section 14.5.13 herein.

§ 7.3 Subcontract Costs

Amounts properly billed by Subcontractors for Work which has been approved by the Construction Manager and which otherwise satisfies all requirements of the subcontracts. Except for preservation of the Construction Manager's right to make receipt of payment from the Owner a condition precedent to the Construction Manager's obligation to pay Subcontractors and Sub-subcontractors. Subcontractor and Sub-subcontractor agreements otherwise shall conform to all 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 consent.

§ 7.4 Costs of Materials and Equipment Incorporated in the Completed Construction

§ 7.4.1 Costs, including transportation and storage at the site or off site with Owner's prior written approval, of materials and equipment incorporated, if delivered and suitably stored at the site or off site, or to be incorporated, in the completed construction. Off-site storage shall be subject to Section 7.4.1.1 below.

§ 7.4.1.1 Construction Manager shall be entitled to payment for materials suitably stored off the site at a location agreed upon in writing by Owner and Owner's lender (if any) or as set forth in Section 7.4.2, conditioned on the following:

.1 evidence satisfactory to Owner that the stored materials are included in the coverage of insurance policies naming the Owner as a loss payee and Owner's lender (if any) as a mortgagee and loss payee;

.2 bills of lading, invoices, and/or bills of sale satisfactory to Owner from the seller, supplier, or fabricator of the stored materials, evidencing the cost of such stored materials and that, upon payment, ownership thereof will vest in the Owner, free of any liens or claims of third parties; and

.3 verification (which may, at Owner's election, include physical inspection by Owner or its designated representative) of delivery and suitable storage of such materials in a warehouse or storage yard approved by the Owner (including the Owner's approval of the terms of such storage, including adequacy of insurance).

§ 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 become the Owner's property at the completion of the Work and shall be properly stored at the site (or elsewhere, at Owner's option) in accordance with Owner's instructions, 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.

§ 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.

§ 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.

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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 written approval. The total rental cost of any such equipment may not exceed the purchase price of any comparable item.

§ 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 Not used.

§ 7.5.6 Not used.

§ 7.6 Miscellaneous Costs

§ 7.6.1 Premiums for that portion of insurance and bonds required by the Contract Documents, except those that are to be charged subject to agreed rates, in accordance with Section 7.6.11 .

§ 7.6.1.1 Not used.

§ 7.6.1.2 Not used.

§ 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, unless otherwise precluded by Applicable Law.

§ 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, as modified, 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 Not used.

§ 7.6.6 Costs for communications services, electronic equipment, and software, directly related to the Work and located at the site, with the Owner's prior written approval. Provided, however, that such costs shall not include any licensing and other similar fees to the Owner for accessing the electronic equipment, software or other information except for equipment and software required and used exclusively for this Project.

§ 7.6.7 Costs of document reproductions and delivery charges.

§ 7.6.8 Deposits lost for causes other than the Construction Manager's, Subcontractor's or Sub-subcontractor's fault, negligence or failure to fulfill a specific responsibility in the Contract Documents.

§ 7.6.9 Not used.

§ 7.6.10 Expenses incurred in accordance with the Construction Manager's standard written personnel policy for relocation and temporary living allowances of the Construction Manager's personnel required for the Work, with the Owner's prior written approval.

§ 7.6.11 Mutually agreed upon fixed rates for bond costs, insurance costs, and other items, which shall be set forth in the GMP Amendment.

§ 7.7 Other Costs and Emergencies

§ 7.7.1 Other costs incurred in the performance of the Work, with the Owner's prior approval.

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§ 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 provided that such damage, injury or loss was not caused by the negligence or fault of Construction Manager, Subcontractors, or Sub-subcontractors.

§ 7.7.3 Costs of repairing or correcting damaged Work performed by the Construction Manager, Subcontractors, or Sub-subcontractors, provided that such damaged Work was not caused in whole or in part by the fault of, or failure to fulfill a specific responsibility by, the Construction Manager, Subcontractors, or Sub-subcontractors, and only to the extent that the cost of repair or correction is not recovered by the Construction Manager from insurance, sureties, Subcontractors, Sub-subcontractors, or others, provided that any such non-recovery was not the Construction Manager's, Subcontractor's or Sub-subcontractor's fault.

§ 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, as modified, 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 Agreement, the term "related party" shall mean (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 director, member, stockholder in, officer, or management employee of, the Construction Manager holds an equity interest in excess of ten percent (10%) in the aggregate; (3) any entity which has the right to control the business or affairs of the Construction Manager; or (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.

§ 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 provide written notification to the Owner 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 written notification, provides written authorization of 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. In no event shall such transactions lead to costs in excess of the prevailing market costs.

§ 7.8.3 Except as otherwise agreed in writing, the Construction Manager may perform trade work with its own forces or through a related party only if (1) the Construction Manager has competitively bid the trade work in accordance with Applicable Law, (2) the Construction Manager's bid is submitted in the same manner as all other subcontractors, (3) the Owner determines that the Construction Manager's bid provides the best value for the Owner, and (4) the parties agree in writing after the bids and the parties' relationship have been disclosed.

§ 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, 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 Sub-subcontractors, 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;

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.8 Costs, other than costs included in Change Orders signed by the Owner, that would cause the Guaranteed Maximum Price to be exceeded;
.9 Costs for services incurred during the Preconstruction Phase;
10 Fines, penalties, sanctions or impositions assessed or imposed by any governmental body, instrumentality, or tribunal arising from the fault of Construction Manager or its Subcontractors or Sub-subcontractors;
.11 Consultants to Construction Manager not previously approved in writing by Owner;
.12 Corporate office accounting, computer or information technology systems monitoring or maintenance, check, or audit processing costs;
.13 Costs of transportation and subsistence incurred by Construction Manager's employees stationed at the corporate or regional office unless incurred specifically for the Project with Owner's prior written approval;
.14 Travel expenses, including Construction Manager-supplied vehicles used for personal use, incurred by Construction Manager's employees while traveling for purposes other than the direct execution of the Work;
.15 Costs due to labor disharmony, unrest, or strikes, including but not limited to, delays, security, legal expenses and fines and work stoppages and slowdowns;
.16 Costs to repair defects in the Work caused by Construction Manager, its Subcontractors, Sub-subcontractors or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable and other costs to comply with Construction Manager's warranty obligations under the Contract, except as may be expressly included in Section 7.7.3 above;
.17 Incentive or bonus programs (including safety), EEO and targeted business compliance staff, safety training or seminars;
.18 Management of warranty Work or punch list work;
.19 Any of the Construction Manager's federal, state or local income taxes, franchise taxes, or personal or real property taxes and the cost for any licenses obtained for the general conduct of Construction Manager's business;
.20 Moving and relocation costs incurred by Construction Manager in relocating personnel for the purposes of staffing the Project;
.21 Costs resulting from the termination or default of a Subcontractor or Sub-subcontractor; and
.22 Other costs, damages, or expenses specifically excluded elsewhere in the Contract Documents.

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 or salvaged materials and equipment shall accrue to the Owner, and the Construction Manager shall make provisions so that they can be obtained.

§ 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 for the Work, who are qualified and able 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 Sub-subcontractors in consultation with the Architect and, subject to Section 9.1.1, to object to any Subcontractor or Sub-subcontractor. 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.

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§ 9.1.1 When a specific Subcontractor (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 Construction Manager will enter into subcontracts containing the terms required by the Contract Documents including incorporating the Contract Documents by reference and providing the Contract Documents control in the event of any conflict between the Contract Documents and such subcontract. All subcontracts or other agreements issued by Construction Manager shall specifically provide that Subcontractors agree to indemnify, defend and hold Indemnitees harmless from any claims, damages, costs (including reasonable attorney's fees), liability or loss arising from personal injury, death or property damage (except for the Work itself) to the extent caused by the willful or negligent acts, errors or omissions of the Construction Manager, Subcontractors, or Sub-subcontractors as the case may be. All subcontracts and other agreements shall conform to the applicable provisions of this Agreement, including payment and Owner's rights, such as right to suspend or terminate the Work in accordance with Article 14, and shall not be awarded on the basis of cost plus a fee without the Owner's prior written approval. Subcontracts 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 or "time and materials" basis (or any other basis other than lump sum), 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.

§ 9.3 All Subcontractors shall be pre-qualified to the satisfaction of the Owner prior to being requested to submit a bid on that portion of the Work. Construction Manager shall publicly advertise for bids and receive bids from potential Subcontractors for all portions of the Work in accordance with the requirements of Sections 2269.255, 2269.256, and 2269.257 of the Texas Government Code.

§ 9.3.1 In accordance with Section 2269.256 of the Texas Government Code, Construction Manager shall review all bids in a manner that does not disclose the contents of the bid during the selection process to a person not employed by the Construction Manager, the Owner, or the Owner's consultants. All bids shall be made available to Owner on request and to the public after the later of (i) the award of the contract or (ii) the seventh (7th) day after the date of final selection of bids.

§ 9.3.2 In accordance with Section 2269.256 of the Texas Government Code, if the Construction Manager reviews, evaluates, and recommends to the Owner a bid from a potential Subcontractor, but the Owner requires another bid or proposal to be accepted, the Construction Manager's compensation shall be equitably adjusted to compensate the Construction Manager for the costs it incurs because of the Owner's requirement that another bid be accepted.

§ 9.4 If Construction Manager desires to self-perform a portion of the Work, Construction Manager shall submit its bid for those portions of the Work in the same manner as all other Subcontractors. The Owner shall determine whether the Construction Manager's bid provides the best value for the Owner.

§ 9.5 Owner reserves the right to cause the removal of any of Construction Manager's construction personnel or Subcontractors for any reason whatsoever and Construction Manager shall be responsible for replacing the removed personnel or Subcontractor at no cost to the Owner. Construction Manager recognizes that it has received specific consideration within the GMP and Construction Manager's Fee for Owner's right of removal identified herein.

§ 9.6 In accordance with Section 2269.257 of the Texas Government Code, if a Subcontractor defaults, the Construction Manager may itself complete the portion of the Work subcontracted to the defaulting Subcontractor without advertising for bids to complete such Work, or may select a replacement Subcontractor to fulfill the subcontract requirements.

ARTICLE 10 ACCOUNTING RECORDS

§ 10.1 The Construction Manager shall, and shall require all Subcontractors to, 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 and its Subcontractors' records and accounts, including complete documentation supporting accounting entries, books, job cost

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reports, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, Subcontractors' and Sub-subcontractors' invoices, purchase orders, notes, recordings, drawings, vouchers, memoranda, superintendent's reports, daily diaries, notes, arrangements, recordings, subscriptions, leases, sources of information and matters that have any bearing on or pertain to any records subject to audit, records reasonably necessary to evaluate and verify direct and indirect costs (including overhead allocations), and other data whether electronic or paper copies, relating to this Contract or the Project. The Construction Manager shall preserve these records for a period of four (4) years after final payment, or for such longer period as may be required by Applicable Law or otherwise under the Contract Documents.

§ 10.2 Not used.

§ 10.3 Access shall be afforded to all of the Construction Manager's records, and the auditor shall be allowed to interview, and Construction Manager shall produce any of the Construction Manager's employees, for a period of three years after final payment or longer if required by law.

§ 10.4 Access shall be provided to the Construction Manager's facilities within 48 hours' notice and all necessary records for the purpose of an audit, and adequate and appropriate workspace will be provided in order to conduct audits in compliance with this article.

§ 10.5 If an audit or examination of the Construction Manager's records discloses overcharges (of any nature) by the Construction Manager then, at the Owner's option, if a 3rd party independent audit has verified the results, either the Construction Manager shall immediately reimburse the Owner for such overcharge, or the Owner may deduct the amount of such overcharges from amounts otherwise owed by the Owner to the Construction Manager. If the audit demonstrates that Construction Manager has errant charges that aggregate in excess of 0.75% of the GMP, the cost of the audit will be chargeable to Construction Manager.

ARTICLE 11 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§ 11.1 Progress Payments

§ 11.1.1 Based upon Applications for Payment submitted to the Owner (and Architect, if applicable) by the Construction Manager, and Certificates for Payment issued by the Architect (if applicable), 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.

§ 11.1.1.1 Each Application for Payment shall constitute a certification and representation by the Construction Manager to the Owner and Architect that: (i) the construction has progressed to the point indicated; (ii) the quality of the Work covered by the Application is in accordance with the Contract Documents; (iii) there are no claims outstanding or known to exist at the date of the Application; (iv) all due and payable bills with respect to the Work have been paid to date or included in the amount requested in the current Application, and there is no known basis for the filing of any claims on the Work; and (v) the Construction Manager is entitled to payment in the amount requested.

§ 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:

Not applicable.

§ 11.1.3 Provided that a complete and accurate Application for Payment is received by the Owner not later than the 30th day of a month, the Owner shall make payment of the amount due pursuant to the terms of this Agreement to the Construction Manager not later than the 30th day after the Owner receives the Application for Payment. If a complete and accurate Application for Payment is received by the Owner after the application date fixed above, payment of shall be made by the Owner pursuant to the terms of this Agreement not later than thirty (30) days after the Owner receives the Application for Payment.

§ 11.1.4 With each Application for Payment, the Construction Manager shall provide reasonable evidence of the Cost of the Work incurred by the Construction Manager, including Construction Manager's job cost summary, budget, or other job tracking information satisfactory to Owner. In addition to the required items and if requested by Owner, each Application for Payment shall be accompanied by the following, all in a form and substance satisfactory to the Owner and in compliance with applicable statutes of the State of Texas: payrolls, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner and 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

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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. If requested by the Owner at any time, the Construction Manager shall furnish information, data and breakdowns as necessary for the Owner to verify the content of the schedule of values. 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 Owner 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 Contingency (if any) to another line item in the schedule of values, the Construction Manager shall submit supporting documentation to the Owner for Owner's approval. Once approved, the schedule of values shall not be changed without the express written approval of the Owner.

§ 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, as modified, 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 are not in dispute; 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 Owner has previously withheld payment as provided in Article 9 of AIA Document A201–2017, as modified;
- **.3** Any amount for which the Construction Manager does not intend to pay a Subcontractor or Sub-subcontractor, 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 Owner may withhold payment in whole or in part, as provided in Article 9 of AIA Document A201–2017, as modified;
- **.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 or Owner's auditors in such documentation; and

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.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.)

Ten Percent (10%)

§ 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.

§ 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.)

Not applicable.

§ 11.1.8.3 Except as set forth in this Section 11.1.8.3, upon Final 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. Owner shall not be required to pay the retainage if:
(Insert any other conditions for release of retainage, such as upon completion of the Owner's audit and reconciliation, upon Final Completion.)

There is a bona fide dispute between the Owner and Construction Manager and the reason for the dispute is that labor, services, or materials provided by the Construction Manager, or by a person under the direction or control of the Construction Manager, failed to comply with the express terms of the Agreement or if the surety on any outstanding surety bond executed for the contract does not agree to the release of retainage.

§ 11.1.9 Not used.

§ 11.1.10 Except with the Owner's prior written approval, the Construction Manager shall not make advance payments to Subcontractors 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 Construction Manager shall execute subcontracts in accordance with those agreements. Except with the Owner's prior written approval, payments to Subcontractors shall be subject to the same retainage set forth in Section 11.1.8.1.

§ 11.1.12 In taking action on the Construction Manager's Applications for Payment the Owner or Architect, as applicable, 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 Owner or 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 Owner or Architect has made exhaustive or continuous on-site inspections; or (3) that the Owner or 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 Subject to other provisions of the Contract Documents, 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, as modified, and to satisfy other requirements, if any, which extend beyond final payment; and the Work is acceptable to the Owner;

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.2 the Construction Manager has submitted a final accounting for the Cost of the Work and a final complete and accurate Application for Payment;
.3 the Project has achieved Final Completion;
.4 the Construction Manager has satisfied all requirements, if any, which extend beyond Final Payment, including delivery of final as-built CAD files;
.5 the Construction Manager has completed its final site clean-up and restoration, including removal of all excess materials, and miscellaneous debris, supplies, and equipment; and
.6 all of the improvements within the scope of Work may be utilized in the ordinary course of the intended purpose for such improvements.

§ 11.2.2 Within thirty (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 Construction Manager 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 ten (10) days after completion of the audit, submit a written report based upon the auditors' findings to the Construction Manager.

§ 11.2.2.2 Within seven (7) days after receipt of any 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 Owner will either issue final payment to the Construction Manager, or notify the Construction Manager in writing of the Owner's reasons for withholding payment as provided in Article 9 of AIA Document A201–2017, as modified. The time periods stated in this Section 11.2.2 supersede those stated in Article 9 of AIA Document A201–2017, as modified.

§ 11.2.2.3 If the Owner's or 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 pursuant to Article 15 of AIA Document A201–2017, as modified. A request for mediation shall be made by the Construction Manager within thirty (30) days after the Construction Manager's receipt of a copy of the final request for Payment. Failure to request mediation within this thirty (30) day period shall result in the substantiated amount reported by the Owner or Owner's auditors becoming binding on the Construction Manager. Pending a final resolution of the disputed amount, the Owner shall pay the Construction Manager the undisputed amount certified in the final request for Payment.

§ 11.2.3 Subject to other provisions of the Contract Documents, Owner's final payment to the Construction Manager shall be made no later than thirty (30) days after Final Completion, request for final payment, and the completion of the requirements of Section 11.2.1 of this Agreement.

§ 11.2.4 The acceptance by Construction Manager of final payment under this Agreement, shall constitute a full and complete release of Owner from any and all claims, demands, and causes of action whatsoever that Construction Manager, Subcontractors, or any of their successors or assigns have or may have against Owner arising from the Project or any provision(s) of this Agreement except for those previously made in writing and identified by Construction Manager as unsettled at the time of the request for final payment.

§ 11.2.5 Not used.

§ 11.2.6 Not used.

§ 11.3 Interest

Owner shall not be liable for interest on any progress or final payment to be made under the Contract Documents, except as may be provided by the applicable provisions of the Prompt Payment Act, Chapter 2251, Texas Government Code, as amended.

ARTICLE 12 DISPUTE RESOLUTION

§ 12.1 Initial Decision Maker

§ 12.1.1 Not used.

§ 12.1.2 Not used.

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§ 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

[X] Litigation in a court of competent jurisdiction

[« »] Other: *(Specify)*

« »

§ 12.2.1 Claims arising hereunder shall be resolved by litigation in a court of competent jurisdiction in the County where the Project is located. Each of the parties hereby (i) irrevocably and unconditionally consents to submit itself to the sole and exclusive personal jurisdiction of any federal or state court within the County where the Project is located (the "Applicable Courts"), (ii) waives any objection to the laying of venue of any such litigation in any of the Applicable Courts, (iii) agrees not to plead or claim in any such court that such litigation brought therein has been brought in an inconvenient forum and agrees not otherwise to attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court, and (iv) agrees that such party will not bring any action, suit, or proceeding in connection with any dispute, claim, or controversy arising out of or relating to this Agreement or the Project in any court or other tribunal other than any of the Applicable Courts.

§ 12.2.2 The parties hereto expressly agree, in the event of litigation, the prevailing party shall be entitled to payment of reasonable attorneys' fees and costs as may be recoverable, pursuant to the Texas Civil Practice and Remedies Code Chapter 38, Texas Local Government Code §271.153, the Prompt Payment Act, common law, or any other provision of applicable federal, state or local law for payment of attorney's fees.

ARTICLE 13 TERMINATION OR SUSPENSION

§ 13.1 Termination Prior to Execution of the Guaranteed Maximum Price Amendment

§ 13.1.1 Prior to the execution of the Guaranteed Maximum Price Amendment, the Owner may terminate this Agreement upon not less than seven (7) 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 (7) days' written notice to the Owner for the reasons set forth in Article 14 of the A201-2017, as modified

§ 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 properly performed prior to receipt of a notice of termination, in accordance with the terms of this Agreement, and the Construction Manager waives any claim for termination, consequential, or indirect damages, or compensation, lost profits or renumeration of any kind as a result of any termination hereunder. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 5.1.

§ 13.1.3 If the Owner terminates the Contract pursuant to Section 13.1.1 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 Owner's cost to complete and correct any portion of the Work that the Construction Manager should have completed or corrected under this Agreement, as well as any other costs, expenses, losses and damages incurred or sustained by the Owner as a result of the Construction Manager's breach of this Agreement.

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§ 13.1.4 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 13.1.3.1. 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.

§ 13.1.4.1 If the Owner accepts assignment of subcontracts, purchase orders or rental agreements as described above, the Owner will reimburse 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.

§ 13.2 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, as modified.

§ 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, as modified, the amount, if any, to be paid to the Construction Manager under Article 14 of AIA Document A201–2017, as modified, 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' 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, as modified, 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.)

There shall be no termination fee.

§ 13.3 Suspension

The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017, as modified; in such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Article 14 of AIA

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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.

§ 13.4 Any termination by the Owner of the Construction Manager for cause that is subsequently determined to have been erroneous, shall be treated as a termination for convenience.

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. Where reference is made in this Agreement to the "General Conditions", it shall mean AIA Document A201-2017, as modified.

§ 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 The Construction Manager shall maintain the insurance set forth in **Exhibit B**, Insurance Requirements and the bonds as set forth in Article 11 of the A201-2017, as modified.

§ 14.4 Notice in electronic format may be given subject to the terms of the Contract Documents.

§ 14.5 Other provisions:

§ 14.5.1 The Construction Manager represents and warrants the following to the Owner (in addition to any other representations and warranties contained in the Contract Documents), as an inducement to the Owner to execute this Agreement:

- **(i)** that it and its Subcontractors are financially solvent, able to pay all debts as they mature, and possessed of sufficient working capital to complete the Work and perform all obligations hereunder;
- **(ii)** that it is able to furnish the tools, materials, supplies, equipment, and labor required to complete the Work and perform its obligations hereunder;
- **(iii)** that it is authorized to do business in the State of Texas and properly licensed by all necessary governmental and public and quasi-public authorities having jurisdiction over it and over the Work and the project;
- **(iv)** that its execution of this Agreement and its performance thereof is within its duly authorized powers;
- **(v)** that its duly authorized representative has visited the site of the Project, familiarized himself with the local and special conditions under which the Work is to be performed, and correlated its observations with the requirements of the Contract Documents; and
- **(vi)** that it possesses a high level of experience and expertise in the business administration, construction, construction management, and superintendence of projects of the size, complexity, and nature of this particular Project, and it will perform the Work with the care, skill, and diligence of such a contractor serving in the role of a construction manager.

§ 14.5.2 Reformation

It is agreed that the provisions set forth in this Agreement shall be reformed and amended as necessary to comply with any legal limitations now or hereafter in effect and affecting the validity or enforceability of such provisions set forth in this Agreement to the minimum extent necessary to bring the provision into conformity with the requirements of such limitations, and as so modified, the obligations shall continue in full force and effect.

§ 14.5.3 Survival

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All provisions of the Contract which by their nature survive termination of this Agreement or Final Completion of the Work, including without limitation, all warranties, indemnities, indemnity obligations, confidentiality obligations, and insurance requirements that extend past completion of the Work, shall remain in force and effect after Final Completion or any termination, including termination for convenience.

§ 14.5.4 Cumulative Remedies
Notwithstanding anything to the contrary set forth in this Agreement, all rights and remedies accorded to the Owner and the Construction Manager hereunder and by law are separate and cumulative and not alternative and may be pursued separately, successively, or concurrently at the Owner's or Construction Manager's sole option, and the pursuit of any particular remedy shall not preclude other remedies.

§ 14.5.5 Counterparts
The parties may sign this Agreement in counterparts. Together the counterparts shall constitute a complete document. Signatures transmitted electronically shall have the same effect as physical delivery of the paper bearing the original signatures.

§ 14.5.6 No Waiver
No act or failure to act by the Owner or Construction Manager constitutes a waiver of any right, remedy, obligation or duty afforded them under the Contract or Applicable Law, or approval of, or acquiescence in, any breach of contract or negligence of the other party, except as stated in the Contract or otherwise agreed in writing.

§ 14.5.7 Additional Construction Manager Certifications
§ 14.5.7.1 To the extent applicable to this Contract, in accordance with Section 2271.002 of the Texas Government Code, Construction Manager certifies that neither Construction Manager nor any of its affiliates currently boycott Israel nor will Construction Manager nor any of its affiliates boycott Israel during the term of this Agreement. "Boycott Israel" has the meaning provided in Tex. Gov't Code § 808.001.

§ 14.5.7.2 To the extent applicable to the Project, in accordance with Section 2275.0102 of the Texas Government Code, Construction Manager certifies that it is not (1) headquartered in China, Iran, North Korea, Russia, or a designated country; or (2) owned by or the majority of stock or other ownership interest of Construction Manager is not held or controlled by: (a) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country; or (b) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country.

§ 14.5.7.3 To the extent applicable to this Contract, in accordance with Section 2276.002 of the Texas Government Code, Construction Manager certifies that Construction Manager and its affiliates either (1) meet an exemption criterion under 2276.002 of the Texas Government Code or (2) do not boycott energy companies and will not boycott energy companies during the term of this Contract.

§ 14.5.7.4 To the extent applicable to this Contract, in accordance with Section 2274.002 of the Texas Government Code, Construction Manager certifies that Construction Manager and its affiliates either (1) meet an exemption criterion under Section 2274.002 or (2) do not have practices, policies, guidance, or directives that discriminate against a firearm entity or firearm trade association, and Construction Manager and its affiliates will not discriminate during the term of the Contract against a firearm entity or firearm trade association.

§ 14.5.7.5 Construction Manager certifies that neither Construction Manager nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Construction Manager is a company listed by the Texas Comptroller of Public Accounts under Tex. Gov't Code § 2252.153 or § 2270.0201.

§ 14.5.7.6 For purposes of the foregoing certifications, the term "affiliate" means an entity that controls, is controlled by, or is under common control with the Offeror within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

§ 14.5.7.7 If circumstances change as it relates to any of Contactor's certifications in this Section 14.5.7, Construction Manager shall promptly notify Owner in writing.

§ 14.5.8 Open Records
§ 14.5.8.1 Pursuant to Subchapter J, Chapter 552, Texas Government Code, Construction Manager shall:

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(i) Preserve all contracting information related to the Agreement as provided by the records retention requirements applicable to the Owner for the duration of the Agreement.

(ii) Promptly provide to the Owner any contracting information related to the Agreement that is in the custody or possession of the entity on request of the Owner; and,

(iii) On completion of the Agreement, either: (a) provide at no cost to the Owner all contracting information related to the Agreement that is in the custody or possession of the entity; or (ii) preserve the contracting information related to the Agreement as provided by the records retention requirements applicable to the governmental body.

§ 14.5.8.2 The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and the Construction Manager agrees that the Agreement can be terminated if the Construction Manager knowingly or intentionally fails to comply with the requirement of that subchapter. The Owner may terminate this Agreement in the event Construction Manager fails to comply with Subchapter J, Texas Government Code, pursuant to Sections 552.373 and 552.374, Texas Government Code.

§ 14.5.8.3 "Contracting information" includes but is not limited to all records defined in Section 552.003(1-a), Texas Government Code and Article 10 of the Agreement.

§ 14.5.8.4 In the event of a conflict between the Owner's adopted records retention schedule and Article 10 of the Agreement, the longer retention period shall control.

§ 14.5.9 If Construction Manager is a corporation, partnership or a limited liability company, Construction Manager warrants, represents, covenants, and agrees that it is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization and is duly authorized and in good standing to conduct business in the State of Texas.

§ 14.5.10 Franchise Tax Certification

Construction Manager certifies that it is not currently delinquent in the payment of any Franchise Taxes due under Chapter 171 of the Texas Tax Code, or that the corporation or limited liability company is exempt from the payment of such taxes, or that the corporation or limited liability company is an out of state corporation or limited liability company that is not subject to the Texas Franchise Tax, whichever is applicable.

§ 14.5.11 Eligibility Certification

Construction Manager certifies that the individual or business entity named in the Agreement is not ineligible to receive payments under the Agreement and acknowledges that the Agreement may be terminated and payment withheld if this certification is inaccurate.

§ 14.5.12 Gifts to Public Servants

§ 14.5.12.1 Owner may terminate this Agreement immediately if Construction Manager has offered, conferred or agreed to confer any benefit on a City of Jacksonville employee or official that the employee or official is prohibited by law from accepting.

§ 14.5.12.2 For purposes of this Section 14.5.12, "benefit" means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct or substantial interest, but does not include a contribution or expenditure made and reported in accordance with law.

§ 14.5.12.3 Notwithstanding any other legal remedies, Owner may require Construction Manager to remove any employee of Construction Manager, a Subcontractor or any employee of a Subcontractor from the Project who has violated the restrictions of this Section 14.5.12 or any similar State or Federal law and Owner may obtain reimbursement for any expenditures made to Construction Manager as a result of an improper offer, an agreement to confer or the conferring of a benefit to a City of Jacksonville employee or official.

§ 14.5.13 Prevailing Wages

The provisions of Chapter 2258 of the Texas Government Code expressly are made a part of this Contract. In accordance therewith, a schedule of the general prevailing rate of per diem wages in this locality for each craft or type of worker needed to perform this Contract is part of the Contract Documents for all purposes (and is attached hereto as Exhibit C-1). Construction Manager shall forfeit, as a penalty to Owner, sixty dollars ($60.00) for each laborer, worker or mechanic employed for each calendar day, or portion thereof, in which such laborer, worker or mechanic is paid less

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than the stipulated prevailing wage rates for any Work done under this Contract by the Construction Manager or any Subcontractor or Sub-subcontractor employed on the project. The establishment of prevailing wage rates, pursuant to Chapter 2258 of the Texas Government Code, shall not be construed to relieve Construction Manager from its obligation under any federal or state law, regarding the wages to be paid to or hours worked by laborers, workers or mechanics, insofar as applicable to the Work to be performed hereunder.

§ 14.5.14 Unavailability of Funds
Construction Manager accepts and agrees that all payments pursuant to this Contract are subject to the availability and appropriation of funds by the City of Jacksonville City Council. If funds are not available and appropriated, this Contract may immediately be terminated by Owner with no liability to any Party to this Contract.

§ 14.5.15 No Waiver of Governmental Immunity.
Nothing in this Contract shall be construed to waive Owner's Governmental Immunity from a lawsuit, which Immunity is expressly retained to the extent it is not clearly and unambiguously waived by Applicable Law.

§ 14.5.16 Sales Tax Sourcing.
Construction Manager shall utilize, or cause its Subcontractors to utilize separated building materials and labor contracts for all building material contracts related to the project in the amount of One Hundred Thousand Dollars ($100,000.00) or more, to site payment of any sales tax on building materials for the project.

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.

§ 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, as modified by the parties

.2 AIA Document A133™-2019, **Exhibit A**, Guaranteed Maximum Price Amendment, if executed

.3 Not used.

.4 AIA Document A201™–2017, General Conditions of the Contract for Construction, as modified by the parties.

.5 Not used.

.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.)

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Exhibit B - Insurance Requirements
Exhibit C - Rates and Salaries
Exhibit C-1 - Prevailing Wages
Exhibit D - Staffing Plan
Exhibit E - Schedule of Values

This Agreement is entered into as of the day and year first written above.



OWNER *(Signature)*	**CONSTRUCTION MANAGER** *(Signature)*
« »« »	« »« »
(Printed name and title)	*(Printed name and title)*

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EXHIBIT "A-1"

AIA A133—2019, EXHIBIT A
GUARANTEED MAXIMUM PRICE AMENDMENT
AS MODIFIED BY OWNER
("GMP AMENDMENT FORM")

[Page(s) to follow.]

DRAFT

AIA® Document A133™ – 2019 Exhibit A

Guaranteed Maximum Price Amendment

This Amendment dated the « » day of « » in the year « », is incorporated into the accompanying 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 dated the « » day of « » in the year « » (the "Agreement")
(In words, indicate day, month, and year.)

for the following **PROJECT:**
(Name and address or location)

Jacksonville Public Safety Complex
907 S Bolton Street
Jacksonville, TX 75766

THE OWNER:
(Name, legal status, and address)

City of Jacksonville, Texas
315 S Ragsdale Street
Jacksonville, TX 75766
Attn: James Hubbard, City Manager
Phone: 903-339-3300
E-mail: james.hubbard@jacksonvilletx.org

THE CONSTRUCTION MANAGER:
(Name, legal status, and address)

« »« »
« »

TABLE OF ARTICLES

A.1 GUARANTEED MAXIMUM PRICE

A.2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

A.3 INFORMATION UPON WHICH AMENDMENT IS BASED

A.4 CONSTRUCTION MANAGER'S CONSULTANTS, CONTRACTORS, DESIGN PROFESSIONALS, AND SUPPLIERS

ARTICLE A.1 GUARANTEED MAXIMUM PRICE

§ A.1.1 Guaranteed Maximum Price

Pursuant to Section 3.2.6 of the Agreement, the Owner and Construction Manager hereby amend the Agreement to establish a Guaranteed Maximum Price. As agreed by the Owner and Construction Manager, the Guaranteed Maximum Price is an amount that the Contract Sum shall not exceed. The Contract Sum consists of the Construction Manager's Fee plus the Cost of the Work, as that term is defined in Article 6 of the Agreement.

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.

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.

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§ A.1.1.1 The Contract Sum is guaranteed by the Construction Manager not to exceed « » ($ « »), subject to additions and deductions by Change Order as provided in the Contract Documents.

§ A.1.1.2 Itemized Statement of the Guaranteed Maximum Price. Provided below is an itemized statement of the Guaranteed Maximum Price organized by trade categories, including allowances; the Construction Manager's contingency; alternates; the Construction Manager's Fee; and other items that comprise the Guaranteed Maximum Price as defined in Section 3.2.1 of the Agreement.
(Provide itemized statement below or reference an attachment.)

See Attachment 1 – GMP Cost Breakdown

§ A.1.1.3 The Construction Manager's Fee is set forth in Section 6.1.2 of the Agreement.

§ A.1.1.4 The method of adjustment of the Construction Manager's Fee for changes in the Work is set forth in Section 6.1.3 of the Agreement.

§ A.1.1.5 Alternates
§ A.1.1.5.1 Alternates, if any, included in the Guaranteed Maximum Price:

Item	Price
See Attachment 1 – GMP Cost Breakdown	

§ A.1.1.5.2 Subject to the conditions noted below, the following alternates may be accepted by the Owner following execution of this Amendment. Upon acceptance, the Owner shall issue a Modification to the Agreement.
(Insert below each alternate and the conditions that must be met for the Owner to accept the alternate.)

Item	Price	Conditions for Acceptance

§ A.1.1.6 Unit prices, if any:
(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price per Unit ($0.00)

§ A.1.1.7 Contingency
The Guaranteed Maximum Price includes a contingency equal to « » Dollars ($« ») (the "Contingency"). The Contingency is established for the Construction Manager's use to cover those increased costs considered reimbursable as the Cost of the Work and is not intended for reimbursement of expenses and costs not otherwise recoverable as Cost of the Work under the Agreement. The Contingency will be established and included in the estimated Cost of the Work and the Guaranteed Maximum Price and reflected as a separate line item in the schedule of values. Construction Manager shall notify the Owner of any use of the Contingency and such use shall be approved by Owner in advance and in writing (email is acceptable), which approval shall not unreasonably be withheld or delayed.

Construction Manager shall provide an adjustment to the Contingency and other impacted line items in the schedule of values to reflect the amount of subcontracts during buy-out. To the extent that the subcontract amounts are less than the scheduled Cost of the Work for a corresponding line item in the schedule of values, such line item shall be reduced and the Contingency increased accordingly. Construction Manager will provide a monthly written statement summarizing the Contingency activity and any balance adjustment from the previous period.

ARTICLE A.2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ A.2.1 The date of commencement of the Work shall be:
(Check one of the following boxes.)

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[« »] The date of execution of this Amendment.

[« »] Established as follows:
(Insert a date or a means to determine the date of commencement of the Work.)

« »

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of execution of this Amendment; provided however, in no event shall the date of commencement be later than the date the Work under the Construction Phase actually commences.

§ A.2.2 Unless otherwise provided, the Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work. The Contract Time shall be measured from the date of commencement of the Work.

§ A.2.3 Substantial Completion

§ A.2.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Construction Manager shall achieve Substantial Completion of the entire Work:
(Check one of the following boxes and complete the necessary information.)

[« »] Not later than « » (« ») calendar days from the date of commencement of the Work.

[« »] By the following date: « »

The Construction Manager shall achieve Final Completion of the entire Work within « » («») days after Substantial Completion. Time is of the essence in the performance of the Construction Manager's obligations under the Contract.

§ A.2.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Construction Manager shall achieve Substantial Completion of such portions by the following dates:

Portion of Work	Substantial Completion Date

§ A.2.3.3 If the Construction Manager fails to achieve Substantial Completion and Final Completion of the entirety of the Work as provided in this Section A.2.3.1 or portions of the Work identified in A.2.3.2 , liquidated damages, shall be assessed as set forth in Section 6.1.6 of the Agreement at a rate of « » dollars ($« ») per calendar day. The liquidated damages set forth in this Section A.2.3.3 for Construction Manager's failure to achieve Substantial Completion of the entirety of the Work, Final Completion, and Substantial Completion of portions of the Work shall each be an independent assessment of liquidated damages and shall accrue cumulatively.

§ A.2.3.4 The "General Conditions Items" are, collectively, those items of Work identified in Attachment 4. The Construction Manager shall provide the General Conditions Items as a part of the Work. The Owner shall reimburse the Construction Manager for the General Conditions Items in accordance with the terms of the Agreement and this GMP Amendment. The Cost of the Work incurred by the Construction Manager for the General Conditions Items is the "General Conditions Costs." The General Conditions Costs shall be charged as _____ percent (__%) of the Cost of the Work. General Conditions Costs shall be charged monthly. Construction Manager shall not have the right to duplicate charges included in General Conditions Costs by billing for such items elsewhere as Cost of the Work.

§ A.2.3.5 In accordance with Section 7.6.11 of the Agreement, the parties agree on the following fixed rates, which shall be applied as indicated. The specified rates shall not be subject to audit except to determine that such rates are properly applied. Amounts chargeable for the items included in the below rate schedule shall be considered Cost of the Work, in accordance with the Agreement.

Rate Description	Rate Amount and Application
Premium for Required Performance and Payment Bonds	_____ % of the Cost of the Work
General, Automobile & Umbrella Liability Insurance	_____ % of the Cost of the Work

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Builder's Risk Insurance	% of the Cost of the Work

§ A.2.4 Weather Days
Per Section 8.3.1.1 of the General Conditions to the Agreement, the Anticipated Weather Days for each month under this Amendment are as follows:

Month	Anticipated Weather Days

ARTICLE A.3 INFORMATION UPON WHICH AMENDMENT IS BASED
§ A.3.1 The Guaranteed Maximum Price and Contract Time set forth in this Amendment are based on the Contract Documents and the following:

§ A.3.1.1 The following Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages

§ A.3.1.2 The following Specifications:
(Either list the Specifications here, or refer to an exhibit attached to this Amendment.)

See Attachment 2 – Index of Drawings and Specifications.

Section	Title	Date	Pages

§ A.3.1.3 The following Drawings:
(Either list the Drawings here, or refer to an exhibit attached to this Amendment.)

See Attachment 2 - Index of Drawings and Specifications.

Number	Title	Date

§ A.3.1.4 The Sustainability Plan, if any:
(If the Owner identified a Sustainable Objective in the Owner's Criteria, identify the document or documents that comprise the Sustainability Plan by title, date and number of pages, and include other identifying information. The Sustainability Plan identifies and describes the Sustainable Objective; the targeted Sustainable Measures; implementation strategies selected to achieve the Sustainable Measures; the Owner's and Construction Manager's roles and responsibilities associated with achieving the Sustainable Measures; the specific details about design reviews, testing or metrics to verify achievement of each Sustainable Measure; and the Sustainability Documentation required for the Project, as those terms are defined in Exhibit C to the Agreement.)

Title	Date	Pages
N/A		

Other identifying information:

§ A.3.1.5 Allowances, if any, included in the Guaranteed Maximum Price:
(Identify each allowance.)

Item	Price
See Attachment 1 – GMP Cost Breakdown	

§ A.3.1.6 Assumptions and clarifications, if any, upon which the Guaranteed Maximum Price is based:

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(Identify each assumption and clarification.)

See Attachment 3 – Assumptions, Qualifications, and Clarifications

§ A.3.1.7 The Guaranteed Maximum Price is based upon the following other documents and information:
(List any other documents or information here, or refer to an exhibit attached to this Amendment.)

Attachment 1 – GMP Cost Breakdown
Attachment 2 – Index of Drawings and Specification
Attachment 3 – Assumptions, Qualifications, and Clarifications
Attachment 4 – General Conditions Costs Breakdown
Attachment 5 – Project Schedule

ARTICLE A.4 CONSTRUCTION MANAGER'S CONSULTANTS, CONTRACTORS, DESIGN PROFESSIONALS, AND SUPPLIERS

§ A.4.1 The Construction Manager shall retain the consultants, contractors, design professionals, and suppliers, identified below:
(List name, discipline, address, and other information.)

See Attachment 1 – GMP Cost Breakdown

This Amendment to the Agreement entered into as of the day and year first written above.

OWNER *(Signature)*	**CONSTRUCTION MANAGER** *(Signature)*
« »« »	« »« »
(Printed name and title)	*(Printed name and title)*

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EXHIBIT "A-2"

INSURANCE REQUIREMENTS

[Page(s) to follow.]

EXHIBIT A-2
INSURANCE REQUIREMENTS

I. Contractor's Insurance

A. For purposes of this **EXHIBIT A-2**, the term "Contractor" shall be synonymous with the term "Construction Manager" as such term is used in the Agreement. Except as otherwise expressly stated herein, before commencing performance of any portion of the Work, including Preconstruction services, Contractor shall obtain insurance coverages of the types described in this Section I with insurers authorized to do business in the State of Texas at the time the policy is issued (and at all times during the term of this Agreement) and rated by A.M. Best Company as A-VII or better, which are reasonably acceptable to Owner Group (as defined in Section I (C), below) and under forms of policies reasonably satisfactory to Owner Group. Contractor shall continuously maintain such coverages in effect for the applicable time periods required herein.

None of the requirements as to types, limits or Owner Group's approval of insurance coverages to be maintained by Contractor is intended to and shall not in any manner limit, qualify or quantify the liabilities and obligations assumed by Contractor under the Contract Documents, or otherwise as provided by law. If Contractor maintains broader coverage or higher limits than the minimum limits set forth below, Owner Group requires and shall be entitled to the broader coverage and the higher limits of insurance maintained by Contractor.

If Contractor fails to obtain or maintain any insurance coverage required to be obtained and maintained by Contractor under the terms of this Section I, Owner may (but shall not be obligated to) purchase and maintain such insurance at Contractor's expense and in the name and for the account of Contractor, which expense Contractor shall reimburse to Owner no later than thirty (30) days after demand. The Owner's purchase and maintenance of such insurance shall not relieve or excuse Contractor from its obligations hereunder to obtain and maintain such insurance amounts and coverages, nor shall these obligations in any way compromise or waive any right or remedy otherwise available to Owner at law or in equity. Contractor agrees that if Owner purchases such insurance, Contractor shall furnish upon demand all information that may be required in connection with such insurance. Owner shall purchase such insurance at reasonable pricing given applicable market conditions at the time of purchase. Owner shall have in addition to all other rights and remedies set forth herein, the right, in its sole discretion, (i) to suspend Contractor's performance or terminate this Agreement should there be a lapse in coverage at any time during this Agreement or (ii) to withhold any payment(s) which become due to Contractor hereunder until Contractor demonstrates compliance with the insurance requirements of the Agreement.

B. Before commencing performance of any portion of the Work, including Preconstruction services, Contractor shall furnish to Owner a certificate of insurance on an ACORD 25 form, or equivalent, reasonably acceptable to Owner, executed in duplicate by the insurance representatives, and evidencing the insurance coverages required to be obtained by Contractor attaching all endorsements required herein. Contractor shall provide Owner with updated certificates of insurance upon renewal of the required coverages for the term of the Agreement.

