



College Station, TX

City Hall
1101 Texas Ave
College Station, TX 77840

Meeting Agenda - Final

City Council Regular

Thursday, August 22, 2019

6:00 PM

City Hall Council Chambers

1. Call to Order, Pledge of Allegiance, Invocation, Consider Absence Request.

Hear Visitors: During this time a citizen may address the City Council on any item which does not appear on the posted Agenda. Registration forms are available in the Office of the City Secretary. This form should be completed and returned to the office by 5:30 PM on the day of the Council meeting. Upon stepping to the podium the speaker must state their name and city of residence, including the state of residence if the city is located out of state. Speakers are encouraged to identify their College Station neighborhood or geographic location. Each speaker's remarks are limited to three minutes. A group of five or more may register at the Office of the City Secretary by 5:30 PM on the day of the meeting and designate an individual to speak for 10 minutes on their behalf. All signers must be in attendance when the speaker is introduced and may not speak individually during Hear Visitors. A speaker who wishes to include computer-based information while addressing the Council must provide the electronic file to the City Secretary by noon on the day of the Council meeting. During presentations a series of timer lights will change from green to yellow and an alarm will sound after two and one-half or nine and one-half minutes to signal thirty seconds remaining. When time expires the timer light will change to red, the final alarm will sound, and the speaker must conclude the remarks. The City Council will listen and receive the information presented by the speaker, ask staff to look into the matter, or place the issue on a future agenda. Topics of operational concerns shall be directed to the City Manager. Comments should not personally attack other speakers, Council or staff.

Consent Agenda

At the discretion of the Mayor, individuals may be allowed to speak on a Consent Agenda Item. Individuals who wish to address the City Council on a consent agenda item not posted as a public hearing shall register with the City Secretary prior to the Mayor's reading of the agenda item. Registration forms are available in the lobby and at the desk of the City Secretary.

2. Presentation, discussion, and possible action on consent agenda items which consists of ministerial or "housekeeping" items required by law. Items may be removed from the consent agenda by majority vote of the Council.

- 2a. [19-0438](#)** Presentation, discussion, and possible action on minutes for:
- August 8, 2019 Workshop
 - August 8, 2019 Regular
 - August 12, 2019 Budget

- August 13, 2019 Budget
- August 14, 2019 Budget

Sponsors:

Smith

Attachments:[WKSHP080819 DRAFT Minutes](#)[RM080819 DRAFT Minutes](#)[BUDWKSHP081219 DRAFT Minutes Updated](#)[BUDWKSHP081319 DRAFT Minutes Updated](#)[BUDWKSHP081419 DRAFT Minutes Updated](#)**2b. [19-0393](#)**

Presentation, discussion, and possible action on a contract with Invoke, LLC not to exceed \$888,946.48 for Microsoft products and services for the Microsoft Office 365 project implementation, training, and software licenses for three years.

Sponsors:

Menon

Attachments:[Invoke Contract Office 365](#)**2c. [19-0408](#)**

Presentation, discussion, and possible action regarding awarding a contract for Annual Padmount Equipment Repair and Restoration to Utility Restoration Services Inc. in the amount of \$321,644.66.

Sponsors:

Crabb

Attachments:[19-069 Tabulation sheet](#)**2d. [19-0409](#)**

Presentation, discussion, and possible action regarding the award of a contract to TransGard, LLC for the purchase, delivery and installation of animal control fencing at five (5) electric substations for a not to exceed amount of \$256,750.

Sponsors:

Crabb

Attachments:[19300674 Sole Source approval](#)**2e. [19-0424](#)**

Presentation, discussion, and possible action regarding an ordinance amendment to Chapter 8, "Businesses," Article IV, "Gravediggers," Division 2 "License," Section 8-145 "Application," and Section 8-146 "Requirements and Qualifications," of the Code of Ordinances of the City of College Station, Texas, by amending certain sections relating to Gravediggers License; providing a severability clause; declaring a penalty; and providing an effective date.

Sponsors:

Schmitz

Attachments:[Grave Digging Ord. Amend. LW. 2.docx](#)**2f.. [19-0427](#)**

Presentation, discussion, and possible action to ratify and approve the renewal of the letter agreement for Professional Auditing Services with BKD, LLP for an amount not to exceed \$89,390.

Sponsors: Leonard

Attachments: [Contract 18300669 Prof Auditing Services Ren1](#)

- 2g. [19-0437](#) Presentation, discussion, and possible action regarding approval of the renewal of the City's annual blanket orders for electric meters and sockets with estimated annual expenditures of: Anixter Inc., \$37,952; Priester Mell & Nicholson, \$164,363 and for Texas Electric Cooperative for \$22,230. The total recommended renewal is for an amount not to exceed \$224,545.

Sponsors: Leonard

Attachments: [18300687R1 PMN Anixter TEC ltrs](#)

- 2h. [19-0448](#) Presentation, discussion, and possible action regarding a Resolution in support of the 2020 U.S. Census.

Sponsors: Chafin

Attachments: [2020 Census Resolution](#)

Regular Agenda

Individuals who wish to address the City Council on an item posted as a Public Hearing shall register with the Office of the City Secretary. Registration forms are available in the Office of the City Secretary. This form should be completed and returned to the office by 5:30 PM on the day of the Council meeting. Upon stepping to the podium the speaker must state their name and city of residence, including the state of residence if the city is located out of state. Speakers are encouraged to identify their College Station neighborhood or geographic location. Each speaker's remarks are limited to three minutes. A group of five or more may register at the Office of the City Secretary by 5:30 PM on the day of the meeting and designate an individual to speak for 10 minutes on their behalf. All signers must be in attendance when the speaker is introduced and may not speak individually during that Public Hearing. A speaker who wishes to include computer-based information while addressing the Council must provide the electronic file to the City Secretary by noon on the day of the Council meeting. During presentations a series of timer lights will change from green to yellow and an alarm will sound after two and one-half or nine and one-half minutes to signal thirty seconds remaining. When time expires the timer light will change to red, the final alarm will sound, and the speaker must conclude the remarks. If Council needs additional information from the general public after the Public Hearing is closed some limited comments may be allowed at the discretion of the Mayor. Comments should not personally attack other speakers, Council or staff.

1. [19-0446](#) Public Hearing, presentation, discussion, and possible action on the City of College Station 2020 advertised ad valorem tax rate of \$0.534618 per \$100 valuation resulting in an increase in tax revenues. Also discussion and possible action on announcing the meeting date, time and place to adopt the tax rate.

Sponsors:

Leonard

2. [19-0419](#) Public Hearing, presentation, discussion, and possible action regarding approval of a Strategic Partnership Agreement between the City and Brazos County Municipal Utility District No.2.

Sponsors:

Prochazka

Attachments:[MUD 2 SPA - Final](#)

3. [19-0432](#) Presentation, discussion, and possible action regarding approval of a contract granting Community Development Partnership Grant (CDBG) funds to Elder-Aid, Inc. in the amount of \$463,026 for the purchase and rehabilitation costs related to the creation of four affordable rental units located at 3312-3314 Normand and 3337-3339 Longleaf.

Sponsors:

Eller

Attachments:[CDBG Funding Agreement 2019 Elder-Aid
Location Map](#)

4. Presentation, discussion, and possible action on future agenda items and review of standing list of Council generated agenda items: A Council Member may inquire about a subject for which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.

5. Adjourn.

The City Council may adjourn into Executive Session to consider any item listed on this agenda if a matter is raised that is appropriate for Executive Session discussion. An announcement will be made of the basis for the Executive Session discussion.

I certify that the above Notice of Meeting was posted at College Station City Hall, 1101 Texas Avenue, College Station, Texas, on August 16, 2019 at 5:00 p.m.



City Secretary

This building is wheelchair accessible. Persons with disabilities who plan to attend this meeting and who may need accommodations, auxiliary aids, or services such as interpreters, readers, or large print are asked to contact the City Secretary's Office at (979) 764-3541, TDD at 1-800-735-2989, or email adaassistance@cstx.gov at least two business days prior to the meeting so that appropriate arrangements can be made. If the City does not receive notification at least two business days prior to the meeting, the City will make a reasonable attempt to provide the necessary accommodations.

Penal Code § 30.07. Trespass by License Holder with an Openly Carried Handgun.

"Pursuant to Section 30.07, Penal Code (Trespass by License Holder with an Openly

Carried Handgun) A Person Licensed under Subchapter H, Chapter 411, Government Code (Handgun Licensing Law), may not enter this Property with a Handgun that is Carried Openly."

Codigo Penal § 30.07. Traspasar Portando Armas de Mano al Aire Libre con Licencia.

"Conforme a la Seccion 30.07 del codigo penal (traspasar portando armas de mano al aire libre con licencia), personas con licencia bajo del Sub-Capitulo H, Capitulo 411, Codigo de Gobierno (Ley de licencias de arma de mano), no deben entrar a esta propiedad portando arma de mano al aire libre."

Legislation Details (With Text)

File #: 19-0438 **Version:** 1 **Name:** Minutes
Type: Minutes **Status:** Consent Agenda
File created: 8/12/2019 **In control:** City Council Regular
On agenda: 8/22/2019 **Final action:**

Title: Presentation, discussion, and possible action on minutes for:

- August 8, 2019 Workshop
- August 8, 2019 Regular
- August 12, 2019 Budget
- August 13, 2019 Budget
- August 14, 2019 Budget

Sponsors: Tanya Smith

Indexes:

Code sections:

Attachments: [WKSHP080819 DRAFT Minutes](#)
[RM080819 DRAFT Minutes](#)
[BUDWKSHP081219 DRAFT Minutes Updated](#)
[BUDWKSHP081319 DRAFT Minutes Updated](#)
[BUDWKSHP081419 DRAFT Minutes Updated](#)

Date	Ver.	Action By	Action	Result
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Presentation, discussion, and possible action on minutes for:

- August 8, 2019 Workshop
- August 8, 2019 Regular
- August 12, 2019 Budget
- August 13, 2019 Budget
- August 14, 2019 Budget

Relationship to Strategic Goals:

- Good Governance

Recommendation(s): Approval

Summary: N/A

Budget & Financial Summary: None

Attachments:

- August 8, 2019 Workshop
- August 8, 2019 Regular
- August 12, 2019 Budget
- August 13, 2019 Budget

- August 14, 2019 Budget

MINUTES OF THE CITY COUNCIL WORKSHOP
CITY OF COLLEGE STATION
AUGUST 8, 2019

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Karl Mooney, Mayor

Council:

Bob Brick
Jerome Rektorik
Linda Harvell
Elianor Vessali
John Nichols
Dennis Maloney

City Staff:

Jeff Capps, Deputy City Manager
Jeff Kersten, Assistant City Manager
Carla Robinson, City Attorney
Tanya Smith, City Secretary
Ian Whittenton, Deputy City Secretary

1. Call to Order and Announce a Quorum is Present

With a quorum present, the Workshop of the College Station City Council was called to order by Mayor Mooney at 4:01 p.m. on Thursday, August 8, 2019 in the Council Chambers of the City of College Station City Hall, 1101 Texas Avenue, College Station, Texas 77840.

2. Executive Session

In accordance with the Texas Government Code §551.071-Consultation with Attorney, and §551.074-Personnel, the College Station City Council convened into Executive Session at 4:01 p.m. on Thursday, August 8, 2019 in order to continue discussing matters pertaining to:

A. Consultation with Attorney to seek advice regarding pending or contemplated litigation; to wit:

- Kathryn A. Stever-Harper as Executrix for the Estate of John Wesley Harper v. City of College Station and Judy Meeks; No. 15,977-PC in the County Court No. 1, Brazos County, Texas; and
- McCrory Investments II, LLC d/b/a Southwest Stor Mor v. City of College Station; Cause No. 17-000914-CV-361; In the 361st District Court, Brazos County, Texas
- City of College Station v. Gerry Saum, Individually, and as Independent Executrix of the Estate of Susan M. Wood, Deceased; Cause No. 17-002742-CV-361; In the 361st District Court, Brazos County, Texas
- Carrie McIver v. City of College Station; Cause No. 18-003271-CV-85; In the 85th District Court, Brazos County, Texas

B. Consultation with attorney to receive legal advice; to wit:

- Legal issues related to a contract associated with the Enterprise Resource Planning (ERP) System.

C. Deliberation on the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer; to wit:

- Council Self-Evaluation
- City Manager

Executive Session recessed at 5:00 p.m.

3. Reconvene from Executive Session and take action, if any.

No vote or action was taken in Executive Session.

4. Presentation, possible action and discussion on items listed on the consent agenda.

Items 2c, 2e, and 2g, were pulled from Consent for clarification.

(2c): Sindhu Menon, Information Technologies Chief Information Officer, provided a brief overview regarding the currently used two-way radio models being at the end of useful life and nearing end of support. The units need to be replaced with current and supported replacements to ensure communication in the field among department personnel.

(2e): Debbie Eller, Community Services Director, provided a brief overview regarding the proposed plans and budget that were developed using input received from a series of public hearings, program committee meetings, and citizen input. Since the last time this item was before council, there were 4 meeting attendees and 2 emails with positive feedback on the proposed plans.

(2g): Emily Fisher, Capital Projects Manager, provided a brief overview regarding the amendment to the contract that includes an increased design fee for the addition of square footage to the new city hall. During schematic design of the new city hall, it was determined that some departments not included in the original scope of the project should be incorporated in the new building. This increases the design fee by \$357,000, and the amendment also revises other sections of the contract with Kirksey, including the schedule and total project budget.

5. Presentation, discussion, and possible action regarding training and educational reimbursement for city employees.

Barbara Moore, City Manager's Office, stated that the city encourages employees to pursue training, education, and certification for fulfillment of their department and the city's needs. There are various training and educational opportunities for employees that require reimbursement. She presented a brief look at the current training and education opportunities available to employees and the reimbursement policies for those programs, which includes police and fire academies.

Reimbursement Programs:

- Currently two programs require reimbursements if employee leaves within 24 months of receiving their education/training:

- ✓ Police Academy: If employee leaves within 24 months of hire, which includes academy training, reimbursement is required.
- ✓ Education Reimbursement: If employee leaves within 24 months of receiving education reimbursement, then last semester reimbursement is required.

Education Reimbursement Program Goals:

- To provide educational assistance to eligible employees for qualified courses that promote professional and personal growth and enhances the city's workforce capabilities.
 - ✓ The courses taken must be related to the employee's current position, or
 - ✓ Directly related to a degree plan that upon completion, may increase the employee's advancement potential within the city.

Work in Progress/Under Consideration:

- Consideration of additional training and certification programs to require reimbursement based on "time in job" expectations.
- Continuing to enhance our internal training offerings to reduce some external training needs.
- Reviewing our current education reimbursement program for potential changes.
- Taking a holistic view of our current training/certifications/development opportunities and external training offerings to balance required certifications, skills, upskills, retention and promotion needs, while being fiscally responsible.

6. Presentation, discussion, and possible action regarding an overview of the home sharing rental model, the primary providers in the online marketplace, and impacts on municipalities.

Brian Piscacek, City Manager's Office, presented an overview on Voluntary Collection Agreements (VCAs) between various cities; including those in Texas with "Airbnb," a primary provider of online short-term rental bookings. He also explained home sharing rental model and its effect on cities, including impacts locally on tax collection, regulation, and enforcement.