C. Contractor shall procure and maintain the following insurance coverages: 1) workers' compensation and employers' liability insurance; 2) commercial general liability insurance; 3)

automobile liability insurance; 4) excess liability insurance; 5) pollution insurance; 6) contractor's professional liability insurance and 7) builders' risk, all in accordance with this **EXHIBIT A-2**. The commercial general liability, automobile liability, excess liability and pollution insurance obtained by Contractor pursuant to this **EXHIBIT A-2** shall provide, by an appropriate endorsement or otherwise, that the following entities will be listed as certificate holders and named as additional insureds: the Indemnitees (collectively referred to herein as the "Owner Group").

1. Workers' Compensation and Employers' Liability Insurance

Contractor shall carry Workers' Compensation insurance with statutory coverage as required in the State of Texas in connection with the performance of the Work (including, where applicable, coverage under U.S. Longshore and Harborworkers Compensation Act, Jones Act, Maritime & Federal Employer's Liability Act coverage and Defense Base Act) and Employers' Liability Insurance. The minimum limits required for the employer's liability insurance are as follows:

Bodily Injury by Accident	$1,000,000 each accident
Bodily Injury by Disease	$1,000,000 policy limit
Bodily Injury by Disease	$1,000,000 each employee

2. Commercial General Liability Insurance

Such insurance shall be written on an Insurance Services Office (ISO) general liability form CG 00 01 04 13 or equivalent, name each entity in the Owner Group as an additional insured using ISO Forms CG 20 10 10 01 and CG 20 37 10 01, or their equivalent, to the maximum extent allowed by law and insure against liability for bodily injury or death and/or property damage occurring in connection with the Work, in an amount not less than $1,000,000 per occurrence and $2,000,000 in the annual aggregate, and $2,000,000 completed operations. The policy shall not include any type of subsidence or earth movement exclusion; classification or business description limitation endorsement; or punitive, exemplary or multiplied damages exclusion.

Such insurance shall include the following specific coverages:

(a) premises and operations coverage with explosion, collapse and underground exclusions deleted;

(b) products and completed operations coverage, to be maintained for ten (10) years after Substantial Completion;

(c) blanket contractual coverage, including written contracts, subject to the standard policy terms and conditions;

(d) personal injury coverage with no exclusion modifying or limiting the employer liability exclusion set forth in ISO Form CG 00 01 04 13 or limitation for independent contractors or subcontractors of any tier;

(e) coverage for work performed by subcontractors in the completed operations phase, with no exclusion or endorsement modifying the subcontract exception to the "Your Work" exclusion; and

(f) cross liability and severability of interest.

3. Automobile Liability Insurance

Such insurance shall cover all owned, non-owned and hired or borrowed vehicles used by Contractor and its employees or agents in connection with the performance of the Work and insure against liability for bodily injury and death and/or property damage in an amount not less than $1,000,000 combined single limit per accident.

4. Excess Liability Insurance

Excess Liability Insurance over Employers' Liability, Commercial General Liability, and Automobile Liability Policies, following form over and affording coverage no less broad than the coverage in such underlying policies, including, but not limited to designated construction project(s) aggregate limit, in an amount not less than $10,000,000 per occurrence and $10,000,000 in the aggregate for bodily injury, death, property damage or employers' liability. Such coverage is to be maintained for ten years after Substantial Completion.

5. Pollution Insurance

Contractor's Pollution Liability ("CPL") policy providing coverage for bodily injury, property damage, or cleanup resulting from pollution conditions including mold or other similar fungi arising out of or exacerbated by the work with limits of not less than $2,000,000 per occurrence/claim, $2,000,000 products-completed operations, and $2,000,000 general aggregate. The CPL policy shall be maintained for six years after Substantial Completion. If written on a claims-made basis, the CPL insurance policy shall not have a retroactive date or, if a retroactive date is included, such retroactive date shall be prior to the commencement date of this Agreement.

The policy must contain coverage for claims arising from:

a) Legionella Pneumophila bacteria or Legionnaires Disease.

b) Owned and non-owned disposal sites.

c) Transportation coverage for the loading, unloading, and hauling of materials and waste to and from project site and to final disposal location, as evidenced by the contractor or applicable waste hauler.

d) Asbestos and lead-based paint.

e) "Pay on behalf" rather than "indemnify" the insured.

f) Work performed by Subcontractors or Sub-subcontractors.

g) Punitive, exemplary or multiplied damages, if allowed by law.

h) Insured vs. insured actions (however, an exclusion for claims made between insureds within the same economic family is acceptable).

In the event any claim, damage, loss, suit, judgment or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, caused by or contributed to in part by the negligent acts or omissions of Contractor, Subcontractors, Suppliers or by anyone for whose acts they may be liable, then any such claim, damage, loss or expense not covered by the pollution policy shall be the responsibility of Contractor.

Contractor shall, with diligence and dispatch, do everything reasonably practical to minimize any loss.

6. Contractor's Professional Liability Insurance

Contractor shall obtain and keep in force, at its sole cost and expense, a contractor's professional liability insurance policy written on a claims made basis, with minimum limits of $2,000,000 per claim and $2,000,000 aggregate. The retroactive date, if any, shall be no later than the commencement date of this agreement. Such insurance shall cover damage by reason of any acts, errors, or omissions committed or alleged to have been committed by the Contractor, or any acts for which Contractor is liable. Contractor shall keep the policy in full force and effect for six years after Substantial Completion.

7. Builders' Risk Insurance.

Unless otherwise directed by the Owner in writing, before commencement of the Construction Phase and up until the time provided below, Contractor shall maintain "All-Risk" Builders' Risk insurance, providing 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, with a minimum limit of coverage not less than the amount of the Contract Sum. Coverage shall be increased for the amount of any change orders or other amendment to the Agreement that increase the price of the Work. Such insurance shall (a) designate the Contractor as the named insured and the Owner, and all Subcontractors of any tier, as additional insureds on the policy; (b) be primary and non-contributing to any other insurance coverage available to the additional insureds, as to whom their other insurance shall be excess, secondary and noncontributing to losses covered by this Builders' Risk insurance; and (c) waive all rights of subrogation against all insureds. The Builders' Risk insurance shall not include any restriction on coverage relating to placement or maintenance of protective safeguards on the Project. The termination of coverage provision shall be endorsed to permit coverage during occupancy of the covered property. This insurance shall be maintained in effect until the earlier of the following dates: (i) Final Completion of the Work or (ii) the date on which the insurable interests in the covered property of all insureds other than the Owner and Landlord, if applicable, has ceased.

The Builders' Risk insurance shall cover all costs for labor, supervision, materials, equipment, design professional fees, permit fees, and other costs and expenses directly required to remove debris otherwise hereinafter provided. Proceeds of the Builders' Risk policy for debris removal, rebuilding and restoring the Project shall be paid to the Contractor to hold in trust and to be applied solely to the rebuilding and restoring of the project to the condition prior to the loss. The foregoing notwithstanding, if such proceeds will not be reasonably sufficient to rebuild and restore the project, then, prior to any expenditure thereof, Contractor shall obtain Owner approval to use such funds to settle the Contractor's and Owner's financial interests relating to the loss, to

preserve, alter or abandon the project, and to take such other actions as may be in the best interest of Owner.

The Builders' Risk policy shall include the following coverages: (1) All structure(s) under construction, including retaining walls, paved surfaces and roadways, bridges, glass, foundation(s), footings, underground pipes and wiring, excavations, grading, backfilling or filling, (2) All temporary structures (e.g., fencing, scaffolding, cribbing, false work, forms, site lighting, temporary utilities and buildings) located at the site, (3) All property including materials and supplies on site for installation, (4) All property including materials and supplies in transit to the site for installation by all means of transportation other than ocean transit, (5) Other property for which Contractor, its Subcontractors or anyone for whom either is responsible a named insured or additional insured an insured is are liable in connection with the Project, including Owner furnished or assigned property, (6) Ensuing loss arising from error, omission in construction methods, design, specifications, workmanship or materials, (7) Preservation of Property, and (8) existing structure coverage in an amount not less than $_____. If any of the required coverages specified in this Section 7 are subject to a sublimit, Contractor shall disclose the sublimit to Owner prior to the commencement of construction and such sublimit shall be subject to Owner approval.

8. Insurance required from Subcontractors

Contractor shall require each of its Subcontractors to maintain the following minimum insurance coverages and limits:

a) Commercial general liability insurance with minimum limits of $1,000,000 per occurrence, $2,000,000 general aggregate and $2,000,000 for liability, including products and completed operations coverage for ten years after Substantial Completion of the Project;

b) Automobile liability insurance with minimum limits of $1,000,000;

c) Workers' compensation insurance with statutory coverage in the State where work is performed and employers' liability coverage with minimum limits of:

Bodily Injury by Accident	$1,000,000 each accident
Bodily Injury by Disease	$1,000,000 policy limit
Bodily Injury by Disease	$1,000,000 each employee

d) Excess Liability or Umbrella Insurance

Such excess or umbrella liability insurance shall be written on an occurrence basis, in an amount not less than the limits stated below for bodily injury, death, property damage or employers' liability. Such policies shall be written on an excess basis above the coverages required under Section I (C)(8)(a) and I(C)(8)(b) and the employers' liability coverage required under Section I (C)(8)(c). Coverage shall remain in effect for ten years after Substantial Completion of the Project. If Contractor's Subcontractors or Suppliers cannot meet the excess or umbrella

liability insurance limit, Owner may elect to waive such requirements at its sole discretion upon receipt of a written request from Contractor requesting such a waiver.

Excess / Umbrella Liability minimum limits are determined by Industry Risk Category as defined below:

- **High Risk** Subcontractors require $5,000,000 Excess / Umbrella Liability per occurrence and annual aggregate
- **Moderate Risk** Subcontractors require $2,000,000 Excess / Umbrella Liability per occurrence and annual aggregate
- **Low Risk** Subcontractors require $1,000,000 Excess / Umbrella Liability per occurrence and annual aggregate

High Risk: Asbestos Abatement; Concrete; Slabs; Elevators; Framing; Drywall; HVAC; Plumbing; Roofing; Stucco/Brick/Masonry; Steel Erection; Sitework (Excavation, Piling, Retaining Walls, Dewatering); Parking Structures; Underground Utilities; Electrical; Fire Protection; Scaffolding; Erection; Glass and Curtainwall.

Moderate Risk: Concrete Paving; Clearing and Grading; Curtain Wall / Window Wall; Millwork; Gutters and Downspouts; Gypcrete / Lightweight; Painting; Insulation; Landscaping; Irrigation; Caulking / Waterproofing.

Low Risk: Striping and Signage; Mold; Spray Containment; Brick Pavers; Building Signage; Carpet; Flooring; General Cleanup; Garage Doors; Fencing; Window Treatments; Material Deliveries; Water Sub-metering; Inspections; Consultants; Security Services.

e) Professional Liability Insurance

Any Subcontractor preparing the contractor designs shall maintain professional liability insurance with minimum limits of $1,000,000 per claim and $1,000,000 aggregate. Such insurance shall remain in effect for six years after Substantial Completion. The retroactive date, if any, shall be no later than the commencement date of this agreement. The Contractor shall provide to the Owner a certificate of insurance evidencing such coverage. If no design work is being performed, the professional liability requirement for Subcontractors may be waived.

f) Any Subcontractor performing any demolition of pre-existing structures, excavation, moving or removal of any hazardous materials, or handling of any hazardous materials shall carry CPL in compliance with the requirements set forth in Section I (C)(5), above.

g) Subcontractor's general liability, pollution liability, excess liability and automobile liability policies required by this Agreement shall name the Owner Group as additional insureds to the maximum extent allowed by law.

9. Contractor shall continuously maintain in force during the course of performance of the Work and cause the Subcontractors to maintain all of the required insurance coverages until Substantial Completion of the Work, and beyond Substantial Completion as expressly provided in this **EXHIBIT A-2** or in the Contract Documents.

II. General Provisions

A. All insurance that Contractor and Subcontractors are required to provide hereunder shall be primary and non-contributory with any policy of insurance in which a member of the Owner Group is a named insured and contain an appropriate waiver of subrogation endorsement waving the insurers rights of subrogation against the Owner Group.

B. All of Contractor's policies required herein shall be endorsed to provide thirty (30) days advance written notice to the Owner in the event of cancellation.

C. Except as expressly provided herein, all deductibles for insurance provided by Contractor, Subcontractors and Sub-subcontractors shall be paid by, assumed by, for the account of, and at sole risk of Contractor without any right of reimbursement.

D. Contractor's policies of insurance shall not include (i) any self-insured retention or (ii) deductible that exceeds $150,000, without prior written approval of Owner.

E. Contractor agrees to provide Owner true and correct copies of all policies of insurance Contractor is required to maintain within five (5) days of its receipt of Owner's written request to provide such policies.

F. Contractor shall indemnify Owner for Owner's damages and costs of any kind or character arising from Contractor's failure or Subcontractors' failure to carry and maintain the insurance required by this Agreement.

G. Owner is not responsible for any loss or damage to any personal property of Contractor, Subcontractors or Sub-subcontractors ("Contractor Parties"), and Contractor Parties shall cause their insurers to waive their right of subrogation and any rights of recovery against the Owner Group with respect thereto.

H. CONTRACTOR PARTIES WAIVE ALL RIGHTS OF RECOVERY AND RELEASE, OWNER GROUP FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION WHATSOEVER WHICH CONTRACTOR PARTIES MIGHT OTHERWISE NOW OR HEREAFTER POSSESS RESULTING IN OR FROM OR IN ANY WAY CONNECTED WITH ANY LOSS COVERED BY INSURANCE, WHETHER REQUIRED HEREIN OR NOT, OR WHICH SHOULD HAVE BEEN COVERED BY INSURANCE REQUIRED HEREIN, INCLUDING THE DEDUCTIBLE AND UNINSURED PORTION THEREOF, MAINTAINED OR REQUIRED TO BE MAINTAINED BY THE CONTRACTOR PARTIES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE FOREGOING RELEASE AND WAIVER SHALL APPLY EVEN IF THE LOSS OR DAMAGE IS CAUSED IN WHOLE OR IN PART BY THE FAULT OR NEGLIGENCE OR STRICT LIABILITY OF THE OWNER GROUP.

All terms which are defined in the Agreement shall have the same respective meanings in this **EXHIBIT A-2**.

EXHIBIT “B”

AIA A201-2017, AS MODIFIED BY OWNER (“GENERAL CONDITIONS”)

[Page(s) to follow.]

DRAFT

AIA® Document A201® – 2017

General Conditions of the Contract for Construction

for the following PROJECT:
(Name and location or address)

Jacksonville Public Safety Complex
907 S Bolton Street
Jacksonville, TX 75766

THE OWNER:
(Name and address)

City of Jacksonville, Texas
315 S Ragsdale Street
Jacksonville, TX 75766
Attn: James Hubbard, City Manager
Phone: 903-339-3300
E-mail: james.hubbard@jacksonvilletx.org

THE ARCHITECT:
(Name, legal status and address)

Tom Green & Company Engineers, Inc., a Texas Corporation
3701 Executive Center Drive, Suite 258
Austin, TX 78731
Attn: Cameron Labunski, Principal Engineer
Phone: 512-345-7793
Email: cameronl@tgce.com

[The reference to "Architect" means the Owner's primary design professional. Accordingly, if the Owner's design professional is an engineer or other design consultant, the term "Architect" shall mean such engineer or other design consultant.]

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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.

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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 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. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding or proposal requirements.

If and to the extent of any inconsistency, ambiguity, or discrepancy in the Contract Documents, precedence shall be given to the Contract Documents in the following order:

- **(i)** Modifications issued after the execution of the Agreement, other than the GMP Amendment;
- **(ii)** GMP Amendment to the Agreement, once executed;
- **(iii)** Attachment to the GMP Amendment (other than any Contractor's assumptions or qualifications, fi any);
- **(iv)** The Agreement, as modified;
- **(v)** Exhibits and documents identified in Section 15.7 of the Agreement;
- **(vi)** AIA Document A201-2017 General Conditions, as modified;
- **(vii)** The Exhibits to this Agreement;
- **(viii)** Contractor's assumptions and qualifications, if any;
- **(ix)** Addenda to the Drawings and Specifications issued prior to execution of the Agreement;
- **(x)** Drawings and Specifications, with those of a later date taking precedence over those of an earlier date, and those that are sealed by a licensed design professional taking precedence over those that are unsealed.

§ 1.1.1.1 In the event of inconsistencies (i) within a Contractor Document or between Contract Documents of equal precedence, or (ii) between the Contract Documents and applicable standards, codes and ordinances, the Contractor shall:

- **.1** provide the better quality or greater quantity of Work; or
- **.2** comply with the more stringent requirement.

The terms and conditions of this Section 1.1.1.1, however, shall not relieve the Contractor of any of the obligations set forth in Section 3.2 and 3.7.

§ 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. 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.

§ 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 that are reasonably inferable to be required by the Contract Documents to produce the completed Project. The Work may constitute the whole or a part of the Project.

§ 1.1.3.1 Nothing in the Agreement or General Conditions shall be interpreted as imposing on the Owner, any other Indemnitees, or Owner's consultants, any duty, obligation, or authority with respect to any items that are not intended to be incorporated into the completed Project, or that do not comprise the Work, including but not limited to shoring, scaffolding, hoists, weather-proofing, or any temporary facility or activity, all of which are the sole responsibility of the Contractor.

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§ 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
Not used.

§ 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. Subject to Section 1.1.1, the Contract Documents are complementary, and what is required by one shall be as binding as if required by all. Any known conflicts between the requirements of the Drawings and the Specifications or any known conflicts noted within the Drawings themselves or within the Specifications themselves have been or shall be referred to the Owner and Architect by Contractor, and Contractor agrees that those that have been referred to Owner and Architect have been clarified to the satisfaction of Contractor. Any 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. Contractor shall coordinate the Work and Drawings to conform to the requirements of the Contract Documents. Dimensions to be utilized shall be figures, or computations based on given figures, rather than scale or rule. Computed dimensions shall take precedence over scale dimensions, and large-scale drawings shall take precedence over small scale drawings. The General Conditions, Specifications, and Drawings contemplate a finished Project of such character and quality as is described in and is reasonably inferable from them and the Contractor, recognizing the impossibility of producing Drawings and Specifications with perfect accuracy, agrees that Contractor's submitted Contract Sum for the Work hereunder includes a sufficient allowance to make Contractor's Work complete and operable, fitting with the work of other contractors and the Owner and in compliance with good practice and Applicable Laws. Contractor agrees that inadvertent discrepancies or the failure to repeat, on any drawing, the figures or notes given on another shall not be the cause for extensions of Contract Time or any increase of the Contract Sum.

§ 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 Applicable Law, to give effect to the parties' intentions and purposes in executing the Contract.

§ 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.

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§ 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 Contractor, Subcontractors, and Sub-subcontractors, shall not own or claim a copyright in the Instruments of Service. All Drawings, Specifications and other documents prepared in connection with the Project, and all copies thereof are and shall remain the Owner's property. All copies of Instruments of Service, except the Contractor's record set and copies provided to Subcontractors or Sub-subcontractors, shall be returned or suitably accounted for to the Owner, upon completion of the Work. The Drawings, Specifications and other documents prepared in connection with the Project, and copies thereof furnished to the Contractor, are for use solely with respect to this Project. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the Owner's, Architect's or Architect's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, and Sub-subcontractors are authorized to use and reproduce the Instruments of Service provided to them, subject to any protocols established pursuant to Sections 1.6.3 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 and all Modifications thereto. The Contractor, Subcontractors, and Sub-subcontractors may not use the Instruments of Service on other projects or for additions to the Project outside the scope of the Work.

§ 1.5.3 During construction, the Contractor shall maintain one complete set of Drawings and Specifications for record purposes and shall note timely all significant changes, Modifications, and additions thereon.

§ 1.6 Notice
§ 1.6.1 Except as expressly 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 or an officer of the corporation for whom the notice is intended, and shall be deemed to have been duly served if delivered in person, by registered mail, or 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.

§ 1.6.3 Digital Data Use and Transmission
The parties shall agree upon protocols governing the transmission and use of Instruments of Service or any other information or documentation in digital form. The parties will establish, in writing, the protocols for the development, use, transmission, and exchange of digital data.

§ 1.7 Not used.

§ 1.8 Building Information Models Use and Reliance
Any use of, or reliance on, all or a portion of a building information model without agreement to protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth in Section 1.6.3, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

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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 a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. 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 (15) 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.

§ 2.2 Evidence of the Owner's Financial Arrangements

§ 2.2.1 Prior to commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. The Contractor shall have no obligation to commence the Work until the Owner provides such evidence. If commencement of the Work is delayed under this Section 2.2.1, the Contract Time shall be extended appropriately.

§ 2.2.2 Following commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract only if the Owner fails to make payments to the Contractor as the Contract Documents require.

§ 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 (or other design professional) lawfully licensed to practice architecture (or engineering, as applicable), or an entity lawfully practicing same, 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 any available surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work. The furnishing of those surveys and legal description of the Project Site shall not relieve the Contractor from its duties under the Contract Documents. In addition to the foregoing, if Owner or Architect furnishes Contractor with any information concerning subsoil characteristics or conditions of the area where the Work is to be performed, then if Contractor becomes aware of any discrepancies, omissions, ambiguities, or conflicts in any such information, Contractor shall promptly notify Owner and Architect in writing of such information.

§ 2.3.4.1 In connection with the forgoing, prior to any Work occurring, Contractor shall be responsible for verifying the location of all utility lines, telephone lines and cables, sewer lines, water pipes, gas lines, electrical lines, including without limitation, all buried pipelines and buried telephone cables, and shall perform the Work in such manner so as to avoid damaging any such lines, cables, pipes and pipelines. Where there are intersections involving various piping and equipment, etc., particular consideration shall be given to clearances. If tight conditions develop, the Contractor and Subcontractors for the various Work involved shall make arrangements to jointly prepare coordination drawings, showing the suggested solution and submit it to the Architect for comment, and if necessary, approval. Contractor and all Subcontractors and Sub-subcontractors are deemed to have taken into consideration that

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interferences will occur at various points, and it is understood and agreed that extras for necessary variation will not be approved. Contractor shall verify all measurements at 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. Such copy of the Contract Documents may be furnished electronically as provided herein. In the event that more than one copy of the Contract Documents are requested by Contractor, its Subcontractors, or Sub-subcontractors, the additional expense of procuring such copies (either hard copy or electronically) shall not be included as a Project Cost and shall not be reimbursed by Owner.

§ 2.4 Owner's Right to Stop the Work

If the Contractor (i) fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2; (ii) repeatedly fails to carry out Work in accordance with the Contract Documents; (iii) fails or refuses to provide a sufficient amount of properly supervised and coordinated labor, materials or equipment so as to be able to complete the Work within the Contract Time; or (iv) disregards the instructions of Architect or Owner that are in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the affected Work or any portion thereof, or any Work reasonably related to the affected Work, 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, and any delay resulting from such Work stoppage shall not extend the Contract Time. If such stoppage results from any faulty or defective performance by the Contractor or any Subcontractors or Sub-subcontractors, or other person working through the Contractor, then the Contract Time shall not be extended and the Contract Sum shall not be increased, and the Contractor shall, at its sole cost and expense, perform on an accelerated basis such portions of the Work as may be necessary in order to comply with the Project schedule. The Contractor shall resume the Work after such stoppage promptly upon written notice to do so from the Owner. The Owner shall incur no liability for delays occasioned by any stop work order issued in accordance with this Section. Nothing herein shall be deemed to limit the Owner's rights with respect to termination as set out in Article 14 herein.

§ 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 ten (10)-day period after receipt of notice from the Owner 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. The Owner may, pursuant to Section 9.5.1, withhold 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 and expenses including engineering, accounting, consulting and attorney's fees and costs 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.

§ 2.6 Extent of Owner Rights

§ 2.6.1 In no event shall the Owner have control over, charge of, or any responsibility for construction means, methods, techniques, sequences, or procedures or for safety precautions and programs in connection with the Work, notwithstanding any of the rights and authority granted the Owner in the Contract Documents.

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.

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§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 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.

§ 3.1.4 Where a manufacturer's standard specifications and standard methods of fabrication, installation or erection are referenced in the Contract Documents, Contractor shall complete the Work to such standards.

§ 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.

§ 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 field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. In accordance with Section 59.051 of the Texas Business and Commerce Code, Contractor must, within a reasonable time of learning of a defect, inaccuracy, inadequacy, or insufficiency in the plans, specifications, or other design documents, disclose in writing to the Owner the existence of any known defect in the plans, specifications, or other design documents that is discovered by Contractor, or that reasonably should have been discovered by the Contractor using ordinary diligence, before or during construction. For purposes of Section 3.2.2, "ordinary diligence" means the observations of the plans, specifications, or other design documents or the improvement to real property that a contractor would make in the reasonable preparation of a bid or fulfillment of its scope of work under normal circumstances. Ordinary diligence does not require that the Contractor engage a person licensed or registered under Title 6, Occupations Code, or any other person with specialized skills. A disclosure under this subsection is made in the Contractor's capacity as Contractor and not as a licensed professional under Title 6, Occupations Code. If Contractor fails to disclose a defect as required in the Agreement, Contractor shall be liable for the consequences of defects that result from the failure to disclose.

§ 3.2.3 The Contractor shall report in writing to the Architect and Owner any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect or Owner 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, unless the Contractor recognizes (or should have recognized through ordinary diligence) such error, inconsistency, omission, or difference and failed to report it to the Architect and the Owner as required under the applicable terms of this Section 3.2.

§ 3.2.5 The Contractor and each Subcontractor shall evaluate and satisfy themselves as to the conditions and limitations under which the Work is to be performed, including:

- **.1** the location, condition, layout and nature of the Project site and surrounding areas;
- **.2** generally prevailing climatic conditions;
- **.3** anticipated labor supply and costs; and
- **.4** availability and cost of materials, tools and equipment.

§ 3.2.6 Owner shall be entitled to deduct from the Contract Sum amounts paid to the Architect for the Architect to evaluate and respond to the Contractor's excessive requests for information, where such information was available to the Contractor from a careful study and comparison of the Contract Documents, field conditions, other Owner-provided information, Contractor-prepared coordination drawings, prior Project correspondence, or documentation.

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§ 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, as between the Owner and Contractor, 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, at Owner's request, shall evaluate the proposed alternative solely for conformance with the design intent for the completed construction. Unless the Architect or Owner objects to the Contractor's proposed alternative, the Contractor shall perform the Work using its alternative means, methods, techniques, sequences, or procedures. Nothing herein shall constitute an assumption by Owner of control of the means and methods of the Work, which shall remain solely with Contractor. The Contractor shall engage Subcontractors and workers who are skilled in performing the Work, and all Work shall be performed with care and skill and in a workmanlike manner under the full-time supervision of an approved superintendent. Further, the Contractor shall advise the Owner and Architect: (a) if a specified product deviates from good construction practices; (b) if following the Specifications will adversely affect any warranties; and (c) of any objections which the Contractor may have to the Specifications.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors, Sub-subcontractors and the agents and employees of any of them, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any Subcontractors or Sub-subcontractors, and for any damages, losses, costs and expenses, including but not limited to attorney's fees, resulting from such acts and omissions.

§ 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 Contractor shall maintain daily reports which shall record the date, weather conditions, deliveries received, Subcontractors and Sub-subcontractors on site, manpower counts, general description of Work accomplished and problems or conflicts in the field. Said reports shall be maintained at the Project in an orderly manner and shall be delivered to the Owner at least once a week. Copies of all daily reports shall also be available to Owner and its designated representative for review at any time. Contractor shall submit the format of such daily reports to Owner for approval prior to commencement of the Work. In the event Contractor fails to deliver copies of Contractor's daily reports, Owner may withhold a portion of Contractor's Fee in making a progress payment as may be necessary to protect the Owner from a loss resulting therefrom.

§ 3.3.5 Not used.

§ 3.3.6 Contractor's supervision of Work shall include expediting and coordination of work of Subcontractors and Sub-subcontractors. Contractor shall perform all supervising and procuring required to ensure delivery of materials to maintain work schedules of Subcontractors and Sub-subcontractors and progress schedule of the Project to ensure full completion of Work. Contractor shall ensure all Subcontractors and Sub-Subcontractors and their agents, and employees adhere to the Contract Documents, and that they order materials on time, taking into account the current market and delivery conditions. The Contractor shall coordinate its Work with that of all others on the Project including deliveries, storage, installations, and construction utilities. The Contractor shall be responsible for the space requirements, locations, and routing of its equipment.

§ 3.3.7 The Contractor shall establish and maintain benchmarks and all other grades, lines, and levels necessary for the Work, report errors, or inconsistencies to the Owner and Architect before commencing Work as required by these General Conditions, review the placement of the building(s) and permanent facilities on the site with the Owner and Architect after all lines are staked out and before foundation Work is started, and provide a form survey as part of such review. Contractor shall provide access to the Work for the Owner, the Architect, other persons designated by Owner, and governmental inspectors. Any encroachments made by Contractor or its Subcontractors or Sub-subcontractors on adjacent properties due to construction and revealed by any improvement survey, except for encroachments arising from error or omissions that are not reasonably discoverable by Contractor, shall be corrected by Contractor within thirty (30) days of the improvement survey (or as soon thereafter as possible), at

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Contractor's sole cost and expense, either by the removal of the encroachment (and subsequent reconstruction on the Project site) or agreement with the adjacent property owner(s) (in form and substance satisfactory to Owner in its sole discretion) allowing the encroachments to remain.

§ 3.3.8 It is understood and agreed that the relationship of Contractor to Owner shall be that of an independent contractor. Nothing contained in the Contract Documents shall be deemed or constructed to (1) make the Contractor the agent, servant, or employee of the Owner, or (2) create any partnership, joint venture, or other association between Owner and Contractor. Any direction or instruction by Owner or Architect in respect of the Work shall relate to the result the Owner desires to obtain from the Work and shall in no way affect Contractor's independent contractor status as described herein. Neither Owner nor Architect shall participate in any way in the administration or supervision of the Work. The means, methods, techniques, sequences, procedures, and safety measures utilized in the performance of the Work are the sole responsibility of the Contractor. Any means, method, technique, sequence or procedure set forth in the Contract Documents is solely to specify the desired end product. If Contractor discovers that such means, methods, technique, sequence or procedure will not result in the specified end product or is unsafe or illegal, it is Contractor's responsibility to notify the Architect and Owner and propose a correct means, method, technique, sequence or procedure prior to performing the Work at issue. Nothing in Owner's or Architect's review of the general quality and progress of the Work shall be construed as the assumption of authority or supervision over the performance of the Work.

§ 3.3.9 Contractor, Subcontractors, and Sub-subcontractors shall not install any product or equipment in a manner that is in direct conflict with the manufacturer's recommended requirements. If the manufacturer of the product or equipment has requirements that cannot be met by the specific application indicated, the Contractor shall bring this information to the attention of the Architect and Owner. Any products or equipment that are installed contrary to the manufacturer's requirements shall be replaced at no additional cost to the Owner unless specifically authorized in writing by the Owner.

§ 3.3.10 The Contractor shall execute the Work in a good and workmanlike manner, continuously and diligently in accordance with generally accepted standards of construction management and practice for construction of projects similar to the Project, using qualified, careful and efficient workers and in conformity with the provisions of this Agreement and the other Contract Documents.

§ 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 The Contractor shall inspect all materials delivered to the Project to ensure that all materials, equipment and labor incorporated into or working on the Project meets or exceeds industry standards for quality and craftsmanship. Contractor shall reject any materials that will not conform with the Contract Documents when properly installed. All material delivered to the Project site shall be handled in a manner to preclude inclusion of any foreign substances or causing of any discoloration therein and to prevent any damage thereto which might reduce its effectiveness as part of the Work.

§ 3.4.2 Except in the case of minor changes in the Work ordered by Owner 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 written consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive. By making a request for substitutions, Contractor represents and warrants the following: (1) that Contractor has investigated the proposed product or material and determined that it is equal or superior in all respects to that specified; (2) that Contractor shall provide an equal or greater warranty for the substitution that the Contractor would for that specified; (3) that Contractor certifies that the cost data presented is complete and includes all related costs under the Contract, except the Architect's redesign costs, and waives all claims for additional costs related to the substitution which subsequently become apparent; and (4) that Contractor will coordinate the installation of the accepted substitute, making such changes as may be required for the Work to be complete in all respects.

§ 3.4.3 The Contractor shall enforce strict discipline, safety, job cleanliness 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

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persons not properly skilled in tasks assigned to them. Contractor shall also be responsible for labor peace on the Project and shall at all times make its best efforts and judgment as an experienced contractor to adopt and implement policies and practices designed to avoid work stoppages; slowdowns, disputes, or strikes where reasonably possible and practical under the circumstances and shall at all times maintain labor harmony on the Project.

§ 3.4.4 Contractor shall prohibit the possession or use of alcohol, controlled substances, tobacco and any prohibited weapons on the Project site.

§ 3.5 Warranty

§ 3.5.1 The Contractor warrants to the Owner and Architect that the Work will be performed in a good and workmanlike manner and 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 shall 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 Owner or Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 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.

§ 3.5.3 The warranties of Contractor provided in this Section 3.5 and set forth elsewhere in the Contract Documents shall in no way limit or abridge the warranties of the suppliers of equipment and systems which are to comprise a portion of the Work and all of such warranties shall be in form and substance as required by the Contract Documents. Contractor shall take no action or fail to act in any way which results in the termination or expiration of such third-party warranties or which otherwise results in prejudice to the rights of Owner under such warranties. Contractor agrees to provide all notices required for the effectiveness of such warranties and shall include provisions in the contracts with the providers and manufacturers of such systems and equipment whereby Owner shall have a direct right, but not a duty, of enforcement of such warranty obligations.

§ 3.6 Taxes

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 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, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 Concealed or Unknown Conditions

If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than seven (7) days after first observance of the conditions. The Owner will promptly investigate such conditions and, if the Owner determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend that an equitable adjustment be made in the Contract Sum

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or Contract Time, or both. If the Owner determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Owner shall promptly notify the Contractor, stating the reasons. If the Contractor disputes the Owner's determination or recommendation, Contractor may submit a Claim as provided in 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.

§ 3.7.6 Copies of any and all permits, licenses, and certifications shall be delivered to the Architect and Owner as soon as they are obtained. Upon receipt of final payment, the Contractor shall deliver the originals of such permits, licenses, and certificates to the Owner.

§ 3.8 Allowances

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Each allowance item shall contain a detailed breakdown of the assumptions for each allowance, including assumptions pertaining to quantity, quality, assembly factors and inclusion or exclusion of cost. By inclusion of allowance items in the Contract Sum, Contractor represents to Owner that each such allowance is a reasonable estimate, using Contractor's skill and professional judgment, of the cost pertaining to such allowance item taking into account: (a) the Drawings and Specifications and other information existing at the time the allowance is determined; (b) the labor and material standards and construction means, methods and techniques prevailing in the industry for first class construction; and (c) the level of labor and material costs generally prevailing in the locality of the Project at the time the allowance is determined. Where an allowance item has been provided to Contractor by Owner, Contractor shall review such allowance item, and before including such allowance item in the Contract Sum, determine to the best of Contractor's knowledge, that the cost pertaining to such allowance item is a reasonable estimate taking into account the above criteria. If requested by Owner, Contractor shall provide Owner with a written explanation of how each allowance was determined.

§ 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 Under no circumstances shall Contractor incur any costs greater than an allowance on behalf of Owner without prior written authorization of Owner. Notwithstanding anything to the contrary, and notwithstanding if Contractor incurs costs greater than allowances, unless a Change Order is executed by Contractor and Owner prior to commencement of Work under an allowance, Contractor shall not be entitled to, and waives any right to receive, additional consideration, or any other compensation with respect to such allowance, whether based on implied consent, quantum meruit or otherwise.

§ 3.8.4 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.8.5 The Contractor shall develop and manage an allowance tracking process with regular reports to the Owner. These reports shall be provided to the Owner no less frequently than each Owner-Architect-Contractor meeting. The information to be tracked and reported shall be sufficient to provide a thorough status of monies expended, scope covered by the allowance, timing of the expense and completion of the associated Work.

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§ 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 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. Should a superintendent leave the employ of Contractor, Contractor shall promptly submit a new superintendent to Owner for approval, which shall not be unreasonably withheld or delayed. Owner shall have the right, at any time, to direct a change in Contractor's superintendent if their performance is unsatisfactory to Owner. In the event of such demand, Contractor shall promptly replace said superintendent with a superintendent satisfactory to Owner. If a suitable replacement cannot be provided, the Contractor may be terminated by Owner. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 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 fourteen (14) days of receipt of the information, the Owner 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 Owner to provide notice within the fourteen (14)-day period shall constitute notice of no reasonable objection.

§ 3.9.3 Not used.

§ 3.10 Contractor's Construction and Submittal Schedules

§ 3.10.1 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 utilizing the critical path method (CPM). The schedule shall be in time scaled precedence format with the critical path clearly indicated and in such electronic format to ensure that the Owner can understand the logic and all aspects of the schedule. Contractor shall give notice to the Owner of any change in the logic of the schedule or any part thereof, or the removal of any restraints, or the reduction of any duration. The construction schedule shall cover field tasks, significant material deliveries, other off-site restraints such as permits, inspections, approvals, and milestones for start dates, completion dates, and availability dates as required. Tasks shall be broken down into activities that allow monitoring monthly progress. The construction schedule shall contain details 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 construction schedule shall provide for the orderly progression of the Work to completion and shall not exceed time limits current under the Contract Documents.

§ 3.10.1.1 The construction schedule shall be coordinated with the Owner's overall Project schedule. The Contractor is responsible for coordinating document packages and deliverables from the Owner and Architect.

§ 3.10.2 The Contractor promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, shall submit a submittal schedule for the Architect's review and Owner's approval. The Owner's approval shall not be unreasonably delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule or fails to provide submittals in accordance with the approved submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time resulting from the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect and approved by the Owner. Neither submission of revised or updated construction schedules, nor indications on the construction schedule of activities, including critical path activities, that have fallen behind or were completed later than the original construction schedule, shall relieve the Contractor from the requirements to achieve any designated milestone dates. Contractor shall update the construction schedule regularly, or as requested by Owner, and deliver updated schedules to Owner monthly or as otherwise requested. Extensions of Contract Time will be granted only through written Change Order signed by Owner and shall not be implied by Owner's conduct or failure to object.

§ 3.10.4 The Contractor shall be solely responsible for the original schedule, any and all updates, changes, alterations, or amendments. Neither the Owner nor any of the Owner's consultants or contractors shall be responsible for the accuracy or sufficiency of any schedule prepared or presented to the Owner.

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§ 3.10.5 The process of approving Contractor's schedules and updates to Contractor's schedule shall not constitute a warranty by the Owner that any non-Contractor milestones or activities will occur as set out on Contractor's schedule. Approval of Contractor's schedule does not constitute a commitment by the Owner to furnish any Owner-furnished information or material any earlier than Owner would otherwise be obligated to furnish that information or material under the Contract Documents. Failure of the Work to proceed in the sequence scheduled by Contractor shall not alone serve as the basis for a Claim for additional compensation or time. In the event there is interference with the Work which is beyond its control, Contractor shall attempt to reschedule the Work in a manner that will minimize resulting additional time and costs. The construction schedule shall be in a detailed format satisfactory to the Owner and the Architect and shall also:

.1 provide a graphic representation of all activities and events that will occur during performance of Work;

.2 identify each phase of construction and occupancy; and

.3 set forth dates that are critical in ensuring the timely and orderly completion of the Work in accordance with the requirements of the Contract Documents.

The construction schedule shall be updated to reflect actual conditions (sometimes referred to herein as progress reports) as set forth in Section 3.10.1 or if requested by the Owner. In the event any progress report indicates any delays, the Contractor shall propose an affirmative plan to correct the delay, including overtime and additional labor, if necessary. In no event shall any progress report constitute an adjustment in the Contract Time or the Contract Sum unless any such adjustment is agreed to by the Owner and authorized pursuant to Change Order.

§ 3.10.6 In the event the Owner determines that the performance of the Work has not progressed or reached the level of completion required by the Progress Schedule, the Owner shall have the right to order the Contractor to take corrective measures necessary to expedite the progress of construction, including without limitation, (i) working additional shifts or overtime, (ii) supplying additional manpower, equipment, and facilities. Such measures may so continue until the progress of the Work complies with the stage of completion required by the Contract Documents, and the Owner shall not incur any additional expenses required to exercise such corrective measures except to the extent that the performance of the Work has not reached the level of completion due to a delay described in Section 8.3.1, below. The Owner's right to require such measures is solely for the purpose of ensuring the Contractor's compliance with the Progress Schedule.

§ 3.10.7 The parties acknowledge and agree that notwithstanding any theoretical delays or theoretical extensions of time for completion, as may be shown on any schedules or printouts, the date of Substantial Completion shall be governed by this Agreement and shall be extended only in accordance with the procedures set forth in the Agreement. No approval of a submittal schedule or Progress Schedule by the Owner or Architect will be deemed an extension of time for completion of the Work without a Change Order or Construction Change Directive.

§ 3.11 Documents and Samples at the Site

§ 3.11.1 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 ("Record Drawings"). The Record Drawings shall consist of a set of drawings which indicate all field changes that were made to adapt to field conditions, changes resulting from Contract Change Orders, and all concealed and buried installations of piping, conduit, and utility services changed as part of the Work. All buried items outside the facility shall be accurately located on the Record Drawings as to the depth and in relationship to not less than two permanent features, such as interior or exterior wall faces. The Record Drawings shall be clean and all changes, corrections, and dimensions shall be given in a neat and legible manner in contrasting color.

§ 3.11.2 At the date of Substantial Completion and as a condition precedent to Final Payment, the Contractor shall furnish the Record Drawings to the Owner. Architect shall issue a complete set of "as-built" drawings incorporating all changes made during the construction.

§ 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 or Sub-subcontractor to illustrate some portion of the Work.

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§ 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 or Owner.

§ 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 Owner and Architect in writing of such deviation at the time of submittal and (1) the Architect or Owner 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 or Owner's approval thereof. Contractor warrants the adequacy for the purpose intended of any shop drawings or portion of a shop drawing.

§ 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 or Owner on previous submittals. In the absence of such notice, the Architect's or Owner'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 cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings, and other submittals prepared by such professional. 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 and Owner. The

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Owner and the Architect shall be entitled to rely upon the adequacy, accuracy, and completeness 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 and Owner 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 and Owner in a reasonably prompt manner so as not to delay the progress of the Work.

§ 3.13 Use of Site

The Contractor shall confine operations at the site to areas permitted by Applicable Laws and the Contract Documents and shall not unreasonably encumber the site with materials or equipment. The Owner shall have the right to refuse admittance to the Project site to any employee or agent of the Contractor, Subcontractors, or Sub-subcontractors whose presence the Owner reasonably deems contrary to the Owner's interest.

§ 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. 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.

§ 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 or may deduct from amounts otherwise owed to cover such costs.

§ 3.16 Access to Work

The Contractor shall provide the Owner and Architect with access to the Work in preparation and progress wherever located.

§ 3.17 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 all resulting loss and expense (including attorneys' fees) unless the information is promptly furnished to the Owner and Architect.

§ 3.18 Indemnification

§ 3.18.1 To the fullest extent permitted by law, (and except for employee injury claims covered by Section 3.18.1.1 below) the Contractor shall indemnify, defend and hold harmless the Owner, and their elected officials, representatives, volunteers, agents, employees, officers, directors, board members, successors in interest, and partners (collectively "Indemnitees" and individually "Indemnitee") from and against any and all losses, expenses,

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attorney's fees, claims, liens, liability, demands, suits, causes of action, damages, settlements, fines, and penalties of every kind (except as hereinafter excluded) including all expenses and costs of litigation, settlement, dispute resolution, or claim adjustment (collectively "Indemnified Claims" and individually "Indemnified Claim") to the extent such Indemnified Claims arise out of or result from performance of the Work; provided, however, this indemnity provision shall not apply to the extent it requires Contractor to indemnify an Indemnitee against a claim caused by the negligence or fault, breach or violation of a statute, ordinance, governmental regulation, standard, or rule or the breach of contract of the Indemnitee, its agent, employee or any third party under the Indemnitee's direction and control (other than Contractor, its agents, employees, Subcontractors or Sub-subcontractors).