Home Sharing Rental Model:

- Primary providers
 - Airbnb
 - ✓ Founded in 2008, operates in nearly 100,000 cities across 191 countries; 6+ million places to stay
 - ✓ Maintains "Voluntary Collection Agreements" (VCAs) with 43 US states and approximately 370 local entities
 - Expedia Group: owner of Home Away, VRBO, Vacation Rentals, and others

Collection of Hotel Occupancy Taxes:

- State of Texas:
 - Airbnb VCA, 5/1/2017
 - Home Away agreement, 4/1/2019
- Cities in Texas:
 - Plano, 5/1/2019
 - Houston, 7/1/2019

Addressing the Question of Short-Term Rentals:

- Opportunities
 - Access this growing market for untapped revenue stream for additional HOT
 - Create a more level playing field from a HOT perspective
 - Allow for agreements with Airbnb and Home Away, which would collect and remit HOT taxes to City
 - Concerns about major commercial STR enterprises in College Station likely not as significant as other cities
 - Review existing UDO
- Challenges
 - Cost/benefit of revenue collected: actual dollars vs. requirements of effective enforcement
 - Perceived favoritism to certain lodging operators
 - Indirect effects of intermittent stays
 - Limited information from providers regarding stays (e.g., Airbnb)
 - Impact on affordable housing

Staff's recommendation is to move forward with research and benchmarking; maintain current ordinances and enforcement; review UDO, with 2 public hearings, receive P&Z and Council input; and consideration of agreements with home sharing providers.

Council directed staff to move forward with recommendations as presented.

7. Council Calendar

Council reviewed the calendar.

8. Discussion, review, and possible action regarding the following meetings: Animal Shelter Board, Annexation Task Force, Arts Council of Brazos Valley, Architectural Advisory Committee, Arts Council Sub-committee, Audit Committee, Bicycle, Pedestrian, and Greenways Advisory Board, Bio-Corridor Board of Adjustments, Blinn College Brazos Valley Advisory Committee, Brazos County Health Dept., Brazos Valley Council of Governments, Brazos Valley Economic Development Corporation, Bryan/College Station Chamber of Commerce, Budget and Finance Committee, BVSWMA, BVWACS, Compensation and Benefits Committee, Comprehensive Plan Evaluation Committee, Experience Bryan-College Station, Design Review Board, Economic Development Committee, FBT/Texas Aggies Go to War, Gulf Coast Strategic Highway Coalition, Historic Preservation Committee, Interfaith Dialogue Association, Intergovernmental Committee, Joint Relief Funding Review Committee, Landmark Commission, Library Board, Metropolitan Planning Organization, Parks and Recreation Board, Planning and Zoning Commission, Research Valley Technology Council, Regional Transportation Committee for Council of Governments, Sister Cities Association, Spring Creek Local Government Corporation, Transportation and Mobility Committee, TAMU Economic Development, TAMU Student Senate, Texas Municipal League, Twin City Endowment, Walk with the Mayor, YMCA, Youth Advisory Council, Zoning Board of Adjustments, (Notice of Agendas posted on City Hall bulletin board).

Councilmember Nichols reported on Chamber of Commerce Legislative Affairs.

Councilmember Brick reported on the Arts Council.

9. Adjournment

There being no further business, Mayor Mooney adjourned the workshop of the College Station City Council at 6:29 p.m. on Thursday, August 8, 2019.

Karl Mooney, Mayor

ATTEST:

Tanya Smith, City Secretary

MINUTES OF THE REGULAR CITY COUNCIL MEETING
CITY OF COLLEGE STATION
AUGUST 8, 2019

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Karl Mooney, Mayor

Council:

Bob Brick
Jerome Rektorik
Linda Harvell
Elianor Vessali
John Nichols
Dennis Maloney

City Staff:

Jeff Capps, Deputy City Manager
Jeff Kersten, Assistant City Manager
Carla Robinson, City Attorney
Tanya Smith, City Secretary
Ian Whittenton, Deputy City Secretary

Call to Order and Announce a Quorum is Present

With a quorum present, the Regular Meeting of the College Station City Council was called to order by Mayor Mooney at 6:38 p.m. on Thursday, August 8, 2019 in the Council Chambers of the City of College Station City Hall, 1101 Texas Avenue, College Station, Texas 77840.

1. Pledge of Allegiance, Invocation, consider absence request.

Hear Visitors Comments

Elianor Vessali, College Station, came before Council to honor the service and sacrifice of Army Capt. James A. Funkhouser.

Marci Corry, College Station, came before Council regarding distracted driving in College Station. She is with the Safe-to-Save app which rewards drivers who do not use their phone while operating a vehicle. It is her belief that College Station made a positive difference when we adopted the hands free ordinance and would like to see it reinstated.

Les Fiechtner, College Station, came before Council regarding another citizen's request to reduce the speed limit on Barron Road from 40 mph, and he is requesting Council to consider reinstating the speed limit of 45 mph.

CONSENT AGENDA

2a. Presentation, possible action, and discussion of minutes for:

- **July 25, 2019 Workshop Meeting**
- **July 25, 2019 Regular Meeting**

2b. Presentation, discussion, and possible action regarding approval of the Fiscal Year 2019 funding in the amount of \$1,103,433 to the Phase II Systems dba Public Agency Retirement Services (PARS) OPEB Trust.

2c. Presentation, discussion, and possible action on a purchase order purchasing two-way mobile radios and portable radio replacements to Motorola Solutions in the amount of \$743,417.97.

2d. Presentation, discussion, and possible action for an annual contract with Bound Tree Medical, L.L.C. for EMS supplies not to exceed \$120,000.

2e. Presentation, discussion, and possible action requesting approval on Resolution No. 08-08-19-2e of the proposed FY 2020 Community Development Budget and PY 2019 Action Plan.

2f. Presentation, discussion, and possible action regarding approval of the renewal of the City's annual copy and print services blanket orders with estimated annual expenditures of: Alphagraphics (formerly Tops Printing) \$80,000; Copy Corner \$40,000. The total recommended renewal is for an amount not to exceed \$120,000.

2g. Presentation, discussion, and possible action regarding Amendment No. 1 to the Professional Services Contract with Kirksey Architects, Inc. for design and construction administration services for the new city hall project.

MOTION: Upon a motion made by Councilmember Rektorik and a second by Councilmember Harvell, the City Council voted seven (7) for and none (0) opposed, to approve the Consent Agenda. The motion carried unanimously.

REGULAR AGENDA

1. Public Hearing, presentation, discussion, and possible action regarding Ordinance No. 2019-4113 amending Appendix "A," "Unified Development Ordinance," Section 4.2, "Official Zoning Map," of the Code of Ordinances of the City of College Station, Texas by changing the zoning district boundaries from GS General Suburban to MF Multi-Family for approximately 0.9 acres being a portion of Lake View Acres Subdivision, Lot 5, generally located at 2346 Harvey Mitchell Parkway South.

Alyssa Halle-Schramm, Planning and Development, stated that the applicant is requesting to rezone the subject property from GS General Suburban to MF Multi-Family. The subject property is bounded on the north by Harvey Mitchell Parkway S. (FM2818) and on the east, south, and west by the MF Multi-Family portion of the Bertrand Subdivision. It is the applicant's intent to incorporate the subject property into the development plans for the Bertrand Subdivision. The purpose of this rezoning request is to align the subject property with the surrounding MF Multi-Family zoning.