Except as provided in Subsections 3.18.1.1 below, in the event that an Indemnitee or their design professionals, consultants, or separate contractors (other than the Contractor, its agents, employees or Subcontractors and Sub-subcontractors) are found, by final judgment or arbitration award, to be negligent or at fault in whole or in part, the indemnity and hold harmless obligation of the Contractor with regard to attorney's fees and litigation or arbitration costs and expenses incurred by an Indemnitee in defense of such claim shall be reduced by the percentage of negligence or fault of the Indemnitee and/or their design professionals, consultants, or separate contractors (other than the Contractor, its agents, employees or Subcontractors and Sub-subcontractors).

§ 3.18.1.1 WITHOUT LIMITING THE FOREGOING INDEMNIFICATION IN SECTION 3.18.1, TO THE FULLEST EXTENT PERMITTED BY LAW, THE CONTRACTOR SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE INDEMNITEES FROM AND AGAINST INDEMNIFIED CLAIMS DUE TO BODILY INJURY OR DEATH AT THE PROJECT SITE OF AN EMPLOYEE OF CONTRACTOR, EMPLOYEE OF ITS SUBCONTRACTORS OR SUB-SUBCONTRACTORS, OR ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY THEM, REGARDLESS OF WHETHER AN INDEMNIFIED CLAIM IS CAUSED IN WHOLE OR IN PART BY THE FAULT, ACT, OMISSION OR NEGLIGENCE OF THE INDEMNITEES.

§ 3.18.2 Other provisions in the Contract Documents containing indemnification obligations shall be deemed to be cumulative of and to operate independently of the indemnities provided above such that all indemnities provided in the Contract Documents shall be construed to grant indemnity to the Indemnitees to the fullest extent possible.

§ 3.18.3 It is agreed that the indemnification provisions set for this Agreement shall be reformed and amended as necessary to comply with any legal limitations now or hereafter in effect and affecting the validity or enforceability of such provisions set forth in this Agreement to the minimum extent necessary to bring the provision into conformity with the requirements of such limitations, and as so modified, the indemnification obligations shall continue in full force and effect.

§ 3.18.4 The Contractor shall indemnify and hold harmless the Indemnitees from and against any costs and expenses (including reasonable attorneys' fees) incurred by any of the Indemnitees in enforcing any of the Contractor's defense, indemnity, and hold-harmless obligations under this Contract.

§ 3.18.5 Owner shall have the right to approve defense counsel, of which approval shall not be unreasonably withheld, to be retained by Contractor in fulfilling its obligation hereunder to defend and indemnify Owner, unless such right is expressly waived by Owner in writing. Contractor shall retain Owner-approved defense counsel within ten (10) calendar days of Owner's written notice that Owner is invoking its right to Indemnification under this Contract. If Contractor fails to retain counsel within such time period, Owner shall have the right to retain defense counsel on its own behalf and Contractor shall be liable for all costs incurred by Owner. Owner also shall have the right, at its option, to be represented by advisory counsel of its own selection and at its own expense, without waiving the foregoing.

§ 3.19 Liens

§ 3.19.1 In accordance with Texas law, neither Contractor nor any Subcontractors, Sub-subcontractors, nor any others claiming by and through Contractor have any lien rights against the Owner, the Project, the Work, or Owner's lands, buildings, or funds. Contractor hereby agrees to indemnify, defend, and hold the Owner harmless from and against all liens filed by Contractor, Subcontractors, Sub-subcontractors, and all others claiming by and through Contractor, against the Owner, the Project, the Work, or Owner's lands, buildings, or funds, arising out of or concerning the Work or the Project, including, but not limited to attorneys' fees and all expenses and costs of litigation, settlement, dispute resolution, or claim adjustment.

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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 Not used.

§ 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 the Architect issues the final Certificate for Payment, as specifically set forth herein and as specified in the Owner-Architect agreement. 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, if required by the Owner-Architect agreement or if requested by Owner, 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, when fully completed, will be in accordance with the Contract Documents. 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, if performed, 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 approved by the Owner and Architect, 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 Sub-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 reasonably 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 Sub-subcontractors 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 If requested by Owner, 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 recommend the Owner reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to recommend to the Owner inspection or testing of the Work, 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, Sub-subcontractors, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect, as applicable, 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. 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

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submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5, 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. Contractor shall remain responsible for errors or deviations from what is required in the Contract Documents in Contractor's submittals even if the error or deviation is not discovered by the Architect during the submittal review and approval.

§ 4.2.8 The Architect, if requested by Owner, will prepare Change Orders and Construction Change Directives, and may order minor changes in the Work as provided in Section 7.4.

§ 4.2.9 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 and those who are to furnish materials or equipment fabricated to a special design. 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 and those who are to furnish materials or equipment fabricated to a special design. 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. Contractor shall provide contact information for all Subcontractors and Sub-subcontractors, including addresses and phone numbers. Within fourteen (14) days of receipt of the information, the Architect or Owner 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 fourteen (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.

§ 5.2.5 To the extent Contractor wishes to change a Subcontractor, Contractor shall provide Owner with written notification. Acceptable reason for change of a Subcontractor pursuant to Paragraph 5.2.4 shall be limited to the following:

.1 Business failure of Subcontractor;

.2 Inability of Subcontractor to provide bonds where required; and

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.3 Failure of Subcontractor to perform according to approved schedule or other provisions of the Contract Documents.

§ 5.2.6 Prior to solicitation of bids from Subcontractors, Contractor shall submit to the Owner and Architect a proposed list of bidders. The Owner reserves the right to approve and add to such bidders list. After Contractor's completion of its bid solicitation, Contractor shall submit to Owner a detailed comparative analysis of the bids received together with Contractor's recommendations for award.

§ 5.2.7 Within ten (10) days after Contractor's execution of a subcontract, Contractor shall deliver to Owner the fully executed subcontract agreement.

§ 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 and materials furnished or equipment fabricated to a special design, 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.

§ 5.4 Not used.

§ 5.5 Contingent Assignment of Subcontracts

§ 5.5.1 Each subcontract agreement for a portion of the Work will expressly provide that it is assigned by the Contractor to the Owner, provided that:

.1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements which the Owner accepts by notifying the Subcontractor and Contractor, in writing; and

.2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

§ 5.5.1.3 When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract. All sums due and owing by Contractor to the designated Subcontractors for Work performed prior to Owner's acceptance of the subcontracts shall constitute a debt between such parties and Contractor.

§ 5.5.2 If the Work in connection with a subcontract has been suspended for more than sixty (60) days after termination of the Contract by the Owner pursuant to Section 14.2, and the Owner accepts assignment of such subcontract, the Subcontractor's compensation shall be equitably adjusted for any increase in direct costs incurred by such Subcontractor as a direct result of the suspension.

§ 5.5.3 Upon assignment to the Owner, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

§ 5.5.4 Each subcontract shall specifically provide that the Owner shall only be responsible to the Subcontractor for those services and materials furnished and approved by the Owner subsequent to the Owner's exercise of any rights under this conditional assignment.

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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 Contract related to insurance and waiver of subrogation.

§ 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. Contractor shall use its best efforts to cooperate with Owner and separate contractors, if any. 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 and Owner 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 and Owner 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 and damages 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 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 Owner will allocate the cost among those responsible.

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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. All Change Orders shall be accompanied by detailed price breakdowns.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner and Contractor. A Construction Change Directive 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 or Owner, as applicable.

§ 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.

§ 7.1.4 Contractor shall not proceed with any changes in the Work or additional work without previously receiving a written Change Order or Construction Change Directive executed by Owner authorizing such change in the Work or additional work. Contractor shall accept no directions, correspondence, or communications from anyone with regard to any change in the Work or additional work other than those issued in accordance with the Contract Documents. If Contractor performs such change in Work without prior receipt of such executed Change Order or Construction Change Directive, Contractor does so at its own risk and cost. All such Change Orders or Construction Change Directives shall be incorporated into the schedule of values for the Cost of the Work utilizing separate line items.

§ 7.2 Change Orders

§ 7.2.1 A Change Order is a written instrument prepared by the Owner and signed by the Owner, and Contractor (and approved by City Council of the City of Jacksonville, Texas ("City Council"), if required) 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 Agreement on any Change Order shall constitute a final settlement of all matters and pending claims by Contractor relating to the change in the Work which is the subject of the Change Order including, but not limited to all direct and indirect costs associated with such change, and any and all adjustments to the Contract Sum and the Construction Schedule.

§ 7.2.3 Contractor's Change Order shall provide either (i) a lump sum; (ii) unit price or (iii) a not-to-exceed amount properly itemized and supported by sufficient substantiating data to permit evaluation by Owner and Architect. Notwithstanding anything to the contrary, and notwithstanding if Contractor performs such changed Work, unless a Change Order is executed by Contractor and Owner prior to commencement of the changed Work the Contractor shall not be entitled to, and forever waives any right to receive, additional consideration, or any other compensation with respect to such changed Work.

§ 7.2.4 All Change Orders require written approval by Owner or the duly elected members of the City Council or, where authorized by the state law and City of Jacksonville ordinance, by City of Jacksonville's City Manager or designee, pursuant to administrative action. Owner shall be provided reasonable time and opportunity to review and approve a proposed Change Order following submission to Owner such proposed Change Order in final form with all supporting data. Receipt of a submission by Owner does not constitute acceptance or approval of a proposal, nor does it constitute a warranty that the proposal shall be authorized by Owner or City Council resolution or administrative action. The time required for the approval process shall not be considered a delay, and no extensions to the Contract Time or increase in the Guaranteed Maximum Price shall be considered or granted as a result of this process. Pending the approval of a Change Order as described above, Contractor shall proceed with the work under a pending Change Order only if directed in writing to do so by Owner.

§ 7.3 Construction Change Directives

§ 7.3.1 A Construction Change Directive is a written order prepared and signed by the Owner, 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

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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. A Construction Change Directive may also be used by the Owner as a direction to proceed with the Work without the Owner having received a Change Order Request from the Contractor and will have the method of determining the cost of the change identified on the Construction Change Directive.

§ 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 as determined by the Owner:

- **.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 or percentage 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 Owner 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 Owner 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 Owner;
- **.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 sales, use, or similar taxes, directly related to the change; and
- **.5** Costs of supervision and field office personnel directly attributable to the change.

§ 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 Owner 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. 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, Contractor may request payment for Work completed under the Construction Change Directive in its Application for Payment. The Owner will make an interim determination for payment of the amount that the Owner determines to be reasonably justified. The Owner's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of Contractor to disagree and assert a Claim in accordance with Article 15. The amounts not in dispute for such change in the Work shall be included in Applications for Payment accompanied by a Change Order indicating the parties' agreement with part or all of such costs.

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§ 7.3.10 When the Owner and Contractor agree on the determination made by the Owner 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 parties 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 Owner (or the Architect, if permitted in the Owner-Architect agreement) 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. An 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 Owner and shall not proceed to implement the change in the Work. If the Contractor performs the Work set forth in the order for a minor change without prior notice to the Owner 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.

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 established in accordance with Section 9.8.

§ 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 confirms 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 and Owner.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time. Except as otherwise specifically provided in Section 8.3 of these General Conditions, the Contractor shall bear all costs for overtime or acceleration and all additional expenses which may arise in order to 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 an act or neglect of the Owner, its employee, or a Separate Contractor employed by the Owner; or by changes ordered in the Work (not caused or resulting from the failure of Contractor or its Subcontractors, Sub-subcontractors or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable to comply with their obligation arising under the Contract); by labor disputes (not arising from the labor practices of Contractor, its Subcontractors, Sub-subcontractors or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable); fire (not caused by the negligence or wrongful acts of the Contractor, its Subcontractors, Sub-subcontractors or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable); unusual delay in deliveries (not attributable to or caused by the negligence or wrongful acts of the Contractor, its Subcontractors, Sub-subcontractors or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable); adverse weather conditions (beyond the number of weather days established pursuant to Section 8.3.1.1); governmental orders, moratorium on construction, epidemics or pandemics or other causes beyond the control and reasonable ability to avoid by the Contractor, its Subcontractors, Sub-subcontractors or anyone directly employed by any of them or for whose acts any of them may be liable including acts of God, provided that such causes were not known by Contractor at the time of this Agreement; then the Contract Time for the impacted milestone date or the entirety of the Work, as applicable, shall be extended by Change Order by the number of days by which the critical path to completion of the milestone date or the Project has been delayed by the event giving rise to the right to an extension. The Contractor shall provide written explanation and critical path method schedule

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evidencing such impact has occurred. Notwithstanding the foregoing, the Contractor acknowledges and agrees that adjustments in the Contract Time will be permitted for a delay only to the extent such delay to the critical path (1) is not caused, or could not have been reasonably anticipated and mitigated, by the Contractor, its Subcontractors, Sub-subcontractors or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable and (2) could not be limited or avoided by the Contractor's timely notice to the Owner of the delay.

§ 8.3.1.1 A Claim for additional time will be granted when the Project experiences adverse weather conditions in excess of the weather days established in the GMP Amendment ("Anticipated Weather Days"). If any of the four Weather Events listed below delay or hinder the commencement, prosecution or completion of the Work for any activity on the Project's critical path for more days (each a "Weather Day") during a given month than the number of Anticipated Weather Days for that given month, the Project schedule shall be extended by the number of days by which the Anticipated Weather Days are exceeded by such Weather Events. "Weather Events" that may entitle Contractor to an extension of the Contract Time are as follows:

.1 0.3 inches or more of rain during a calendar day.

.2 0.5 inches or more of snow or sleet.

.3 Temperature of 32 degrees Fahrenheit or lower for more than 4 hours during normal working hours.

.4 Wind conditions in excess of levels required for safe prosecution of the Work.

"Mud" days and "Dry-Out" days caused by one of the above-referenced weather events shall be considered as part of the delay event for purposes of granting an extension of the Contract Time to the extent critical path activities are hindered. If Weather Events are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions had an adverse effect on the critical path of scheduled construction. Weather records to be used for evaluating the above conditions shall be National Weather Service official records obtained at the NOAA weather location closest to the Project site. Weather Days are calculated Monday through Saturday provided, however, a Weather Day delay cannot be counted if Contractor is able to perform critical path work on the ensuing Sunday. Contractor will notify Owner of any such Weather Day delay in writing within twenty-four (24) hours of the alleged weather day and shall include photographic evidence substantiating the alleged Weather Day(s). Contractor shall also, on a monthly basis, submit a report in a form acceptable to Owner substantiating any days claimed to have been lost.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 Nothing in the Contract Documents shall authorize the Contractor to recover an increase in the Contract Sum as a result of price escalations in the marketplace or price increases due to labor or materials shortages.

§ 8.3.4 Except as otherwise provided herein, extensions of time shall be the Contractor's sole remedy for any delay, unless the delay shall have been caused by acts constituting intentional interference by Owner with the Contractor's performance of the Work, and then, only to the extent that such acts continue after the Contractor has provided written notice to Owner of such interference. The Owner's reasonable exercise of any of its rights or remedies under the Contract Documents, regardless of the extent or frequency, shall not under any circumstances be construed as intentional interference with the Contractor's performance of the Work.

§ 8.3.5 If the Contractor (a) fails to prosecute the Work in accordance with the approved Schedule of the Work, as updated; (b) fails to supply sufficient skilled workmen; or (c) fails to timely arrange for delivery of materials or equipment to the Project such that the critical path is adversely impacted, the Owner may, after seven (7) days written notice (and without prejudice to any other right or remedy) either (i) supplement the Contractor's forces or (ii) require Contractor to furnish additional labor, expedite the delivery of material and/or equipment, and/or have workers work overtime. The foregoing will be provided without an increase in the Contract Sum. If the Owner retains supplemental contractors, the costs will be charged against the Contract Sum. If the Contract Sum is exceeded after including payments to supplemental contractors, Contractor shall reimburse the difference to the Owner.

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.

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§ 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

If a schedule of values is not attached to the Agreement or the GMP Amendment as an exhibit, the Contractor shall submit a schedule of values to the Owner and 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 Owner. This schedule, once approved by Owner, 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 Owner and Architect and supported by such data to substantiate its accuracy as the Owner may require, and unless objected to by the 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 (10) days before the date established for each progress payment, the Contractor shall submit to the Owner and 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 claims from Contractor and its Subcontractors and Sub-subcontractors, and shall reflect retainage as provided for in the Contract Documents.

§ 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, as applicable, 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 Sub-subcontractor, unless such Work has been performed by others whom the Contractor intends to pay. To the extent Contractor does not intend to pay a Subcontractor or Sub-subcontractor due to a dispute or other reason, such application shall describe, for Owner's information, all amounts claimed by the Subcontractor or Sub-subcontractor and the facts surrounding the dispute or other non-payment decision.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage, and transportation to the site, for such materials and equipment stored off the site.

§ 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 payments have been previously received from the Owner shall, to the best of the Contractor's knowledge, information, and belief, be free and clear of claims, security interests, or encumbrances, in favor of the Contractor, Subcontractors, Sub-subcontractors, or other persons or entities that provided labor, materials, and equipment relating to the Work.

§ 9.3.4 Any allowances included in the Application for Payment shall be separately itemized with supporting data attached.

§ 9.3.5 Copies of Applications for Payment and all data for such Applications for Payment shall remain on file at contractor's office for inspection by Owner.

§ 9.4 Certificates for Payment

§ 9.4.1 To the extent required by Owner, 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

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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 Sub-subcontractors 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.

§ 9.4.3 The issuance of a Certificate for Payment by the Architect, if any, shall constitute a recommendation to the Owner in respect to the amount to be paid. This recommendation is not binding on the Owner if, in Owner's opinion, legitimate reasons for nonpayment exist including, but not limited to the reasons set out in Section 9.5.1. If the Owner declines to make payment upon a Certificate of Payment, the Owner shall promptly notify the Contractor of the reasons therefor.

§ 9.5 Decisions to Withhold Certification or Payment

§ 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 Owner and Architect or Owner and Contractor 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 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** failure to maintain insurance as required hereunder; or
- **.9** any other breach of the Agreement.

§ 9.5.2 Even if the Architect certifies a payment, the Owner may withhold all or part of a payment, and may also set-off any amounts due the Contractor under this Contract or otherwise, for any of the reasons set forth in Section 9.5.1.

§ 9.5.3 If the Contractor disputes Architect's decision regarding a Certificate for Payment under Section 9.5.1 or the Contractor disputes the Owner's decision regarding a withholding of payment under Section 9.5.2, in whole or in part, the Contractor may submit a Claim in accordance with Article 15.

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§ 9.5.4 When the reasons for withholding payment or certification are removed, payment or certification will be made for amounts previously withheld, as the case may be.

§ 9.5.5 The Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor 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 Based on complete and accurate Applications for Payment received from the Contractor (and certified by the Architect, if applicable), the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents. Progress payments will be made as provided in the Contract Documents, assuming a complete Application for Payment is received.

§ 9.6.2 The Contractor shall pay each Subcontractor no later than seven (7) days after receipt of payment from the Owner, the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 Not used.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven (7) days, the Owner shall have the right to contact Subcontractors 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, except as may otherwise be required by law.

§ 9.6.5 Not used.

§ 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 Not used.

§ 9.6.8 Not used.

§ 9.7 Failure of Payment

If the Owner does not issue payment, through no fault of the Contractor, within seven (7) days after the date established in the Contract Documents for payment, the amount certified by the Architect (if applicable), awarded by binding dispute resolution, or otherwise due Contractor, then the Contractor may, upon seven (7) 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 The Work (whether the entire Project or a designated portion of the Work) as set out herein will not be considered substantially complete until (and the term "Substantial Completion" shall mean) the performance of the Work is to the point where, as to such Work: (1) all Project systems included in the Work or designated portion thereof are operational, (2) all required governmental inspections and certifications required of Contractor have been made and posted, (3) designated initial instruction described in the Contract Documents of Owner's personnel in the operation of systems has been completed, (4) all the required finishes set out in the Contract Documents are in place, and (5) all warranty documents have been submitted to and approved by the Architect and Owner for any areas that the Owner agrees to accept as are requested to be substantially complete. For the avoidance of doubt, the requirements set forth in this Section 9.8.1 will apply to the designated portion of the Work to be substantially completed, except to the extent that such requirements apply only to the entire Project. To be deemed substantially complete, the only remaining Work shall be minor in nature, so that the Owner could occupy the applicable portion of the Project on that date, and the completion of the Work by the Contractor would not materially interfere with or

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hamper the Owner or Owner's tenants' normal operations or other intended use. As a further condition of Substantial Completion of the whole or designated portion of the Work, the Contractor shall certify that all remaining Work with respect thereto will be completed within the time specified by the Architect and Owner for Final Completion, which time shall not exceed thirty (30) days.

§ 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 and Owner a comprehensive list of items to be completed or corrected prior to final payment, together with the estimated value of completing or correcting such item (the "Punch List"). The failure to include any items on the Punch 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 and Owner will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the inspection discloses any item, whether or not included on the Punch 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 or Owner. In such case, the Contractor shall then submit a request for another inspection by the Architect or Owner to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, as agreed in writing by the parties, the parties 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 Not used.

§ 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 and Owner 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, shall be resolved in accordance with the Claims process set forth in Article 15.

§ 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 Upon receipt of the Contractor's notice that the Work is ready for final inspection and acceptance, the Architect and Owner will promptly make such inspection. When the Owner finds the Work acceptable under the Contract Documents and the Contract fully performed ("Final Completion"), the Owner will promptly direct the Contractor to submit its final Application for Payment requesting final payment.

§ 9.10.1.1 If the Owner believes, in its sole discretion, that Contractor will not complete or correct the Punch List work within the time listed in the Certificate of Substantial Completion, Owner may complete or correct such Punch

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List work not completed or corrected by Contractor within the time listed in the Certificate of Substantial Completion pursuant to 9.8 of the General Conditions without jeopardizing any of Owner's rights or warranties under the Contract Documents. Such costs for correction or completion of Punch List work shall be the responsibility of Contractor.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Owner (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect, (3) a written statement that the Contractor knows of no reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment, (5) documentation of any special warranties, such as manufacturers' warranties or specific Subcontractor or Sub-subcontractor warranties, (6) as-built record drawings for the Work, and (7) other data establishing payment or satisfaction of obligations, such as receipts and releases and waivers of claims, security interests, or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor or Sub-subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such claim, security interest, or encumbrance. If a claim, security interest, or encumbrance remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging the claim, security interest, or encumbrance, including all costs and reasonable attorneys' fees.

§ 9.10.3 Not used.

§ 9.10.4 The making of final payment shall not constitute a waiver of Claims by the Owner.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor, or a Sub-subcontractor, 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.

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. Contractor shall take and observe all necessary measures and precautions for the safety and protection of all property and persons in connection with performance of the Work. The Contractor shall review the safety programs of each of the Subcontractors and Sub-subcontractors and make appropriate recommendations where any deficiencies are found.

§ 10.1.1 Contractor shall take reasonable precautions necessary to prevent loss or damage caused by vandalism, theft, burglary, pilferage, or unexplained disappearance of property of the Owner

§ 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:

- **.1** employees on the Work 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 and;
- **.4** the work of the Owner or other separate contractors.

§ 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. For Contractor's work, Contractor shall provide all facilities and shall follow all procedures required by the Occupational Safety and Health Act (OSHA) including, but not limited to providing and posting all required posters and notices and shall otherwise be responsible for all other mandatory safety laws. Notwithstanding any language to the contrary, the Owner shall not have any responsibility for job site

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inspections or safety recommendations. Any inspections or observations by the Owner or the Architect are solely for the benefit of the Owner and shall not create any duties or obligations to anyone else.

§ 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; removal of snow and ice; promulgating safety regulations; and notifying the owners and users of adjacent sites and utilities of the safeguards.

§ 10.2.3.1 Contractor shall provide and maintain in good operating condition suitable and adequate fire protection equipment and services, and shall comply with all reasonable recommendations of the fire insurance company carrying insurance on the Work or by the local fire chief or fire marshal. The area within the Project site limits shall be kept orderly and clean and all combustible rubbish shall be promptly removed from the Project site.

§ 10.2.3.2 The Contractor shall at all times protect excavations, trenches, buildings, and materials from rain water, ground water, backup or leakage of sewers, drains and other piping, and from other water originating from the Project site which the Contractor could reasonably expect to encounter based on the Drawings, Specifications, geotechnical reports or other information provided to the Contractor in connection with the Project or which an experienced contractor would otherwise reasonably expect to encounter at this Project site and shall remove promptly any such accumulation of water. The Contractor shall provide and operate all pumps, piping and other equipment necessary to this end.

§ 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.

§ 10.2.4.1 Contractor shall maintain one (1) set of MSDS on the site for periodical inspection by the Owner and the Architect. The Contractor shall be responsible for compliance with OSHA and the Hazard Communications Standard.

§ 10.2.5 The Contractor shall promptly remedy, at its sole cost, damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3. The Contractor may make a Claim for the cost to remedy the damage or loss to the extent such damage or loss is attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 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 When required by law or for the safety of the Work, Contractor shall shore-up, brace, underpin, and protect foundations and other portions of existing structures which are in any way affected by the Work. Contractor, before commencement of any part of the Work, shall give notices required to be given adjoining landowners and other parties.

§ 10.2.9 Not used.

§ 10 2.10 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 twenty-one (21) days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

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§ 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 concealed or undisclosed 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. 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 Not used.

§ 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 or 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 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall reimburse the Contractor for all cost and expense thereby incurred.

§ 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 as described in **Exhibit B** – Owner's Insurance Requirements.

§ 11.1.2 The payment bond, performance bond, and warranty bond shall be issued by approved sureties. No surety shall be accepted by Owner that is in default, delinquent on any bonds or that is a party to any litigation against the Owner. Such bonds shall be: (i) issued with the Owner as the named obligee; (ii) executed by a corporate surety company authorized to do business in the State of Texas with such financial standing to have a rating from A.M. Best Company (or other equivalent rating company) equal to or better than "A –" and on the approved list of sureties issued by the United States Department of Treasury and shall have a Power of Attorney attached; (iii) maintained for the benefit of the Owner; and (iv) approved by the Owner and made and executed on the Owner's standard forms. Each bond shall be executed by Contractor and the surety and shall specify that legal venue for enforcement of each bond exclusively shall lie in the county where the Project is located. Each surety shall designate an agent resident in

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the county where the Project is located to which any requisite statutory notices may be delivered and on which service of process may be had in matters arising out of the suretyship.

§ 11.2 Payment and Performance Bonds

§ 11.2.1 Contractor shall, in accordance with Texas Government Code Chapter 2253, before beginning construction at the Project site, and as a condition precedent to any obligation the Owner may have under this Contract, obtain and deliver to Owner payment and performance bonds on forms approved by the Owner within the earlier of: (i) ten (10) days of execution of the GMP Amendment and (ii) commencement of construction at the Project site. The penal sum of the payment and performance bonds shall be equal to the Guaranteed Maximum Price in the GMP Amendment, and should the Guaranteed Maximum Price in the GMP Amendment be amended, the penal sum of the payment and performance bonds shall be amended to be equal to the amended Guaranteed Maximum Price such that the penal sum of the payment and performance bonds is always equal to the Guaranteed Maximum Price, as amended.

§ 11.3 *Intentionally omitted.*

§ 11.4 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.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 Uncovering of Work

§ 12.1.1 If a portion of the Work is covered contrary to the Owner's or Architect's request or to requirements specifically expressed in the Contract Documents or prior to any inspection required under Applicable Law, it must, if requested in writing by the Architect, Owner, or inspector, be uncovered for the Owner's, Architect's, or inspector's examination and be replaced at the Contractor's expense without change in the Contract Time or Contract Sum.

§ 12.1.2 If a portion of the Work has been covered that the Architect or Owner has not specifically requested to examine prior to its being covered, the Architect or Owner may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, the Contractor shall be entitled to an equitable adjustment to the Contract Sum and Contract Time as may be appropriate. If such Work is not in accordance with the Contract Documents, the costs of uncovering the Work, and the cost of correction, shall be at the Contractor's expense.

§ 12.2 Correction of Work

§ 12.2.1 Before Substantial Completion

The Contractor shall at its sole expense promptly correct Work rejected by the Architect or Owner for 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 and Owner's other consultants' 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, 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, and reimburse the Owner for all costs incurred arising from such Work, including testing and inspections of the non-conforming Work. 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 promptly after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.5.

§ 12.2.2.1.1 Contractor shall perform such Work in a timely manner, consistent with Owner's reasonable requirements.

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§ 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 Contractor shall perform a warranty walkthrough with the Owner of the Project prior to the expiration of the one-year period for correction of Work. Any additional Work needing correction discovered on such warranty walkthrough shall be performed promptly by the Contractor.

§ 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. If Contractor does not proceed with the correction of such non-conforming Work within seven (7) days' notice from Architect or Owner, the Owner may remove and correct the non-conforming Work at Contractor's expense. If Contractor does not pay costs of performing such corrective Work within ten (10) days after written request by Owner, then Owner may utilize such unpaid amounts due the Contractor including retainage as necessary to reimburse Owner in accordance with the Contract Documents.

§ 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's express warranties herein shall be in addition to any other remedies that Owner may have under this Agreement and the Contract Documents, at law or in equity, for defective Work or other failure of Contractor to perform its Work in accordance with the Contract Documents.

§ 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 affected 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.

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§ 13.3 Rights and Remedies

§ 13.3.1 Except as expressly provided in the Contract Documents, 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 or under the Contract Documents.

§ 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.

§ 13.4 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. Unless otherwise provided, the Contractor 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. The Contractor shall give the Architect and Owner timely notice of when and where tests and inspections are to be made so that the Architect and Owner 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 Owner will 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 and Owner of when and where tests and inspections are to be made so that the Architect and Owner may be present for such procedures. Such costs, except as provided in Section 13.4.3, shall be at the Owner's expense.

§ 13.4.2.1 Whether indicated or not in the Contract Documents, all materials utilized on this Project shall be asbestos-free and lead-free. If any suspected asbestos-containing or lead-containing materials are installed, the Owner has the right to have the material in question tested in accordance with this Section 13.4. If such tests indicate the materials contain asbestos or lead, the Contractor shall remove all material in question and replace it with acceptable material at no additional cost to the Owner in accordance with Section 13.4.3, below.

§ 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, without limitation, those costs of additional testing, inspections, and repeated procedures, the costs of uncovering, replacement, and correction and compensation for the Architect's or Owner's other consultants' 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 Owner and 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 by or through the Contractor 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 from the date payment is due at the rate the parties agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

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 one hundred twenty (120) consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or

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employees, or any other persons or entities performing portions of the Work, because the Owner has not made payment within the time stated in the Contract Documents.

§ 14.1.2 The Contractor may terminate the Contract in accordance with Section 14.1.3 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 consecutive days in any 365-day period, whichever is less.

§ 14.1.3 If the reason described in Section 14.1.1 or 14.1.2 exists for the period stated therein, the Contractor may, upon fourteen (14) days' notice to the Owner, terminate the Contract and recover from the Owner payment for Work actually performed, as well as reasonable demobilization costs actually incurred.

§ 14.1.4 If the Work is stopped for a period of one hundred twenty (120) 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 (7) 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, in whole or in part, if the Contractor:

- **.1** refuses or fails to supply enough properly skilled workers or proper materials;
- **.2** fails to make payment to Subcontractors in accordance with the respective agreements between the Contractor and the Subcontractors;
- **.3** disregards Applicable Laws;
- **.4** otherwise commits a substantial breach of a provision of the Contract Documents;
- **.5** files a Petition in Bankruptcy, is adjudicated bankrupt, makes a general assignment to the benefit of its creditors, cannot pay its debts as they become due, or otherwise takes action evidencing insolvency;
- **.6** fails after commencement of the Work to proceed continuously with the construction and completion of the Work for more than ten (10) days for reasons other than as permitted under the Contract Documents; or
- **.7** suspends its business operations or otherwise fails to operate its business in the ordinary course.

§ 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 (7) days' notice except for the items set forth in 14.2.1.5 and 14.2.1.7 above, for which no notice is required, 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 5.5; and
- **.3** Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 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 and Owner's other consultants' services and expenses made necessary thereby, and other damages incurred by the Owner in finishing the Work 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.

§ 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.

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§ 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 in accordance with Section 8.3.5. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent that:

.1 performance is, was, or would have been, so suspended, delayed, or interrupted, by another cause for which the Contractor is responsible; or

.2 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; and reasonable demobilization costs actually incurred by reason of the termination.

§ 14.4.4 Not used.

§ 14.5 If the Project is delayed by order of federal, state, or local government or court order due to outbreak of any disease or virus or any other reason, the Contractor shall suspend the Work, in whole or in part, for such period of time and to the extent necessary to comply with the applicable governmental order. During any suspension under this Section 14.5, Contractor shall not be excused from its responsibilities under Article 10. Any suspension of work under this Section 14.5 shall not be considered a suspension by the Owner.

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.

§ 15.1.2 Time Limits on Claims

The Owner and Contractor shall commence all Claims and causes of action against the other and arising out of or related to the Contract, whether in contract, tort, breach of warranty or otherwise, in accordance with the requirements of the binding dispute resolution method selected in the Agreement and within the period specified by Applicable Law.

§ 15.1.3 Notice of Claims

§ 15.1.3.1 Claims by the Contractor shall be initiated by notice to the Owner within twenty-one (21) days after occurrence of the event giving rise to such Claim or within twenty-one (21) days after the Contractor first recognizes the condition giving rise to the Claim. The Contractor acknowledges and understands it is imperative that Owner be given timely, specific notice of any potential differing subsurface or physical condition which may cause an increase in the Contract Sum or Contract Time such that the Owner is afforded the maximum opportunity to mitigate cost and time impacts associated with such differing condition. Contractor shall not further disturb such condition or perform any Work in connection therewith (except with respect to an emergency) until receipt of a written statement permitting Contractor to do so.

§ 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.

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§ 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 Not used.

§ 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, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. The Contractor's Claim must also include an updated and detailed construction schedule that evidences the delay to the critical path activities, as required to validate the extent of the delay. 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, as required under Section 8.3.1 herein.

§ 15.1.7 Waiver of Claims for Consequential Damages

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes but is not limited to:

.1 damages incurred by the Owner for rental expenses, for losses of use, income, rents, profit, financing, business and reputation, for loss of management or employee productivity or of the services of such persons, for diminished value, and impairment of capital; and

.2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.7 shall be deemed to preclude assessment of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

Without expanding the waiver provided above, consequential damages shall not mean or include the costs incurred by the Owner for design professional services, costs to supplement or accelerate the Work of the Contractor, and costs of corrective or completion work caused by or resulting from the Contractor's failure to comply with the requirements imposed on the Contractor by the Contract Documents. Except as may otherwise be expressly provided in the Agreement or these General Conditions, this mutual waiver is applicable to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained herein shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents. Notwithstanding the foregoing, this waiver or limitation on recovery of consequential damages shall not apply to the amount or type of damages recoverable by an Indemnitee under Sections 3.18, above arising from a claim brought by any person or party other than an Indemnitee. Further, this waiver or limitation on recovery of consequential damages shall not apply to consequential damages to the extent recoverable from the proceeds paid by insurance maintained by the party responsible for such damages or any such project-specific insurance procured in accordance with the Contract Documents and for the amount of any deductibles required to be paid for such insurance coverage.

§ 15.2 Not used.

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§ 15.3 Mediation

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract, shall be subject to mediation as a condition precedent to binding dispute resolution.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of sixty (60) days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If the selected method of binding dispute resolution is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to agree upon a schedule for later proceedings.

§ 15.3.3 Not used.

§ 15.3.4 The parties shall share the mediator's fee and any filing fees equally. Mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof. In no event shall any mediator in connection with a Claim be permitted to serve as an arbitrator for that, or any other Claim that is not resolved pursuant to mediation.

§ 15.4 Arbitration

Intentionally omitted.

§ 15.5 Subcontractor Pass-Through Claims

§ 15.5.1 In the event any Subcontractor asserts a Claim to Contractor that Contractor seeks to pass through to Owner under the Contract Documents, any entitlement to submit and assert the Claim as to Owner shall be subject to the requirements of this Article 15 and the following three (3) additional requirements listed below, all three of which shall be conditions precedent to the entitlement of Contractor to seek and assert such Claim against the Owner:

.1 Contractor shall (i) have direct legal liability as a matter of contract, common law or statutory law to Subcontractor for the claim Subcontractor is asserting; or (ii) have entered into a written liquidating agreement with Subcontractor, prior to the Claim's occurrence, under which Contractor has agreed to be legally responsible to the Subcontractor for pursing the assertion of such Claim against Owner under said Contract and for paying to Subcontractor any amount that may be recovered, less Contractor's included markup (subject to the limits in the Contract Documents for any markup). The relationship, liability or responsibilities shall be identified in writing by Contractor to Owner at the time such Claim is submitted to Owner and a copy of any liquidating agreement shall be included by Contractor in the Claim submittal materials;

.2 Contractor shall have reviewed the Claim of the Subcontractor prior to its submittal to Owner and independently shall have evaluated such Claim in good faith to determine the extent to which the Claim is believed in good faith to be valid. Contractor shall inform Owner in writing that it has made a review, evaluation and determination the Claim is being made in good faith and the Claim is believed to be valid; and

.3 Subcontractor making the Claim to Contractor shall certify to both Contractor and Owner that Subcontractor has compiled, reviewed and evaluated the merits of such Claim and the Claim is believed in good faith by Subcontractor to be valid. A copy of the certification by Subcontractor shall be included by Contractor in the Claim submittal materials.

§ 15.5.2 Any failure of Contractor to comply with any of the foregoing requirements and conditions precedent with regard to any such Claim shall constitute a waiver of any entitlement to submit or pursue such Claim.

§ 15.6 Receipt and review of a Claim by Owner under this Article 15 shall not be construed as a waiver of any defenses to the Claim available to Owner under the Contract Documents or Applicable Law.

ARTICLE 16 OTHER PROVISIONS

§ 16.1 General Provisions

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§ 16.1.1 All personal pronouns used in this Contract, whether used in the masculine, feminine, or neuter gender, shall include all other genders; and the singular shall include the plural and vice versa. Titles of articles, sections, and subsections are for convenience only and neither limit nor amplify the provisions of this Contract. The use herein of the word "including," when following any general statement, term, or matter, shall not be construed to limit such statement, term, or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such words as "without limitation," or "but not limited to," or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term, or matter.

§ 16.1.2 Wherever possible, each provision of this Agreement shall be interpreted in a manner as to be effective and valid under Applicable Law. If, however, any provision of this Agreement, or portion thereof, is prohibited by law or found invalid under any law, only such provision or portion thereof shall be ineffective, without in any manner invalidating or affecting the remaining provisions of this Agreement or valid portions of such provision, which are hereby deemed servable.

§ 16.1.3 Each party hereto agrees to do all acts and things and to make, execute and deliver such written instruments, as shall from time to time be reasonably required to carry out the terms and provisions of the Contract Documents.

§ 16.2 No Oral Waiver

The Provisions of the Contract Documents shall not be changed, amended, waived, or otherwise modified in any respect except by writing.

DRAFT

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EXHIBIT "C"

PREVAILING WAGE REQUIREMENTS

For purposes of this Exhibit "C", "Contractor" shall mean the selected Offeror, and "Owner" shall mean the City. The "Contract" shall be the executed contract for construction between the parties.

ARTICLE 1 – Compliance with Chapter 2258 of the Texas Government Code

1.01 All contractors and subcontractors engaged on the Project, including Contractor and all its subcontractors and sub-subcontractors, shall at all times comply with all applicable provisions of Chapter 2258 of the Texas Government Code.

ARTICLE 2 – Contractor and Subcontractor Obligations and Requirements

2.01 A contractor or subcontractor shall pay the general prevailing wage rates for building construction for each craft or type of worker or mechanic employed in the execution of any building construction or repair under the contract in accordance with Chapter 2258 of the Texas Government Code. The prevailing wage rates applicable to the contract, as determined by the United Stated Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. Section 276a et seq.) are set forth in Attachment 1 to this Exhibit.

2.02 The prevailing wage rates provided do not prohibit payment of more than the rates stated.

2.03 If a contractor or subcontractor violates the prevailing wage requirements under Chapter 2258 of the Texas Government Code, contractor shall pay to the Owner $60 for each worker employed for each calendar day or part of the day that the worker is paid less than the wage rates stipulated in Attachment 1.

2.04 A contractor and subcontractor shall keep records showing:

A. the name and occupation of each worker employed by the contractor or subcontractor in the construction of the Project; and

B. the actual per diem wages paid to each worker.

2.05 A contractor is entitled to rely on a certificate by a subcontractor regarding the payment of all sums due those working for the subcontractor until the contrary has been determined.

2.06 A contractor may withhold from a subcontractor sufficient money to cover an amount withheld from the contractor by Owner because the subcontractor violated Chapter 2258 of the Texas Government Code. If the contractor has made a payment to the subcontractor, the contractor may withhold money from any future payments owed to the subcontractor or sue the subcontractor or the subcontractor's surety for the amount withheld from the contractor by the Owner because of the subcontractor's violation.

EXHIBIT “C”

Attachment 1

PREVAILING WAGE RATES

AS ADOPTED BY CHEROKEE COUNTY

[Page(s) to follow.]

"General Decision Number: TX20260126 01/02/2026

Superseded General Decision Number: TX20250126

State: Texas

Construction Type: Building

County: Cherokee County in Texas.

BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories).

Modification Number	Publication Date
0	01/02/2026

ASBE0021-002 06/01/2025

	Rates	Fringes
ASBESTOS WORKER/HEAT & FROST INSULATOR	$ 33.23	7.52

BOIL0132-002 01/01/2025

	Rates	Fringes
Boilermaker	$ 33.17	24.92

IRON0263-019 06/01/2025

	Rates	Fringes
IRONWORKER (Reinforcing)	$ 29.64	8.43

LABO0154-022 05/01/2024

	Rates	Fringes
Laborers: (Mason Tender - Cement/Concrete)	$ 25.27	9.57

SUTX2009-013 04/20/2009

	Rates	Fringes
BRICKLAYER	$ 20.00	0.00

CARPENTER, Includes

Acoustical Ceiling Installation, and Hardwood Floor Installation	$ 14.30	0.00
CEMENT MASON/CONCRETE FINISHER	$ 13.29	0.00
ELECTRICIAN	$ 18.06	4.87
IRONWORKER, STRUCTURAL	$ 15.48	0.00
LABORER: Common or General	$ 9.73	0.00
LABORER: Landscape & Irrigation	$ 8.50	0.22
LABORER: Mason Tender - Brick	$ 12.02	0.00
LABORER: Mortar Mixer	$ 12.00	0.00
OPERATOR: Backhoe/Excavator/Trackhoe	$ 11.00	0.00
OPERATOR: Bulldozer	$ 13.00	0.31
OPERATOR: Crane	$ 21.33	0.00
OPERATOR: Forklift	$ 14.58	0.00
OPERATOR: Loader (Front End)	$ 10.54	0.00
PAINTER: Brush, Roller and Spray	$ 13.50	0.00
PLUMBER	$ 20.38	4.74
ROOFER	$ 13.64	1.80
SHEET METAL WORKER	$ 17.00	0.00
TILE SETTER	$ 15.00	0.00
TRUCK DRIVER	$ 12.52	0.00

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave

for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at https://www.dol.gov/agencies/whd/government-contracts.