Ms. Halle-Schramm explained that the Traffic Impact Analysis (TIA) from the adjacent Bertrand Subdivision was updated with this rezoning request to incorporate the subject property into the larger development. Harvey Mitchell Parkway S. (FM2818) is a TXDOT road and permits will be required for future driveway access. TXDOT has requested a dedicated right-turn-lane into the Bertrand Subdivision, which transverses the subject property. The details of this driveway access and the associated permits will be finalized during the site planning process. Separately from this rezoning request, the larger Bertrand Subdivision includes the initial extension of Dartmouth Street across Harvey Mitchell Parkway S. that will eventually extend to Texas Avenue to align with Brothers Boulevard.

The Planning and Zoning Commission considered this item on August 1, 2019 and recommended approval. Staff also recommends approval.

At approximately 7:01 p.m., Mayor Mooney opened the Public Hearing.

There being no comments, the Public Hearing was closed at 7:01 p.m.

MOTION: Upon a motion made by Councilmember Maloney and a second by Councilmember Brick, the City Council voted seven (7) for and none (0) opposed, to adopt Ordinance No. 2019-4113, amending Appendix "A," "Unified Development Ordinance," Section 4.2, "Official Zoning Map," of the Code of Ordinances of the City of College Station, Texas by changing the zoning district boundaries from GS General Suburban to MF Multi-Family for approximately 0.9 acres being a portion of Lake View Acres Subdivision, Lot 5, generally located at 2346 Harvey Mitchell Parkway South. The motion carried unanimously.

2. Public Hearing, presentation, discussion, and possible action regarding Ordinance No. 2019-2014 amending Appendix "A," "Unified Development Ordinance," Article 9, "Nonconformities," Section 9.4, "Nonconforming Lots of Record," adding Subsection F, "Lots Made Nonconforming by Annexation."

Alyssa Halle-Schramm, Planning and Development, stated that the Planning and Development staff recently received multiple property owner inquiries about replatting existing lots that were made nonconforming by the zoning regulations applied at the time they were annexed into the City limits. These property owners were unable to meet full-compliance with the dimensional standards of their current zoning regulations but desired to replat in a way that would make their property come closer to compliance than their current situation. Currently, it is not clearly stated in the Unified Development Ordinance that this type of replat is allowed. Therefore, staff is initiating a new item to explicitly state that replatting existing lots and platted or partially-platted building plots made nonconforming through annexation are allowed to replat, provided that the resulting replat brings the property closer to compliance with current zoning district standards.

The Planning and Zoning Commission heard this item at their July 18, 2019 meeting and voted 4-0 to recommend approval of the amendment. Staff recommends approval.

At approximately 7:06 p.m., Mayor Mooney opened the Public Hearing.

There being no comments, the Public Hearing was closed at 7:06 p.m.

MOTION: Upon a motion made by Councilmember Rektorik and a second by Councilmember Brick, the City Council voted seven (7) for and none (0) opposed, to adopt Ordinance No. 2019-4114, amending Appendix "A," "Unified Development Ordinance," Article 9, "Nonconformities," Section 9.4, "Nonconforming Lots of Record," adding Subsection F, "Lots Made Nonconforming by Annexation." The motion carried unanimously.

3. Presentation, possible action, and discussion on future agenda items and review of standing list of Council generated agenda items: A Council Member may inquire about a subject for which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.

Councilmember Nichols requested a presentation on the feasibility and impact of reinstating a hands free ordinance.

Councilmember Maloney requested a future agenda item or report from the City Manager exploring the need for contracting with an outside firm to develop a marketing plan specific to the needs and strengths of College Station.

4. Adjournment.

There being no further business, Mayor Mooney adjourned the Regular Meeting of the City Council at 7:14 p.m. on Thursday, August 8, 2019.

Karl Mooney, Mayor

ATTEST:

Tanya Smith, City Secretary

MINUTES OF THE CITY COUNCIL BUDGET WORKSHOP
CITY OF COLLEGE STATION
AUGUST 12, 2019

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Karl Mooney, Mayor

Council:

Bob Brick
Jerome Rektorik
Linda Harvell
Elianor Vessali
John Nichols
Dennis Maloney

City Staff:

Bryan Woods, City Manager
Jeff Capps, Deputy City Manager
Jeff Kersten, Assistant City Manager
Mary Ellen Leonard, Finance Director
Carla Robinson, City Attorney
Mary Ann Powell, Deputy City Attorney
Tanya Smith, City Secretary

1. Council and CMO budget lunch.

2. Call to Order and Announce a Quorum is Present

With a quorum present, the Budget Workshop of the College Station City Council was called to order by Mayor Karl Mooney at 12:30 p.m. on Monday, August 12, 2019 in the CSU Meeting/Training Facility, 1603 Graham Road, College Station, Texas 77842.

3. Presentation, possible action, and discussion on the FY 2019-2020 Proposed Budget.

Jeff Kersten, Assistant City Manager and Mary Ellen Leonard, Finance Director, provided a review of the proposed FY19-20 budget and citywide budget issues. The proposed FY20 budget is \$341 million, this is \$19.7 million below last year's due to the timing of capital project appropriations.

Public Hearing for the Budget to be held on Thursday, September 12, 2019 at 6:00 pm. Key decision points include public safety, maintenance needs, capital project planning and funding, compensation and benefits, wastewater rate increase, service level increases to address growth and maintenance needs; and the proposed budget recommends a tax increase of 2.8777 cents per \$100 of assessed valuation. The budget and tax rate are scheduled to be adopted September 26th. The FY20 Budget makes provisions a 1% increase over the FY19 budget as the city will not make the FY19 budget by almost \$600,000. The FY21-FY24 Forecasts include increasing the sales tax year over year by 1.75% in FY21 and FY22 and by 2% in the remainder of the forecast. Current estimate is that there will be a slight increase in fund balance when the existing year closes.

Jeff Kersten, Assistant City Manager, presented Council an overview of the continued population growth in the city. Growth in both the resident population and the student population needs to be addressed and is a significant factor in budget request. Between 2010 and 2019 the population of the city, as determined by Planning, has grown 30.58%, and has been forecast to continue to grow by 2.5% annually in FY20 thru FY24. He stated that the city also has to meet the needs of a growing student population as they use the roads, parks and of course need to be safe. Overall, the student population has grown 33.5% from 2008 to 2018 (the last enrollment statistics from TAMU); and enrollment statistics do not include the impact to College Station of RELIS opening last Fall in Bryan. There are no budget assumptions related to student impact over the general population growth provided by planning.

Collectively, the management of the City recommends that the tax rate be increased to the rollback rate to strategically address the funding for existing commitments as well as the known needs of the future. In FY20, sales tax will comprise 34.5% of the budget and Ad Valorem Tax at 35.3%. That means that there will be a fundamental shift in the primary revenue source for funding the majority of services in the City, away from sales tax. It was recommended that approximately one third of revenue generated this year be held in the fund balance to provide for those known needs of the future. Therefore, the proposed budget recommends a tax increase of 2.8777 cents per \$100 of assessed valuation. The proposed tax rate is 53.4618 cents per \$100 assessed valuation the Maintenance and Operations rate be 31.3174 cents per \$100 assessed valuation; and the Debt Service rate be 22.1444 cents per \$100 assessed valuation.

GENERAL FUND EXPENDITURE OVERVIEW

Mary Ellen Leonard, Finance Director, stated that the percentage of expenditures in the General Fund has remained relatively constant since 2011, decreasing .7% to the current percentage of 73.5%, the number of employees per 1000 people in the City has decreased significantly from 9.68 people in 2011 to 8.36 people in 2019.

Over the last decade, a significant amount of expenditures related to Public Safety have been added to deal with the population growth. In 2009 Police and Fire made up 35.3% of the total amount spent in the General Fund and in 2019 Police and Fire will make up 51.1% of General Fund Expenditures. Capitalization of costs related to construction of assets in Public Works and reductions in General Government and Parks have contributed to the switch. The City will continue to look for efficiencies in all departments to focus expenditures on the areas most needed by the community as a whole.