Note: Executive Order 13658 generally applies to contracts subject to the Davis-Bacon Act that were awarded on or between January 1, 2015 and January 29, 2022, and that have not been renewed or extended on or after January 30, 2022. Executive Order 13658 does not apply to contracts subject only to the Davis-Bacon Related Acts regardless of when they were awarded. If a contract is subject to Executive Order 13658, the contractor must pay all covered workers at least $13.30 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2025. The applicable Executive Order minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under Executive Order 13658 is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

The body of each wage determination lists the classifications and wage rates that have been found to be prevailing for the type(s) of construction and geographic area covered by the wage determination. The classifications are listed in alphabetical order under rate identifiers indicating whether the particular rate is a union rate (current union negotiated rate), a survey rate, a weighted union average rate, a state adopted rate, or a supplemental classification rate.

Union Rate Identifiers

A four-letter identifier beginning with characters other than ""SU"", ""UAVG"", ?SA?, or ?SC? denotes that a union rate was prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2024. PLUM is an identifier of the union whose collectively bargained rate prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. The date, 07/01/2024 in the example, is the effective date of the most current negotiated rate.

Union prevailing wage rates are updated to reflect all changes over time that are reported to WHD in the rates in the collective bargaining agreement (CBA) governing the classification.

Union Average Rate Identifiers

The UAVG identifier indicates that no single rate prevailed for those classifications, but that 100% of the data reported for the classifications reflected union rates. EXAMPLE: UAVG-OH-0010 01/01/2024. UAVG indicates that the rate is a weighted union average rate. OH indicates the State of Ohio. The next number, 0010 in the example, is an internal number used in producing the wage determination. The date, 01/01/2024 in the example, indicates the date the wage determination was updated to reflect the most current union average rate.

A UAVG rate will be updated once a year, usually in January, to reflect a weighted average of the current rates in the collective bargaining agreements on which the rate is based.

Survey Rate Identifiers

The ""SU"" identifier indicates that either a single non-union rate prevailed (as defined in 29 CFR 1.2) for this classification in the survey or that the rate was derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As a weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SUFL2022-007 6/27/2024. SU indicates the rate is a single non-union prevailing rate or a weighted average of survey data for that classification. FL indicates the State of Florida. 2022 is the year of the survey on which these classifications and rates are

based. The next number, 007 in the example, is an internal number used in producing the wage determination. The date, 6/27/2024 in the example, indicates the survey completion date for the classifications and rates under that identifier.

?SU? wage rates typically remain in effect until a new survey is conducted. However, the Wage and Hour Division (WHD) has the discretion to update such rates under 29 CFR 1.6(c)(1).

State Adopted Rate Identifiers

The ""SA"" identifier indicates that the classifications and prevailing wage rates set by a state (or local) government were adopted under 29 C.F.R 1.3(g)-(h). Example: SAME2023-007 01/03/2024. SA reflects that the rates are state adopted. ME refers to the State of Maine. 2023 is the year during which the state completed the survey on which the listed classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. The date, 01/03/2024 in the example, reflects the date on which the classifications and rates under the ?SA? identifier took effect under state law in the state from which the rates were adopted.

WAGE DETERMINATION APPEALS PROCESS

1) Has there been an initial decision in the matter? This can be:

a) a survey underlying a wage determination
b) an existing published wage determination
c) an initial WHD letter setting forth a position on a wage determination matter
d) an initial conformance (additional classification and rate) determination

On survey related matters, initial contact, including requests for summaries of surveys, should be directed to the WHD Branch of Wage Surveys. Requests can be submitted via email to davisbaconinfo@dol.gov or by mail to:

Branch of Wage Surveys
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

Regarding any other wage determination matter such as

conformance decisions, requests for initial decisions should be directed to the WHD Branch of Construction Wage Determinations. Requests can be submitted via email to BCWD-Office@dol.gov or by mail to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2) If an initial decision has been issued, then any interested party (those affected by the action) that disagrees with the decision can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Requests for review and reconsideration can be submitted via email to dba.reconsideration@dol.gov or by mail to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210.

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END OF GENERAL DECISION
"

EXHIBIT “D”

FORM CIQ FROM TEXAS ETHICS COMMISSION

ALSO AVAILABLE AT WWW.ETHICS.STATE.TX.US

[Page(s) to follow.]

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

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

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

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

OFFICE USE ONLY

Date Received

1 **Name of vendor who has a business relationship with local governmental entity.**

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information is being disclosed.**

_____

Name of Officer

4 **Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

5 **Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.**

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

_____ Name of signatory

_____ Signature

_____ Date

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

***

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

EXHIBIT "E"

ACKNOWLEDGMENT FORM - NON-COLLUSION STATEMENT

The undersigned affirms that they are duly authorized to execute the contemplated contract and the submitted proposal, that this company, corporation, firm, partnership or individual has not prepared this proposal in collusion with any other offeror, and that the contents of this proposal as to prices, terms or conditions of said proposal have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this proposal.

Offeror Entity Name: _____

Address: _____

Phone: _____ FAX: _____

Offeror (Signature): _____

Offeror (Print Name): _____

Position with Company: _____

Signature of Company Official Authorizing Submission: _____

Company Official (Print Name): _____

Official Position: _____

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	14.
DEPARTMENT:	Administration	PREPARED BY:	
INITIATED BY:		EXHIBITS:	RFP Ins Broker
ITEM TITLE:	DISCUSS AND AWARD HEALTH BENEFITS ADMINISTRATOR		

EXECUTIVE SUMMARY:

Publish February 18, 2026 and February 25, 2026

PUBLIC NOTICE REQUEST FOR PROPOSALS HEALTH INSURANCE BROKERAGE AND EMPLOYEE BENEFITS CONSULTING SERVICES

The City of Jacksonville, Texas is soliciting sealed proposals from qualified, experienced, and properly licensed insurance brokerage firms to provide Health Insurance Brokerage and Employee Benefits Consulting Services for the City of Jacksonville.

The selected firm will serve as the City's Agent of Record and provide professional brokerage and consulting services related to the design, procurement, administration, and ongoing management of the City's employee benefits program. Services include, but are not limited to, annual marketing and renewal analysis, benefits strategy development, claims and utilization analysis, compliance support, and quarterly benefits reconciliation and audit services.

Sealed proposals are due on or before March 2, 2026 at 2:00 p.m. CST. Proposals shall be submitted in accordance with the requirements contained in the Request for Proposals (RFP) and delivered to:
City of Jacksonville
Attn: RFP #2026-104-01
Health Insurance Brokerage and Employee Benefits Consulting Services
315 S. Ragsdale St.
Jacksonville, Texas 75766

Sealed responses shall be clearly marked on the outside of the package:
"City of Jacksonville RFP #2026-104-01 – Health Insurance Brokerage and Employee Benefits Consulting Services – DO NOT OPEN."

The Request for Proposals may be obtained from the City of Jacksonville upon request or by visiting the City's website at www.jacksonvilletx.org. The City reserves the right to reject any or all proposals, to waive informalities or irregularities, and to negotiate with any and all qualified firms in accordance with the Texas Professional Services Procurement Act (Texas Government Code Chapter 2254). The City of Jacksonville is an Equal Opportunity Employer. Minority-owned, women-owned, and small business firms are encouraged to submit proposals.

RECOMMENDED ACTION:

BID AND AWARD:

BUDGET DATA:

BUDGET JUSTIFICATION:

STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
1.2 Leverage the talent and input of citizens ☐	2.2 Parks, recreation, and community building ☐	3.2 Proactively seek process improvements ☐	4.2 Strengthen routine maintenance programs ☐	5.2 Leverage and maximize City facilities ☐
1.3 Transparent and engaging communication ☐	2.3 Community policing and crime prevention ☐	3.3 Ensure financial stability and stewardship ☐	4.3 Adopt a capital improvement program ☐	5.3 Disasters and emergencies ☐
1.4 Ensure value of services ☐	2.4 Preserve and revitalize existing neighborhoods ☐	3.4 Pursue partnerships and grants ☐	4.4 Protect natural resources ☐	5.4 Comprehensive community planning ☐

POLICY/GOAL CONSIDERATION:

LEGAL:

REQUEST FOR PROPOSALS (RFP)
Health Insurance Brokerage and Employee Benefits Consulting Services

RFP # 2026-104-01
DUE DATE: March 2, 2026 @ 2:00 pm

City of Jacksonville
Attn: RFP #2026-104-01; Health Insurance Brokerage and Employee Benefits Consulting Services
315 S Ragsdale St.
Jacksonville, TX 75766
http://www.jacksonvilletx.org/

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Section I – Introduction and RFP Terms and Conditions

Calendar

February 16, 2026	Announce RFP
February 18 and February 25, 2026	Advertise in Newspaper
March 2, 2026	Proposals Due / Bid Opening
March 5, 2026	Presentation at City Council Agenda Workshop
March 10, 2026	City Council Meeting- Award / Notice to Proceed

- The City of Jacksonville, Texas ("City") is soliciting sealed proposals from qualified, experienced, and properly licensed insurance brokerage firms to provide health insurance brokerage and employee benefits consulting services.

- The City seeks a firm that will serve as a trusted advisor, advocate, and strategic partner in the design, procurement, administration, and ongoing management of its employee benefits program. The selected Firm will support the City in controlling costs, managing risk, maintaining regulatory compliance, and providing competitive, sustainable benefits for employees.

- The City employs a diverse workforce, including full-time, part-time, public safety, and administrative employees. The selected Firm will work closely with the City's Executive Director of People and Strategy, Finance Department, Payroll, and other designated stakeholders.

- Notice of this RFP was published in the Jacksonville Progressive. The RFP document is available upon request or as otherwise provided by the City.

Submittal Requirements

Respondents shall submit **one (1) hard copy** and **one (1) digital copy**. Responses must be received in a **sealed envelope** clearly marked on the outside with:

- The respondent's name and address, and

- **"City of Jacksonville RFP #2026-104-01; Health Insurance Brokerage and Employee Benefits Consulting Services."**

<u>Responses will be accepted until 2:00 p.m. on March 2, 2026, and should be delivered to:</u>
City of Jacksonville
Attn: RFP #2026-104-01; Health Insurance Brokerage and Employee
Benefits Consulting Services
315 S. Ragsdale St.
Jacksonville, TX 75766

- **Responsibility**: It is the respondent's responsibility to ensure responses are received prior to the stated deadline. Any response received after the deadline will be returned unopened.

- **Validity:** No response may be withdrawn for at least ninety (90) days after the scheduled response deadline.

Definitions, Terms, and Conditions

Definitions

To simplify the language used throughout this Request for Proposals (RFP), the following definitions shall apply:

City – The City of Jacksonville, Texas.

City of Jacksonville – Same as *City*.

City Council – The elected governing body of the City of Jacksonville, Texas, vested with authority to conduct City business as provided by the Texas Constitution and applicable state laws.

Contract – A written agreement between the City and a selected firm to provide professional services under the terms and conditions specified in this RFP.

Contractor / Firm – The respondent selected by the City to enter a contract because of this RFP.

RFP – Request for Proposals.

Terms and Conditions

- The City reserves the right to reject any or all proposals.

- The City may waive minor irregularities or informalities.

- No costs incurred in responding to this RFP will be reimbursed.

- Selection does not obligate the City to execute a long-term contract.

- The broker relationship shall be at-will.

- Appointment as Agent of Record may be rescinded at the City's discretion.

Public Information

All proposals are subject to the Texas Public Information Act.

Electronic Documents

Requesting firms may be provided copies of certain documents in electronic format to assist in preparing their Proposals. By accepting these electronic documents, the Firm agrees not to alter the content, language, or formatting of the documents provided by the City. Submission of Proposals constitutes the Firm's acceptance of this requirement.

Receipt of Proposals

Proposals must be received by the City **prior to** the time and date specified in this RFP. The postmark date, shipping date, or other evidence of dispatch will not be considered. It is the Firm's responsibility to ensure timely delivery.

Proposals received after the deadline will not be accepted and will be disqualified from further consideration, regardless of cause. Late Proposals will not be opened and may be returned at the Firm's expense or destroyed upon request.

City Prerogative to Accept or Reject Proposals

The City reserves the right, in its sole discretion, to accept or reject any or all Proposals submitted; to waive informalities or minor irregularities; to request additional information; to negotiate with one or more qualified Firms; or to cancel this RFP, in whole or in part, if determined to be in the best interest of the City. All submitted Proposals become the property of the City of Jacksonville.

Reimbursements

The City has no express or implied obligation to reimburse any Firm for costs or expenses incurred in preparing or submitting Proposals in response to this RFP. The City will not reimburse any costs associated with providing additional information, interviews, presentations, or other activities related to this solicitation.

Certification

Proposals must be completed and submitted in accordance with the requirements of this RFP. The Certification Form included in this RFP must be fully completed and signed by an authorized representative of the Firm.

By signing the Certification Form, the undersigned affirms that they are duly authorized to bind the Firm, that the Proposals were prepared independently and without collusion, and that the contents of the Proposals have not been knowingly disclosed to any other respondent prior to the submission deadline.

Certification Form

The undersigned certifies that they are duly authorized to submit this Statement of Proposals on behalf of the Firm named below. The undersigned further certifies that the Proposals were prepared independently and without collusion, and that the contents of this submission have not been knowingly disclosed to any other respondent prior to the RFP submission deadline.

By signing below, the Firm acknowledges and agrees to comply with all requirements, terms, and conditions set forth in this Request for Proposals.

Firm Name: _____

Authorized Representative (Printed Name): _____

Title: _____

Signature: _____

Date: _____

Phone Number: _____

Email Address: _____

Agreement

Submittals shall include copies of any **vendor-proposed or required agreements, contract terms, or standard conditions** related to the services contemplated by this RFP. Submission of such documents does not obligate the City to accept any proposed terms.

Communication

Prospective respondents shall communicate **only** with the City staff identified in this RFP throughout the entire solicitation process, from issuance of the RFP through contract award. The City shall not be responsible for, nor consider, any verbal or written communication between a respondent and any other City employee.

Unauthorized contact with City personnel may result in **disqualification** of the respondent. Only written responses, clarifications, and addenda issued by the City shall be considered binding.

Company Ownership / Management

In the event of a change in ownership or management of the selected Firm, the City reserves the right to terminate the contract unless a mutual written agreement is reached with the new ownership or management to continue the contract under its existing terms and conditions. Any resulting contract shall be **non-transferable** without the prior written consent of the City.

Disclosure

At the public opening, there will be no disclosure of the contents of Proposals to competing firms. Proposals will be maintained as confidential during the evaluation and negotiation process to the extent permitted by law.

Following contract award, all Proposals shall be subject to public disclosure in accordance with the **Texas Public Information Act**, except for information properly identified by the Firm as trade secrets or confidential information as permitted by law.

Award of Contract

Contract award, if made, shall be to the **responsible and qualified Firm** whose submission is determined to be the most advantageous to the City, considering the evaluation criteria set forth in this RFP.

The contents of the selected Firm's Proposals may become part of the contractual obligations if a contract is executed. Failure of the selected Firm to accept such obligations may result in cancellation of the award.

Submission of Proposals does not constitute acceptance by the City. The City reserves the right to terminate the selection process at any time and to reject any or all Proposals.

The City further reserves the right to:

- Accept the Proposals deemed most favorable to the interests of the City and the public.
- Reject any Proposals, including those offering the lowest price.
- Accept or reject any portion of a Qualification.
- Waive informalities or minor irregularities in the RFP process.

Waiver of any defect or informality shall not be deemed a waiver of any future or similar defect or informality.

Addenda

Any addenda issued by the City between the issuance of the RFP and the receipt of Proposals shall be considered part of the RFP. Receipt of addenda must be acknowledged in the respondent's cover letter.

False or Misleading Statements

If, in the City's judgment, a Qualification contains false or misleading statements, misrepresentations, or unsupported claims, the Qualification may be rejected at the sole discretion of the City.

Clarification of Proposals

The City reserves the right to request clarification or additional information from any respondent to assist in the evaluation process. Failure to respond to such requests in a timely manner may result in rejection of the Qualification.

Responsiveness

Proposals should fully address all requirements of this RFP. Respondents shall clearly identify any exceptions, limitations, or deviations from the RFP requirements. Alternative approaches may be considered if the respondent clearly demonstrates added value or benefit to the City.

Rejection of Proposals

Proposals not prepared in accordance with these instructions may be rejected. If not rejected, the City may require correction of deficiencies and accept the corrected Qualification upon compliance with RFP requirements.

Indemnification and Release

Any contract resulting from this RFP shall include indemnification and release provisions substantially like the following:

Indemnification

The Contractor shall indemnify, defend, and hold harmless the City, its officers, agents, and employees from and against any and all claims, losses, damages, causes of action, liabilities, and expenses, including court costs and attorney's fees, arising out of or in connection with the work performed under the Contract, regardless of whether such claims arise in whole or in part from the negligence of the City, the Contractor, or any third party.

Release

The Contractor assumes full responsibility for the work performed under the Contract and releases the City, its officers, agents, and employees from any and all claims, demands, and causes of action arising out of or related to the Contractor's performance of the work, regardless of whether such claims are covered by insurance or caused in whole or in part by negligence of any party.

Section II - Technical Specifications and General Information

General Information

Background

The City of Jacksonville is in East Texas within Cherokee County, approximately south of the City of Tyler and north of the City of Rusk. The City is served by U.S. Highway 69 (north–south) and U.S. Highway 79 (east–west). Jacksonville was founded in 1847 and incorporated in 1921.

The City has a current population of approximately **14,820** within a municipal boundary encompassing approximately **15.1 square miles**. Jacksonville is the principal City of the Jacksonville Micropolitan Statistical Area, which includes all of Cherokee County and is part of the broader Tyler–Jacksonville Combined Statistical Area.

Jacksonville is a home-rule municipality operating under a Council-Manager form of government and provides a full range of municipal services as authorized by state law and the City Charter. These services include police, fire and emergency medical services, parks and recreation, library services, street maintenance and construction, public improvements, general administrative services, and water, wastewater, and sanitation utilities.

Minimum Proposals

Proposals should be concise, well organized, and include the following sections:

- Firm Overview
- Municipal Experience
- Service Team
- Approach and Methodology
- Compliance and Value-Added Services
- Compensation and Fee Disclosure
- Additional Information

Failure to meet any minimum qualification may result in disqualification.

Disqualification of Respondents

The City reserves the right to disqualify a respondent at any stage of the RFP process for any of the following reasons:

- Failure to meet minimum Proposals or licensing requirements.
- Submission of incomplete, non-responsive, or non-compliant Proposals.
- Submission of materially false, misleading, or inaccurate information.
- Evidence of collusion, unethical conduct, or violation of procurement requirements.
- Unauthorized communication with City officials or staff outside the process established in this RFP.
- Failure to timely respond to requests for clarification or additional information.

Disqualification of a respondent shall be at the sole discretion of the City and shall not obligate the City to disclose the basis for such action beyond applicable legal requirements.

A. Transmittal Letter

A signed transmittal letter shall be included and shall provide:

- A brief statement demonstrating the Firm's understanding of the scope of services to be performed.
- Confirmation that the Firm is properly licensed to provide insurance brokerage services in the State of Texas.
- Confirmation that the Firm has not had a record of substandard performance within the past five (5) years.
- Confirmation that the Firm has not engaged in unethical or improper business practices within the past five (5) years.
- Any additional information the Firm believes relevant to support its Proposals.

B. Company Profile

- General information regarding the Firm's background, organization, and years in business.
- Office location(s) and identification of the office that will be primarily responsible for this project.

C. References

- A minimum of **five (5) references** from comparable projects, preferably for municipal or public-sector clients. References shall include contact name, title, organization, phone number, and email address.

Section III – Scope of Services

The selected Firm shall provide, at minimum, the following services. Proposers may include additional services that add value to the City.

Brokerage and Market Services

- Serve as the City's Agent of Record for medical, pharmacy, and ancillary benefit plans.
- Conduct annual and/or periodic marketing, renewal analysis, and negotiations with carriers.
- Assist with carrier selection, plan implementation, and transition management.
- Provide strategic recommendations regarding plan design, funding arrangements, and cost-containment initiatives.

Benefits Consulting and Strategy

- Analyze claims experience, utilization trends, and cost drivers.
- Provide forward-looking strategic guidance regarding market conditions, carrier behavior, medical inflation, pharmacy trends, and regulatory impacts.
- Develop and present a clear, actionable strategy each plan year to mitigate premium increases and reduce overall benefit costs, while maintaining competitive and sustainable coverage.
- Advise on contribution strategies, alternative funding arrangements, and benefit plan optimization.
- Provide benchmarking against comparable Texas municipalities.
- Support the City's long-term benefits strategy aligned with budgetary constraints and workforce needs.

Quarterly Benefits Reconciliation and Audit Services (Required)

The selected Firm shall perform quarterly benefits reconciliation audits covering all City-sponsored benefit plans, including but not limited to medical, pharmacy, dental, vision, life, disability, and voluntary benefits.

Each quarterly audit shall include, at a minimum:

- Carrier billing vs. enrollment reconciliation Verification that carrier invoices accurately

reflect covered employees, dependents, plan elections, and coverage tiers.

- Payroll deductions vs. benefit elections review.
    - Validation that employee payroll deductions align with approved benefit elections and contribution rates.
- Payroll deductions vs. carrier billing reconciliation.
    - Review to ensure aggregate payroll deductions and employer contributions reconcile with carrier invoices.
- The broker shall perform the audits directly, using data provided by the City, Payroll, and benefit carriers and shall not delegate this responsibility solely to City staff.

Audit Reporting and Communication

Each quarterly audit shall be summarized in an informal written summary or email, outlining:

- Scope reviewed.
- Issues identified (if any).
- Recommended corrective actions.
- Audit summaries shall be provided to the Human Resources, Finance, and Payroll functions.
- The broker shall assist City staff in resolving identified discrepancies and coordinating with carriers as needed.
- Quarterly audit services are a required component of the broker's ongoing service model and must be included at no additional cost beyond the proposed fee structure.

Deliverables (Minimum Expectations)

At a minimum, the selected Firm shall provide:

- An annual renewal and alternatives analysis with cost projections.
- Claims and utilization reporting at least quarterly.
- One formal benefits strategy presentation per plan year.
- Ongoing claims advocacy support with defined response standards.
- Quarterly benefits reconciliation audit summaries.
- Regular communication and coordination with City staff.

Section IV – Qualifications

Minimum Qualifications

Proposing firms must meet the following minimum requirements:

- Be properly licensed to conduct insurance brokerage services in the State of Texas.
- Have a minimum of five (5) years of experience providing benefits brokerage or consulting services to public-sector or municipal clients.
- Demonstrate experience with Texas municipal benefit structures.
- Maintain sufficient staffing and resources to support the City.
- Disclose any actual or potential conflicts of interest.
- Operate exclusively on a fee-based compensation model.
    - The selected Firm shall not receive commissions, overrides, contingencies, bonuses, or any form of carrier-based compensation in connection with services provided to the City.
- Disclosure of all compensation arrangements is required solely to verify compliance and transparency.
- Be willing to operate under an at-will engagement and Agent of Record designation, without a guaranteed contract term.

Failure to meet minimum qualifications may result in disqualification.

Section V – Questions and Inquiries

Questions regarding this RFP must be submitted in writing to:

Justin Cook, Executive Director of People & Strategy
Phone: 903-339-3311
Email: Justin.Cook@jacksonvilletx.org

Questions must be received **no later than seven (7) calendar days** prior to the RFP due date. If any aspect of the RFP is unclear, Firms are responsible for requesting clarification. The omission of specific detail in these specifications shall not relieve the Firm from performing in accordance with generally accepted professional standards and best practices.

Section VI - Evaluation Criteria and Weighting

In accordance with **Texas Local Government Code Chapter 2254 (Professional Services Procurement Act)**, the City shall evaluate Proposals based solely on demonstrated competence and Proposals. **Fees or cost proposals shall not be requested, considered, or evaluated** as part of this RFP process.

Cost or fee proposals shall not be submitted unless requested by the City following ranking of the most qualified firm.

Evaluation Criteria

Proposals will be evaluated by the City based on the following criteria and relative weighting:

Criteria	Weight
Qualifications and Municipal Experience	**30%**
Service Team and Support Model	**25%**
Benefits Strategy and Claims Advocacy	**20%**
Compliance and Value-Added Services	**15%**
Compensation and Transparency	**10%**
Total	**100%**

Following evaluation and ranking of Proposals, the City shall enter negotiations with the highest-ranked Firm to establish a **fair and reasonable fee** in accordance with Chapter 2254. If the City is unable to negotiate a satisfactory contract with the highest-ranked Firm, negotiations may be formally terminated and initiated with the next most qualified Firm.

Selection Process / Interview

The City may, at its discretion, conduct interviews with one or more of the highest-ranked Firms to further evaluate Proposals. Interviews, if conducted, shall be used solely to clarify and further assess Proposals and understanding of the project scope. The City reserves the right to select a Firm without interviews.

Section VII - Conflict of Interest

In accordance with **Chapter 176 of the Texas Local Government Code**, any person or business entity that enters a contract with the City of Jacksonville is required to comply with applicable conflict-of-interest disclosure requirements.

The selected Firm shall be required to submit:

- A **Conflict-of-Interest Questionnaire (Form CIQ)**, if applicable; and
- A **Certificate of Interested Parties (Form 1295)**, as required by the Texas Ethics Commission, **upon contract execution** and in accordance with statutory timelines.

Failure to comply with conflict-of-interest disclosure requirements may result in termination of the business relationship with the City or other remedies as permitted by law.

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

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

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

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

OFFICE USE ONLY

Date Received

1 **Name of vendor who has a business relationship with local governmental entity.**

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information is being disclosed.**

_____
Name of Officer

4 **Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

5 **Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.**

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

_____ _____ _____
Name of signatory Signature Date

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

***

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

Section VIII - Payment

Compensation for services shall be governed by the terms of the final negotiated contract. Payment shall be made by the City following completion of the agreed-upon work, submission of acceptable documentation, and inspection and approval by the City.

Unless otherwise specified in the contract, payment shall be made within **thirty (30) days** of City approval in accordance with applicable state law.

1220 S Bolton St.
Jacksonville, Texas 75766
(903) 586-3510
www.jacksonvilletx.org

CITY OF JACKSONVILLE, TX

Zoning Application

Applicant Information: 903 987 4580 Mike Wilcox

Name/Entity:	Phone Number:	Email Address:
The Event Venter Jacksonville Texas	(903)983-2951	kbruner@benchmarkisi.com

Address:	City:	State:	Zip Code:
536 N Jackson St	Jacksonville	TX	75766

Property Owner Information:

(Complete if different than Applicant; if different, *Authorized Agent Form* is required)

Name/Entity:	Phone Number:	Email Address:
The Event Center Jacksonville Texas,LLC	(903)983-2951	

Address:	City:	State:	Zip Code:
2100 Hwy 31 E, PO Box 930	Kilgore	TX	75663

Property Information:

Lot:	Block:	Addition:	Plat Page No. (If Applicable):
20R	49		

Address:	City:	State:	Zip Code:
536 N Jackson St	Jacksonville	TX	75766

Area (Acreage):	Present Zoning Classification:	Requested Zoning Classification:
0.3490	G Commercial	Special Use Permit

Supporting Information (a site plan is generally required for developed property):

We also own 534 N Jackson St for additional parking.

Type of Zone Change Requested:

- ☐ **General Zone Change (See fee ordinance for the current non-refundable fee)**
- ☒ **Special Use Permit (See fee ordinance for the current non-refundable fee)**
- ☐ **Temporary Use Permit (See fee ordinance for the current non-refundable fee)**

I have searched all applicable records, and, to my best knowledge and belief, there are not restrictive covenants that apply to the property as described in Part 1 (B) which would be in conflict with this zoning request.

Signature:	Date:
Mike Wilcox	Jan 20, 2026

Revised May 2025

THE CITY OF JACKSONVILLE

PLANNING AND ZONING BOARD MEETING
JACKSONVILLE CITY HALL COUNCIL CHAMBERS
315 S. RAGSDALE
TUESDAY, FEBRUARY 17, 2026
12:00 PM

BECKY PAVLETICH
ELAINE MCDONALD
BRENDA STAHELIN
ANDY CALCOTE
RAYMOND FRANKLN

1. **CALL TO ORDER**
2. **MINUTE APPROVAL**
3. **PUBLIC NOTICE: REVIEW AND CONSIDER APPROVAL OF A SPECIAL USE PERMIT TO ALLOW FOR A VETERINARY OFFICE LOCATED AT 2023 EAST RUSK STREET, CITY OF JACKSONVILLE. PROPERTY ID #106824000.**
4. **PUBLIC NOTICE: REVIEW AND CONSIDER APPROVAL OF A SPECIAL USE PERMIT TO ALLOW FOR AN EVENT CENTER LOCATED AT 536 NORTH JACKSON STREET, CITY OF JACKSONVILLE. PROPERTY ID #221721000.**
5. **QUESTIONS, COMMENTS, DISCUSSION**
6. **ADJOURN**

Posted this the _____ day of February 2026. **5:00 PM**

CERTIFICATION
I certify that this notice was posted at City Hall for public viewing on the date and time designated above.

_____
Dianah Surber, City Clerk

All items on the agenda are for possible discussion and action. The Jacksonville City Council or this board reserves the right to adjourn into executive session at any time during this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071(Consultation with Attorneys); 551.072 (Deliberations about Real Property); 551.073 (Deliberations about gifts and donations); 551.074 (Personnel Matters); 551.076(Deliberations about security devices); and 551.087(Deliberations regarding economic development negotiations). The City of Jacksonville is committed to compliance with the American with Disabilities Act (ADA). Reasonable accommodation and equal access to communications will be provided for those who provide notice to the City Clerk at (903)339-3306 at least 48 hours in advance.

CITY OF JACKSONVILLE, TX

1220 S Bolton St.
Jacksonville, Texas 75766
(903) 586-3510
www.jacksonvilletx.org

Zoning Application

Applicant Information: 903 987 4580 Mike Wilcox

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The Event Venter Jacksonville Texas	(903)983-2951	kbruner@benchmarkisi.com

Address:	City:	State:	Zip Code:
536 N Jackson St	Jacksonville	TX	75766

Property Owner Information:

(Complete if different than Applicant; if different, *Authorized Agent Form* is required)

Name/Entity:	Phone Number:	Email Address:
The Event Center Jacksonville Texas,LLC	(903)983-2951	

Address:	City:	State:	Zip Code:
2100 Hwy 31 E, PO Box 930	Kilgore	TX	75663

Property Information:

Lot:	Block:	Addition:	Plat Page No. (If Applicable):
20R	49		

Address:	City:	State:	Zip Code:
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Area (Acreage):	Present Zoning Classification:	Requested Zoning Classification:
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- ☐ **General Zone Change (See fee ordinance for the current non-refundable fee)**
- ☒ **Special Use Permit (See fee ordinance for the current non-refundable fee)**
- ☐ **Temporary Use Permit (See fee ordinance for the current non-refundable fee)**

I have searched all applicable records, and, to my best knowledge and belief, there are not restrictive covenants that apply to the property as described in Part 1 (B) which would be in conflict with this zoning request.

Signature:	Date:
Mike Wilcox	Jan 20, 2026

Revised May 2025

CITY OF JACKSONVILLE, TX

1220 S Bolton St.
Jacksonville, Texas 75766
(903) 586-3510
www.jacksonvilletx.org

Authorization of Agent:

I (we), the undersigned, being owner(s) of the real property described above, do hereby authorize (PLEASE PRINT NAME) Mike Wilcox to act as our agent in the matter of this request. The term "agent" shall be construed to mean any lessee, developer, option holder, or authorized individual who is legally authorized to act in behalf of the owner(s) of said property. (Application must be signed by all owners of subject property).

Owner Name:	Mike Wilcox	**Owner Name:**	AP Merritt, Jr.
Address:	2100 Hwy 31 E	**Address:**	2100 Hwy 31 E
City, State, Zip:	Kilgore, TX 75663	**City, State, Zip:**	Kilgore, TX 75663
Phone:	903-987-4580	**Phone:**	903-983-1592
Signature:	Zuke Wilcox	**Signature:**	

The Authorized Agent/Property Owner must sign this portion of the application in the presence of a Notary in and for the State of Texas. By signature of the Authorized Agent/Property Owner permission is being submitted to the Applicant to apply for the Zone Change.

Authorized Agent/Property Owner's Name: Zuke Wilcox

Address:	**City:**	**State:**	**Zip Code:**
Box 931	Kilgore	Tx	75663

Signature of Authorized Agent/Property Owner: Zuke Wilcox

SUBSCRIBED TO AND SWORD BEFORE ME, THIS 20th DAY OF January, 2026.

NOTARY PUBLIC STATE OF TEXAS
ANTONIA N BELK
Notary ID #5814176
My Commission Expires
August 21, 2026

Antonia N Belk

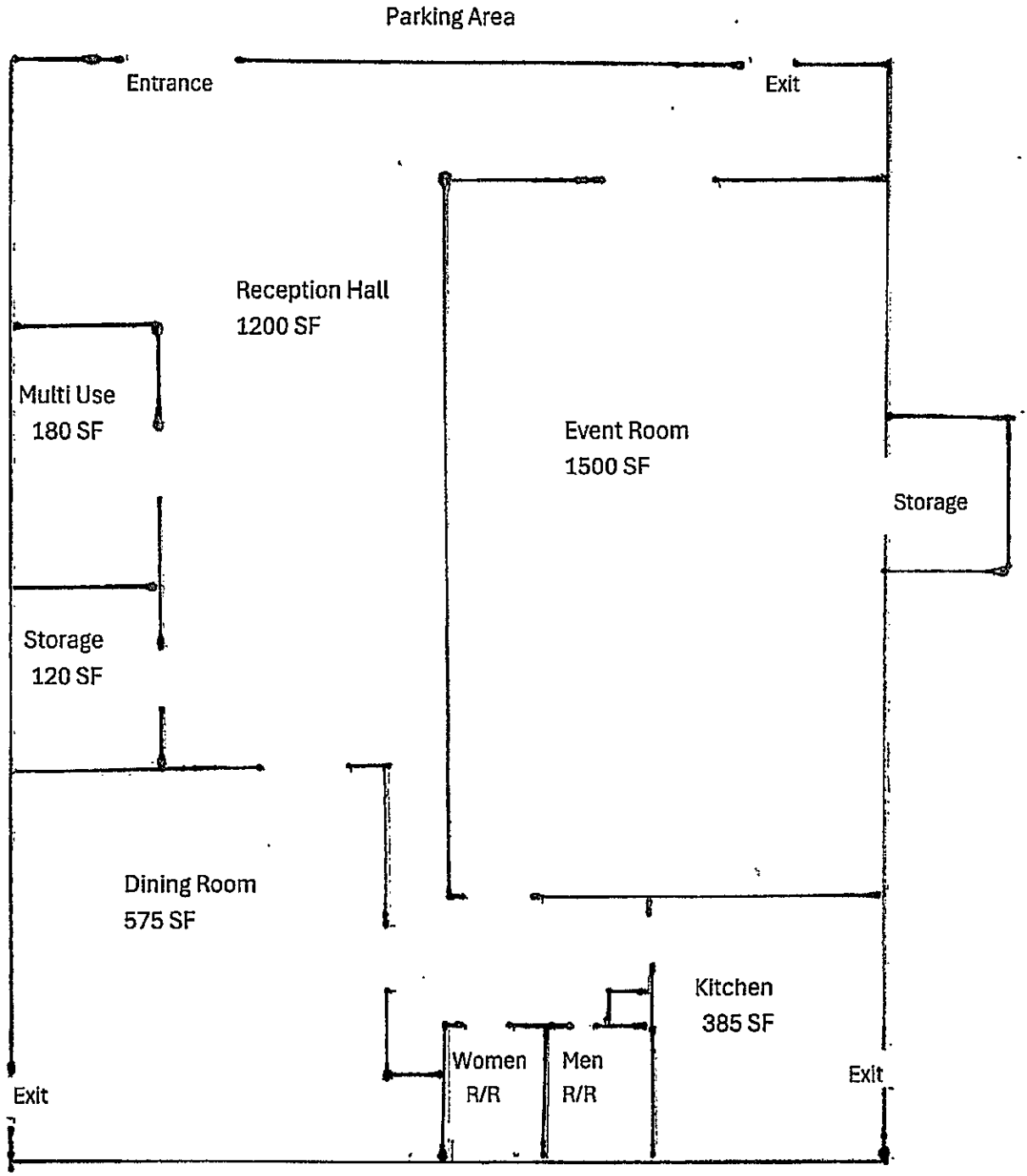
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

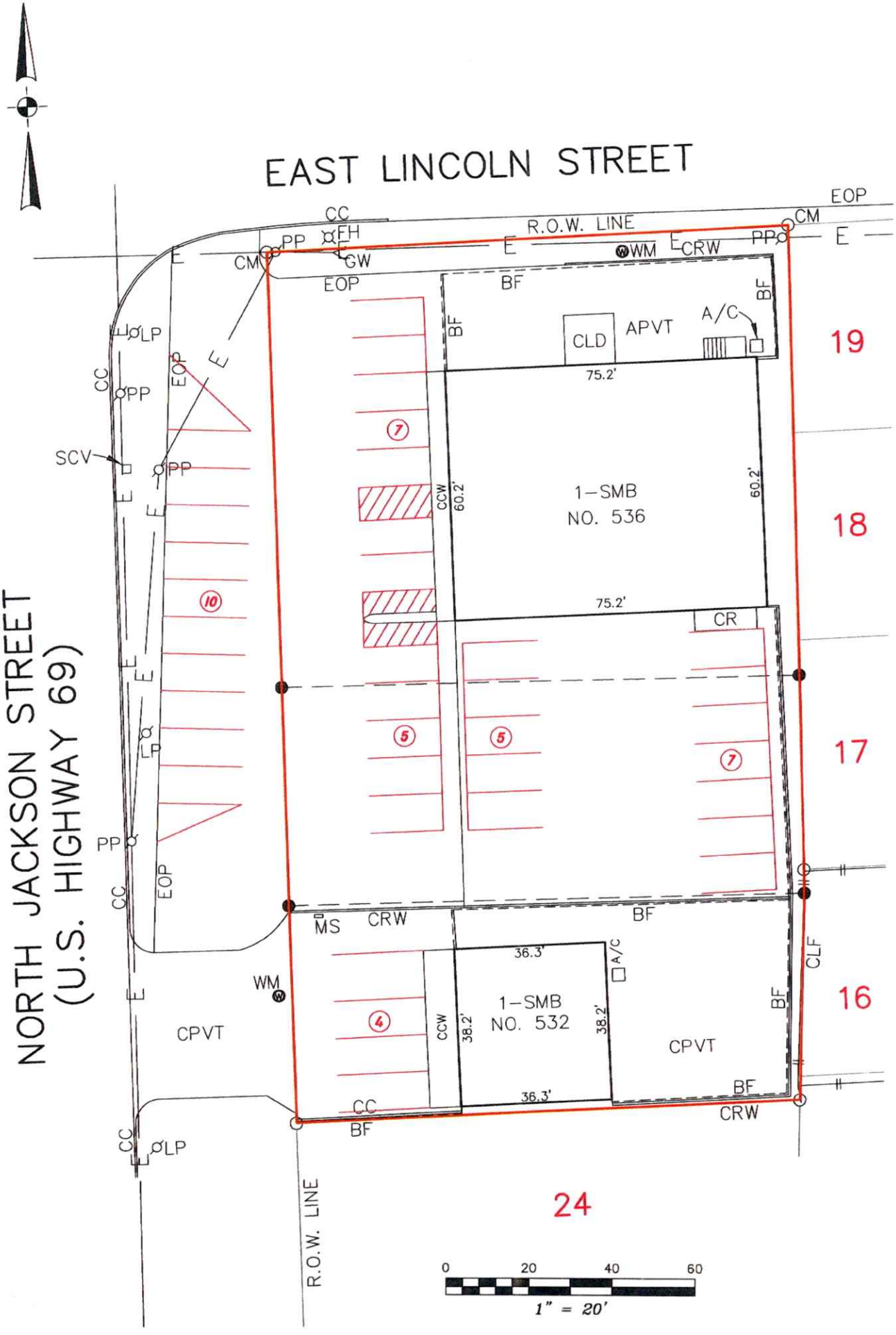
Revised May 2025

The Event Center Jacksonville, TX

536 Jackson Street

Jacksonville, Texas 75766




EAST LINCOLN STREET
NORTH JACKSON STREET
(U.S. HIGHWAY 69)
R.O.W. LINE
EOP
CC
CM
PP
FH
GW
WM
CRW
BF
CLD
APVT
A/C
LP
SCV
1-SMB
NO. 536
75.2'
60.2'
CCW
CR
MS
1-SMB
NO. 532
36.3'
38.2'
CPVT
CLF
19
18
17
16
24
0
20
40
60
1" = 20'

kyellott@benchmarkisi.com

From: Jeremy Pate <jeremy.pate@jacksonvilletx.org>
Sent: Thursday, June 12, 2025 2:26 PM
To: kyellott@benchmarkisi.com
Subject: RE: Occupancy for 536 N Jackson Street

Good Afternoon.

According to IFC 2006 Code, your occupancy for the entire building would be 299 for standing room only. You could not exceed this amount of people in your building at one time. Obviously if you put tables and chairs out, if would not be safe to have that many people in the building, as the tables and chairs take up space. But your occupant load would be set at the maximum of 299.

Thanks

Jeremy Pate
Fire Marshal
City of Jacksonville Fire Department
911 S. Bolton St.
Jacksonville, Tx 75766
(903) 586-7131 Main
(903) 339-3362 Direct

From: kyellott@benchmarkisi.com <kyellott@benchmarkisi.com>
Sent: Wednesday, May 14, 2025 10:37 AM
To: Jeremy Pate <jeremy.pate@jacksonvilletx.org>
Subject: Occupancy for 536 N Jackson Street

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Morning Mr. Pate,
Please find a letter from Mr. Mike Wilcox attached.

Thank you,

Kimberly Bruner
Office Manager
MWAP Investments, LLC.
P.O. Box 930
Kilgore Texas 75663
(903)983-2951

Jacksonville PROGRESS

PUBLIC NOTICE CITY OF JACKSON...

PUBLIC NOTICE

CITY OF JACKSONVILLE PLANNING & ZONING COMMISSION NOTICE OF MEETING TUESDAY, FEBRUARY 17, 2026, AT 12:00 P.M. CITY HALL, 315 S. RAGSDALE STREET, JACKSONVILLE, TEXAS 75766.

The Planning & Zoning Commission will hold a meeting for the following requests:

PUBLIC NOTICE: REVIEW AND CONSIDER APPROVAL OF A SPECIAL USE PERMIT TO ALLOW FOR AN EVENT CENTER LOCATED AT 536 NORTH JACKSON STREET, CITY OF JACKSONVILLE. PROPERTY ID #221721000.

PUBLIC NOTICE: REVIEW AND CONSIDER APPROVAL OF A SPECIAL USE PERMIT TO ALLOW FOR A VETERINARY OFFICE LOCATED AT 2023 EAST RUSK STREET, CITY OF JACKSONVILLE. PROPERTY ID #106824000

This item is currently scheduled to appear before the City Council on TUESDAY, MARCH 10, 2026, at 6:00 P.M. in the Council Chambers of City Hall, 315 S. Ragsdale Street, Jacksonville, Texas, 75766.

Posted Online 1 week ago

THE CITY OF JACKSONVILLE

CITY OF JACKSONVILLE PLANNING & ZONING COMMISSION NOTICE OF MEETING TUESDAY, FEBRUARY 17, 2026, AT 12:00 P.M. CITY HALL, 315 S. RAGSDALE STREET, JACKSONVILLE, TEXAS 75766.

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This item is currently scheduled to appear before the City Council on TUESDAY, MARCH 10, 2026, at 6:00 P.M. in the Council Chambers of City Hall, 315 S. Ragsdale Street, Jacksonville, Texas, 75766.

Property Address	Owner Name	Mailing Street	Mailing City,State,Zip Code
	WOODS KATHY A	562 N RAGSDALE	JACKSONVILLE, TX 75766
528 N JACKSON JACKSONVILLE	ADCOCK WILLIAM E JR	205 ADCOCK DR	JACKSONVILLE, TX 75766
528 N JACKSON ST	GRAVES,LEO	PO BOX 1012	CARTHAGE ,TX 75633
530 N JACKSON JACKSONVILLE	BOYD LILLIE & WILLIE	P O BOX 482	JACKSONVILLE, TX 75766
530 N JACKSON ST	BOYD,LILLIE & WILLIE	909 BENSON ST	JACKSONVILLE ,TX 75766
530 N JACKSON ST	BOYD,LILLIE & WILLIE	909 BENSON ST	JACKSONVILLE ,TX 75766
532 N JACKSON ST	MWAP INVESTMENTS LLC	PO BOX 931	KILGORE ,TX 75663
534 N JACKSON ST	MWAP INVESTMENTS LLC	PO BOX 931	KILGORE ,TX 75663
536 N JACKSON ST	MWAP INVESTMENTS LLC	PO BOX 931	KILGORE ,TX 75663
562 N RAGSDALE ST	WOODS,KATHY A	562 N RAGSDALE ST	JACKSONVILLE ,TX 75766
574 N RAGSDALE ST	ALEXANDER,LESTER C	562 N RAGSDALE ST	JACKSONVILLE ,TX 75766
578 N RAGSDALE JACKSONVILLE	ODEN FRANK AND ODESSA	P O BOX 702	JACKSONVILLE, TX 75766
578 N RAGSDALE ST	ALEXANDER,LESTER SR.	562 N RAGSDALE ST	JACKSONVILLE ,TX 75766
612 MARTIN LUTHER KING JR BLVD	NORTH SIDE COMMUNITY	PO BOX 648	JACKSONVILLE ,TX 75766
613 MARTIN LUTHER KING JR BLVD	WHITE,ELROY	20213 FM 542	OAKWOOD ,TX 75855
615 MARTIN LUTHER KING JR BLVD	BOREN RONALD H	P O BOX 1744	JACKSONVILLE, TX 75766
617 MARTIN LUTHER KING JR BLVD	MALLORY ORATA	212 DOROTHY	JACKSONVILLE, TX 75766
617 MARTIN LUTHER KING JR BLVD	MCCUIN,TONY	373 ZAMBEZI LN	BULLARD ,TX 75757
620 MARTIN LUTHER KING JACKSONVILLE	SESSION AARON JR AND LEVELL	706 MLK BLVD	JACKSONVILLE, TX 75766
621 MARTIN LUTHER KING JR BLVD	DAVIS,MORRIS	22561 BRIERWOOD DR	FRANKSTON ,TX 75763
622 MARTIN LUTHER KING JR BLVD	SARTIN,SHARON	12470 E ILIFF PL	AURORA ,CO 80014
623 MARTIN LUTHER KING JR BLVD	TAYLOR,CHARLES N JR	4501 CROTON CIR	EL PASO ,TX 79924
702 ELBERTA JACKSONVILLE	SESSION AARON JR & LAVELL	706 MARTIN LUTHER KING	JACKSONVILLE, TX 75766
707 ELBERTA JACKSONVILLE	SESSION AARON JR	706 MARTIN LUTHER KING	JACKSONVILLE, TX 75766
707 MARTIN LUTHER KING JR BLVD	JUAN,MEDRANO & PORTER,SHEILA	1318 E PINE ST	JACKSONVILLE ,TX 75766
JACKSON N	AIBANI REAL EST INVESTMENTS INC	810 W RIECK RD	TYLER ,TX 75703
JACKSON N - LINCOLN JACKSONVILLE	MCCULLOUGH WAYNE E AND ROBERTA	4067 US HWY 175 W	JACKSONVILLE, TX 75766
JACKSON N JACKSONVILLE	AL AQSA ENTERPRISES INC	P O BOX 503	WHITEHOUSE, TX 75791
MARTIN LUTHER KING	MENDIOLA,TONIA	PO BOX 1023	PALESTINE ,TX 75802
MARTIN LUTHER KING	MEDRANO,JUAN	1318 E PINE ST	JACKSONVILLE ,TX 75766
MARTIN LUTHER KING JACKSONVILLE	CLEAVER BILLY		
N JACKSON	MCCULLOUGH,LORENZA	1009 ROSALEE ST	JACKSONVILLE ,TX 75766

JACKSONVILLE PLANNING AND ZONING BOARD MEETING
TUESDAY, FEBRUARY 17, 2026
JACKSONVILLE CITY HALL COUNCIL CHAMBERS
315 S. RAGSDALE
12:00 PM

[IGNORE_INDENT]
Meeting Items

CALL TO ORDER	**Ms. McDonald called the meeting to order at 12:00 PM.**
MINUTE APPROVAL	**Ms. McDonald stated a correction was needed in the January 20, 2026, minutes. Andy Calcote needed to be added as seconding the motion. Mr. Calcote made a motion to approve the minutes with the correction added. Mrs. Stahelin seconded the motion. Ms. McDonald called for a vote. All members voted to approve the minutes.**
PUBLIC NOTICE: REVIEW AND CONSIDER APPROVAL OF A SPECIAL USE PERMIT TO ALLOW FOR A VETERINARY OFFICE LOCATED AT 2023 EAST RUSK STREET, CITY OF JACKSONVILLE. PROPERTY ID #106824000.	**The veterinarian clinic was approved as a listed use in our zoning ordinance; the application was removed.**
PUBLIC NOTICE: REVIEW AND CONSIDER APPROVAL OF A SPECIAL USE PERMIT TO ALLOW FOR AN EVENT CENTER LOCATED AT 536 NORTH JACKSON STREET, CITY OF JACKSONVILLE. PROPERTY ID #221721000.	**Kristie Marks presented the agenda item, including the application, floor plan, site plan, and an email from the Fire Marshal. Ms. McDonald opened the floor to the applicant, and owner Mike Wilcox was present to speak in favor. Mr. Wilcox explained he intends to rent the space for birthday and garden club parties. He noted the location has a stage and a surround system, but clarified he would cap occupancy at 125 rather than 299. He also confirmed the building has exit signs and fire extinguishers. In response to questions from Mr. Calcote, Mr. Wilcox stated he would speak to the owner of the vacant lot across from E. Lincoln Street about renting extra parking if needed. He also confirmed the restrooms are 8 by 8 and ADA compliant. Katrina Choice was present and spoke in favor, stating it would be a great asset to the community. Ms. McDonald closed the floor to those in favor and opened it to those in opposition. No one was present to speak against the item. Ms. McDonald closed the floor to the public and opened the board up for discussion. Mr. Calcote made a motion to approve the Special Use Request with the following conditions: maximum occupancy capped at 125, indoor-only music, and hours of operation ending at 10 PM Sunday through Thursday and 12 AM Friday and Saturday, with a follow-up review by the Council in 180 days.**
QUESTIONS, COMMENTS, DISCUSSION	
ADJOURN	**Ms. McDonald adjourned the meeting at 12:20 PM.**

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	16.
DEPARTMENT:	Community and Public Services	PREPARED BY:	
INITIATED BY:		EXHIBITS:	replat2026
ITEM TITLE:	REVIEW AND CONSIDER APPROVAL OF A REPLAT OF LAKESHORE DRIVE SUBDIVISION, BLOCK B, LOTS 3R AND 4R.		

EXECUTIVE SUMMARY:

RECOMMENDED ACTION:

BID AND AWARD:

BUDGET DATA:

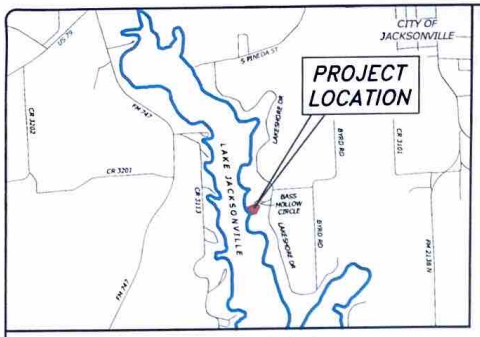
BUDGET JUSTIFICATION:

STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
1.2 Leverage the talent and input of citizens ☐	2.2 Parks, recreation, and community building ☐	3.2 Proactively seek process improvements ☐	4.2 Strengthen routine maintenance programs ☐	5.2 Leverage and maximize City facilities ☐
1.3 Transparent and engaging communication ☐	2.3 Community policing and crime prevention ☐	3.3 Ensure financial stability and stewardship ☐	4.3 Adopt a capital improvement program ☐	5.3 Disasters and emergencies ☐
1.4 Ensure value of services ☐	2.4 Preserve and revitalize existing neighborhoods ☐	3.4 Pursue partnerships and grants ☐	4.4 Protect natural resources ☐	5.4 Comprehensive community planning ☐

POLICY/GOAL CONSIDERATION:

LEGAL:


PROJECT LOCATION
CITY OF JACKSONVILLE
LAKE JACKSONVILLE
BASS HOLLOW CIRCLE
LAKESHORE DR
CR 3201
CR 3203
CR 3215
CR 3101
CR 3103
CR 3107
CR 3109
CR 3111
CR 3113
CR 3115
CR 3117
CR 3119
CR 3121
CR 3123
CR 3125
CR 3127
CR 3129
CR 3131
CR 3133
CR 3135
CR 3137
CR 3139
CR 3141
CR 3143
CR 3145
CR

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	18.
DEPARTMENT:	Council and Board	PREPARED BY:	
INITIATED BY:		EXHIBITS:	Jan 2026 Financial Report, Library Report February 2026, Museum Report February 2026, Jacksonville Fire/EMS Monthly Report: February 2026, Monthly Part 1 Crimes Report by District 02-2026, JPD Monthly Report 02.26
ITEM TITLE:	CITY MANAGER REPORT		

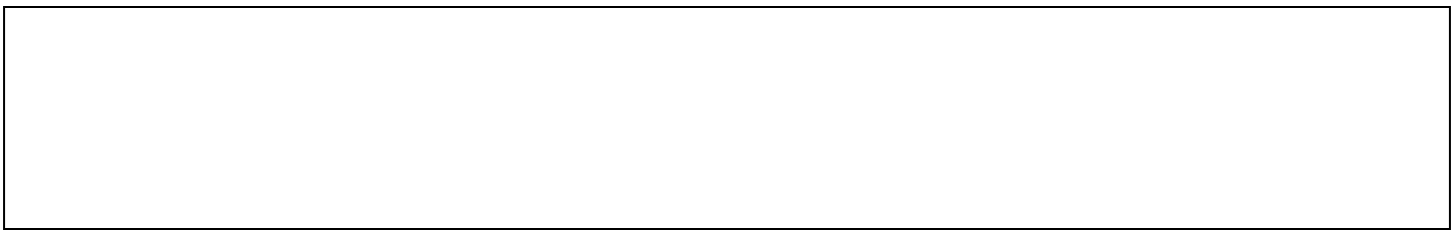
EXECUTIVE SUMMARY:

RECOMMENDED ACTION:

BID AND AWARD:

BUDGET DATA:

BUDGET JUSTIFICATION:



STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
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1.2 Leverage the talent and input of citizens ☐	2.2 Parks, recreation, and community building ☐	3.2 Proactively seek process improvements ☐	4.2 Strengthen routine maintenance programs ☐	5.2 Leverage and maximize City facilities ☐
1.3 Transparent and engaging communication ☐	2.3 Community policing and crime prevention ☐	3.3 Ensure financial stability and stewardship ☐	4.3 Adopt a capital improvement program ☐	5.3 Disasters and emergencies ☐
1.4 Ensure value of services ☐	2.4 Preserve and revitalize existing neighborhoods ☐	3.4 Pursue partnerships and grants ☐	4.4 Protect natural resources ☐	5.4 Comprehensive community planning ☐

POLICY/GOAL CONSIDERATION:

LEGAL:

City of Jacksonville, Texas
Monthly Financial Report
January 2026



OVERVIEW

As of **January 31, 2026**, the City has completed **four periods** of the **FY 2026 fiscal year**. At this point in the fiscal year, the benchmark for budget comparison is **33.3 percent**.

Combined revenues for the **General Fund and Utility Fund** total **$10,665,484**, representing **40.7 percent** of the annual budget. This reflects a **decrease of $10,583,248** compared to the same period last year, which is primarily attributable to the receipt of **$11.7 million in Texas Water Development Board bond proceeds** during **FY 2025** related to the **Double Creek Wastewater Treatment Plant renovation and expansion project**. Excluding this **one-time financing activity**, operating revenues are performing as expected. Early-year revenues continue to benefit from **strong property tax collections** associated with the certified tax roll, **steady water and sewer revenues** driven by consumption trends, and **increased ambulance fee collections**.

Combined expenditures for the **General Fund and Utility Fund** total **$7,196,614**, or **24.1 percent** of the annual budget, remaining **well below the budget benchmark**. This represents an **increase of $232,264** compared to the same period in FY 2025 and is primarily attributable to **damages and claims activity** and **capital expenditures**. Departmental operating expenditures remain **within expected ranges**.

Overall, the first four periods reflect a **stable and positive start to FY 2026**. Revenues are **tracking ahead of benchmark**, expenditures remain **well controlled**, and **no material adverse variances** have been identified at this stage of the fiscal year.

YEAR TO DATE (YTD) ACTIVITY

- **Property Taxes** have reached **72.5%** of the YTD projection.
- **Sales Taxes** have reached **31.0%** of the YTD projection.
- **Sanitation Fees** have reached **31.2%** of the YTD projection.
- **EMS/Ambulance Service Fees** have reached **38.4%** of the YTD projection.
- **Water Sales** have reached **30.1%** of the YTD projection.
- **Sewer Sales** have reached **29.5%** of the YTD projection.

COMPARISON TO LAST YEAR

- **Property Taxes** are **112.0%** of prior year collections.
- **Sales Taxes** are **100.1%** of prior year collections.
- **Sanitation Fees** are **102.7%** of prior year collections.
- **EMS/Ambulance Service Fees** are **137.5%** of prior year collections.
- **Water Sales** are **103.8%** of prior year collections.

GENERAL FUND REVENUE

Revenue Signal Key	
	> 100% of Projected 95-100% of Projected < 95% of Projected

	January 2026				Year-To-Date				Annual			Prior Year		
	Signal	Actual	Projected	%	Signal	Actual	Projected	%	Actual	Projected	%	Actual	Projected	%
Taxes		$ 1,587,477	$ 780,205	203.5%		$ 5,243,408	$ 3,120,819	168.0%	$ 5,243,408	$ 9,362,456	56.0%	$ 4,803,867	$ 8,727,220	55.0%
Franchise Fees		159,671	109,000	146.5%		498,364	436,000	114.3%	498,364	1,308,000	38.1%	482,511	1,297,000	37.2%
Intergovernmental Revenue		-	5,833	0.0%		-	23,333	0.0%	-	70,000	0.0%	46,188	214,911	21.5%
Fines & Forfeiture		43,365	53,366	81.3%		180,940	213,464	84.8%	180,940	640,393	28.3%	150,202	550,350	27.3%
License & Permits		2,343	4,200	55.8%		22,371	16,800	133.2%	22,371	50,400	44.4%	8,960	47,450	18.9%
Fees & Charges For Services		297,870	249,951	119.2%		980,119	999,805	98.0%	980,119	2,999,416	32.7%	860,346	2,824,251	30.5%
Investment Income		17,513	27,500	63.7%		71,357	110,000	64.9%	71,357	330,000	21.6%	102,383	316,734	32.3%
Miscellaneous Receipts		25,291	16,804	150.5%		130,487	67,215	194.1%	130,487	201,644	64.7%	60,115	195,601	30.7%
Transfers In		117,962	117,962	100.0%		471,846	471,846	100.0%	471,846	1,415,539	33.3%	498,614	1,495,841	33.3%
Total Revenues		$ 2,251,491	$ 1,364,821	165.0%		$ 7,598,892	$ 5,459,283	139.2%	$ 7,598,892	$ 16,377,848	46.4%	$ 7,013,184	$ 15,669,358	44.8%

YEAR-TO-DATE OVERVIEW

As of **January 31, 2026**—the **fourth month of the FY 2026 budget year**—General Fund year-to-date revenue totals **$7,598,892**, exceeding projections by **$2,139,610** and reaching **139.2 percent** of the **33.3 percent year-to-date benchmark**. Revenue is also **$585,708 higher** than the same period in **FY 2025**, driven primarily by **stronger property tax collections**, **increased franchise fee revenues**, and **higher miscellaneous receipts**.

Excluding property taxes, **non-property tax revenue** totals **$3,511,293**, which is **$69,539 below projections**. This variance is largely attributable to the **timing of revenue recognition**. **Intergovernmental revenues** are not expected until later in the fiscal year, and several **fee adjustments approved in the FY 2026 budget** took effect on **January 1**, which will contribute to improved performance in subsequent months.

PROPERTY TAXES

Year-to-date property tax collections total **$4,087,599**, exceeding the year-to-date projection by **$2,209,148** and reflecting an increase of **$438,551 (12.0 percent)** compared to **January 2025**.

Early-year property tax performance typically fluctuates based on the **timing of mortgage escrow payments and lender remittances**, with the majority of annual collections historically received between **October and January**. As a result, higher collections through January are **not unusual** and are expected to **moderate as the fiscal year progresses**.

SALES TAXES

January sales tax collections total **$1,155,809**, which is **$86,559 below** the year-to-date projection but **$991 higher** than the same period last year, representing **0.1 percent growth**. Sales tax receipts are distributed on a **monthly lag** and will continue to normalize as additional allocations are received. Performance to date remains **consistent with historical collection patterns** and underlying economic activity.

FRANCHISE FEES

Franchise fee revenue totals **$498,364**, exceeding projections by **$62,364** for the period. Compared to the same period last year, collections have increased by **$15,853**, representing **3.3 percent growth**.

Franchise fee revenues remain **stable** and are tracking **in line with expectations** based on contracted utility activity and historical collection patterns.

INTERGOVERNMENTAL REVENUE

No intergovernmental revenue has been received as of **January 31**. Budgeted intergovernmental revenues are **timing-dependent** and are expected to be recognized later in the fiscal year as eligible expenditures are incurred and reimbursements are processed. **No variances are anticipated** at this stage of the fiscal year.

MUNICIPAL COURT

Municipal Court revenue totals **$180,940**, tracking **$32,525 below** year-to-date projections. Despite this variance, revenue is **$30,737 higher** than the same period in **January 2025**, reflecting continued improvements in **court collections** and **case processing efficiency**.

Revenue performance is expected to continue fluctuating based on **case volume**, **payment timing**, and **compliance trends**, which can vary month to month.

LICENSES & PERMITS

Licenses and permits revenue totals **$22,371**, exceeding projections by **$5,571** and surpassing the same period last year by **$13,411**.

Building and development activity continues to reflect **steady, moderate growth**, consistent with recent trends.

FEES & CHARGES FOR SERVICES

Year-to-date fees and charges for services revenue totals **$980,119**, which is **$19,686 below projections**, but **$119,774 higher** than the same period in **FY 2025**, representing a **13.9 percent increase**.

This category includes **sanitation services**, **ambulance fees**, **park revenues**, and **Lake Jacksonville lease payments**.

INVESTMENT INCOME

Year-to-date investment earnings total **$71,357**, which is **$38,643 below projections**. Compared to the same period in **January 2025**, earnings declined by **$31,025**, reflecting the impact of **lower interest rates and market yields** on General Fund investment returns.

MISCELLANEOUS RECEIPTS

Miscellaneous receipts total **$130,487**, exceeding projections by **$63,272** and exceeding the same period last year by **$70,372**. This variance is primarily attributable to a **$42,000 donation** from the **Jacksonville Citizens Police Academy Alumni Association** and **$21,872 in timber sales**.

TRANSFERS IN

Transfers in total **$471,846**, consistent with **budgeted estimates** for the period. Compared to the same period last year, transfers are **$26,767 lower**, reflecting **updated allocation factors adopted for FY 2026**.

Sales Tax History: Fiscal Years 2024 - 2026

FY 2024

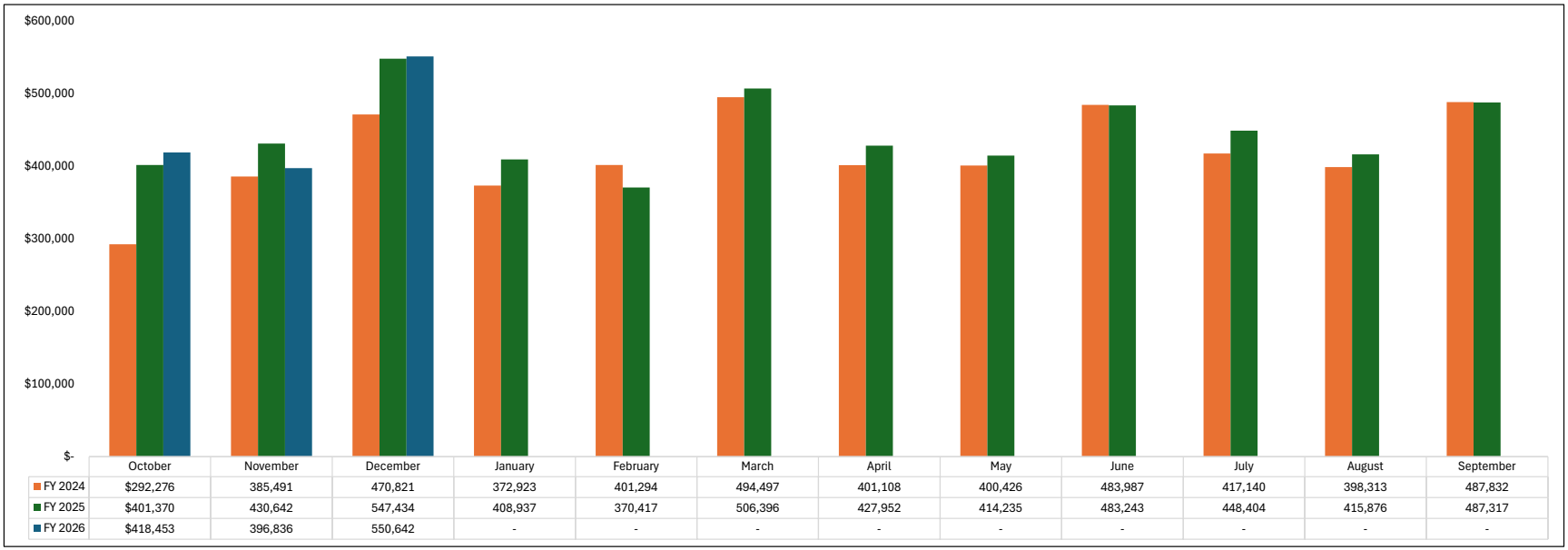
	CITY 66.67%	JEDCO 33.33%	TOTAL 100.00%	CUMULATIVE TOTAL
October	$ 194,851	$ 97,425	$ 292,276	$ 292,276
November	256,994	128,497	385,491	677,767
December	313,881	156,940	470,821	1,148,588
January	248,616	124,308	372,923	1,521,512
February	267,530	133,765	401,294	1,922,806
March	329,665	164,832	494,497	2,417,303
April	267,405	133,703	401,108	2,818,410
May	266,951	133,475	400,426	3,218,837
June	322,658	161,329	483,987	3,702,823
July	278,093	139,047	417,140	4,119,963
August	265,542	132,771	398,313	4,518,276
September	325,221	162,611	487,832	5,006,108
	$ 3,337,405	$ 1,668,703	$ 5,006,108	

FY 2025

	CITY 66.67%	JEDCO 33.33%	TOTAL 100.00%	CUMULATIVE TOTAL
October	$ 267,580	$ 133,790	$ 401,370	$ 401,370
November	287,094	143,547	430,642	832,012
December	364,956	182,478	547,434	1,379,446
January	272,625	136,312	408,937	1,788,383
February	246,945	123,472	370,417	2,158,801
March	337,597	168,799	506,396	2,665,197
April	285,302	142,651	427,952	3,093,149
May	276,157	138,078	414,235	3,507,384
June	322,162	161,081	483,243	3,990,627
July	298,936	149,468	448,404	4,439,031
August	277,251	138,625	415,876	4,854,907
September	324,878	162,439	487,317	5,342,223
	$ 3,561,482	$ 1,780,741	$ 5,342,223	

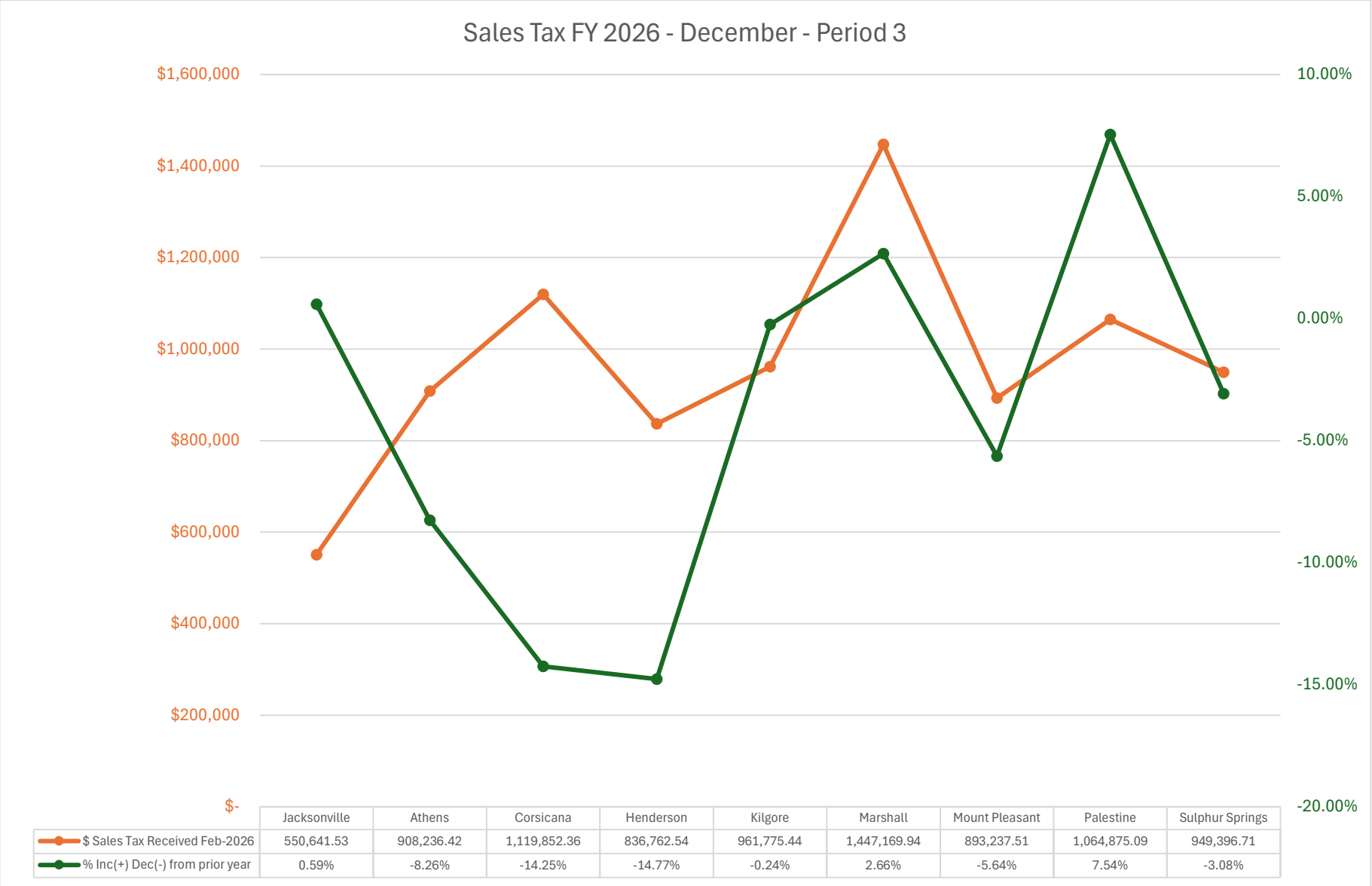
FY 2026

	CITY 66.67%	JEDCO 33.33%	TOTAL 100.00%	CUMULATIVE TOTAL
October	$ 278,969	$ 139,484	$ 418,453	$ 418,453
November	264,557	132,279	396,836	815,289
December	367,094	183,547	550,642	1,365,931
January			-	1,365,931
February			-	1,365,931
March			-	1,365,931
April			-	1,365,931
May			-	1,365,931
June			-	1,365,931
July			-	1,365,931
August			-	1,365,931
September			-	1,365,931
	$ 910,620	$ 455,310	$ 1,365,931	



	October	November	December	January	February	March	April	May	June	July	August	September
FY 2024	$292,276	385,491	470,821	372,923	401,294	494,497	401,108	400,426	483,987	417,140	398,313	487,832
FY 2025	$401,370	430,642	547,434	408,937	370,417	506,396	427,952	414,235	483,243	448,404	415,876	487,317
FY 2026	$418,453	396,836	550,642	-	-	-	-	-	-	-	-	-

City of Jacksonville, Texas
Financial Statement
As of January 31, 2026



	Jacksonville	Athens	Corsicana	Henderson	Kilgore	Marshall	Mount Pleasant	Palestine	Sulphur Springs
$ Sales Tax Received Feb-2026	550,641.53	908,236.42	1,119,852.36	836,762.54	961,775.44	1,447,169.94	893,237.51	1,064,875.09	949,396.71
% Inc(+) Dec(-) from prior year	0.59%	-8.26%	-14.25%	-14.77%	-0.24%	2.66%	-5.64%	7.54%	-3.08%

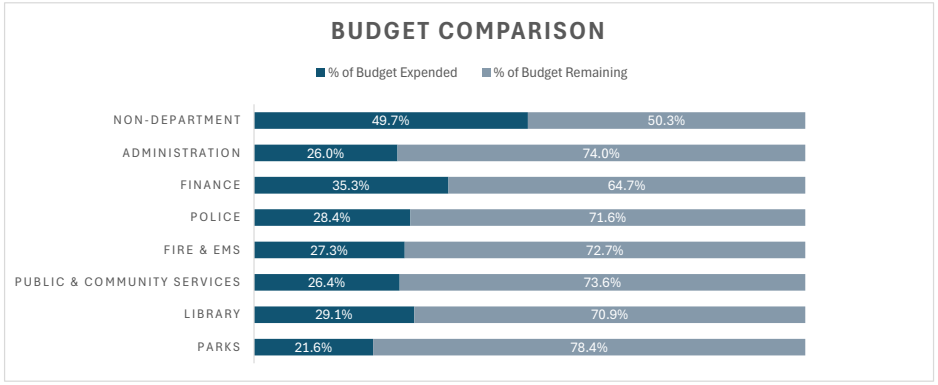
Comparator Cities Calendar Year 2025-2026 Sales Tax Comparison % Δ

	Jacksonville			Athens	Corsicana	Henderson	Kilgore	Marshall	Mount Pleasant	Palestine	Sulphur Springs	Weighted Average
	2026 - 2023	2026 - 2024	2026 - 2025	2025 - 2026								
	% Δ Month	% Δ Month	% Δ Month	% Δ Month	% Δ Month	% Δ Month	% Δ Month	% Δ Month	% Δ Month	% Δ Month	% Δ Month	% Δ Month
Oct-25	1.2%	7.3%	4.4%	-6.6%	11.6%	-18.5%	-7.6%	-0.6%	3.1%	14.4%	-16.6%	-2.4%
Nov-25	-2.2%	11.0%	-0.1%	-14.8%	25.0%	0.1%	-3.2%	28.4%	29.6%	0.4%	-2.1%	6.7%
Dec-25	14.6%	43.2%	4.3%	-10.0%	17.4%	-23.2%	3.0%	2.1%	1.2%	11.9%	-1.1%	0.1%
Jan-26	2.8%	2.9%	-7.9%	-10.1%	10.6%	-12.9%	-2.6%	-4.0%	12.3%	25.4%	-0.7%	0.9%
Feb-26	8.2%	17.0%	0.6%	-8.3%	-14.2%	-14.8%	-0.2%	2.7%	-5.6%	7.5%	-3.1%	-4.2%
Mar-26												
Apr-26												
May-26												
Jun-26												
Jul-26												
Aug-26												
Sep-26												
	2026 - 2023	2026 - 2024	2026 - 2025	2025 - 2026								
	% Δ YTD	% Δ YTD	% Δ YTD	% Δ YTD	% Δ YTD	% Δ YTD	% Δ YTD	% Δ YTD	% Δ YTD	% Δ YTD	% Δ YTD	% Δ YTD
Oct-25	1.2%	7.3%	4.4%	-6.6%	11.6%	-18.5%	-7.6%	-0.6%	3.1%	14.4%	-16.6%	-2.4%
Nov-25	-0.7%	9.3%	1.9%	-11.1%	18.2%	-9.0%	-5.4%	13.8%	16.1%	6.5%	-8.8%	2.3%
Dec-25	3.7%	18.1%	2.7%	-10.8%	17.9%	-14.1%	-2.8%	9.9%	10.7%	8.3%	-6.2%	1.6%
Jan-26	3.5%	14.2%	0.0%	-10.6%	16.1%	-13.9%	-2.7%	6.5%	11.0%	12.4%	-4.8%	1.4%
Feb-26	4.6%	14.9%	0.2%	-10.1%	7.4%	-14.1%	-2.2%	5.5%	6.6%	11.1%	-4.4%	0.0%
Mar-26												
Apr-26												
May-26												
Jun-26												
Jul-26												
Aug-26												
Sep-26												

"Month" is month in which revenue is received.

GENERAL FUND EXPENDITURES

	January 2026			Prior Year		
Department	YTD Actual	Annual Budget	% of Budget	YTD Actual	Annual Budget	% of Budget
Non-Department	$ 384,464	$ 774,002	49.7%	$ 345,099	$ 753,430	45.8%
Administration	199,548	787,835	25.3%	191,338	735,835	26.0%
I.T.	49,454	219,712	22.5%	40,689	223,439	18.2%
Communications	16,857	28,656	58.8%	13,640	23,317	58.5%
H.R.	54,794	196,508	27.9%	62,957	189,580	33.2%
Finance	217,764	571,214	38.1%	195,389	531,770	36.7%
Municipal Court	57,473	209,537	27.4%	64,652	205,892	31.4%
Police	1,288,737	4,523,331	28.5%	1,292,511	4,219,836	30.6%
Code Enforcement	73,574	279,484	26.3%	79,052	276,209	28.6%
Animal Services	82,736	293,370	28.2%	77,546	306,054	25.3%
Fire & EMS	1,087,972	3,981,158	27.3%	1,110,487	3,629,784	30.6%
Public & Community Services	12,088	42,416	28.5%	33,617	120,523	27.9%
Development Services	122,539	437,104	28.0%	106,546	449,451	23.7%
Traffic & Lighting	40,966	279,637	14.6%	44,164	265,915	16.6%
Streets	245,661	712,191	34.5%	239,098	676,949	35.3%
Sanitation	274,041	1,159,660	23.6%	275,063	1,124,082	24.5%
Library	140,400	473,317	29.7%	150,014	454,762	33.0%
Texana Museum	10,197	44,550	22.9%	12,844	42,118	30.5%
Parks	212,013	823,319	25.8%	212,144	795,669	26.7%
Recreation	27,102	191,998	14.1%	13,466	186,131	7.2%
Cemetery	35,451	178,913	19.8%	36,631	181,740	20.2%
Lake	13,116	137,251	9.6%	9,789	117,870	8.3%
Total Expenditures	$ 4,646,945	$ 16,345,162	28.4%	$ 4,606,737	$ 15,510,353	29.7%



GENERAL FUND EXPENDITURES
As of January 31, 2026

YEAR-TO-DATE OVERVIEW
At the end of **January**, the General Fund expenditure benchmark is **33.3%**. Year-to-date expenditures total **$4,646,945**, representing **28.4%** of the annual budget. Overall spending remains **below benchmark** and reflects **normal early-year expenditure patterns**, as certain operating and capital expenditures occur later in the fiscal year.

NON-DEPARTMENT
Non-Department expenditures total **$384,464**, or **49.7%** of the annual budget. This elevated percentage reflects **front-loaded annual costs**, including **insurance premiums** and other expenditures that are paid in full at the **beginning of the fiscal year** rather than evenly throughout the year.

COMMUNICATIONS
Communications expenditures total **$16,857**, or **58.8%** of the annual budget. This variance is driven by **annual charges paid early in the fiscal year**, including **website hosting**, **media service subscriptions**, and other recurring communications-related costs.

FINANCE
Finance expenditures total **$217,764**, or **38.1%** of the annual budget. Spending above the quarterly benchmark is attributable to the **advance quarterly payment** to the **Cherokee Central Appraisal District** for appraisal services and tax billing and collection. These costs are **invoiced at the beginning of each quarter**, resulting in higher expenditures early in the fiscal year.

STREETS & INFRASTRUCTURE
Streets & Infrastructure expenditures total **$245,661**, or **34.5%** of the annual budget. **100% of the capital lease payment** for the **street sweeper, haul truck, and trailer** was paid in **January**. Additionally, **96.5% of the repair and maintenance budget** for **sidewalks, culverts, and bridges** has been expended through the end of the period, reflecting the timing of scheduled maintenance activities.

ALL OTHER DEPARTMENTS
All remaining General Fund departments are **at or below the 33.3% benchmark**, indicating that expenditures are **tracking normally** for this stage of the fiscal year.

UTILITY FUND REVENUES

Revenue Signal Key	
	> 100% of Projected
	95-100% of Projected
	< 95% of Projected

	January 2026				Year-To-Date				Annual			Prior Year		
	Signal	Actual	Projected	%	Signal	Actual	Projected	%	Actual	Projected	%	Actual	Projected	%
Taxes		$ -	$ -	0.0%		$ -	$ -	0.0%	$ -	$ -	0.0%	$ -	$ -	0.0%
Franchise Fees		-	-	0.0%		-	-	0.0%	-	-	0.0%	-	-	0.0%
Intergovernmental Revenue	🔴	4,950	46,258	10.7%	🔴	24,750	185,031	13.4%	24,750	555,094	4.5%	8,250	1,198,529	0.7%
Fines & Forfeiture		-	-	0.0%		-	-	0.0%	-	-	0.0%	-	-	0.0%
License & Permits		-	-	0.0%		-	-	0.0%	-	-	0.0%	-	-	0.0%
Fees & Charges For Services	🔴	619,852	730,685	84.8%	🔴	2,626,246	2,922,740	89.9%	2,626,246	8,768,220	30.0%	2,362,092	7,841,169	30.1%
Investment Income	🟢	55,289	37,500	147.4%	🟢	234,420	150,000	156.3%	234,420	450,000	52.1%	137,773	400,000	34.4%
Miscellaneous Receipts	🔴	-	1,838	0.0%	🟢	181,176	7,352	2464.2%	181,176	22,057	821.4%	11,727,434	12,137,543	96.6%
Transfers In		-	-	0.0%		-	-	0.0%	-	-	0.0%	-	-	0.0%
Total Revenues	🔴	$ 680,092	$ 816,281	83.3%	🔴	$ 3,066,592	$ 3,265,124	93.9%	$ 3,066,592	$ 9,795,371	31.3%	$ 14,235,549	$ 21,577,241	66.0%

YEAR-TO-DATE OVERVIEW

Utility Fund revenue totals **$3,066,592**, which is **$198,532 below projections** through the **fourth period of FY 2026**. Compared to the prior year, year-to-date revenue is **$11,168,957 (78.5%) lower** through January. This significant year-over-year variance is attributable to the issuance of the **Series 2024B Certificates of Obligation** in **December 2024** for the **Double Creek Wastewater Treatment Plant renovation and expansion**, which generated substantial **one-time revenue** in the prior year that is not repeated in FY 2026.

INTERGOVERNMENTAL REVENUE

A total of **$24,750** in intergovernmental revenue, related to **ARPA reimbursements**, has been received as of **January 31**. Additional intergovernmental revenue is expected later in the fiscal year as **eligible project expenditures** are incurred and **reimbursement requests** are processed.

WATER SALES

Water sales total **$1,248,962**, which is **$133,352 below projections (30.1%)**, but **$45,815 higher** than January 2025, representing a **3.8% increase year over year**.

Water consumption for January 2026 totaled **58,453,571 gallons**, reflecting a **0.4% decrease** compared to the prior year (**58,663,645 gallons**). As seasonal consumption patterns normalize, future months will provide clearer insight into overall performance relative to budgeted expectations.

SEWER CHARGES

Sewer revenue totals **$1,292,178**, which is **$169,047 below projections**, but **$223,803 higher** than the prior year, representing a **20.9% increase**. This year-over-year growth continues to reflect **annual sewer rate adjustments**.

Sewer billing remains directly tied to **metered water usage**; accordingly, the same consumption trends affecting water sales also influence sewer revenue.

OTHER CHARGES FOR SERVICE

Year-to-date revenue totals **$19,695**, exceeding projections by **$2,995**, but **$8,388 lower** than the prior year. This category primarily consists of **tap fees** and other service-related charges and fluctuates based on the **timing and volume of new service connections**.

FINES AND FORFEITURES

Fines total **$65,411**, closely tracking projections with a **$2,911 favorable variance**, and exceeding prior-year collections by **$2,925**.

This category reflects **penalties assessed on past-due utility accounts** and varies based on **customer payment patterns** and outstanding balances.

INVESTMENT INCOME

Investment earnings total **$234,420**, exceeding projections by **$84,420** and coming in **$96,647 higher** than January 2025, representing a **70.1% increase year over year**. This performance is driven by **higher average investment balances**, including **unspent Series 2024B bond proceeds** received in December 2024 that were not available during the same period last year. These gains were realized despite a **lower interest rate environment**.

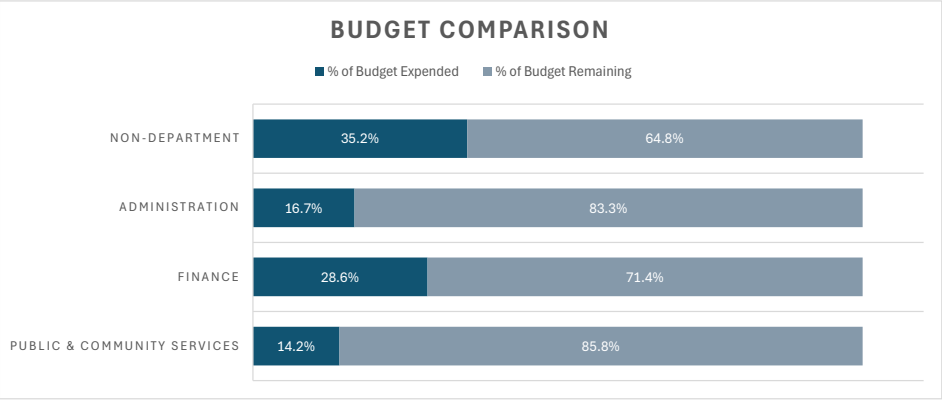
MISCELLANEOUS RECEIPTS

Miscellaneous revenue totals **$181,176**, which is **$173,823 above projections** but **$11,546,258 lower** than the prior year, primarily due to the issuance of the **Series 2024B Certificates of Obligation** in December 2024 for the **Double Creek Wastewater Treatment Plant renovation and expansion**.

The favorable variance compared to projections is attributable to the **sale of the 2020 Freightliner Vactor Truck** for **$178,000**.