Mrs. Leonard, explained that to continue to provide the service that is expected by the community, 18.5 Full Time Employees (FTE's) are planned to be added in the FY20 Budget; however, 11 of those positions are being provided by the elimination of the jail in the new police facility. Of the remaining 7.5 FTE's 6 of those positions will only be hired if a SAFR grant is awarded to the Fire Department. We will not know about the award of the SAFR grant until mid to late August.

Excluding Public Safety and City Managers, city wages have lagged behind the national average by 4.8%. The National Average Wage Index is prepared by the Social Security Administration and provides insight into the direction of wage trends and for FY20, the budget includes an average of 2% scale movement for non-public safety, 1.5% for Merit Pool for non-public safety and 2.0% step increase for public safety employees. It imperative that the compensation plan work done in prior year continue in order to attract and retain well qualified employees and to close the gap between the national averages.

Source Level Adjustments (SLAs)

Jeff Kersten, Assistant City Manager, provided department summaries, along with Service Level Adjustments (SLAs) and proposed projects:

- Police SLAs: Five patrol and two vehicles based on staffing study results indicated the need for twenty-three (23) additional sworn officers (20 patrol officers, (1) training officer and (2) investigators); five assistants will be added. The study indicated (3) additional civilian police assistants were needed, with the elimination of the jail, the agreement Council signed with Brazos County requires some additional recurring funds in FY20. The Service Level Adjustment total is \$1,082,518.
- Fire SLAs: Additional personnel are needed for Fire Station #7. However, the hiring is contingent upon the award of a SAFER Grant which would reimburse 75% of the cost of employment in year one and two and 35% in the third year. Also, the City is responsible for 50% of the maintenance costs at Station 4, Easterwood Airport, for an additional \$18,508. The Service Level Adjustment total is \$514,283 expenses and \$334,331 revenue.
- Public Works SLAs: \$582,898 for Attenuator Truck for safety, Corrective Maintenance Building Funds, APWA Reaccreditation, and Street Signs Plotter.
- Parks and Recreation SLAs: \$535,308 for staffing and equipment needed for maintenance of Southeast Park, which is scheduled to open in late summer FY20. This new facility will be used to host numerous tourism events; therefore, the expenses will be split 50% to the General Fund and 50% to the HOT Fund.
- Economic Development SLAs: \$310,900 in service level adjustments for continuing to enhance the attraction of business to the City, cash assistance, and the addition of an Economic Development Coordinator.
- Information Technology SLAs: \$140,000 for a Security Operations Center (SOC) and staff augmentation.
- Fiscal Services SLAs: \$193,000 for Software Implementation Assistance and server as Municipal Court's current software is no longer sold or supported by the vendor.

At 2:34 p.m., the Mayor recessed the Budget Workshop.

The Budget Workshop reconvened at 2:48 p.m.

GENERAL FUND REVENUE OVERVIEW

Mary Ellen Leonard, Finance Director, presented Council an overview of the General Fund Summary.

- Ad Valorem Taxes and Sales taxes make up 68.83% of the general fund.
- Second largest revenue sources is from the City's "owned businesses" of the Electric, Water, Wastewater, Drainage, Solid Waste, and Northgate Parking, which the City gets approximately 8% return on the revenue generated.
- Other Taxes of 3.54% were the Franchise fees that the state eliminated for next year. Last year, the Other amount was 4.03%.
- Fund Balance is the "equity" component of the government. It's the City's safety net for a downturn and shortfalls.
- Bond Rating agencies desire 25% of expenses balances to receive the lowest interest rates.
- FY20 Budget proposes formally moving the fund balance requirement from 15% to 18%.
- Despite the surplus budgeted for FY20, the fund balance is forecasted to drop next year and continue to be below the 25% desired.
- Fund Balance could decrease even faster and will dip below the current 15% within 5 years unless significant cuts in service are made.
- Over 50% of our expenditures are in Public Safety and in the Property Tax Cap legislation, cuts cannot be made to Public Safety.
- It is fiscal policy to continue with conservative revenue estimates and includes property value and tax rate increases.

4. Presentation, possible action and discussion on calling public hearing on the City of College Station FY 2019-2020 Proposed Budget for Thursday, September 12, 2019, 6:00 PM in the City Hall Council Chambers.

MOTION: Upon a motion made by Councilmember Harvell and a second by Councilmember Rektorik, the City Council voted seven (7) for and none (0) opposed, calling public hearing on the City of College Station FY 2019-2020 Proposed Budget for Thursday, September 12, 2019, 6:00 PM in the City Hall Council Chambers. The motion carried unanimously.

5. Presentation, possible action and discussion on the 2019-2020 ad valorem tax rate; and calling two public hearings on a proposed ad valorem tax rate for FY 2019-2020.

Jeff Kersten, Assistant City Manager, stated that the proposed tax rate is 53.4618 cents per \$100 assessed valuation the Maintenance and Operations rate be 31.3174 cents per \$100 assessed valuation; and the Debt Service rate be 22.1444 cents per \$100 assessed valuation. If we move forward with proposed tax rate the two public hearings will be held on August 22nd at 6:00 p.m. September 13th at 6:00 p.m., and possible adoption of proposed tax rate on September 27th at 6:00 p.m., in the Council Chambers at City Hall. Each cent on the tax rate generates approximately \$820,000; and as a reminder the Effective Tax Rate is the rate that will raise the same revenues

on the same properties as last year and the Rollback Tax Rate is the highest rate that can be adopted before citizens can petition to lower the tax rate to the rollback rate.

MOTION: Upon a motion made by Councilmember Rektorik and a second by Councilmember Nichols, the City Council voted seven (7) for and none (0) opposed, to hold two public hearings on the tax rate of 53.4618 cents per \$100 assessed valuation the Maintenance and Operations rate be 31.3174 cents per \$100 assessed valuation; and the Debt Service rate be 22.1444 cents per \$100 assessed valuation on August 22nd at 6:00 p.m. September 12th at 6:00 p.m., and possible adoption of proposed tax rate on September 26th at 6:00 p.m., in the Council Chambers at City Hall. The motion carried unanimously.

6. Executive Session

No Executive Session was held.

7. Take action, if any, on Executive Session,

No action was required from Executive Session.

8. Adjournment

MOTION: There being no further business, Mayor Mooney adjourned the budget workshop of the College Station City Council at 3:31 p.m. on Monday, August 12, 2019.

Karl Mooney, Mayor

ATTEST:

Tanya Smith, City Secretary

At _____ p.m., the Mayor recessed the Budget Workshop.

The Budget Workshop reconvened at _____ p.m.

MINUTES OF THE CITY COUNCIL BUDGET WORKSHOP
CITY OF COLLEGE STATION
AUGUST 13, 2019

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Karl Mooney, Mayor

Council:

Bob Brick
Jerome Rektorik
Linda Harvell
Elianor Vessali
John Nichols
Dennis Maloney

City Staff:

Bryan Woods, City Manager
Jeff Capps, Deputy City Manager
Jeff Kersten, Assistant City Manager
Mary Ellen Leonard, Finance Director
Carla Robinson, City Attorney
Mary Ann Powell, Deputy City Attorney
Ian Whittenton, Deputy City Secretary

1. Council and CMO budget lunch.

2. Call to Order and Announce a Quorum is Present

With a quorum present, the Budget Workshop of the College Station City Council was called to order by Mayor Karl Mooney at 12:30 p.m. on Tuesday, August 13, 2019 in the CSU Meeting/Training Facility, 1603 Graham Road, College Station, Texas 77842.