UTILITY FUND EXPENDITURES

Department	January 2026 YTD Actual	January 2026 Annual Budget	January 2026 % of Budget	Prior Year YTD Actual	Prior Year Annual Budget	Prior Year % of Budget
Non-Department	$ 896,559	$ 2,549,893	35.2%	$ 1,109,335	$ 2,687,294	41.3%
Administration						
Communications	2,000	12,000	16.7%	-	-	0.0%
Finance						
Utility Billing	191,420	668,414	28.6%	226,878	662,640	34.2%
Public & Community Services	89,672	646,640	13.9%	181,748	805,395	22.6%
Water Production	527,081	3,035,375	17.4%	168,268	724,754	23.2%
Water Distribution	400,306	890,566	44.9%	147,291	1,952,481	7.5%
Wastewater Collection	107,167	3,767,874	2.8%	269,614	7,118,685	3.8%
Wastewater Treatment	335,463	1,953,577	17.2%	254,480	12,667,959	2.0%
Total Expenditures	$ 2,549,669	$ 13,524,340	18.9%	$ 2,357,613	$ 26,619,208	8.9%



UTILITY FUND EXPENDITURES
As of January 31, 2026

OVERVIEW
At the end of the **fourth period of FY 2026**, the Utility Fund expenditure benchmark is **33.3%**. Year-to-date expenditures total **$2,549,669**, representing **18.9%** of the annual budget and tracking **well below the benchmark**. This spending pattern is typical early in the fiscal year, as most **utility operations** and **capital project expenditures** ramp up later in the year.

NON-DEPARTMENT
Non-Department expenditures total **$896,559**, or **35.2%** of the annual budget, slightly exceeding the **33.3% benchmark**. This variance reflects **front-loaded annual costs**, including **insurance premiums** and other beginning-of-year expenditures that are paid in **lump sums** rather than evenly throughout the year.

WATER DISTRIBUTION
Water Distribution expenditures total **$400,306**, or **44.9%** of the annual budget, exceeding the **33.3% benchmark**. This variance is primarily attributable to **$217,294** in expenditures related to the **US Highway 175 Utility Relocation Project**. A portion of this work, totaling **$192,544**, was anticipated to be completed in the prior fiscal year; however, final project activity extended into FY 2026 and was therefore not included in the current year's adopted budget. As a result, expenditures appear elevated early in the fiscal year but reflect **timing differences** rather than increased project scope or operating costs.

ALL OTHER DEPARTMENTS
All remaining Utility Fund departments—including **Communications**, **Utility Billing**, **Public & Community Services Administration**, **Water Production**, **Wastewater Collection**, and **Wastewater Treatment**—are operating **at or below the benchmark** through the fourth period of the fiscal year.

Overall spending remains **consistent with normal operational patterns**, with the majority of **project-related** and **seasonal utility expenses** expected to occur later in the fiscal year.

Account Number	Project Description	FY 2026 Budget	Y-T-D Activity	Encumbered	Balance
	ADMINISTRATION				
103-100-01-58881-037	**ARPA** City Hall Generator	$ 456	$ 456	$ -	$ 0
	INFORMATION TECHNOLOGY				
101-101-01-58881-000	Computer Replacement Program- Replace 20% of Citywide Computers Annually	44,690	8,997	-	35,693
	POLICE				
104-400-02-58883-000	Police Vehicle Replacement Program- 2 New Vehicles w/ Upfitting	186,000	57,274	109,429	19,297
104-400-02-58883-000	Lake Jacksonville Patrol Boat	60,000	-	-	60,000
104-400-02-58883-000	Side by Side	30,000	29,081	-	919
104-400-02-58883-000	Police Vehicle Replacement Program- K9 Unit	-	48,272	-	(48,272)
	FIRE / EMS				
103-500-02-58880-000	Fire Station #2 Renovation	200,000	-	-	200,000
104-500-02-58881-000	Rescue Tools (Jaws Of Life) Equipment Replacement	46,250	-	-	46,250
104-500-02-58883-000	Ambulance- Medic Units	385,000	-	-	385,000
104-500-02-58883-000	Fire Vehicle Replacement Program- 1 New Vehicle w/ Upfitting	70,000	-	-	70,000
	PUBLIC & COMMUNITY SERVICES ADMINISTRATION				
103-600-01-58892-000	Plumbing Inside the Equipment Building 50% GF	15,000	-	-	15,000
103-600-01-58892-000	Receiving Docks Rehab @ PCS Warehouse 50% GF	10,000	5,324	-	4,676
201-600-06-58892-000	Plumbing Inside the Equipment Building 50% UF	15,000	-	-	15,000
201-600-06-58892-000	Receiving Docks Rehab @ PCS Warehouse 50% UF	10,000	5,361	-	4,639
	STREETS & INFRASTRUCTURE				
103-603-03-58898-000	Canada Street Construction Phase- 2022B COs	2,347,080	66,518	-	2,280,562
103-603-03-58898-000	Street Improvement Projects- 2022B COs	520,172	-	-	520,172
103-603-03-58898-000	Street Improvement Projects- 2024A COs	500,000	-	-	500,000
103-603-03-58898-000	US HWY 175 Utility Relocation- 2022B COs	234,776	-	229,798	4,978
103-603-03-58898-000	Lakeshore Bridge Repair	60,000	-	-	60,000
103-603-03-58898-000	Forest Trl/Meadow Creek Retaining Wall- 2022B COs	37,000	-	-	37,000
103-603-03-58898-000	Canada Street Creek Wall	25,000	-	-	25,000
103-603-03-58899-000	Street Improvement Projects	45,413	-	-	45,413
103-603-03-58899-037	**ARPA** Canada Street Construction Phase SPI	110,000	-	110,000	-
104-603-03-58881-000	E48 R2 Series Bobcat Compact Mini Excavator & Brush Cutter	90,509	89,609	-	900

Account Number	Project Description	FY 2026 Budget	Y-T-D Activity	Encumbered	Balance
	WATER PRODUCTION				
201-609-06-58880-000	Repaint 1.0 Mg Elevated Water Tank On N Bolton	1,563,350	-	-	1,563,350
201-609-06-58880-000	Repaint 2.0 Mg Dorothy Street Water Tank	250,000	-	-	250,000
201-609-06-58880-000	Lighting at Wells & Water Treatment Plant	18,850	-	-	18,850
201-609-06-58881-000	Generator	79,500	-	92,750	(13,250)
201-609-06-58881-000	Well #5 Booster Pump** Increase Size & Add VFD	68,250	-	-	68,250
	WATER DISTRIBUTION				
201-610-06-58882-000	Fire Hydrant Rehabilitation & Replacement Program	50,000	-	-	50,000
201-610-06-58883-000	Utility Truck For Water Distribution Department	80,000	-	80,000	-
201-610-06-58889-000	Loop 456 10" Water Main Extension *JEDCO*matching	50,000	-	-	50,000
201-610-06-58889-000	Jacksonville HWY 175 Utility Relocation	-	192,544	-	(192,544)
201-610-06-58889-037	**ARPA**Bid Inspection - US HWY 175 Utility Expansion	33,000	24,750	8,250	-
	WASTEWATER COLLECTION				
201-611-06-58879-000	Sunnydale Lift Station SEP	-	3,441	67,064	(70,505)
201-611-06-58883-000	Utility Truck For Wastewater Collection Department	80,000	-	80,000	-
201-611-06-58889-000	TWDB 2022A- Sanitary Sewer System- Trunk Main, Manhole, Lift Station, Force Main Replacements & Improvements	2,558,945	-	226,612	2,332,333
201-611-06-58889-052	2024 TxCDBG- Nichol's Trunk Line- I&I	497,217	11,440	59,337	426,441
	WASTEWATER TREATMENT				
201-612-06-58879-000	60 kw Generator @ Lake Marina Lift Station	53,770	30,312	-	23,458
201-612-06-58880-000	TWDB 2024B- Wastewater Treatment Plant Expansion	600,000	-	1,379,380	(779,380)
201-612-06-58889-000	Okeefe Rd Sewer Replacement	150,000	-	-	150,000
	LIBRARY				
101-700-04-58887-000	Library Books, Materials, & Other Media Replacement Program	43,050	17,624	-	25,426
	PARKS				
103-800-04-58884-037	Lincoln Park	255	255	-	0
103-800-04-58884-044	Hazel Tilton	54,270	30,936	-	23,334
104-800-04-58881-000	Zero-Turn Mower	15,000	-	16,574	(1,574)
104-800-04-58881-000	Power Washer Trailer	14,500	14,369	-	131
110-800-04-58884-051	Lincoln Park	1,066	1,066	-	(0)
	LAKE JACKSONVILLE				
101-803-04-58882-000	Lake Buoys Replacement	5,000	-	-	5,000
103-803-04-58884-000	Installation of Park Light Poles Lake Jacksonville	-	4,240	22,052	(26,292)
103-803-04-58884-000	Tables, Benches, and Trash Cans	36,360	11,256	-	25,104
110-803-04-58884-011	Lake Boating Access Grant Project- Construction	93,816	-	93,816	0
	Total	**$ 11,438,545**	**$ 653,126**	**$ 2,575,060**	**$ 8,210,359**

FUND BALANCE SUMMARY (unaudited)

Fund	Beginning Balance 09/30/2025	Revenue	Expense	Ending Balance 1/31/2026	Target FB	Restricted FB	Unassigned
101 GENERAL FUND	$ 4,857,431	$ 7,544,857	$ 4,633,123	$ 7,769,165	$ 3,269,032	N/A	$ 4,500,133
DESIGNATED DONATIONS- POLICE DONATIONS	21,714	47,235	11,582	57,367			
DESIGNATED DONATIONS- ANIMAL SHELTER DONATIONS	24,751	575	44	25,282			
DESIGNATED DONATIONS- FIRE/EMS DONATIONS	-	350	350	0			
DESIGNATED DONATIONS- LIBRARY DONATIONS	11,407	273	247	11,433			
DESIGNATED DONATIONS- LIBRARY NWSPPR DGTZTN	21,960	-	-	21,960			
DESIGNATED DONATIONS- MUSEUM DONATIONS	251	5,602	1,600	4,253			
DESIGNATED DONATIONS- MUSEUM RENOVATION	1,900	-	-	1,900			
DESIGNATED DONATIONS- PARKS & REC DONATIONS	752	-	-	752			
103 CAPITAL PROJECTS FUND (GENERAL)	5,085,071	66,732	204,730	4,947,073	N/A	4,475,021	472,052
Total Major Governmental Funds	**10,025,237**	**7,665,624**	**4,851,676**	**12,839,185**			
102 DEBT SERVICE FUND	342,315	1,583,900	825	1,925,389	210,846	N/A	1,714,543
104 VEHICLE / EQUIPMENT REPLACEMENT FUND	1,204,437	146,440	398,936	951,941	N/A	N/A	N/A
110 GRANT FUND	39,566	75,655	13,249	101,972	N/A	N/A	N/A
111 HOTEL / MOTEL OCCUPANCY TAX FUND	468,617	99,687	66,996	501,308	N/A	N/A	N/A
112 COURT BUILDING SECURITY & TECHNOLOGY FUND	148,539	9,435	17,788	140,186	N/A	N/A	N/A
114 COURT CHILD SAFETY TRUST FUND	17,216	596	-	17,812	N/A	N/A	N/A
115 POLICE STATE FORFEITURE FUND	37,278	457	-	37,735	N/A	N/A	N/A
116 POLICE FEDERAL FORFEITURE FUND	3,723	46	-	3,769	N/A	N/A	N/A
118 POLICE LEOSE FUND	9,021	126	-	9,146	N/A	N/A	N/A
120 VENUE PROJECT FUND	30,935	65,212	96,584	(437)	N/A	N/A	N/A
Total Nonmajor Governmental Funds	**2,301,647**	**1,981,553**	**594,378**	**3,688,822**			
201 WATER & WASTEWATER UTILITY FUND	20,145,854	3,066,592	2,549,669	20,662,777	1,924,022	18,098,973	639,781
Total Major Business Type Fund	**20,145,854**	**3,066,592**	**2,549,669**	**20,662,777**			
301 BEAUTIFICATION FUND	22,043	3,038	8,153	16,927	N/A	N/A	N/A
Total Fiduciary Fund	**22,043**	**3,038**	**8,153**	**16,927**			
Grand Total- All Funds	**$ 32,494,780**	**$ 12,716,807**	**$ 8,003,876**	**$ 37,207,711**			

Note: Target fund balance amounts are shown only for funds with an adopted fund balance policy. Restricted fund balance amounts represent legally restricted bond proceeds and are shown only for applicable funds. "N/A" indicates the category does not apply to the fund.

		Original Total Budget	Current Total Budget	M-T-D Activity	Y-T-D Activity	% of Budget	Budget Remaining	Prior Year Y-T-D Activity	INC/(DEC) Prior Year
101 -GENERAL FUND- DETAIL									
REVENUE									
41 TAXES									
101-41400	AD VALOREM TAX- CURRENT	$ 5,355,180	$ 5,355,180	$ 1,305,828	$ 4,002,762	74.7%	$ 1,352,418	$ 3,560,262	$ 442,500
101-41401	AD VALOREM TAX- PRIOR	195,000	195,000	8,997	63,333	32.5%	131,667	69,093	(5,759)
101-41402	AD VALOREM TAX- PENALTY & INTEREST	110,000	110,000	3,221	19,072	17.3%	90,928	19,694	(622)
101-41403	AD VALOREM TAX- MISCELLANEOUS	11,000	11,000	2,432	2,432	22.1%	8,568	-	2,432
101-41404	SALES TAX	3,696,494	3,696,494	264,557	1,145,654	31.0%	2,550,840	1,145,438	217
101-41405	SALES TAX- TIMELY FILING DISCOUNT	610	610	51	152	24.9%	458	198	(47)
101-41406	MIXED BEVERAGE TAX	30,000	30,000	2,390	10,003	33.3%	19,997	9,183	821
101-41408	PROPERTY TAX REBATE	(35,828)	(35,828)	-	-	0.0%	(35,828)	-	-
	***** REVENUE CATEGORY TOTALS *****	**9,362,456**	**9,362,456**	**1,587,477**	**5,243,408**	**56.0%**	**4,119,048**	**4,803,867**	**439,541**
42 FRANCHISE FEES									
101-42410	ROW RENTAL FEES- ELECTRICITY	450,000	450,000	108,262	249,353	55.4%	200,647	247,829	1,524
101-42411	ROW RENTAL FEES- GAS UTILITIES	110,000	110,000	-	22,905	20.8%	87,095	20,360	2,545
101-42412	ROW RENTAL FEES- TELECOM	13,000	13,000	47	3,111	23.9%	9,889	3,671	(560)
101-42413	ROW RENTAL FEES- CABLE TV	80,000	80,000	-	19,950	24.9%	60,050	21,383	(1,433)
101-42414	SANITATION FRANCHISE FEES	125,000	125,000	11,202	43,999	35.2%	81,001	38,555	5,444
101-42415	LANDFILL CONTRACT FEES	530,000	530,000	40,161	159,046	30.0%	370,954	150,713	8,333
	***** REVENUE CATEGORY TOTALS *****	**1,308,000**	**1,308,000**	**159,671**	**498,364**	**38.1%**	**809,636**	**482,511**	**15,853**
43 INTERGOVERNMENTAL REVENUE									
101-43426	JEDCO FINANCING	50,000	50,000	-	-	0.0%	50,000	46,188	(46,188)
101-43427	MISCELLANEOUS GRANT REVENUE	20,000	20,000	-	-	0.0%	20,000	-	-
	***** REVENUE CATEGORY TOTALS *****	**70,000**	**70,000**	**-**	**-**	**0.0%**	**70,000**	**46,188**	**(46,188)**
44 FINES & FORFEITURE									
101-44440	MUNICIPAL COURT- ADMINISTRATION FEES	258,814	258,814	18,938	81,615	31.5%	177,199	53,652	27,963
101-44444	MUNICIPAL COURT- FINES	366,209	366,209	23,401	94,853	25.9%	271,356	92,685	2,167
101-44445	MUNICIPAL COURT- JUDICIAL ADMIN FUND	549	549	31	109	19.8%	440	101	8
101-44446	MUNICIPAL COURT- JURY FUND	281	281	19	85	30.3%	196	73	12
101-44447	MUNICIPAL COURT- TRUANCY PREVENTION & DIVERSION	14,540	14,540	976	4,278	29.4%	10,262	3,691	587
	***** REVENUE CATEGORY TOTALS *****	**640,393**	**640,393**	**43,365**	**180,940**	**28.3%**	**459,453**	**150,202**	**30,737**
45 LICENSE & PERMITS									
101-45450	BEER & WINE PERMIT-OFF PREMISE	500	500	30	60	12.0%	440	90	(30)
101-45451	BUILDING PERMITS	30,000	30,000	750	16,832	56.1%	13,168	4,787	12,046
101-45452	DEMOLITION PERMITS	500	500	-	100	20.0%	400	-	100
101-45453	ELECTRICAL PERMITS & LICENSES	8,250	8,250	548	2,091	25.3%	6,159	1,553	539
101-45454	EXCAVATION PERMITS	750	750	-	125	16.7%	625	230	(105)
101-45457	MECHANICAL PERMITS	1,000	1,000	-	54	5.4%	946	80	(26)
101-45458	OUTDOOR BURNING PERMITS	1,000	1,000	-	450	45.0%	550	300	150
101-45459	PLAT PERMITS	350	350	-	106	30.3%	244	50	56
101-45460	PLUMBING & GAS PERMITS	5,000	5,000	390	1,258	25.2%	3,743	1,446	(188)

		Original Total Budget	Current Total Budget	M-T-D Activity	Y-T-D Activity	% of Budget	Budget Remaining	Prior Year Y-T-D Activity	INC/(DEC) Prior Year
101-45461	SIGN PERMITS	1,500	1,500	-	150	10.0%	1,350	150	-
101-45462	SPRINKLER SYSTEM PERMITS	400	400	25	125	31.3%	275	75	50
101-45463	SYSTEMS/MISCELLANEOUS PERMITS	-	-	-	25	0.0%	(25)	-	25
101-45464	VARIANCE PERMITS	-	-	200	395	0.0%	(395)	-	395
101-45465	VENDOR PERMITS	650	650	-	200	30.8%	450	200	-
101-45466	ZONING PERMITS	500	500	400	400	80.0%	100	-	400
	***** REVENUE CATEGORY TOTALS *****	**50,400**	**50,400**	**2,343**	**22,371**	**44.4%**	**28,029**	**8,960**	**13,411**
46	**FEES & CHARGES FOR SERVICES**								
101-46470	AMBULANCE FEES	950,000	950,000	100,636	364,667	38.4%	585,333	265,147	99,520
101-46471	AMBULANCE MEMBERSHIP FEES	25,500	25,500	1,960	7,880	30.9%	17,620	8,544	(664)
101-46472	ACCOUNT TRANSFER FEES	6,000	6,000	400	2,400	40.0%	3,600	600	1,800
101-46473	LAKE LOT LEASE FEES	97,500	97,500	32,204	33,898	34.8%	63,602	34,281	(383)
101-46474	FUEL PUMP SALES	85,000	85,000	756	4,418	5.2%	80,582	1,434	2,984
101-46475	CAMPGROUND RENTAL FEES	90,000	90,000	11,380	18,355	20.4%	71,645	26,215	(7,860)
101-46476	CONCESSION SALES	500	500	-	-	0.0%	500	-	-
101-46477	SANITATION FEES	1,612,250	1,612,250	128,308	502,980	31.2%	1,109,270	489,736	13,244
101-46478	GARBAGE CAN RENTAL FEES	-	-	-	-	0.0%	-	4	(4)
101-46479	SPECIAL PICK UP FEES	36,000	36,000	1,163	3,313	9.2%	32,688	5,208	(1,896)
101-46493	POLICE DEPT FEES	3,000	3,000	-	347	11.6%	2,653	324	23
101-46494	ANIMAL SERVICES FEES	5,500	5,500	780	1,903	34.6%	3,597	1,876	27
101-46496	CEMETERY LOT SALES	50,000	50,000	2,050	8,572	17.1%	41,428	5,250	3,322
101-46497	INDUSTRIAL PARK RENTAL	3,076	3,076	9,076	18,076	587.6%	(15,000)	15,076	3,000
101-46498	LIBRARY FEES	13,750	13,750	1,058	4,035	29.3%	9,715	4,365	(330)
101-46499	PARKS & RECREATION FEES	7,800	7,800	-	276	3.5%	7,525	185	91
101-46500	RENTAL FEES	2,500	2,500	8,100	9,000	360.0%	(6,500)	2,100	6,900
101-46506	AQUATIC CENTER FEES	11,040	11,040	-	-	0.0%	11,040	-	-
	***** REVENUE CATEGORY TOTALS *****	**2,999,416**	**2,999,416**	**297,870**	**980,119**	**32.7%**	**2,019,297**	**860,346**	**119,774**
47	**INVESTMENT INCOME**								
101-47510	INTEREST INCOME	330,000	330,000	17,513	71,357	21.6%	258,643	102,383	(31,025)
	***** REVENUE CATEGORY TOTALS *****	**330,000**	**330,000**	**17,513**	**71,357**	**21.6%**	**258,643**	**102,383**	**(31,025)**
48	**MISCELLANEOUS RECEIPTS**								
101-48515	MISCELLANEOUS REVENUE	17,000	17,000	24,866	32,166	189.2%	(15,166)	10,198	21,967
101-48516	PRIOR YEARS REIMBURSEMENTS	5,000	5,000	-	-	0.0%	5,000	5,948	(5,948)
101-48517	REBATES & DISCOUNTS	22,500	22,500	20	22,373	99.4%	127	22,268	105
101-48518	INSURANCE PROCEEDS	51,550	72,794	-	21,913	30.1%	50,881	-	21,913
101-48534	DESIGNATED DONATIONS- POLICE DONATIONS	25,000	67,000	-	47,235	70.5%	19,765	3,700	43,535
101-48535	DESIGNATED DONATIONS- ANIMAL SHELTER DONATIONS	5,000	5,000	250	575	11.5%	4,425	14,596	(14,021)
101-48536	DESIGNATED DONATIONS- FIRE/EMS DONATIONS	-	350	-	350	100.0%	-	-	350
101-48539	DESIGNATED DONATIONS- LIBRARY DONATIONS	5,000	5,000	25	273	5.5%	4,727	1,643	(1,370)
101-48540	DESIGNATED DONATIONS- MUSEUM DONATIONS	7,000	7,000	130	5,602	80.0%	1,398	1,762	3,840
	***** REVENUE CATEGORY TOTALS *****	**138,050**	**201,644**	**25,291**	**130,487**	**64.7%**	**71,157**	**60,115**	**70,372**
49	**TRANSFERS IN**								

		Original Total Budget	Current Total Budget	M-T-D Activity	Y-T-D Activity	% of Budget	Budget Remaining	Prior Year Y-T-D Activity	INC/(DEC) Prior Year
101-49552	TRANSFER FROM COURT TECHNOLOGY & SECURITY FUND	17,775	17,775	1,481	5,925	33.3%	11,850	5,925	-
101-49553	TRANSFER FROM UTILITY FUND	1,322,014	1,322,014	110,168	440,671	33.3%	881,343	474,005	(33,333)
101-49554	TRANSFER FROM HOTEL/MOTEL OCC TAX FUND	75,750	75,750	6,313	25,250	33.3%	50,500	18,684	6,566
	***** REVENUE CATEGORY TOTALS *****	**1,415,539**	**1,415,539**	**117,962**	**471,846**	**33.3%**	**943,693**	**498,614**	**(26,767)**
	***** TOTAL REVENUE *****	**16,314,254**	**16,377,848**	**2,251,491**	**7,598,892**	**46.4%**	**8,778,955**	**7,013,184**	**585,708**
10 -GENERAL FUND- DETAIL									
EXPENSE									
51-EMPLOYEE SERVICES									
101-51600	SUPERVISION	1,121,796	1,121,796	85,882	332,952	29.7%	788,844	377,011	(44,059)
101-51601	OPERATIONAL	5,726,082	5,726,082	433,343	1,651,360	28.8%	4,074,722	1,649,190	2,170
101-51602	PERMANENT PART-TIME	148,654	148,654	9,137	37,462	25.2%	111,192	36,481	982
101-51604	SEASONAL PART-TIME POOL	33,114	33,114	-	-	0.0%	33,114	-	-
101-51609	FIELD TRAINING OFFICER STIPEND	15,820	15,820	915	6,623	41.9%	9,197	2,917	3,706
101-51611	K9 CARE STIPEND	7,040	7,040	271	1,412	20.1%	5,628	2,109	(697)
101-51612	ON CALL STIPEND	7,280	7,280	560	2,030	27.9%	5,250	2,014	16
101-51613	BI-LINGUAL PAY	28,548	28,548	2,679	9,132	32.0%	19,416	7,576	1,557
101-51614	CERTIFICATION PAY	148,668	148,668	10,631	35,856	24.1%	112,812	36,621	(765)
101-51615	DIFFERENTIAL PAY	35,700	35,700	2,100	7,200	20.2%	28,500	7,567	(367)
101-51616	EDUCATION PAY	44,100	44,100	3,500	11,903	27.0%	32,197	11,028	875
101-51617	LONGEVITY PAY	39,684	39,684	3,078	11,840	29.8%	27,844	9,949	1,891
101-51620	AUTO ALLOWANCE	29,100	29,100	2,425	7,275	25.0%	21,825	4,775	2,500
101-51621	CELL PHONE ALLOWANCE	6,093	6,093	508	1,523	25.0%	4,570	1,305	218
101-51622	CLOTHING ALLOWANCE	6,850	7,900	-	7,740	98.0%	160	4,000	3,740
101-51629	OVERTIME	713,467	713,467	37,055	183,521	25.7%	529,946	147,800	35,720
101-51638	FICA	620,551	620,551	43,813	169,328	27.3%	451,223	169,696	(368)
101-51639	DENTAL INSURANCE	46,959	46,959	4,318	11,928	25.4%	35,031	9,804	2,124
101-51640	HEALTH INSURANCE	938,335	938,335	75,145	254,533	27.1%	683,802	186,401	68,132
101-51641	LIFE INSURANCE	2,946	2,946	162	539	18.3%	2,407	734	(195)
101-51642	TMRS	1,041,253	1,041,253	81,440	257,415	24.7%	783,838	237,816	19,599
101-51643	WORKER'S COMPENSATION	140,107	140,107	9,893	39,799	28.4%	100,308	46,074	(6,275)
101-51644	CONTRA WAGE EXPENSE	(23,400)	(23,400)	(445)	(2,537)	10.8%	(20,863)	(13,316)	10,779
101-51645	UNEMPLOYMENT	-	-	-	(0)	0.0%	0	845	(845)
101-51646	CONTRACT LABOR	207,268	186,068	6,631	42,544	22.9%	143,524	45,664	(3,120)
101-51647	BENEFIT ADMINISTRATION	2,100	2,100	267	812	38.7%	1,288	490	322
101-51648	EMPLOYEE TESTING	32,450	32,450	900	1,675	5.2%	30,775	2,334	(659)
101-51649	OTHER EMPLOYEE COSTS	16,300	16,300	181	5,074	31.1%	11,226	4,723	351
101-51650	RECRUITING & RETENTION	2,400	2,400	-	25	1.0%	2,375	-	25
101-51652	VOLUNTEER FIRE PENSION	3,000	3,000	-	2,200	73.3%	800	3,000	(800)
101-51655	SHORT TERM DISABILITY	33,078	33,078	3,127	8,799	26.6%	24,279	-	8,799
	***** EXPENSE CATEGORY TOTALS *****	**11,175,343**	**11,155,193**	**817,516**	**3,099,962**	**27.8%**	**8,055,231**	**2,994,606**	**105,356**
52-MAINTENANCE									
101-52700	R/M BUILDINGS & STRUCTURES	84,976	85,218	9,265	30,463	35.7%	54,756	39,234	(8,771)
101-52701	R/M EQUIPMENT & MACHINERY	122,046	119,588	12,601	35,982	30.1%	83,605	43,290	(7,308)
101-52705	R/M MOTOR VEHICLES	150,022	150,022	7,813	52,172	34.8%	97,851	31,282	20,890

		Original Total Budget	Current Total Budget	M-T-D Activity	Y-T-D Activity	% of Budget	Budget Remaining	Prior Year Y-T-D Activity	INC/(DEC) Prior Year
101-52706	R/M OFFICE EQUIPMENT	200	200	-	-	0.0%	200	-	-
101-52707	R/M PARKS	73,123	71,223	272	6,103	8.6%	65,120	17,220	(11,117)
101-52708	R/M RADIO COMMUNICATION	6,600	6,600	870	1,298	19.7%	5,302	1,323	(25)
101-52709	R/M SIDEWALKS CULVERTS BRIDGES	15,000	15,000	6,200	14,475	96.5%	525	14,318	158
101-52710	R/M STREETS & ALLEYS	150,000	143,355	4,395	8,921	6.2%	134,434	15,332	(6,411)
101-52715	DAMAGES & CLAIMS	51,550	77,702	-	22,294	28.7%	55,408	40,104	(17,811)
101-52716	R/M ATHLETIC COMPLEX	26,397	26,397	205	1,827	6.9%	24,570	330	1,497
	***** EXPENSE CATEGORY TOTALS *****	**679,914**	**695,305**	**41,620**	**173,534**	**25.0%**	**521,771**	**202,433**	**(28,899)**
53-UTILITIES									
101-53730	ELECTRICITY	326,757	326,757	23,986	61,223	18.7%	265,534	63,279	(2,055)
101-53731	NATURAL GAS	20,390	20,390	2,417	5,011	24.6%	15,379	3,694	1,317
101-53732	PHONE/CABLE/INTERNET	165,379	165,379	13,762	51,586	31.2%	113,793	53,593	(2,007)
101-53733	WATER/SEWER & GARBAGE	61,019	61,019	4,707	17,974	29.5%	43,045	12,991	4,983
	***** EXPENSE CATEGORY TOTALS *****	**573,545**	**573,545**	**44,873**	**135,794**	**23.7%**	**437,751**	**133,557**	**2,237**
54-SUPPLIES									
101-54740	AMBULANCE SUPPLIES	60,000	60,000	(3,424)	9,900	16.5%	50,100	16,903	(7,003)
101-54741	ANIMAL CARE SUPPLIES	5,500	5,500	564	1,199	21.8%	4,301	1,990	(791)
101-54742	ANIMAL FOOD	5,000	5,000	367	1,179	23.6%	3,821	806	373
101-54743	BOOK SUPPLIES	6,010	6,010	343	627	10.4%	5,384	703	(76)
101-54744	BOTANICAL SUPPLIES	3,300	3,300	900	900	27.3%	2,400	-	900
101-54745	CASH OVER/SHORT	-	-	-	(59)	0.0%	59	33	(92)
101-54746	CHEMICAL SUPPLIES	33,375	33,375	356	557	1.7%	32,818	401	156
101-54747	CONCESSION SUPPLIES	2,500	2,500	-	-	0.0%	2,500	-	-
101-54749	FIRE ARM TRAINING SUPPLIES	16,650	16,650	-	-	0.0%	16,650	3,485	(3,485)
101-54750	HAZMAT RESPONSE/CLEANUP SUPPLIES	2,560	2,560	-	-	0.0%	2,560	-	-
101-54751	FIRE HOSE SUPPLIES	4,300	4,300	-	4,121	95.8%	179	-	4,121
101-54752	FOOD	31,152	30,852	3,238	8,908	28.9%	21,944	7,559	1,350
101-54755	INVESTIGATION SUPPLIES	4,200	4,200	-	466	11.1%	3,734	1,456	(990)
101-54756	JANITORIAL SUPPLIES	36,023	36,023	1,330	8,063	22.4%	27,960	7,511	552
101-54757	K-9 CARE SUPPLIES	7,600	7,600	193	1,470	19.3%	6,130	2,008	(538)
101-54762	MINOR TOOLS & EQUIPMENT	36,476	36,476	4,025	6,947	19.0%	29,529	3,508	3,439
101-54763	MISCELLANEOUS SUPPLIES	21,450	21,056	386	827	3.9%	20,229	2,849	(2,022)
101-54764	MOTOR VEHICLE FUEL	249,080	249,080	16,471	53,695	21.6%	195,385	55,340	(1,645)
101-54765	OFFICE EQUIP/FURNITURE/FIXTR	5,800	5,800	117	461	8.0%	5,339	3,067	(2,606)
101-54766	OFFICE SUPPLIES	24,962	24,962	1,648	6,365	25.5%	18,597	4,347	2,017
101-54767	OXYGEN SUPPLIES	10,000	10,000	-	850	8.5%	9,150	1,986	(1,137)
101-54768	PLAQUES & AWARDS	3,100	3,100	490	838	27.0%	2,262	1,372	(534)
101-54769	POSTAGE	10,570	10,328	711	2,582	25.0%	7,745	2,981	(399)
101-54770	PRINTING SUPPLIES	6,640	6,710	567	1,675	25.0%	5,035	1,315	360
101-54771	PROGRAMMING SUPPLIES	3,223	3,223	984	2,123	65.9%	1,100	1,068	1,055
101-54772	PROTECTIVE CLOTHING	15,125	15,125	-	9,181	60.7%	5,944	-	9,181
101-54773	PUBLIC EDUCATION SUPPLIES	3,400	3,400	-	-	0.0%	3,400	-	-
101-54774	RECREATION SUPPLIES	1,950	1,950	-	-	0.0%	1,950	116	(116)
101-54775	RESALE GASOLINE	65,278	65,278	-	5,218	8.0%	60,061	(39)	5,257
101-54776	SAFETY EQUIPMENT	6,920	6,920	995	5,576	80.6%	1,344	4,412	1,164
101-54777	STREET SIGN SUPPLIES	19,450	19,450	-	324	1.7%	19,126	3,548	(3,225)

		Original Total Budget	Current Total Budget	M-T-D Activity	Y-T-D Activity	% of Budget	Budget Remaining	Prior Year Y-T-D Activity	INC/(DEC) Prior Year
101-54778	TECHNOLOGY SUPPLIES	6,470	6,470	42	42	0.6%	6,428	-	42
101-54779	WEARING APPAREL	95,360	92,310	8,596	24,562	26.6%	67,748	11,803	12,759
101-54781	DESIGNATED DONATIONS	42,000	83,050	2,129	13,823	16.6%	69,227	11,106	2,717
101-54782	SPECIAL ACTIVITIES	7,650	7,650	472	4,044	52.9%	3,606	905	3,139
	***** EXPENSE CATEGORY TOTALS *****	**853,074**	**890,207**	**41,499**	**176,464**	**19.8%**	**713,743**	**152,539**	**23,925**
55-SERVICES									
101-55800	ACCOUNTING & AUDITING	26,220	26,220	-	-	0.0%	26,220	-	-
101-55801	APPRAISAL DISTRICT	198,546	198,546	-	98,144	49.4%	100,402	88,828	9,316
101-55802	BAD DEBT EXPENSE	13,500	13,500	-	(548)	-4.1%	14,048	-	(548)
101-55803	BANKING FEES	250	250	25	85	34.0%	165	78	8
101-55804	BILLING & COLLECTION SERVICES	175,476	175,476	7,819	46,957	26.8%	128,519	39,510	7,447
101-55805	CONSTRUCTION CONTRACTS	100,000	100,000	-	1,737	1.7%	98,263	46,188	(44,450)
101-55806	CONSULTING SERVICES	41,630	41,630	4,678	17,546	42.1%	24,084	8,179	9,366
101-55807	CONTINGENCY	50,000	50,000	-	-	0.0%	50,000	-	-
101-55809	CREDIT CARD PROCESSING FEES	9,880	9,880	1,293	(1,156)	-11.7%	11,036	4,689	(5,844)
101-55810	ELECTION COSTS	8,000	8,000	-	-	0.0%	8,000	-	-
101-55812	ENGINEERING SERVICES	8,000	5,000	-	-	0.0%	5,000	-	-
101-55813	FEES & PERMITS	180	180	-	-	0.0%	180	-	-
101-55815	INSURANCE-PROPERTY, PLANT, & EQUIPMENT	248,837	248,837	-	226,994	91.2%	21,843	220,308	6,686
101-55817	JANITORIAL SERVICES	2,275	2,191	-	-	0.0%	2,191	-	-
101-55819	LEASE/RENTAL OF EQUIPMENT	40,080	42,564	6,642	13,577	31.9%	28,986	18,404	(4,826)
101-55820	LEASE/RENTAL OF PROPERTY	6,000	6,000	500	2,500	41.7%	3,500	2,725	(225)
101-55821	LEGAL ADVERTISING	15,268	15,268	61	4,091	26.8%	11,177	1,468	2,623
101-55822	LEGAL SERVICES	500	500	-	-	0.0%	500	340	(340)
101-55824	MISCELLANEOUS SERVICES	50,872	79,817	8,247	48,495	60.8%	31,322	11,389	37,107
101-55826	PUBLIC COMMUNICATION	1,350	1,350	-	370	27.4%	980	350	20
101-55828	SOFTWARE	214,947	217,571	1,375	91,535	42.1%	126,036	128,682	(37,147)
101-55830	SUPPORT OF COMMUNITY SERVICES	5,000	5,000	208	3,493	69.9%	1,507	1,599	1,893
101-55833	VETERINARY SERVICES	5,000	5,000	-	-	0.0%	5,000	110	(110)
101-55834	SOLID WASTE & SLUDGE DISPOSAL	1,044,405	1,044,405	84,898	256,395	24.5%	788,010	250,441	5,955
	***** EXPENSE CATEGORY TOTALS *****	**2,266,216**	**2,297,185**	**115,744**	**810,215**	**35.3%**	**1,486,970**	**823,284**	**(13,070)**
56-TRAVEL & EDUCATION EXPENDITURES									
101-56851	MEMBERSHIP DUES	37,696	37,696	1,655	7,924	21.0%	29,772	6,371	1,553
101-56852	TRAINING EXPENSES	92,896	92,396	1,655	10,924	11.8%	81,472	14,441	(3,517)
101-56853	TRAVEL & LODGING EXPENSES	49,907	50,657	1,761	15,936	31.5%	34,721	11,001	4,936
	***** EXPENSE CATEGORY TOTALS *****	**180,499**	**180,749**	**5,071**	**34,784**	**19.2%**	**145,965**	**31,813**	**2,971**
57-DEBT SERVICE									
101-57862	CAPITAL LEASE INTEREST	1,667	1,667	1,667	1,667	100.0%	0	5,685	(4,019)
101-57863	CAPITAL LEASE PRINCIPAL	52,571	52,571	52,571	52,571	100.0%	(0)	128,326	(75,755)
	***** EXPENSE CATEGORY TOTALS *****	**54,238**	**54,238**	**54,238**	**54,238**	**100.0%**	**0**	**134,012**	**(79,774)**
58-CAPITAL EXPENDITURES									
101-58881	CAPITAL MACHINERY & EQUIPMENT	44,690	44,690	8,997	8,997	20.1%	35,693	-	8,997

		Original Total Budget	Current Total Budget	M-T-D Activity	Y-T-D Activity	% of Budget	Budget Remaining	Prior Year Y-T-D Activity	INC/(DEC) Prior Year
101-58882	CAPITAL MISCELLANEOUS	5,000	5,000	-	-	0.0%	5,000	8,255	(8,255)
101-58883	CAPITAL MOTOR VEHICLES	-	-	-	-	0.0%	-	-	-
101-58887	LIBRARY BOOKS & MATERIALS	43,050	43,050	2,046	17,624	40.9%	25,426	19,904	(2,280)
	***** EXPENSE CATEGORY TOTALS *****	**92,740**	**92,740**	**11,043**	**26,621**	**28.7%**	**66,119**	**28,159**	**(1,538)**
59 - TRANSFERS OUT									
101-59906	TRANSFER TO BEAUTIFICATION FUND	6,000	6,000	500	2,000	33.3%	4,000	2,000	-
101-59909	TRANSFER TO COURT SECURITY & TECHNOLOGY FUND	-	-	-	-	0.0%	-	(29,000)	29,000
101-59911	TRANSFER TO VEHICLE / EQUIPMENT REPLACEMENT FUND	400,000	400,000	33,333	133,333	33.3%	266,667	133,333	-
	***** EXPENSE CATEGORY TOTALS *****	**406,000**	**406,000**	**33,833**	**135,333**	**33.3%**	**270,667**	**106,334**	**29,000**
	***** TOTAL EXPENSE *****	**$ 16,281,569**	**$ 16,345,162**	**$ 1,165,436**	**$ 4,646,945**	**28.4%**	**$ 11,698,217**	**$ 4,606,737**	**$ 40,208**
103 -CAPITAL PROJECTS FUND (GENERAL)- DETAIL									
REVENUE									
103-43426	JEDCO FINANCING	$ 17,500	$ 17,500	$ -	$ -	0.0%	$ 17,500	$ -	$ -
103-43427	MISCELLANEOUS GRANT REVENUE	100,000	110,711	-	710	0.6%	110,001	96,421	(95,711)
103-47510	INTEREST INCOME	110,000	110,000	16,129	66,021	60.0%	43,979	78,053	(12,032)
	***** TOTAL REVENUE *****	**227,500**	**238,211**	**16,129**	**66,732**	**28.0%**	**171,479**	**174,474**	**(107,742)**
103 -CAPITAL PROJECTS FUND (GENERAL)- DETAIL									
EXPENSE									
103-52710	R/M STREETS & ALLEYS	-	-	-	-	0.0%	-	8,420	(8,420)
103-55805	CONSTRUCTION CONTRACTS	-	-	-	-	0.0%	-	18,050	(18,050)
103-55806	CONSULTING SERVICES	35,000	35,000	27,516	85,745	245.0%	(50,745)	48,558	37,187
103-55812	ENGINEERING SERVICES	-	-	-	-	0.0%	-	18,998	(18,998)
103-55824	MISCELLANEOUS SERVICES	-	-	-	-	0.0%	-	3,200	(3,200)
103-58880	CAPITAL BUILDINGS & STRUCTURES	200,000	200,000	-	-	0.0%	200,000	11,950	(11,950)
103-58881	CAPITAL MACHINERY & EQUIPMENT	-	456	-	456	99.9%	0	-	456
103-58884	CAPITAL PARK IMPROVEMENTS	126,561	90,885	4,712	46,687	51.4%	44,198	80,113	(33,426)
103-58892	CAPITAL R/M BUILDINGS & STRUCTURES	25,000	25,000	370	5,324	21.3%	19,676	-	5,324
103-58898	CAPITAL R/M STREETS ALLEYS BRIDGES	3,724,028	3,724,028	4,979	66,518	1.8%	3,657,510	-	66,518
103-58899	CAPITAL ENGINEERING SERVICES	145,413	155,413	-	-	0.0%	155,413	-	-
103-59903	TRANSFER TO GRANT FUND	-	-	-	-	0.0%	-	50,000	(50,000)
103-59911	TRANSFER TO VEHICLE / EQUIPMENT REPLACEMENT FUND	-	-	-	-	0.0%	-	33,333	(33,333)
	***** TOTAL EXPENSE *****	**$ 4,256,002**	**$ 4,230,782**	**$ 37,577**	**$ 204,730**	**4.8%**	**$ 4,026,052**	**$ 272,622**	**$ (67,892)**
201 -WATER & WASTEWATER UTILITY FUND- DETAIL									
REVENUE									
201-43426	JEDCO FINANCING	$ 50,000	$ 50,000	$ -	$ -	0.0%	$ 50,000	$ -	$ -
201-43427	MISCELLANEOUS GRANT REVENUE	472,094	505,094	4,950	24,750	4.9%	480,344	8,250	16,500
201-46472	ACCOUNT TRANSFER FEES	2,500	2,500	350	950	38.0%	1,550	350	600
201-46480	WATER SALES	4,146,943	4,146,943	285,056	1,248,962	30.1%	2,897,981	1,203,147	45,815

		Original Total Budget	Current Total Budget	M-T-D Activity	Y-T-D Activity	% of Budget	Budget Remaining	Prior Year Y-T-D Activity	INC/(DEC) Prior Year
201-46481	WATER TAP FEES	6,000	6,000	750	1,500	25.0%	4,500	2,250	(750)
201-46482	SEWER SALES	4,383,677	4,383,677	311,452	1,292,178	29.5%	3,091,499	1,068,375	223,803
201-46483	SEWER TAP FEES	7,500	7,500	1,000	2,000	26.7%	5,500	3,500	(1,500)
201-46484	PENALTIES	185,000	185,000	18,305	64,486	34.9%	120,514	61,736	2,750
201-46486	RECONNECT FEES	100	100	29	(6)	-6.1%	106	30	(36)
201-46488	METER TAMPERING FEES	500	500	-	-	0.0%	500	151	(151)
201-46489	NSF CHECK FEES	2,500	2,500	385	925	37.0%	1,575	750	175
201-46491	SERVICE APPLICATION FEES	13,500	13,500	1,000	3,475	25.7%	10,025	4,025	(550)
201-46501	METER PURCHASE FEE	15,000	15,000	1,525	4,776	31.8%	10,224	5,277	(501)
201-46504	WATER BORE FEES	5,000	5,000	-	7,000	140.0%	(2,000)	12,500	(5,500)
201-47510	INTEREST INCOME	450,000	450,000	55,289	234,420	52.1%	215,580	137,773	96,647
201-48515	MISCELLANEOUS REVENUE	1,500	1,500	-	-	0.0%	1,500	18,143	(18,143)
201-48517	REBATES & DISCOUNTS	2,500	2,500	-	2,308	92.3%	192	2,606	(299)
201-48518	INSURANCE PROCEEDS	14,557	14,557	-	-	0.0%	14,557	-	-
201-48522	SALE OF CAPITAL EQUIPMENT	-	-	-	178,000	0.0%	(178,000)	-	178,000
201-48529	CERTIFICATES OF OBLIGATION ISSUED	-	-	-	-	0.0%	-	11,706,500	(11,706,500)
201-48547	SCRAP METAL REVENUE	3,500	3,500	-	868	24.8%	2,632	185	683
	***** TOTAL REVENUE *****	**9,762,371**	**9,795,371**	**680,092**	**3,066,592**	**31.3%**	**6,728,779**	**14,235,549**	**(11,168,957)**
201 -WATER & WASTEWATER UTILITY FUND- DETAIL									
EXPENSE									
51-EMPLOYEE SERVICES									
201-51600	SUPERVISION	164,894	164,894	12,684	48,921	29.7%	115,973	47,611	1,310
201-51601	OPERATIONAL	755,455	755,455	56,160	218,021	28.9%	537,434	244,394	(26,373)
201-51612	ON CALL STIPEND	3,640	3,675	140	575	15.6%	3,100	545	30
201-51613	BI-LINGUAL PAY	1,800	1,800	150	504	28.0%	1,296	509	(6)
201-51614	CERTIFICATION PAY	5,400	5,400	525	2,186	40.5%	3,214	2,122	64
201-51616	EDUCATION PAY	3,900	3,900	325	1,091	28.0%	2,809	1,103	(12)
201-51617	LONGEVITY PAY	10,590	10,590	858	3,298	31.1%	7,292	3,157	141
201-51621	CELL PHONE ALLOWANCE	1,260	1,540	140	630	40.9%	910	525	105
201-51622	CLOTHING ALLOWANCE	2,400	2,650	-	2,550	96.2%	100	-	2,550
201-51629	OVERTIME	162,095	162,095	7,103	38,856	24.0%	123,239	43,240	(4,384)
201-51638	FICA	85,027	85,027	5,852	23,852	28.1%	61,175	25,905	(2,052)
201-51639	DENTAL INSURANCE	7,897	7,897	861	1,995	25.3%	5,902	1,732	263
201-51640	HEALTH INSURANCE	150,763	150,763	10,890	36,396	24.1%	114,367	26,471	9,925
201-51641	LIFE INSURANCE	507	507	27	92	18.1%	415	136	(45)
201-51642	TMRS	147,212	147,212	11,049	36,169	24.6%	111,043	36,402	(233)
201-51643	WORKER'S COMPENSATION	18,152	18,152	1,061	4,497	24.8%	13,655	5,515	(1,018)
201-51646	CONTRACT LABOR	101,600	101,600	250	2,250	2.2%	99,350	2,410	(160)
201-51655	SHORT TERM DISABILITY	5,676	5,676	424	1,240	21.9%	4,436	-	1,240
	***** EXPENSE CATEGORY TOTALS *****	**1,628,268**	**1,628,833**	**108,498**	**423,123**	**26.0%**	**1,205,710**	**441,778**	**(18,655)**
52-MAINTENANCE									
201-52700	R/M BUILDINGS & STRUCTURES	93,400	89,498	1,703	41,275	46.1%	48,223	4,991	36,284
201-52701	R/M EQUIPMENT & MACHINERY	68,721	68,721	4,032	17,117	24.9%	51,605	9,342	7,775
201-52702	R/M LIFT STATIONS	80,000	80,000	-	13,171	16.5%	66,829	93,217	(80,045)
201-52703	R/M METERS TAPS SVC CONNECTS	110,000	110,000	21,342	34,640	31.5%	75,360	31,994	2,646

		Original Total Budget	Current Total Budget	M-T-D Activity	Y-T-D Activity	% of Budget	Budget Remaining	Prior Year Y-T-D Activity	INC/(DEC) Prior Year
201-52704	R/M MISCELLANEOUS	376	376	-	-	0.0%	376	-	-
201-52705	R/M MOTOR VEHICLES	18,956	18,956	588	1,857	9.8%	17,099	4,356	(2,499)
201-52710	R/M STREETS & ALLEYS	90,484	90,484	1,467	10,766	11.9%	79,718	14,538	(3,772)
201-52711	R/M WASTEWATER PLANTS	24,300	24,300	1,359	12,185	50.1%	12,115	5,889	6,296
201-52712	R/M WATER & WASTEWATER MAINS	335,843	335,623	15,350	78,541	23.4%	257,082	106,334	(27,793)
201-52713	R/M WATER STORAGE TANKS	25,000	25,000	-	53	0.2%	24,947	2,186	(2,133)
201-52714	R/M WATER WELLS	75,000	75,000	-	-	0.0%	75,000	11,925	(11,925)
201-52715	DAMAGES & CLAIMS	14,557	14,572	9,018	258,356	1773.0%	(243,784)	10,893	247,463
	***** EXPENSE CATEGORY TOTALS *****	**936,637**	**932,531**	**54,858**	**467,961**	**50.2%**	**464,570**	**295,665**	**172,297**
53-UTILITIES									
201-53730	ELECTRICITY	509,283	509,283	40,406	97,150	19.1%	412,133	97,599	(448)
201-53731	NATURAL GAS	1,921	2,053	374	711	34.6%	1,342	154	557
201-53732	PHONE/CABLE/INTERNET	20,948	20,948	1,877	7,041	33.6%	13,907	5,252	1,789
201-53733	WATER/SEWER & GARBAGE	42,600	42,600	3,096	9,276	21.8%	33,324	9,090	185
	***** EXPENSE CATEGORY TOTALS *****	**574,752**	**574,884**	**45,753**	**114,178**	**19.9%**	**460,706**	**112,096**	**2,082**
54-SUPPLIES									
201-54745	CASH OVER/SHORT	-	-	(10)	(22)	0.0%	22	28	(50)
201-54746	CHEMICAL SUPPLIES	280,440	284,342	19,372	93,223	32.8%	191,119	55,824	37,399
201-54752	FOOD	5,250	5,250	410	1,672	31.8%	3,578	947	725
201-54753	GROUNDWATER PURCHASES	35,000	35,000	6,125	6,125	17.5%	28,875	7,385	(1,260)
201-54756	JANITORIAL SUPPLIES	5,500	5,500	296	555	10.1%	4,945	1,845	(1,290)
201-54758	LAB EQUIPMENT & SUPPLIES	7,600	7,600	473	1,756	23.1%	5,845	443	1,313
201-54762	MINOR TOOLS & EQUIPMENT	28,271	28,588	4,930	11,290	39.5%	17,297	1,534	9,757
201-54763	MISCELLANEOUS SUPPLIES	7,361	7,361	756	2,494	33.9%	4,866	1,265	1,229
201-54764	MOTOR VEHICLE FUEL	83,252	82,935	5,361	15,791	19.0%	67,144	13,483	2,308
201-54765	OFFICE EQUIP/FURNITURE/FIXTR	525	525	-	-	0.0%	525	-	-
201-54766	OFFICE SUPPLIES	4,329	4,329	786	1,253	28.9%	3,076	404	849
201-54768	PLAQUES & AWARDS	550	550	-	-	0.0%	550	-	-
201-54769	POSTAGE	1,189	1,189	414	508	42.7%	681	3,390	(2,881)
201-54778	TECHNOLOGY SUPPLIES	7,506	7,506	-	-	0.0%	7,506	-	-
201-54779	WEARING APPAREL	13,200	12,950	909	2,989	23.1%	9,961	4,652	(1,662)
	***** EXPENSE CATEGORY TOTALS *****	**479,972**	**483,624**	**39,822**	**137,634**	**28.5%**	**345,989**	**91,199**	**46,436**
55-SERVICES									
201-55800	ACCOUNTING & AUDITING	17,100	17,100	-	-	0.0%	17,100	-	-
201-55802	BAD DEBT EXPENSE	35,000	35,000	-	(3,182)	-9.1%	38,182	-	(3,182)
201-55803	BANKING FEES	600	600	83	203	33.8%	398	203	-
201-55804	BILLING & COLLECTION SERVICES	54,250	54,250	4,530	14,023	25.8%	40,227	12,552	1,471
201-55806	CONSULTING SERVICES	250,000	250,000	-	-	0.0%	250,000	-	-
201-55809	CREDIT CARD PROCESSING FEES	150,000	144,479	22,954	44,048	30.5%	100,431	36,690	7,357
201-55811	ELECTROINC PAYMENT- UB CREDITS	29,328	29,328	2,563	10,298	35.1%	19,030	9,368	930
201-55812	ENGINEERING SERVICES	19,049	18,769	-	3,520	18.8%	15,249	14,657	(11,137)
201-55813	FEES & PERMITS	41,000	41,000	-	35,218	85.9%	5,782	34,202	1,017
201-55815	INSURANCE-PROPERTY, PLANT, & EQUIPMENT	103,414	103,414	-	99,992	96.7%	3,422	114,540	(14,549)
201-55818	LAB SERVICES	81,500	81,500	8,411	22,808	28.0%	58,692	29,525	(6,717)

		Original Total Budget	Current Total Budget	M-T-D Activity	Y-T-D Activity	% of Budget	Budget Remaining	Prior Year Y-T-D Activity	INC/(DEC) Prior Year
201-55819	LEASE/RENTAL OF EQUIPMENT	40,381	40,381	522	835	2.1%	39,546	17,040	(16,206)
201-55821	LEGAL ADVERTISING	2,985	2,985	-	-	0.0%	2,985	1,397	(1,397)
201-55824	MISCELLANEOUS SERVICES	19,691	25,212	11,435	25,657	101.8%	(445)	7,029	18,628
201-55826	PUBLIC COMMUNICATION	4,500	4,500	-	-	0.0%	4,500	-	-
201-55828	SOFTWARE	106,430	106,430	1,887	5,212	4.9%	101,218	65,763	(60,551)
201-55834	SOLID WASTE & SLUDGE DISPOSAL	288,240	288,240	27,096	81,888	28.4%	206,352	60,142	21,747
	***** EXPENSE CATEGORY TOTALS *****	**1,243,467**	**1,243,187**	**79,480**	**340,519**	**27.4%**	**902,668**	**403,107**	**(62,588)**
56-TRAVEL & EDUCATION EXPENDITURES									
201-56851	MEMBERSHIP DUES	717	754	-	163	21.6%	591	60	103
201-56852	TRAINING EXPENSES	12,665	12,665	-	1,141	9.0%	11,524	1,015	126
201-56853	TRAVEL & LODGING EXPENSES	2,595	2,595	-	-	0.0%	2,595	-	-
	***** EXPENSE CATEGORY TOTALS *****	**15,977**	**16,014**	**-**	**1,304**	**8.1%**	**14,710**	**1,075**	**229**
57-DEBT SERVICE									
201-57861	BOND ISSUANCE COST	-	-	-	-	0.0%	-	134,915	(134,915)
201-57862	CAPITAL LEASE INTEREST	15,695	15,695	-	-	0.0%	15,695	1,044	(1,044)
201-57863	CAPITAL LEASE PRINCIPAL	80,389	80,389	-	-	0.0%	80,389	55,805	(55,805)
	***** EXPENSE CATEGORY TOTALS *****	**96,084**	**96,084**	**-**	**-**	**0.0%**	**96,084**	**191,763**	**(191,763)**
58-CAPITAL EXPENDITURES									
201-58879	CAPITAL R/M LIFT STATIONS	53,770	53,770	600	33,753	62.8%	20,017	-	33,753
201-58880	CAPITAL BUILDINGS & STRUCTURES	2,432,200	2,432,200	-	-	0.0%	2,432,200	11,130	(11,130)
201-58881	CAPITAL MACHINERY & EQUIPMENT	147,750	147,750	-	-	0.0%	147,750	-	-
201-58882	CAPITAL MISCELLANEOUS	50,000	50,000	-	-	0.0%	50,000	1,805	(1,805)
201-58883	CAPITAL MOTOR VEHICLES	160,000	160,000	-	-	0.0%	160,000	-	-
201-58889	WATER SYSTEM IMPROVEMENTS	3,256,162	3,289,162	56,893	228,734	7.0%	3,060,428	-	228,734
201-58892	CAPITAL R/M BUILDINGS & STRUCTURES	25,000	25,000	92	5,361	21.4%	19,639	-	5,361
	***** EXPENSE CATEGORY TOTALS *****	**6,124,882**	**6,157,882**	**57,584**	**267,849**	**4.3%**	**5,890,033**	**12,935**	**254,914**
59-TRANSFERS OUT									
201-59900	TRANSFER TO GENERAL FUND	1,322,014	1,322,014	110,168	440,671	33.3%	881,343	474,005	(33,333)
201-59901	TRANSFER TO DEBT SERVICE FUND	1,069,287	1,069,287	89,107	356,429	33.3%	712,858	333,991	22,438
	***** EXPENSE CATEGORY TOTALS *****	**2,391,301**	**2,391,301**	**199,275**	**797,100**	**33.3%**	**1,594,201**	**807,996**	**(10,895)**
	***** TOTAL EXPENSE *****	**$ 13,491,340**	**$ 13,524,340**	**$ 585,271**	**$ 2,549,669**	**18.9%**	**$ 10,974,671**	**$ 2,357,613**	**$ 192,056**

NON MAJOR FUNDS SUMMARY

	102 DEBT SERVICE FUND	104 VEHICLE & EQUIPMENT REPLACEMENT FUND	110 GRANT FUND	111 HOTEL/MOTEL OCCUPANCY TAX FUND	112 COURT BUILDING SECURITY & TECHNOLOGY FUND	114 COURT CHILD SAFETY TRUST FUND
Beginning Fund Balance	**$ 342,315**	**$ 1,204,437**	**$ 39,566**	**$ 468,617**	**$ 148,539**	**$ 17,216**
Revenue						
Taxes	1,161,202	-	-	94,016	-	-
Franchise Fees	-	-	-	-	-	-
Intergovernmental Revenue	-	-	75,655	-	-	-
Fines & Forfeiture	-	-	-	-	7,740	382
License & Permits	-	-	-	-	-	-
Fees & Charges For Services	-	-	-	-	-	-
Investment Income	15,245	13,107	-	5,671	1,695	214
Miscellaneous Receipts	-	-	-	-	-	-
Transfers In	407,453	133,333	-	-	-	-
Total	**1,583,900**	**146,440**	**75,655**	**99,687**	**9,435**	**596**
Expense						
Employee Services	-	-	2,537	2,000	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	883	-	-
Supplies	-	-	8,401	1,133	-	-
Services	-	16,633	1,245	14,963	11,863	-
Travel & Education Expenditures	-	-	-	-	-	-
Debt Service	825	143,698	-	-	-	-
Capital Expenditures	-	238,606	1,066	-	-	-
Transfers Out	-	-	-	48,018	5,925	-
Total	**825**	**398,936**	**13,249**	**66,996**	**17,788**	**-**
Surplus (Deficit)	**1,583,075**	**(252,496)**	**62,406**	**32,691**	**(8,352)**	**596**
Ending Fund Balance	**$ 1,925,389**	**$ 951,941**	**$ 101,972**	**$ 501,308**	**$ 140,186**	**$ 17,812**

NON MAJOR FUNDS SUMMARY						Keep Jacksonville Beautiful
	115 POLICE STATE FORFEITURE FUND	116 POLICE FEDERAL FORFEITURE FUND	118 POLICE LEOSE	120 VENUE PROJECT FUND	TOTAL	301 BEAUTIFICATION FUND
Beginning Fund Balance	**$ 37,278**	**$ 3,723**	**$ 9,021**	**$ 30,935**	**$ 2,301,647**	**$ 22,043**
Revenue						
Taxes	-	-	-	26,862	**1,282,080**	-
Franchise Fees	-	-	-	-	**-**	-
Intergovernmental Revenue	-	-	-	-	**75,655**	-
Fines & Forfeiture	-	-	-	-	**8,122**	-
License & Permits	-	-	-	-	**-**	-
Fees & Charges For Services	-	-	-	15,384	**15,384**	-
Investment Income	457	46	126	184	**36,743**	250
Miscellaneous Receipts	-	-	-	13	**13**	788
Transfers In	-	-	-	22,768	**563,555**	2,000
Total	**457**	**46**	**126**	**65,212**	**1,981,553**	**3,038**
Expense						
Employee Services	-	-	-	23,686	**28,223**	-
Maintenance	-	-	-	6,013	**6,013**	-
Utilities	-	-	-	4,945	**5,828**	-
Supplies	-	-	-	6,353	**15,887**	8,153
Services	-	-	-	4,562	**49,265**	-
Travel & Education Expenditures	-	-	-	-	**-**	-
Debt Service	-	-	-	-	**144,523**	-
Capital Expenditures	-	-	-	-	**239,672**	-
Transfers Out	-	-	-	51,024	**104,967**	-
Total	**-**	**-**	**-**	**96,584**	**594,378**	**8,153**
Surplus (Deficit)	**457**	**46**	**126**	**(31,372)**	**1,387,175**	**(5,115)**
Ending Fund Balance	**$ 37,735**	**$ 3,769**	**$ 9,146**	**$ (437)**	**$ 3,688,822**	**$ 16,927**

Summary of Cash and Investment Activity

	Par Value	Book Value [1]	Market Value	Ratio Market-to-Book Value
Beginning Balances				
Cash	$ 19,161,014.59	$ 19,161,014.59	$ 19,161,014.59	100.00%
Investments	15,179,983.18	15,127,882.36	15,127,882.36	100.00%
Total	34,340,997.77	34,288,896.95	34,288,896.95	100.00%
Activity				
Cash	147,804.28	147,804.28	147,804.28	
Investments				
Net Accretion & Amortization	-	7,507.74	-	
Purchases	1,415,489.45	1,415,489.45	1,415,489.45	
Maturities/Calls	(10,978.65)	(10,978.65)	(10,978.65)	
Changes to Market Value	-	-	57,795.44	
Net Monthly Activity	1,552,315.08	1,559,822.82	1,610,110.52	
Ending Balances				
Cash	19,308,818.87	19,308,818.87	19,308,818.87	100.00%
Investments	16,584,493.98	16,539,900.90	16,590,188.60	100.30%
Total	$ 35,893,312.85	$ 35,848,719.77	$ 35,899,007.47	100.14%

[1] *Book value includes principal plus net accretion/amortization as required under GASB 31 and GASB 72 for financial statement reporting purposes. Accretion income is recognized annually in the City's modified* accrual-based financials.

Summary of Cash and Investment Activity

Purchase Date	Maturity Date	CUSIP / CD Number	Security Type	Par Value	Coupon	Purchase			Book Value - Cost Basis [1]	Market Value	Gain / (Loss)	Days to Maturity
						Price	Yield	Principal				
-	-	-	Cash- Austin Bank	$1,209,846	-	$ 100.000	3.830%	$ 1,209,846	$ 1,209,846	$ 1,209,846	$ -	1
-	-	-	Cash- BOK Financial (Escrow)	18,098,973	-	100.000	3.390%	18,098,973	18,098,973	18,098,973	-	1
-	-	PER991129	Money Market- Dreyfus Treas Sec CM Service	65,171	-	100.000	2.780%	65,171	65,171	65,171	-	1
-	-	31846V203	Money Market- First American Government	31,274	-	100.000	3.310%	31,274	31,274	31,274	-	1
-	-	-	Local Government Investment Pool- LOGIC	2,230,120	-	100.000	3.863%	2,230,120	2,230,120	2,230,120	-	1
-	-	-	Local Government Investment Pool- Lone Star	1,002,224	-	100.000	3.910%	1,002,224	1,002,224	1,002,224	-	1
-	-	-	Local Government Investment Pool- Texas FIT	5,503,704	-	100.000	3.970%	5,503,704	5,503,704	5,503,704	-	1
6/24/2025	1/31/2026	91282CBH3	US Government Issues- U S Treasury Note	1,124,000	0.375%	97.703	0.374%	1,098,183	1,098,183	1,124,000	25,817	0
6/24/2025	2/15/2026	912828P46	US Government Issues- U S Treasury Note	1,111,000	1.625%	98.367	3.328%	1,092,859	1,092,859	1,110,167	17,307	15
6/24/2025	3/15/2026	91282CGR6	US Government Issues- U S Treasury Note	1,082,000	4.625%	100.340	3.863%	1,085,677	1,085,677	1,082,909	(2,768)	43
6/24/2025	4/15/2026	91282CGV7	US Government Issues- U S Treasury Note	995,000	3.750%	99.691	3.646%	991,929	991,929	995,129	3,200	74
5/3/2024	5/4/2026	17312Q4UO	CD - Citibank Natl Assn Sioux Falls	249,000	-	100.000	4.980%	249,000	249,000	249,754	754	93
12/11/2025	5/15/2026	912828R36	US Government Issues- U S Treasury Note	1,000,000	1.625%	99.297	3.602%	991,250	991,250	994,290	3,040	104
12/19/2025	12/21/2026	41166MAQ8	CD - Harborstone Cr Un Lakewood Wash	249,000	-	100.000	3.840%	249,000	249,000	249,162	162	324
6/20/2024	12/21/2026	61768E5Q2	CD - Morgan Stanley Private Bk Natl Assn	248,000	-	100.000	4.990%	248,000	248,000	250,812	2,812	324
12/30/2025	12/30/2026	22282XAT7	CD - Covantage Cr Un Antigo Wis	249,000	-	100.000	3.840%	249,000	249,000	249,182	182	333
2/14/2025	2/16/2027	PER200HW2	CD - Comenity Bank Wilmington De	200,000	-	100.000	4.260%	200,000	200,000	199,501	(499)	381
3/28/2024	3/29/2027	369674CV6	CD - General Elec Cr Un Cincinnati	249,000	-	100.000	4.690%	249,000	249,000	251,806	2,806	422
4/30/2024	4/30/2027	91739JAG0	CD - Utah First Fed Cr Un Salt Lake City	249,000	-	100.000	4.690%	249,000	249,000	251,998	2,998	454
8/23/2024	8/23/2027	98138MCH1	CD - Workers Fed Cr Un Littleton Ma	249,000	-	100.000	3.980%	249,000	249,000	249,812	812	569
3/18/2025	9/20/2027	59013K5XO	CD - Merrick Bk South Jordan Utah	249,000	-	1.000	4.120%	249,000	249,000	250,454	1,454	597
1/6/2026	1/8/2029	38151PFC0	CD - Goldman Sachs Bk USA New York	249,000	-	1.000	3.750%	249,000	249,000	248,719	(281)	1,073

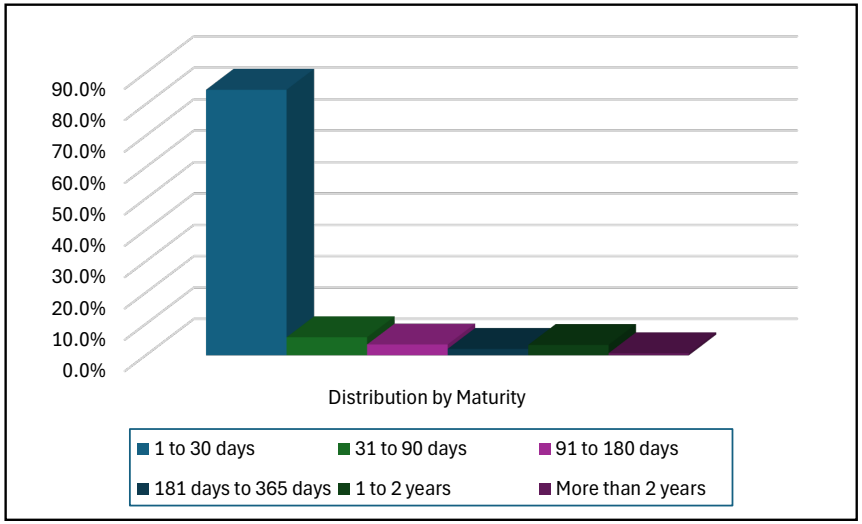
Summary of Cash and Investment Activity

Purchase Date	Maturity Date	CUSIP / CD Number	Security Type	Par Value	Coupon	Purchase			Book Value - Cost Basis [1]	Market Value	Gain / (Loss)	Days to Maturity
						Price	Yield	Principal				
Totals/Weighted Average				$ 35,893,313			3.533%	$ 35,841,212	$ 35,841,212	$ 35,899,007	$ 57,795	39
Benchmark - 6-week Treasury Bill Rates Coupon Equivalent							3.700%					

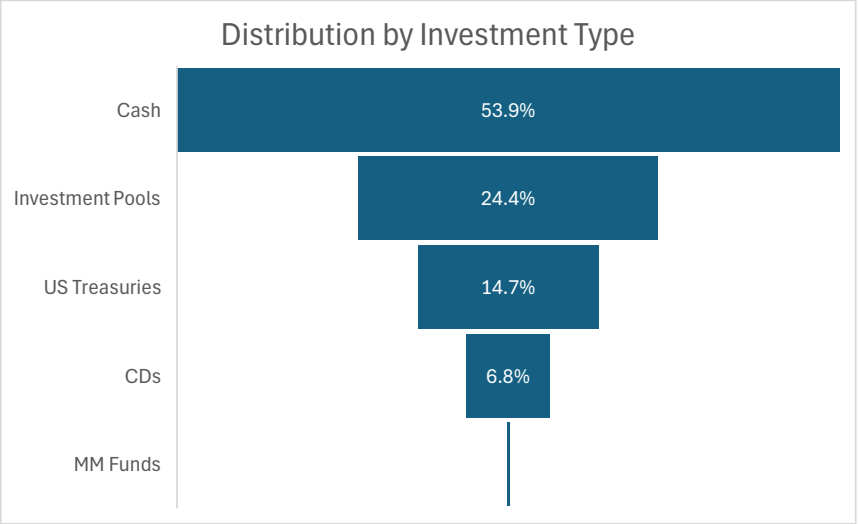
[1] *Book Value figures above reflect original principal/cost basis. Net accretion and amortization of $7,507 is recorded separately and included in the book value total on the summary page.*

Summary of Cash and Investment Activity

Distribution by Maturity		
	Par Value	Percent
1 to 30 days	$30,376,313	84.6%
31 to 90 days	2,077,000	5.8%
91 to 180 days	1,249,000	3.5%
181 days to 365 days	746,000	2.1%
1 to 2 years	1,196,000	3.3%
More than 2 years	249,000	0.7%
	$ 35,893,313	100.0%



Distribution by Investment Type		
	Book Value – Cost Basis [1]	Percent
Cash	$ 19,308,819	53.9%
Investment Pools	8,736,048	24.4%
US Treasuries	5,259,899	14.7%
CDs	2,440,000	6.8%
MM Funds	96,446	0.3%
	$ 35,841,212	100.0%



[1] *Book Value figures above reflect original principal/cost basis. Net accretion and amortization of $7,507 is recorded separately and included in the book value total on the summary page.*

Summary of Cash and Investment Activity

Transaction Information				Beginning			Ending		
Dates									
Purchase	Maturity	Description	Security Type	Par Value	Book Value	Market Value	Par Value	Book Value - Cost Basis [1]	Market Value
-	-	Dreyfus Treas Sec CM Service	Money Market Mutual Funds	$ 310,436	$ 310,436	$ 310,436	$ 65,171	$ 65,171	$ 65,171
-	-	First American Government	Money Market Mutual Funds	31,005	31,005	31,005	31,274	31,274	31,274
-	-	LOGIC	Local Government Investment Pool	1,727,162	1,727,162	1,727,162	2,230,120	2,230,120	2,230,120
-	-	Lone Star	Local Government Investment Pool	503,303	503,303	503,303	1,002,224	1,002,224	1,002,224
-	-	Texas FIT	Local Government Investment Pool	5,105,077	5,105,077	5,105,077	5,503,704	5,503,704	5,503,704
6/24/2025	1/31/2026	U S Treasury Note	US Government Issues	1,098,183	1,098,183	1,098,183	1,124,000	1,098,183	1,124,000
6/24/2025	2/15/2026	U S Treasury Note	US Government Issues	1,092,859	1,092,859	1,092,859	1,111,000	1,092,859	1,110,167
6/24/2025	3/15/2026	U S Treasury Note	US Government Issues	1,085,677	1,085,677	1,085,677	1,082,000	1,085,677	1,082,909
6/24/2025	4/15/2026	U S Treasury Note	US Government Issues	991,929	991,929	991,929	995,000	991,929	995,129
5/3/2024	5/4/2026	Citibank Natl Assn Sioux Falls	Certificate of Deposit	249,000	249,000	249,000	249,000	249,000	249,754
12/11/2025	5/15/2026	US Government Issues- U S Treasury Note	US Government Issues	991,250	991,250	991,250	1,000,000	991,250	994,290
12/19/2025	12/21/2026	Harborstone Cr Un Lakewood Wash	Certificate of Deposit	249,000	249,000	249,000	249,000	249,000	249,162
6/20/2024	12/21/2026	Morgan Stanley Private Bk Natl Assn	Certificate of Deposit	248,000	248,000	248,000	248,000	248,000	250,812
12/30/2025	12/30/2026	Covantage Cr Un Antigo Wis	Certificate of Deposit	249,000	249,000	249,000	249,000	249,000	249,182
2/14/2025	2/16/2027	Comenity Bank Wilmington De	Certificate of Deposit	200,000	200,000	200,000	200,000	200,000	199,501
3/28/2024	3/29/2027	General Elec Cr Un Cincinnati	Certificate of Deposit	249,000	249,000	249,000	249,000	249,000	251,806
4/30/2024	4/30/2027	Utah First Fed Cr Un Salt Lake City	Certificate of Deposit	249,000	249,000	249,000	249,000	249,000	251,998
8/23/2024	8/23/2027	Workers Fed Cr Un Littleton Ma	Certificate of Deposit	249,000	249,000	249,000	249,000	249,000	249,812
3/18/2025	9/20/2027	Merrick Bk South Jordan Utah	Certificate of Deposit	249,000	249,000	249,000	249,000	249,000	250,454
1/6/2026	1/8/2029	Goldman Sachs Bk USA New York	Certificate of Deposit	-	-	-	249,000	249,000	248,719

Summary of Cash and Investment Activity

Transaction Information				Beginning			Ending		
Dates									
Purchase	Maturity	Description	Security Type	Par Value	Book Value	Market Value	Par Value	Book Value - Cost Basis [1]	Market Value
Total of Investments				15,127,882	15,127,882	15,127,882	16,584,494	16,532,393	16,590,189
Cash					19,161,015	19,161,015		19,308,819	19,308,819
Total Investments & Cash					$ 34,288,897	$ 34,288,897		$ 35,841,212	$ 35,899,007

[1] *Book Value figures above reflect original principal/cost basis. Net accretion and amortization of $7,507 is recorded separately and included in the book value total on the summary page.*

Cash and Investment Distribution by Fund

Transaction Information		101 GENERAL FUND	102 DEBT SERVICE FUND	103 CAPITAL PROJECTS FUND	104 VEHICLE / EQUIPMENT REPLACEMENT FUND	110 GRANT FUND	111 HOTEL / MOTEL OCCUPANCY TAX FUND	112 COURT BUILDING SECURITY & TECHNOLOGY FUND	114 COURT CHILD SAFETY TRUST FUND
Description	Security Type								
LOGIC	Local Government Investment Pool	$ 499,910	$ 144,064	$ 1,263,243	$ 71,285	$ 23,226	$ 35,910	$ 10,510	$ 1,336
Lone Star	Local Government Investment Pool	499,923	144,068	35,322	71,287	23,226	35,911	10,510	1,336
Texas FIT	Local Government Investment Pool	1,125,626	324,382	3,326,629	160,510	52,296	80,858	23,664	3,008
FNC	MM Funds/Certificates of Deposit	1,249,614	360,113	88,290	178,190	58,057	89,764	26,271	3,340
US Bank	MM Funds/Comm. Paper/US Gov't Issues	2,639,311	760,595	186,478	376,356	122,622	189,592	55,486	7,054
Total of Investments		6,014,384	1,733,222	4,899,962	857,629	279,427	432,036	126,440	16,074
Cash		603,488	173,913	42,639	86,055	28,038	43,351	12,687	1,613
Total Investments & Cash		6,617,872	1,907,135	4,942,601	943,684	307,465	475,387	139,127	17,686

Transaction Information		115 POLICE STATE FORFEITURE FUND	116 POLICE FEDERAL FORFEITURE FUND	118 POLICE LEOSE FUND	120 VENUE PROJECT FUND	201 WATER & WASTEWATER UTILITY FUND	301 BEAUTIFICATION FUND	801 PAYROLL PAYABLES	TOTAL
Description	Security Type								
LOGIC	Local Government Investment Pool	2,830	283	686	453	172,590	1,255	2,540	2,230,120
Lone Star	Local Government Investment Pool	2,830	283	686	453	172,594	1,255	2,540	1,002,224
Texas FIT	Local Government Investment Pool	6,372	636	1,545	1,021	388,612	2,825	5,719	5,503,704
FNC	MM Funds/Certificates of Deposit	7,074	707	1,715	1,133	431,418	3,136	6,349	2,505,171
US Bank	MM Funds/Comm. Paper/US Gov't Issues	14,941	1,492	3,622	2,394	911,199	6,624	13,409	5,291,173
Total of Investments		34,048	3,400	8,253	5,455	2,076,413	15,094	30,556	16,532,393
Cash		3,416	341	828	547	18,307,322	1,515	3,066	19,308,819
Total Investments & Cash		$ 37,464	$ 3,742	$ 9,081	$ 6,002	$ 20,383,735	$ 16,609	$ 33,622	$ 35,841,212.03

Summary of Cash and Investment Activity

Summary of Investment Earnings

Description	101 GENERAL FUND	102 DEBT SERVICE FUND	103 CAPITAL PROJECTS FUND	104 VEHICLE / EQUIPMENT REPLACEMENT FUND	110 GRANT FUND	111 HOTEL / MOTEL OCCUPANCY TAX FUND	112 COURT BUILDING SECURITY & TECHNOLOGY FUND	114 COURT CHILD SAFETY TRUST FUND
Cash	$ 1,961.03	$ 565.13	$ 138.55	$ 279.64	$ 91.11	$ 140.87	$ 41.23	$ 5.24
LOGIC	1,096.20	315.90	4,092.23	156.31	50.93	78.74	23.05	2.93
Lone Star	1,109.54	319.75	78.39	158.22	51.55	79.70	23.33	2.97
Texas FIT	3,294.78	949.49	11,171.13	469.82	153.07	236.68	69.27	8.81
FNC	3,829.89	1,103.70	270.60	546.13	177.94	275.12	80.52	10.24
US Bank	5,349.27	1,541.55	377.95	762.79	248.53	384.26	112.46	14.30
Monthly Investment Earnings	**16,640.70**	**4,795.51**	**16,128.85**	**2,372.90**	**773.12**	**1,195.36**	**349.84**	**44.47**

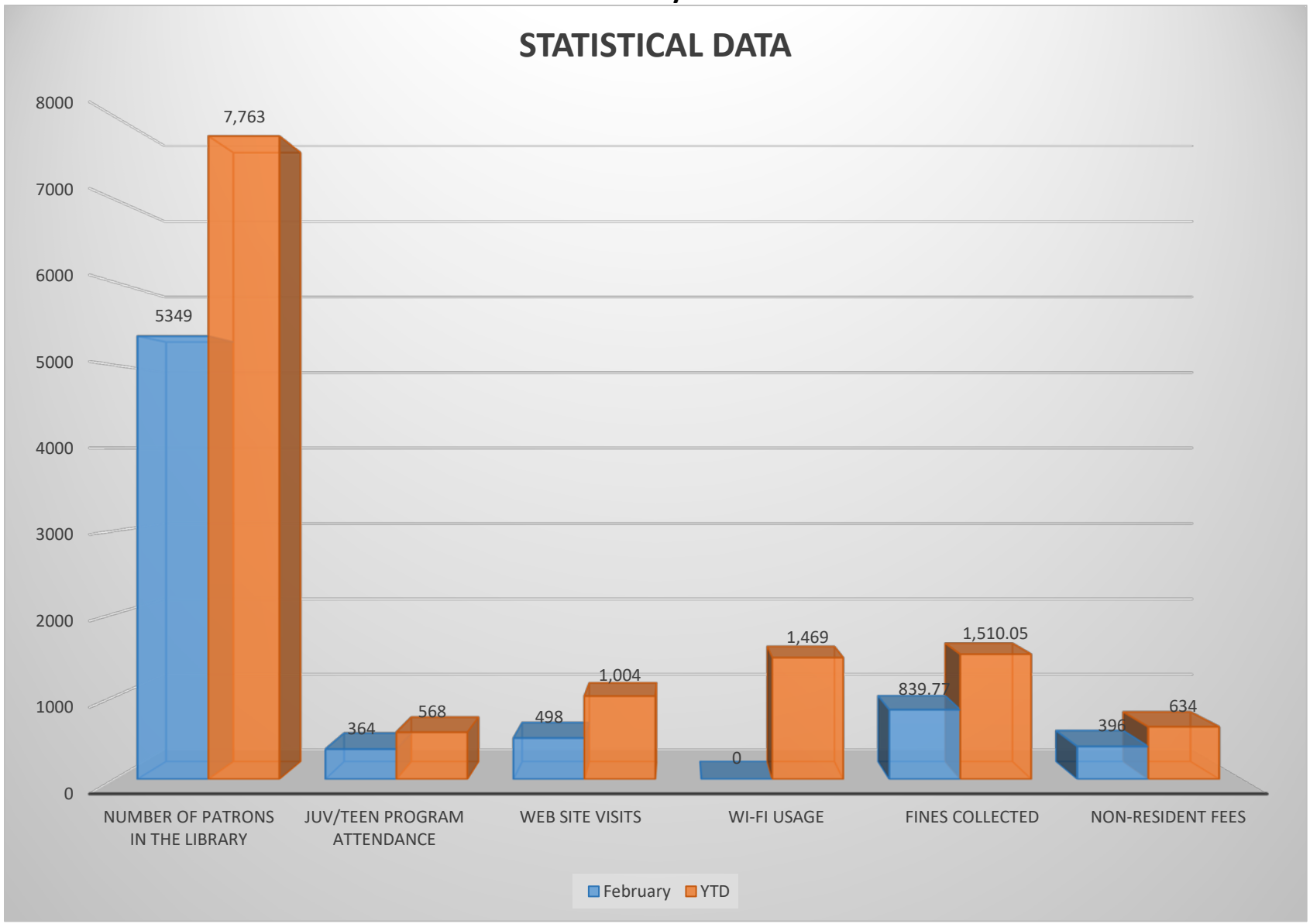
Summary of Investment Earnings

Description	115 POLICE STATE FORFEITURE FUND	116 POLICE FEDERAL FORFEITURE FUND	118 POLICE LEOSE FUND	120 VENUE PROJECT FUND	201 WATER & WASTEWATER UTILITY FUND	301 BEAUTIFICATION FUND	801 PAYROLL PAYABLES	TOTAL
Cash	11.10	1.11	2.69	1.78	50,234.40	4.92	9.96	**53,488.75**
LOGIC	6.21	0.62	1.50	0.99	378.45	2.75	5.57	**6,212.40**
Lone Star	6.28	0.63	1.52	1.01	383.06	2.78	5.64	**2,224.35**
Texas FIT	18.65	1.86	4.52	2.99	1,137.49	8.27	16.74	**17,543.56**
FNC	21.68	2.17	5.26	3.47	1,322.23	9.61	19.46	**7,677.99**
US Bank	30.28	3.02	7.34	4.85	1,846.79	13.43	27.18	**10,723.98**
Monthly Investment Earnings	**$ 94.20**	**$ 9.41**	**$ 22.83**	**$ 15.09**	**$ 55,302.42**	**$ 41.76**	**$ 84.54**	**$ 97,871.03**

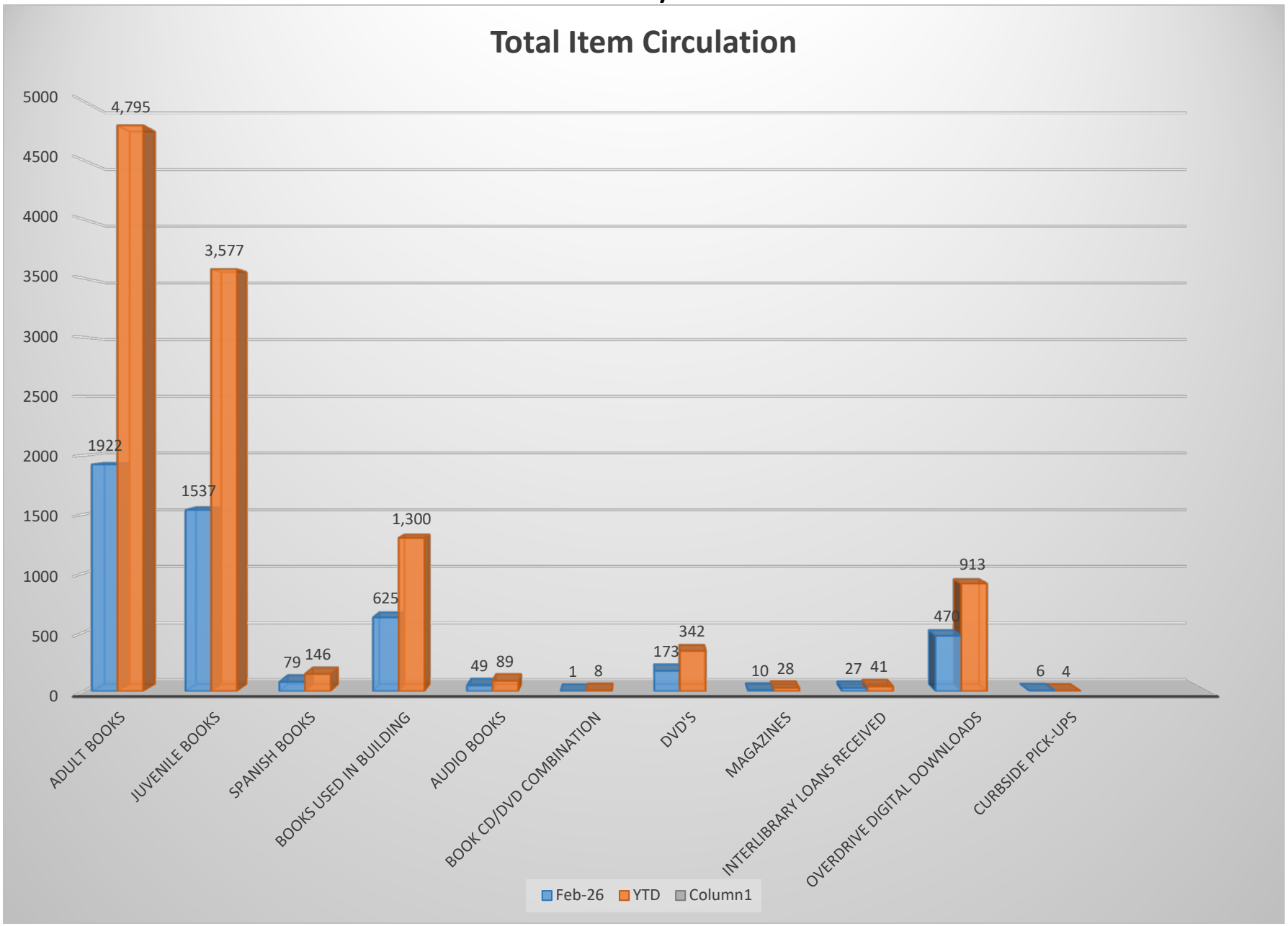
This monthly report is in full compliance with the investment strategies as established in the City's Investment Policies and the Public Funds Investment Act, Chapter 2256, Texas Government Code.