3. Presentation, possible action, and discussion on the FY 2019-2020 Proposed Budget.

Mary Ellen Leonard, Finance Director, continued with the review of the proposed FY19-20 budget and citywide budget issues.

ENTERPRISE FUNDS

Jeff Kersten, Assistant City Manager, provided Enterprise funds summaries, along with Service Level Adjustments (SLAs) and proposed projects:

The Electric Fund: FY19 Electric Fund revenue is estimated to be \$108,213,545 million, and no rate increase is proposed of the Electric Fund in FY20. Working Capital Uses forecasted for the next five year include utilizing the fund balance for planned capital projects, exceeding \$6 million by FY 24. Service Level Adjustments include a Relay Foreman and Vehicle for \$165,151; Electric Project Coordinator/Designer for \$91,947; AMI Metering O&M Budget for \$22,750; Asset Management System for \$110,000; and a Comprehensive Transmission Cost of Service (TCOS) Supply for \$100,000.

The Water Fund: Earlier this year Fiscal and Water conducted a joint workshop related to the current status of the fund and explained the need for a 15% rate increase in the Water Fund. The Water Fund is currently projected to be below the required 15% fund balance in FY19, and without the planned 15% rate increase, the decline is projected to continue. The planned rate increase was 9%, but the proposed increase is 15%. There is only one planned SLA due to the revenues of the fund related to water rate restructuring review concurrent with Wastewater in the amount of \$75,000.

The Wastewater Fund: Revenues are consistent with budget with no rate increase proposed for FY20, but rate increases of 6% are currently planned in FY21 and FY23. However, those will be dependent upon the results of the Wastewater rate restructuring review concurrent with Water. Service level adjustments include Wastewater rate restructuring concurrent with Water for \$75,000; and Collection flow monitoring equipment for \$42,000.

The Sanitation Fund: Maintaining its revenue as rates were indexed to the CPI-U in FY19 to keep pace with inflation. The fund is requesting 3 SLAs for Street sweeper and Operator for \$337,473 reoccurring with \$263,000 one time; Safe Driver Training to be developed for \$25,000; Recycling Contamination Campaign for \$10,000.

The Drainage Utility Fund: No rate change is proposed. There are no Service Level Adjustments.

The Northgate Parking Fund is maintaining its revenue. The Garage bond debt should be paid off in FY20 and recommendations are expected from the study commissioned in FY19 related to the future of the Northgate District next year as well. Service level adjustments include temporary closure of Boyett for \$85,312; and Surveillance camera system maintenance for \$43,800.

Mary Ellen Leonard, stated that the proposed tax rate is 53.4618 cents per \$100 assessed valuation the Maintenance and Operations rate be 31.3174 cents per \$100 assessed valuation; and the Debt Service rate be 22.1444 cents per \$100 assessed valuation. If we move forward with proposed tax rate the two public hearings will be held on September 5th at 7:00 p.m. September 13th at 6:00 p.m., and possible adoption of proposed tax rate on September 27th at 6:00 p.m., in the Council Chambers at City Hall. Each cent on the tax rate generates approximately \$820,000; and as a reminder the Effective Tax Rate is the rate that will raise the same revenues on the same properties as last year

and the Rollback Tax Rate is the highest rate that can be adopted before citizens can petition to lower the tax rate to the rollback rate.

Mayor Mooney recessed the meeting into Executive Session, Item 5.

GENERAL GOVERNMENT CAPITAL PROJECTS

Mary Ellen Leonard, Finance Director, stated that this year, the amount requested in Capital Projects is 21% of the overall request, or \$71 million. This amount is about \$19 million below requests for the last several years due to the significance of projects which are still underway. Currently, the City has three major projects, (Police Station, City Hall and Lick Creek Wastewater Treatment Plant) all over \$35 million apiece and approved in prior years. Prior Councils have requested that all capital capacity be scheduled through FY24; therefore, limiting the ability for new projects to be added to until capacity becomes available in FY25.

Streets and Transportation: Project currently total \$170.5 million in projects underway in some phase. Major projects seeking additional appropriations this year include: Jones Butler Extension and Roundabout, Luther Extension from FM 2818 to North Dowling, Rock Prairie Road from SH6 to Medical way and a signal light at Dartmouth and 2818. Upon approval from the Railroad, the City is planning significant activity related to the Cain/Deacon Railroad Cross Switch. Safety improvements at Holik, Park Place, Anna and Glade as well as Greens Prairie Trail City limits west of Woodlake to Royder Road and Royder Road Phase II from Backwater to FM2154 should all see significant activity in FY20

Parks: Projects currently total \$25.5 million in projects underway in some phase. Limited additional appropriations are needed in this fund. Field redevelopment fees and Parkland Dedication Funds are appropriated as they are accrued, so an appropriation is requested for those funds. In addition, there is a request for appropriations for future amenities and improvements in parks that will be allocated to a project by Council at a later date. The projected expenditures for FY20 in Parks are focused on the completion and opening of Southeast Park Phase I.

Facilities: Projects currently total \$104.7 million in projects underway in some phase including \$29.5 million for the New Police Station currently under construction and \$39.3 million for a New City Hall. FY20, the budget appropriates an additional \$6.3 million for City Hall, \$5 million of this appropriation was allocated to renovations at the old PD station in prior years. However, as the City Hall project got underway in design, it was determined that the highest and best use of those funds would be to utilize them at City Hall and investigate the elimination of the old PD as a City facility. Instead, \$1 million is being requested as appropriations for the old PD building.

Technology: FY20 technology appropriations include the request for the establishment of a \$1 million IT revolver fund for significant technology purchases that can be capitalized. Planned expenditures from the IT Revolver fund in FY20 include to refresh the City's firewall, obtain software to help Legal with Open Records requests and the replacement of Utility Billing Software.

Electric: With \$21.1 million in projects budgeted, the project budget for FY20 equals to \$23.3 million with future funded project expenditures is approximately \$51.1 million. Electric has a

number of significant projects underway including improvements to both the overhead and underground delivery systems. One visible project citizens will see next year is the installation of automated meters, the AMI go Live isn't scheduled until FY21, but the changing out of 42,000 meters should occur next year. Most of the improvements in the Electric Fund are paid for in cash, with only minimal debt incurred for the AMI project.

Water: Projects currently total \$73.4 million underway in some phase to ensure the sustainability of the delivery of water to the growing population both now and in the future. FY20, the budget appropriates an additional \$14.4 million for projects including collection and transmission lines and replacement of motors at Wells 1, 2, and 3. The largest project included in the appropriation is the Rock Prairie Road Elevated Storage Tank, which is the creation of another water tank to serve the growing population on the South side of College Station. This project will exceed \$8 million in cost and is not scheduled to be completed until FY21.

Wastewater: Projects currently total \$172.9 million underway in some phase including a major expansion of the Lick Creek Wastewater Treatment Plant budgeted at \$38.9 million. FY20, the budget appropriates an additional \$14.3 million for collection projects including the final phase of the Northeast Sewer Trunk line and the rehab of the McCulloch Utility. Treatment and disposal improvements at the Carter's Creek plant are also included in the appropriations. Significant expenditures on the LCWWTP project of \$20 million make up almost half of the work that will occur in FY20. The largest project included in the appropriation is the Rock Prairie Road Elevated Storage Tank, which is the creation of another water tank to serve the growing population on the South side of College Station. This Project will exceed \$8 million in cost and is not scheduled to be completed until FY21.

Special Revenue Capital Projects: Special Revenue projects include Hotel Fund (Veterans Park Synthetic Fields, Southeast Park, equipment purchases), Community Development (Georgia Fitch Park, SW Parkway North Sidewalks), Fun for all Playground, Sidewalk Zones (various minor sidewalk projects), Park Land Dedication (various park projects), and Drainage Utility (Various minor drainage projects, Southwood Valley).