Roxanna Briley
Finance Director

CITY OF JACKSONVILLE
PUBLIC LIBRARY
MONTHLY REPORT
February 2026



CITY OF JACKSONVILLE
PUBLIC LIBRARY
MONTHLY REPORT
February 2026



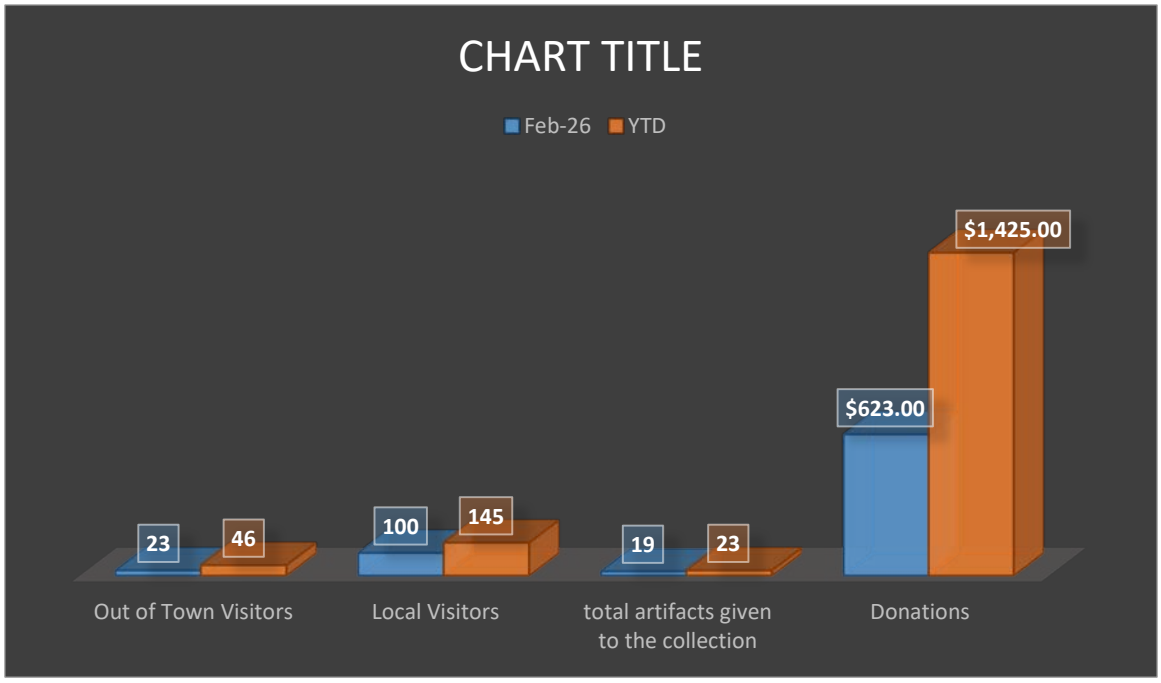
CITY OF JACKSONVILLE
PUBLIC LIBRARY
MONTHLY REPORT
February 2026

Items provided **to** other libraries through Interlibrary Loan: 16 monthly / 26 YTD total.

Book and DVD gifts to the library for the month of February: 36 items / 92 YTD items.

The data for this report was gathered on February 25, 2026.

CITY OF JACKSONVILLE
Vanishing Texana Museum
MONTHLY REPORT
February 2026



February 2026 total museum visitors - 123

Artifacts loaned for this month = 13

Special Events for this month - 6

JACKSONVILLE FIRE DEPARTMENT

MONTHLY REPORT

February 2026

INCIDENT COUNT

INCIDENT TYPE	# INCIDENTS PER MONTH and YEAR			
	Feb-26	Jan-26	Dec-26	Feb-YTD
EMS	179	211	241	390
FIRE	126	143	156	269
TOTALS:	305	354	397	659

MAJOR FIRE RESPONSE TYPES	# INCIDENTS Feb-26	% OF TOTAL Feb-26	FIRE RESPONSE SUBCATEGORIES	# INCIDENTS
FIRES	10	7.94%	Alarms: Non-Medical	10
			Citizen Assist	15
HAZARDOUS SITUATIONS	14	11.11%	Disaster Weather	0
			Good Intent	0
MEDICAL	69	54.76%	Hazard: Non-Chemical	9
			Hazardous Materials	2
NON-EMERGENCY	3	2.38%	Illness	49
			Injury: Trauma	20
PUBLIC SERVICE	25	19.84%	Investigation	3
			Outside Fire	8
OTHER	5	3.97%	Structure Fire	1
			Transportation Fire	1
			Other	0
			N/A	8
TOTAL:	126	100.00%		126

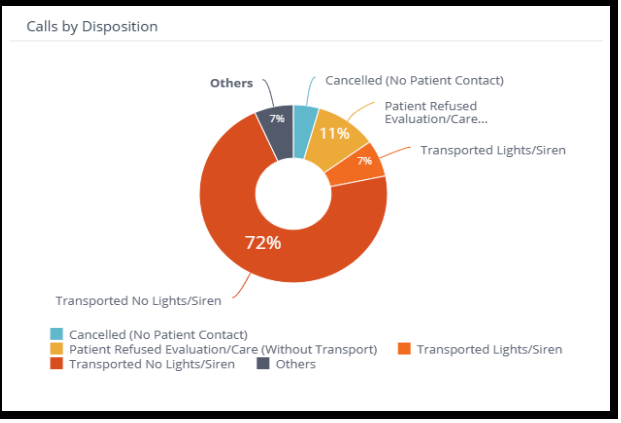
MUTUAL AID

MONTHS	Feb-26	Jan-26	Dec-26	Feb-YTD
AID RECEIVED	0	0	0	0
AID GIVEN	6	18	15	24

EMS INCIDENT: DISPOSITION

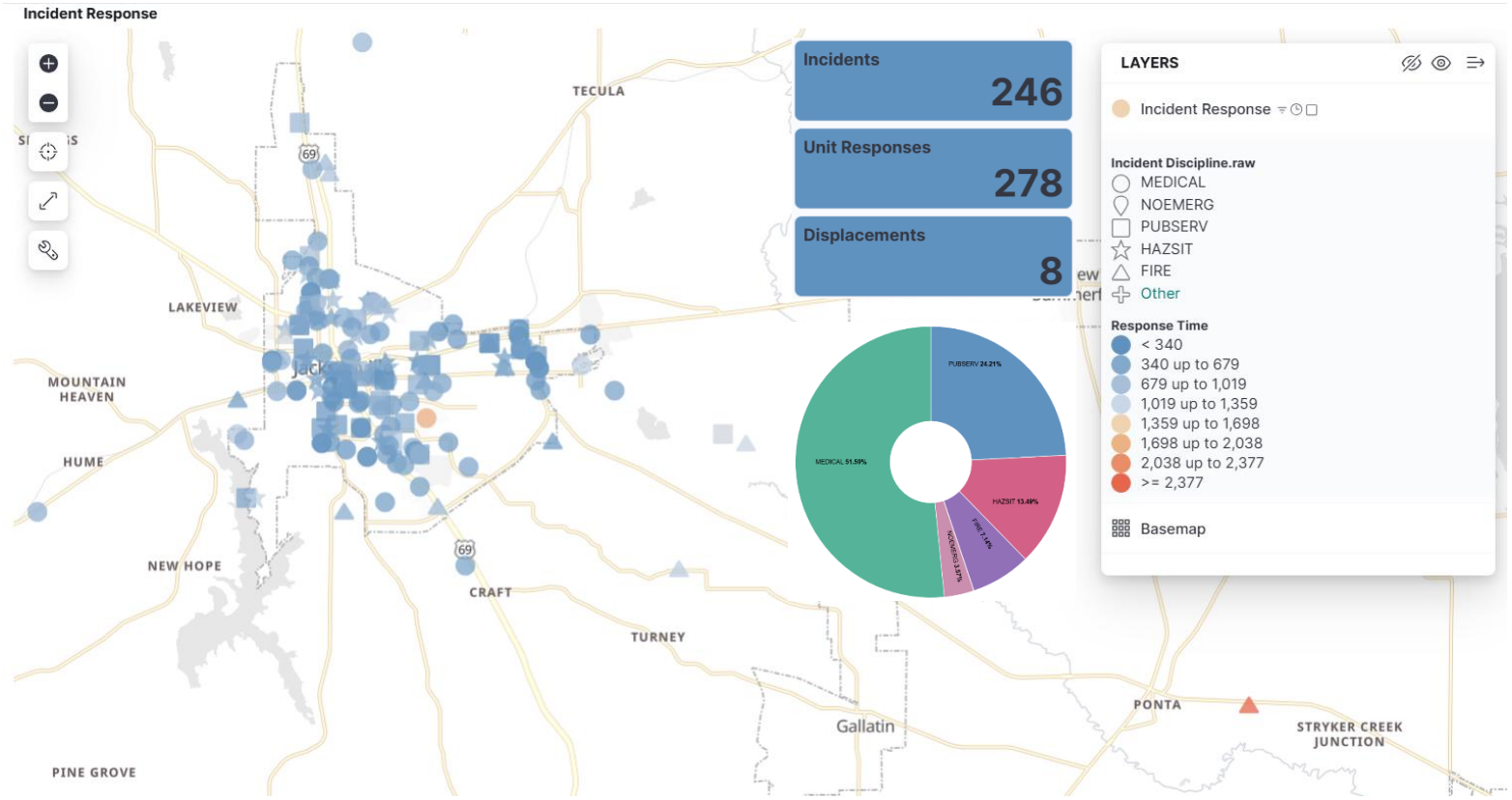
TOP 5 EMS CALL TYPES

1	Trauma
2	Generalized Weakness/Malaise/Fatigue
3	Chest Pain/Cardiac
4	Respiratory/Shortness of Breath
5	Abdominal

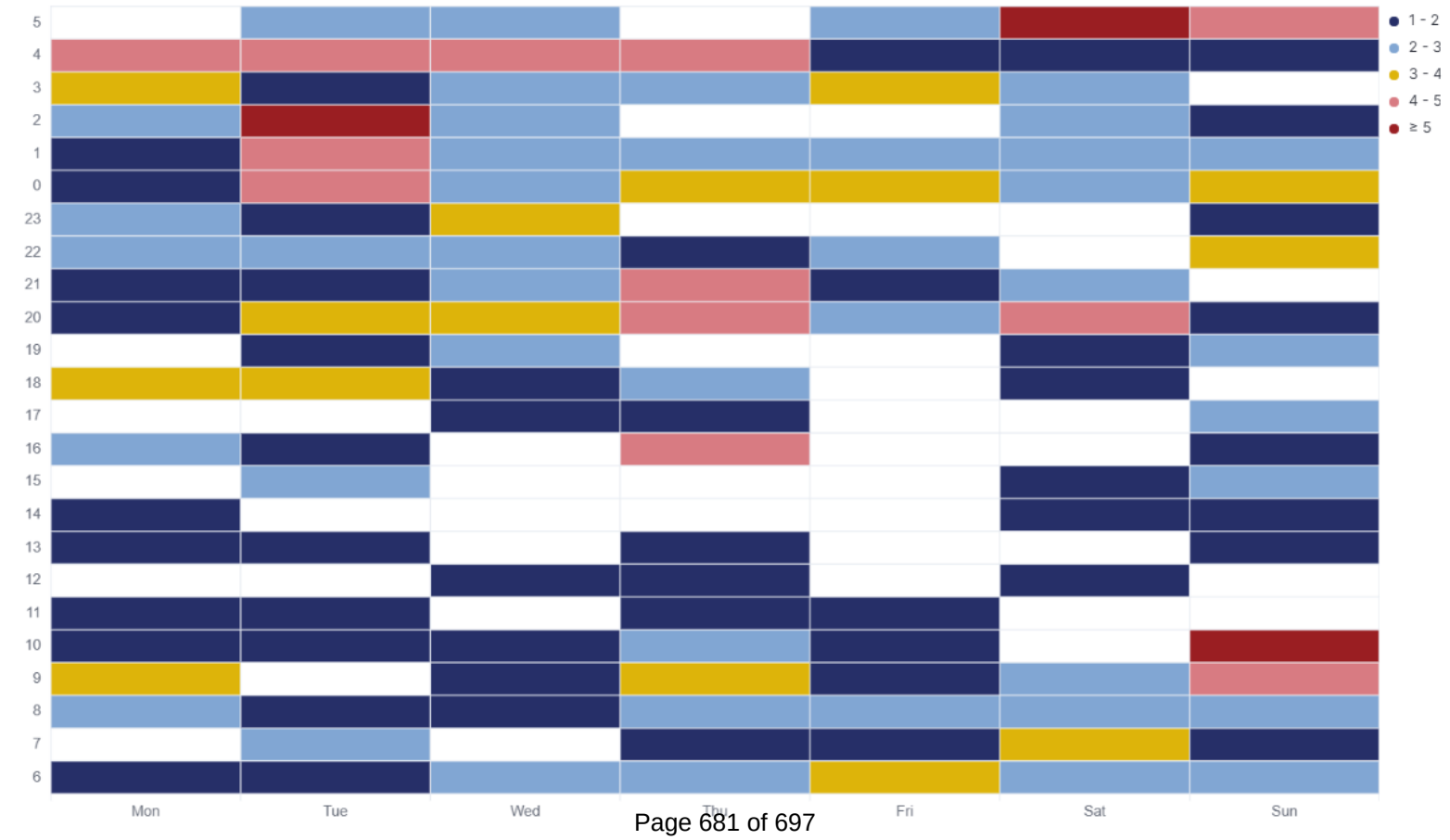


Fire Apparatus Responses

January 1, 2026 – March 3, 2026

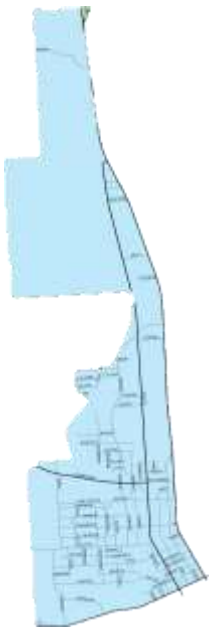


Incident Count by Hour and Day

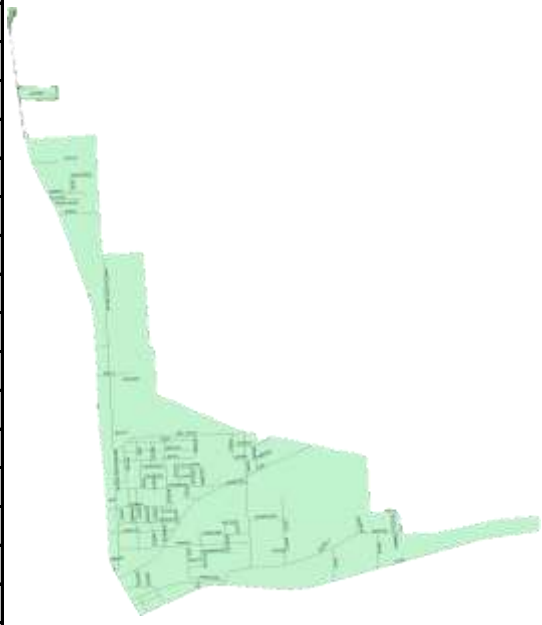


February, 2026

Patrol District 1	
Offense Category	**Monthly Total**
Murder	
Rape	
Robbery	0
Individual	
Business	
Assaults	3
Aggravated	
Other Assaults	3
Burglary	0
Habitation	
Building	
Theft	2
Burglary Vehicle	
Burglary Coin-Op Machine	
Thefts	2
Motor Vehicle Theft	
Total Offenses	5



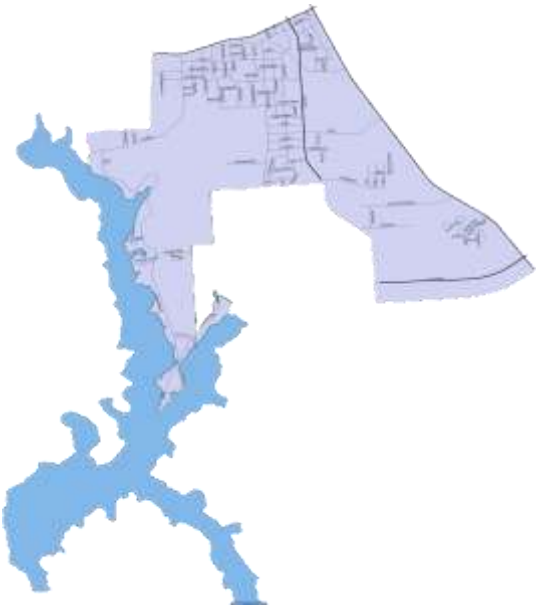
Patrol District 2	
Offense Category	**Monthly Total**
Murder	
Rape	
Robbery	0
Individual	
Business	
Assaults	2
Aggravated	1
Other Assaults	1
Burglary	0
Habitation	
Building	
Theft	0
Burglary Vehicle	
Burglary Coin-Op Machine	
Thefts	
Motor Vehicle Theft	
Total Offenses	2

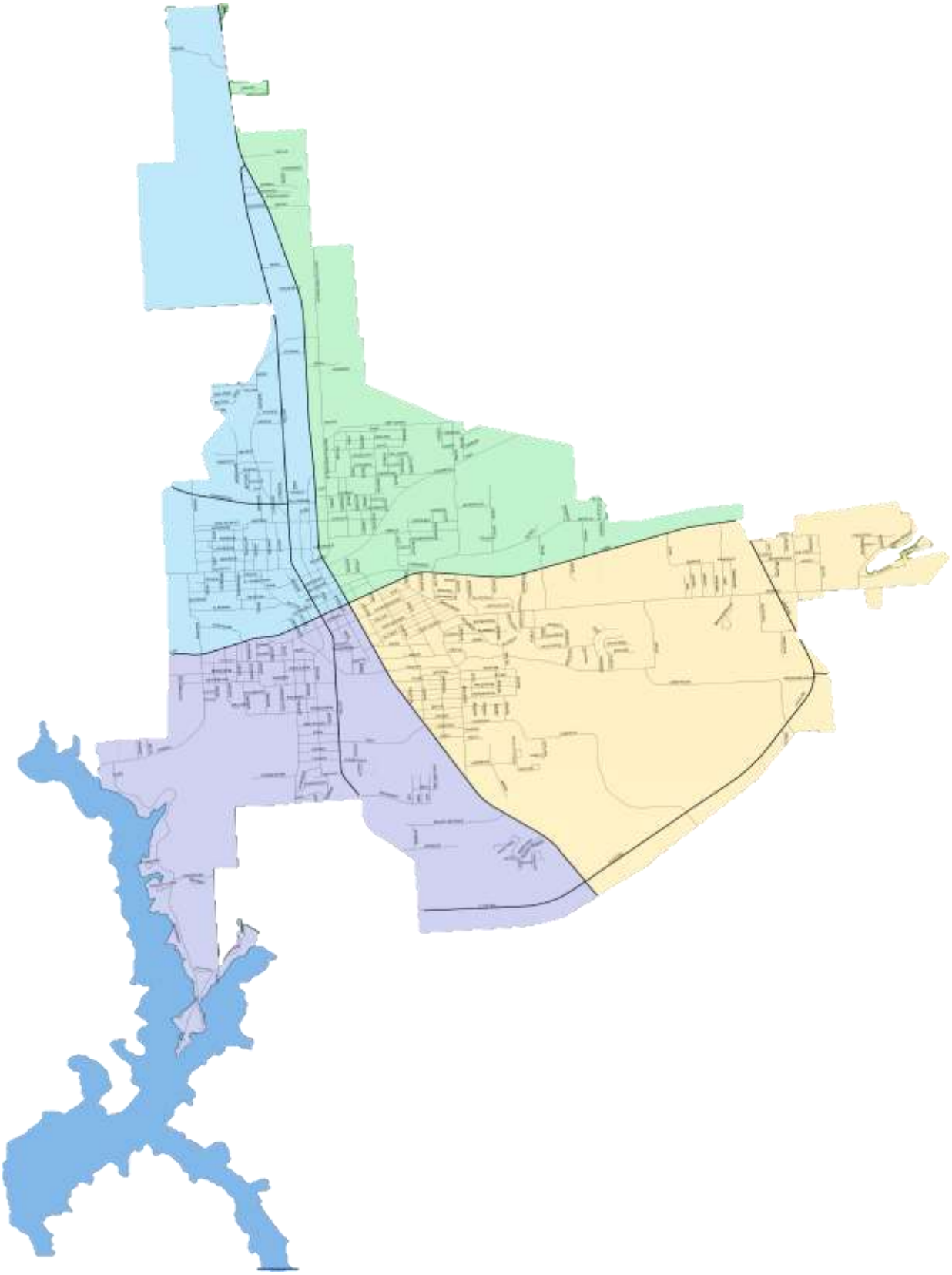


Patrol District 3	
Offense Category	**Monthly Total**
Murder	
Rape	
Robbery	0
Individual	
Business	
Assaults	4
Aggravated	1
Other Assaults	3
Burglary	0
Habitation	
Building	
Theft	1
Burglary Vehicle	
Burglary Coin-Op Machine	
Thefts	1
Motor Vehicle Theft	
Total Offenses	5



Patrol District 4	
Offense Category	**Monthly Total**
Murder	
Rape	2
Robbery	0
Individual	
Business	
Assaults	3
Aggravated	
Other Assaults	3
Burglary	0
Habitation	
Building	
Theft	8
Burglary Vehicle	
Burglary Coin-Op Machine	
Thefts	8
Motor Vehicle Theft	
Total Offenses	13





Total for All Districts	
Offense Category	**Monthly Total**
Murder	0
Rape	2
Robbery	0
Individual	0
Business	0
Assaults	12
Aggravated	2
Other Assaults	10
Burglary	0
Habitation	0
Building	0
Theft	11
Burglary Vehicle	0
Burglary Coin-Op Machine	0
Thefts	11
Motor Vehicle Theft	0
Total Offenses	25

JACKSONVILLE POLICE DEPARTMENT

MONTHLY REPORT
January 2026

POPULATION DATA		
January-25	14,550	
January-26	14,639	
Annual Growth	89	0.61%

PART 1 UCR CRIMES

	MONTHLY				YEAR TO DATE					
Offense Category	Monthly Totals	Previous Month's Totals	Amount of Change	Percent Increase/Decrease	YTD 2026	2026 Per 1000/capita	YTD 2025	2025 Per 1000/capita	Amount of Change	Percent Increase/ Decrease
Murder	**0**	**0**	**No Change**	***NC**	**0**	**0.00**	**0**	**0.00**	**No Change**	***NC**
Rape	**2**	**0**	**2**	***NC**	**2**	**0.14**	**0**	**0.00**	**2**	***NC**
Robbery	**0**	**2**	**-2**	**-100.00**	**2**	**0.14**	**1**	**0.07**	**1**	**100.00**
Individual	0	1	-1	-100.00	1	0.07	1	0.07	No Change	0.00
Business	0	1	-1	-100.00	1	0.07	0	0.00	1	*NC
Assaults	**12**	**9**	**3**	**33.33**	**21**	**1.43**	**35**	**2.41**	**-14**	**-40.00**
Aggravated	2	0	2	*NC	2	0.14	1	0.07	1	100.00
Other Assaults	10	9	1	11.11	19	1.30	34	2.34	-15	-44.12
Burglary	**0**	**1**	**-1**	**-100.00**	**1**	**0.07**	**6**	**0.41**	**-5**	**-83.33**
Habitation	0	0	No Change	*NC	0	0.00	2	0.14	-2	-100.00
Building	0	1	-1	-100.00	1	0.07	4	0.27	-3	-75.00
Theft	**11**	**7**	**4**	**57.14**	**18**	**1.23**	**25**	**1.72**	**-7**	**-28.00**
Burglary Vehicle	0	1	-1	-100.00	1	0.07	1	0.07	No Change	0.00
Burglary Coin-Op Machine	0	0	No Change	*NC	0	0.00	0	0.00	No Change	*NC
Thefts	11	6	5	83.33	17	1.16	24	1.65	-7	-29.17
Motor Vehicle Theft	**0**	**1**	**-1**	-100.00	**1**	0.07	**2**	0.14	**-1**	-50.00
TOTAL OFFENSES	**25**	**20**	**5**	**25.00**	**45**	**3.07**	**33**	**2.27**	**12**	**36.36**

TRAFFIC CRASH SUMMARY

	MONTHLY				YEAR TO DATE					
ACTIVITY	Monthly Totals	Previous Month's Totals	Amount of Change	Percent Increase/Decrease	YTD 2026	2026 Per 1000/capita	YTD 2025	2025 Per 1000/capita	Amount of Change	Percent Increase/ Decrease

Motor Vehicle Crashes	19	25	-6	-24.00	44	3.01	49	3.37	-5	-10.20
Injury Crashes	3	8	-5	-62.50	11	0.75	13	0.89	-2	-15.38
Number Transported	5	6	-1	-16.67	11	0.75	14	0.96	-3	-21.43
Fatality Crashes	1	0	1	*NC	1	0.07	0	0.00	1	*NC
Fatalities	1	0	1	*NC	1	0.07	0	0.00	1	*NC

PATROL & TRAFFIC DIVISIONS ACTIVITY

	MONTHLY				YEAR TO DATE					
ACTIVITY	**Monthly Totals**	**Previous Month's Totals**	**Amount of Change**	**Percent Increase/Decrease**	**YTD 2026**	**2026 Per 1000/capita**	**YTD 2025**	**2025 Per 1000/capita**	**Amount of Change**	**Percent Increase/ Decrease**
Calls for Service	1,943	2,186	-243	-11.12	4,129	282.05	3,926	269.83	203	5.17
Citations	362	345	17	4.93	607	41.46	626	43.02	-19	-3.04
Offense Reports	147	98	49	50.00	245	16.74	243	2730.34	2	0.82
Response Time Avg. Emergency	2.38	1.53	0.85	55.56	2.15		2.30		-0.15	-6.52
Response Time Avg. Non-Emer.	2.22	3.11	-0.89	-28.62	3.10		4.40		-1.30	-29.55

COMMUNICATIONS DIVISION ACTIVITY

	MONTHLY				YEAR TO DATE					
ACTIVITY	**Monthly Totals**	**Previous Month's Totals**	**Amount of Change**	**Percent Increase/Decrease**	**YTD 2026**	**2026 Per 1000/capita**	**YTD 2025**	**2025 Per 1000/capita**	**Amount of Change**	**Percent Increase/ Decrease**
NCIC/TCIC Entries	376	447	-71	-15.88	823	56.22	890	61.17	-67	-7.53
911 Calls - Total	300	315	-15	-4.76	615	42.01	588	40.41	27	4.59
911 Calls - Police	175	172	3	1.74	347	23.70	297	20.41	50	16.84
911 Calls - Fire	79	95	-16	-16.84	174	11.89	167	11.48	7	4.19
911 Calls - EMS	129	146	-17	-11.64	275	18.79	306	21.03	-31	-10.13

CRIMINAL INVESTIGATION DIVISION ACTIVITY

	MONTHLY				YEAR TO DATE					
ACTIVITY	**Monthly Totals**	**Previous Month's Totals**	**Amount of Change**	**Percent Increase/Decrease**	**YTD 2026**	**2026 Per 1000/capita**	**YTD 2025**	**2025 Per 1000/capita**	**Amount of Change**	**Percent Increase/ Decrease**
Cases Assigned	34	2	32	1600.00	36	2.46	76	5.22	-40	-52.63
Cases Cleared	24	2	22	1100.00	26	1.78	89	6.12	-63	-70.79
Cases Filed (Misdemeanor)	0	0	No Change	*NC	0	0.00	146	10.03	-146	-100.00

Cases Filed (Felony)	0	0	No Change	*NC	0	0.00	73	5.02	-73	-100.00
Cases Filed (Juvenile)	2	0	2	*NC	2	0.14	2	0.14	No Change	0.00

ARRESTS

	MONTHLY				YEAR TO DATE					
ACTIVITY	**Monthly Totals**	**Previous Month's Totals**	**Amount of Change**	**Percent Increase/Decrease**	**YTD 2026**	**2026 Per 1000/capita**	**YTD 2025**	**2025 Per 1000/capita**	**Amount of Change**	**Percent Increase/ Decrease**
DWI Arrest	9	8	1	12.50	17	1.16	29	1.99	-12	-41.38
Adult Arrests	102	72	30	41.67	174	11.89	129	8.87	45	34.88
City Warrant Cleared	133	74	59	79.73	207	14.14	106	7.29	101	95.28
Drug Related Arrests	34	21	13	61.90	55	3.76	30	2.06	25	83.33
Juvenile Arrests	2	1	1	100.00	3	0.20	1	0.07	2	200.00

POLICE PERSONNEL

	MONTHLY				YEAR TO DATE					
ACTIVITY	**Monthly Totals**	**Previous Month's Totals**	**Amount of Change**	**Percent Increase/Decrease**	**YTD 2026**	**2026 Per 1000/capita**	**YTD 2025**	**2025 Per 1000/capita**	**Amount of Change**	**Percent Increase/ Decrease**
TCOLE Training Hours	71	1,566	-1495	-95.47	1,627	111.14	370	25.43	1257	339.73
Community Meetings	3	3	No Change	0.00	6	0.41	6	0.41	No Change	0.00
Lake Patrol Hours	0	1	-1	-100.00	1	0.07	0	0.00	1	*NC
Volunteer Hours	0	0	No Change	*NC	0	0.00	31	2.13	-31	-100.00
Volunteer Security Checks	0	0	No Change	*NC	0	0.00	40	2.75	-40	-100.00
Open Records Requests	20	19	1	5.26	39	2.66	270	18.56	-231	-85.56
Special Events	1	2	-1	-50.00	3	0.20	4	0.27	-1	-25.00

CODE ENFORCEMENT ACTIVITY

	MONTHLY				YEAR TO DATE					
ACTIVITY	**Monthly Totals**	**Previous Month's Totals**	**Amount of Change**	**Percent Increase/Decrease**	**YTD 2026**	**2026 Per 1000/capita**	**YTD 2025**	**2025 Per 1000/capita**	**Amount of Change**	**Percent Increase/ Decrease**
Inspections - Trash	8	1	7	700	9	0.61	71	4.88	-62	-87.3
- Junk Vehicles	2	1	1	100	3	0.20	21	1.44	-18	-85.7
- Grass/Weeds	0	1	-1	-100	1	0.07	2	0.14	-1	-50.0
- Illegal Signs	8	3	5	167	11	0.75	101	6.94	-90	-89.1

	- Unsafe Conditions	0	0	No Change	*NC	0	0.00	1	0.07	-1	-100.0
	- Vendors	0	0	No Change	*NC	0	0.00	3	0.21	-3	-100.0
	- Other	2	0	2	*NC	2	0.14	5	0.34	-3	-60.0
Resolved	- Trash	4	1	3	300	5	0.34	50	3.44	-45	-90.0
	- Junk Vehicles	2	1	1	100	3	0.20	7	0.48	-4	-57.1
	- Grass/Weeds	0	1	-1	-100	1	0.07	0	0.00	1	*NC
	- Illegal Signs	8	3	5	167	11	0.75	101	6.94	-90	-89.1
	- Unsafe Conditions	0	0	No Change	*NC	0	0.00	0	0.00	No Change	*NC
	- Vendors	0	0	No Change	*NC	0	0.00	3	0.21	-3	-100.0
	- Other	0	0	No Change	*NC	0	0.00	5	0.34	-5	-100.0

ANIMAL SERVICES ACTIVITY

	MONTHLY				YEAR TO DATE					
ACTIVITY	**Monthly Totals**	**Previous Month's Totals**	**Amount of Change**	**Percent Increase/Decrease**	**YTD 2026**	**2026 Per 1000/capita**	**YTD 2025**	**2025 Per 1000/capita**	**Amount of Change**	**Percent Increase/ Decrease**
Dogs - Intake	23	25	-2	-8	48	3.28	66	4.54	-18	-27.3
Dogs - Adopted / Rescued	8	5	3	60	13	146.07	22	1.51	-9	-40.9
Dogs - Reclaimed by Owner	1	12	-11	-92	13	0.89	15	1.03	-2	-13.3
Cats - Intake	0	7	-7	-100	7	0.48	15	1.03	-8	-53.3
Cats - Adopted / Rescued	8	7	1	14	15	1.02	15	1.03	No Change	0.0
Cats - Reclaimed by Owner	0	0	No Change	*NC	0	0.00	1	0.07	-1	-100.0
Calls for Service Total	52	66	-14	-21	118	8.06	226	15.53	-108	-47.8
Barking Dogs	0	0	No Change	*NC	0	0.00	0	0.00	No Change	*NC
Loose Animals	32	46	-14	-30	78	5.33	175	12.03	-97	-55.4
Other Wildlife - Livestock	1	1	No Change	0	2	0.14	4	0.27	-2	-50.0
Value of Donated Materials	$263	$300	-37	-12	$563	38.46	$1,400	96.22	-$837	-59.8
Volunteer Hours	100	0	100	*NC	100	6.83	9	0.62	91	1011.1
Community Service Hours	409	932	-523	-56	1,341	91.60	249	17.11	1092	438.6

Jacksonville City Council

AGENDA ITEM REPORT

AGENDA DATE:	3/10/2026	ITEM NUMBER:	20.
DEPARTMENT:	Administration	PREPARED BY:	
INITIATED BY:		EXHIBITS:	CenterPoint-GRIP-2026-Beaumont_E. Tx Div-Suspension-Resolution-ACM-FINAL-022826, CenterPoint-GRIP-2026-Beaumont_E. Tx Div-Suspension-Resolution-ACM-AIS-FINAL-022826
ITEM TITLE:	CONSIDER WITH POSSIBLE ACTION A RESOLUTION DELAYING THE CENTERPOINT GRIP RATE INCREASE 45 DAYS		

EXECUTIVE SUMMARY:

RESOLUTION NO. 03-2026-01

ACTION TO SUSPEND THE EFFECTIVE DATE PROPOSED BY CENTERPOINT ENERGY RESOURCES CORP. d/b/a CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS, BEAUMONT/EAST TEXAS DIVISION, TO INCREASE RATES UNDER THE GAS RELIABILITY INFRASTRUCTURE PROGRAM, FOR 45 DAYS, AND AUTHORIZE THE CITY'S CONTINUED PARTICIPATION IN A COALITION OF CITIES KNOWN AS THE "ALLIANCE OF CENTERPOINT MUNICIPALITIES" ("ACM") OF CITIES

ALLIANCE OF CENTERPOINT MUNICIPALITIES

The City is a member of the Alliance of CenterPoint Municipalities ("ACM"). ACM was organized by a number of municipalities served by CenterPoint Energy Resources Corp. d/b/a/ CenterPoint Energy Entex and CenterPoint Energy Texas Gas, Beaumont/East Texas Division ("CenterPoint") and has been represented by the law firm of Herrera Law & Associates, PLLC to assist in reviewing applications to change rates submitted by CenterPoint.

"GRIP" RATE APPLICATION

Under section 104.301 of the Gas Utility Regulatory Act ("GURA"), a gas utility is allowed to request increases in its rates to recover a return on investments it makes between rate cases. This section of GURA is commonly referred to as the "GRIP" statute, that is, the "Gas Reliability Infrastructure Program."

The Supreme Court of Texas concluded that a filing made under the GRIP statute permitted gas utilities the opportunity to recover return on capital expenditures made during the interim period between rate cases by applying for interim rate adjustment and that proceedings under the GRIP statute did not contemplate either adjudicative hearings or substantive review of utilities' filings for interim rate adjustments. Instead, the Court concluded, the GRIP statute provides for a *ministerial* review of the utility's filings to ensure compliance with the GRIP statute and the Railroad Commission's rules, and that it is within the Railroad Commission's authority to preclude cities from intervening and obtaining a hearing before the Railroad Commission. The Court's opinion has severely limited a city's ability to perform a meaningful review of a gas-utility's GRIP filing.

CENTERPOINT'S "GRIP" APPLICATION

On or about February 17, 2026, CenterPoint filed for an increase in gas utility rates under the Gas Reliability Infrastructure Program ("GRIP") (Gas Utility Regulatory Act, § 104.301). CenterPoint's application if approved by the Commission will result in an increase in the monthly customer charges as shown below:

	Current	Proposed 2026 Interim

Rate Schedule	Customer Charge	Rate Adjustment	Adjusted Charge	Increase Per Bill
R-2099-I-GRIP 2026; R-2099-U-GRIP 2026 Residential	$27.86 per customer per month	$2.47 per customer per month	$30.33 per customer per month	$2.47 per customer per month
GSS-2099-I-GRIP 2026; GSS-2099-U-GRIP 2026 General Service Small	$53.12 per customer per month	$4.18 per customer per month	$57.30 per customer per month	$4.18 per customer per month
GSLV-630-I-GRIP 2026; GSLV-630-U-GRIP 2026 General Service Large Volume	$290.89 per customer per month	$55.23 per customer per month	$346.12 per customer per month	$55.23 per customer per month

CenterPoint's proposed increase results in the following percentage increases in a customer's fixed customer charge in its Houston Division:

Residential Customer: 8.7% increase in customer charge
Commercial Customer: 7.9% increase in customer charge
General Service – Large Volume: 19.0% increase in customer charge

REVIEW AND ACTION RECOMMENDED

Although the City's ability to review and effectuate a change in CenterPoint's requested increase is limited, the City should exercise due diligence with regard to rate increases of monopoly utilities who operate within its boundaries, including increases requested under the GRIP statute to ensure compliance with the requirements of that law. This includes whether CenterPoint's current rates produce a rate of return in excess of its authorized rate of return.

To exercise its due diligence, it is necessary to suspend CenterPoint's proposed effective date of April 18, 2026 for forty-five days, so that the City can evaluate whether the data and calculations in CenterPoint's rate application are correctly done.

Therefore, ACM's Special Counsel, the law firm of Herrera Law & Associates, PLLC recommends that the City adopt a resolution suspending CenterPoint's proposed effective date for 45 days. Assuming a proposed effective date of April 18, 2026, CenterPoint's proposed effective date is suspended until June 2, 2026.

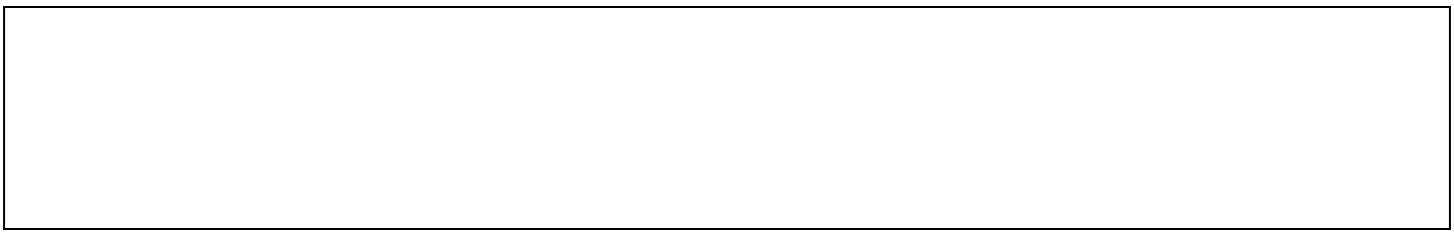
RECOMMENDED ACTION:

Approve the resolution delaying Centerpoint's GRIP rate increase.

BID AND AWARD:

BUDGET DATA:

BUDGET JUSTIFICATION:



STRAGEGY MAP

Citizens First	Strengthen Neighborhoods	Manage the "Business"	Focus on Infrastructure	Planning and Preparedness
1.1 Customer-centric service and processes ☐	2.1 Code compliance and updates ☐	3.1 Maintain a well-trained professional workforce ☐	4.1 Assess the condition of infrastructure ☐	5.1 Diversify the tax base ☐
1.2 Leverage the talent and input of citizens ☐	2.2 Parks, recreation, and community building ☐	3.2 Proactively seek process improvements ☐	4.2 Strengthen routine maintenance programs ☐	5.2 Leverage and maximize City facilities ☐
1.3 Transparent and engaging communication ☐	2.3 Community policing and crime prevention ☐	3.3 Ensure financial stability and stewardship ☐	4.3 Adopt a capital improvement program ☐	5.3 Disasters and emergencies ☐
1.4 Ensure value of services ☐	2.4 Preserve and revitalize existing neighborhoods ☐	3.4 Pursue partnerships and grants ☐	4.4 Protect natural resources ☐	5.4 Comprehensive community planning ☐

POLICY/GOAL CONSIDERATION:

LEGAL:

Counsel for the Alliance of Centerpoint Municipalites reviewed the notice and prepared the resolution.

RESOLUTION NO._____

A RESOLUTION BY THE CITY OF JACKSONVILLE, TEXAS, ("CITY") REGARDING THE INTERIM RATE ADJUSTMENT APPLICATION OF CENTERPOINT ENERGY RESOURCES CORP. d/b/a CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS, BEAUMONT/EAST TEXAS DIVISION, FOR THE 12 MONTH PERIOD ENDING DECEMBER 31, 2025.

WHEREAS, on or about February 17, 2026, CenterPoint Energy Resources Corp. d/b/a/ CenterPoint Energy Entex and CenterPoint Energy Texas Gas, Beaumont/East Texas Division ("CenterPoint") filed an application for an interim rate adjustment/Gas Reliability Infrastructure Program ("GRIP"), which if approved, results in an increase in the monthly customer charges as follows:

Rate Schedule	Current Customer Charge	Proposed 2026 Interim Rate Adjustment	Adjusted Charge	Increase Per Bill
R-2099-I-GRIP 2026; R-2099-U-GRIP 2026 Residential	$27.86 per customer per month	$2.47 per customer per month	$30.33 per customer per month	$2.47 per customer per month
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and

WHEREAS, the City has a responsibility to exercise due diligence with regard to rate increases of monopoly utilities who operate within its boundaries; and

WHEREAS, the application to increase rates by CenterPoint is complex; and

WHEREAS, it is necessary to suspend the effective date for the increase in rates for forty-five days, so that the City can assure itself that the data and calculations in CenterPoint's rate application are in accordance with the Section 104.301 of the Gas Utility Regulatory Act; and

WHEREAS, the effective date proposed by CenterPoint is April 18, 2026 but a suspension by the City will mean that the rate increase cannot go into effect prior to June 2, 2026.

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

Section 1. That the statements and findings set out in the preamble to this resolution are hereby in all things approved and adopted.

Section 2. The City suspends the requested effective date by CenterPoint for forty-five days pursuant to the authority granted the City under Section 104.301 of the Texas Utilities Code. The City finds that additional time is needed in order to review the data and calculations that provide the basis for the rate increase application.

Section 3. The City shall continue its participation with other cities that are part of a coalition of cities known as the Alliance of CenterPoint Municipalities ("ACM").

Section 4. The City authorizes the law firm of Herrera Law & Associates, PLLC, to act on its behalf in connection with CenterPoint's application to increase rates.

Section 5. To the extent allowed by law, CenterPoint is ordered to pay the City's reasonable rate case expenses incurred in response to CenterPoint's rate increase application within 30 days of receipt of invoices for such expenses.

Section 6. A copy of this Resolution shall be transmitted to ACM's Special Counsel, Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, P.O. Box 302799, Austin, Texas 78703 or via email to aherrera@herreralawpllc.com.

Section 7. The meeting at which this resolution was approved was in all things conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 8. This resolution shall be effective immediately upon passage.

PASSED AND APPROVED this _____ day of _____ 2026.

_____
MAYOR

ATTEST:

_____
CITY CLERK

AGENDA INFORMATION SHEET

AGENDA ITEM NO. _____

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