Mayor Mooney recessed the budget workshop at 3:05 p.m.

The budget workshop reconvened at 3:16 p.m.

DEBT SERVICE FUND

Jeff Kersten, Assistant City Manager, stated that the Debt Service Fund is a restricted account that holds the payments on all outstanding debt for General Government Projects. Debt payments for the Enterprise Funds are not held in this account. Ad Valorem tax amount on the debt side of .221444 must go into this account to pay our debt obligations. Capacity is generated as existing debt falls off the payment schedule or the debt side of the tax rate is raised. Fire Station 7 was added to the General Government project schedule by prior Councils. The proposed FY20 budget assumes that 0.7 of a cent will be added to the tax rate in FY22 in order to design and construct Fire Station 7. As the funded projects move forward and at current debt service rate, the next

opportunity to add streets, facilities or technology projects will be in FY25 when current debt begins to roll off.

He stated that in order to pay for the projects we just discussed, staff will be bringing an item to Council in March/April of 2020 for permission to issue a notice of intent for \$68.235 million in additional CO's. The actual amount to be issued will be determined with the help of our Financial Advisors, Hilltop Securities, which take into account the issuance costs and current interest rates at the time of the notice. As mentioned the .7 of a cent increase in the tax rate in FY22 is also included in the projections for the debt issuances.

SPECIAL REVENUE FUNDS

Jeff Kersten, Assistant City Manager, stated that Special Revenue Accounts are bank accounts where the City can only use the funds on very specific expenses. Some of the accounts we have in this area have little activity or no particular qualifying expense is budgeted to be paid for with those funds. The only Special Revenue Funds that were discussed was the significant one with activity in FY20.

HOTEL TAX

The Hotel Tax (HOT) Fund holds the tax revenue generated by room taxes on hotel nights. The City receives a portion of those taxes. With the continued construction of hotels in our community, the amount in this fund continues to rise. Uses in this fund include the funding of Experience Bryan College Station and the Arts Council and sporting events hosted by the City. Construction of major parks to attract sporting tournaments can also occur with these funds. Veteran's Park and the new Southeast Park have each been partially funded by the use of this special revenue.

IMPACT FEE FUND

In FY17, the Council enacted impact fees for water, wastewater and transportation. The impact fees are paid by growth related development and can only be used on specific projects that were identified when the fee was established. The fees were intentionally set by prior Councils at a low rate with room to be raised if necessary. Currently, the most significant fee is the wastewater fee and collections are used to pay the debt service on the LCWWTP expansion.

ROAD MAINTENANCE FUND

This fee was established in FY17 and moneys collected are used on maintenance activities on existing roads. There is no reserve requirement on this fund and all moneys collected are spent or scheduled to be spent on maintenance projects. Weather can impact the schedule of spending. FY20 is the first year the fee can be adjusted. In lieu of conducting an expensive rate study to determine the increase need to adjust for the material costs related to road maintenance, staff is proposing that this fee be indexed to the CPI-U similar to the Solid Waste and Planning fees. CPI increase in the FY20 budget to cover the last 3 years is 5.5%

DRAINAGE UTILITY FUND

This is a special revenue fund that receives its money from a fee charged on all utility bills. The fee of \$5 is charged to help maintain the storm drain system and minimize flooding. The fee has not been increased since 2009, yet the cost of the equipment to maintain the storm drain system

continues to rise. Storm drain inspection camera - this equipment will be used to inspect storm drains that are too small or unsafe for human inspection (\$131,000).

For FY20 the fee is proposed to be raised to \$6.00 and then indexed to the CPI-U similar to the Solid Waste, Roadway Maintenance Fee and planning fees.

COURT TECHNOLOGY FUND

Funded by a \$4 charge to defendants convicted of a misdemeanor offense, the Court Technology fee can only be expended on technology to be utilized by the Municipal Court. In prior years, the fund has been utilized to purchase ticket writers for the Police department to improve the efficiencies of collecting and recording initial information for the Court. The software currently used to run the Court is no longer supported by the vendor. Therefore, in order to minimize the risk of a shut-down of Court operations, new software must be acquired. Court software is highly specialized and very expensive. The funds in this restricted account will be utilized for the software purchase, the related SLAs for the hardware and implementation costs out of the General Fund (\$428,000).

INTERNAL SERVICE FUNDS

Mary Ellen Leonard, Finance Director, stated that Internal Service Funds are special accounts to accumulate support costs by internal city departments that serve the major operational departments like Police, Fire, Parks, Public Works, Electric, Water and Wastewater.

Employee Benefit (Insurance) Fund

- Claims over the last 5 years have been trending upward, increasing from \$7.8 million to a projected \$12.9 million in FY19.
- FY20 budget assumes that trend will continue and by FY24, claims will exceed \$16 million.
- City contribution for FY20 is 10.1% and the employee contribution is 4.5% to cover the increase in claims cost.
- Future years plan has City and Employee contributions closer to a 50/50 split once the claim drain of the last few years is stabilized.

REPLACEMENT FUNDS

Fleet Maintenance Fund

- Average growth since FY16= 4.0% or 18 vehicles per year
- All fleet vehicles are included in the replacement fund
- Growth Related Risks:
 - Contributions have not fully offset cost of replacement vehicle
 - Estimated Shortfall = \$8,000,000
 - Funding through fund balance transfers and \$1 million per year in revolving debt through FY24

Technology Replacement Fund

- Rapid changes to technology necessitate the establishment of a replacement fund

- Related Equipment:
 - Copiers
 - MDTs
 - Servers

Equipment Replacement Fund

- Funding began in FY17 for long-lived Police and Fire equipment
- Fund considered fully funded
- Related Equipment:
 - Police body camera
 - Police in-car video
 - Fire SCBA
 - Fire extrication tools
 - Fire thermal imaging cameras

Utility Customer Service Fund

- Average growth since FY15 = 2.0%
- Future growth thru FY24 = approximately 950,000 meters read
- Growth Related Risks:
 - Maintenance & Support issues due to systems first implemented '99
 - Coordination concerns with AMI initiative
 - Estimated Cost = \$750,000
 - Funding through IT Revolving Debt in FY20 Bond Issuance

4. Presentation, possible action and discussion on the 2019-2020 ad valorem tax rate; and calling two public hearings on a proposed ad valorem tax rate for FY 2019-2020.

No action was required on this item.

5. Executive Session

In accordance with the Texas Government Code §551.086-Competitive Matters, the College Station City Council convened into Executive Session at 1:14 p.m. on Tuesday, August 13, 2019 in order to discuss competitive matters as that term is defined in Gov't Code §552.133; to wit:

- Power Supply

The Executive Session was recessed at 1:45 p.m.

6. Take action, if any, on Executive Session.

No action was required from Executive Session.

7. Adjournment

MOTION: There being no further business, Mayor Mooney adjourned the budget workshop of the College Station City Council at 4:11 p.m. on Tuesday, August 13, 2019.

Karl Mooney, Mayor

ATTEST:

Tanya McNutt, City Secretary

MINUTES OF THE CITY COUNCIL BUDGET WORKSHOP
CITY OF COLLEGE STATION
AUGUST 14, 2019

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Karl Mooney, Mayor

Council:

Bob Brick
Jerome Rektorik
Linda Harvell
Elianor Vessali
John Nichols
Dennis Maloney

City Staff:

Bryan Woods, City Manager
Jeff Capps, Deputy City Manager
Jeff Kersten, Assistant City Manager
Mary Ellen Leonard, Finance Director
Carla Robinson, City Attorney
Mary Ann Powell, Deputy City Attorney
Tanya Smith, City Secretary

1. Council and CMO budget lunch.

2. Call to Order and Announce a Quorum is Present

With a quorum present, the Budget Workshop of the College Station City Council was called to order by Mayor Karl Mooney at 12:30 p.m. on Wednesday, August 14, 2019 in the CSU Meeting/Training Facility, 1603 Graham Road, College Station, Texas 77842.

3. Presentation, possible action, and discussion on the FY 2019-2020 Proposed Budget.

Mary Ellen Leonard, Finance Director, continued their review of the proposed FY18-19 budget and Outside Agency Requests.

OUTSIDE AGENCY FUNDING

Jeff Kersten, Assistant City Manager, provided a brief overview of the outside agency funding requests. Requests from General Fund amounted to \$1,585,119 for:

Agencies with No Requested Increase:

- Arts Council (\$35,000)
- BV Economic Development Corporation (\$350,000)
- Keep Brazos Beautiful (\$25,000)
- Aggieland Humane Society (\$261,600) 4.2% decrease

Agencies Requesting Increases:

- Noon Lions Club
 - ✓ Amount Requested \$17,500
 - ✓ Increase = \$2,500 or 1.7%
 - ✓ Future growth = 0%
- Brazos County Appraisal District
 - ✓ Amount Requested \$461,447
 - ✓ Increase = \$78,027 or 20.4%
 - ✓ Future growth = 8%
- Brazos County Health District
 - ✓ Amount Requested \$434,572 - Health Board recommended a 10.0% increase
 - ✓ Amount Proposed \$408,892 or 3.5% increase
 - ✓ Future growth = 10%

MOTION: Upon a motion made by Councilmember Harvell and a second by Councilmember Rektorik, the City Council voted seven (7) for and none (0) opposed, to approve the 10% budget increase to the Brazos County Health District in the amount of \$434,572. The motion carried unanimously.

HOTEL TAX FUND AGENCY FUNDING

The amount of agency funding requested from HOT has increased from an average of 11.4% to 13.7% in FY20.

Proposed funding in the amount of \$3,514,993 from the Hotel Tax Fund was proposed for various outside agencies:

Agencies with No Requested Increase:

- Arts Council of Brazos Valley (687,976) includes final payment for building of \$290,000
- Veterans Memorial (\$25,000)
- Chamber of Commerce (\$25,000)

Agencies Requesting Increases:

- Experience Bryan / College Station

- ✓ Amount Requested \$1,962,903
- ✓ Decrease = \$33,225 due to allocation percentage with Bryan
- ✓ Future growth = 2.0%
- Experience Bryan / College Station Grant Program
 - ✓ Amount Requested \$669,114
 - ✓ Increase = \$80,164 or 13.6%
 - ✓ Future growth = 2.0%
- Easterwood Airport Advertising
 - ✓ Amount Requested \$145,000
 - ✓ Increase = \$30,624 or 26.8%
 - ✓ Future decrease = (13.2%)

4. Presentation, possible action and discussion on the 2019-2020 ad valorem tax rate; and calling two public hearings on a proposed ad valorem tax rate for FY 2019-2020.

No action was required on this item.

5. Executive Session

No Executive Session was held.

6. Take action, if any, on Executive Session,

No action was required from Executive Session.

7. Adjournment

MOTION: There being no further business, Mayor Mooney adjourned the budget workshop of the College Station City Council at 1:51 p.m. on Wednesday, August 14, 2019.

Karl Mooney, Mayor

ATTEST:

Tanya Smith, City Secretary



Legislation Details (With Text)

File #:	19-0393	Version:	2	Name:	Invoke Microsoft Office 365 Contract
Type:	Contract	Status:		Status:	Consent Agenda
File created:	7/16/2019	In control:		In control:	City Council Regular
On agenda:	8/22/2019	Final action:		Final action:	
Title:	Presentation, discussion, and possible action on a contract with Invoke, LLC not to exceed \$888,946.48 for Microsoft products and services for the Microsoft Office 365 project implementation, training, and software licenses for three years.				
Sponsors:	Sindhu Menon				
Indexes:					
Code sections:					
Attachments:	Invoke Contract Office 365				

Date	Ver.	Action By	Action	Result
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Presentation, discussion, and possible action on a contract with Invoke, LLC not to exceed \$888,946.48 for Microsoft products and services for the Microsoft Office 365 project implementation, training, and software licenses for three years.

Relationship to Strategic Goals:

- Core Services and Infrastructure

Recommendation(s): City Manager and CIO recommend approval of the contract with Invoke, LLC, dba Invoke Systems Management in the amount of \$888,946.48 for the implementation of Microsoft Exchange Online, Microsoft Office 365 ProPlus and required licenses 3 years as part of the City's migration from an on premise platform to a Microsoft Cloud environment.

Summary: Recommend approval of the contract with Invoke, LLC, dba Invoke Systems Management in the amount of \$888,946.48 for licenses for 3 years, for Microsoft Exchange Online and Microsoft Office 365 ProPlus; and implementation services for Microsoft Exchange Online and Office 365 ProPlus and training.

The current City Microsoft environment is not up-to-date proven to be inadequate and unreliable. The latest Microsoft Exchange Online provides an uptime guarantee of over 99% along with reduced management and maintenance tasks. In conjunction with Microsoft Office 365 which provides more advanced productivity tools to facilitate better collaboration among employees and team members, these solutions target to improve the City's business operations. The scope of this project includes but is not limited to assessment of the City's environment and readiness, identification of the license structure, license purchasing, migration of the current On-premise Email system to Exchange Online which will include enhanced email security features as well as the installation of the latest version of Office Suite on all City computers.

Budget & Financial Summary: Funding is through the FY19 SLA for the Office 365 project. The total cost for year one which includes professional services for implementation and one year licenses is \$363,386.50. The total contract value which includes a 3 year licenses is \$888,946.50.

Attachments: Invoke Contract

**CITY OF COLLEGE STATION
GENERAL SERVICE CONTRACT**

This General Service Contract is by and between the City of College Station, a Texas Home-Rule Municipal Corporation (the "City") and Invoke, LLC (the "Contractor"), for the following work:
Migration, Implementation, Admin Training & Licenses - Microsoft Exchange Online, Office 365 & Windows 10
as described in the Scope of Services attached as **Exhibit "A"**.

**ARTICLE I
PAYMENT AND TERM**

1.1 Consideration. In consideration for the services performed in the Scope of Services and Contractor's Completion of work in conformity with this Contract, the City shall pay the Contractor an amount not to exceed Eight Hundred Eighty-Eight Thousand, Nine Hundred Forty-Six and 48 /100 Dollars (\$ \$888,946.48).

1.2 Payment Application. Within seven (7) calendar days of completion of the services the Contractor will submit its payment application to the City.

1.3 City's Payment and Approval. The City will pay Contractor as shown in **Exhibit "B"** Payment Schedule, for the services performed no later than **thirty (30)** calendar days from the date of the City's receipt of the payment application and the City's approval of the services.

☐ **1.4 Time is of the Essence.** The Contractor must complete all the services described in the Scope of Services by the following dates:
_____.

OR

☒ **1.4 Term.** The initial term of the Contract is for three (3) years with the option to renew for two (2) additional one (1) year terms for a total of five (5) years. Any renewal must be in writing and executed by the parties.

1.5 Executed Contract. The "Notice to Proceed" will not be given nor shall any work commence until this Contract is fully executed and all exhibits and other attachments are completely executed and attached to the Contract.

**ARTICLE II
CHANGE ORDERS**

2.1 Changes will not be made, nor will invoices for changes, alterations, modifications, deviations, or extra work or services be recognized or paid, except upon the prior written order from

authorized personnel of the City. The Contractor will not execute change orders on behalf of the City or otherwise alter the financial scope of the services except in the event of a duly authorized change order approved by the City as provided in this Contract.

- (a) **City Manager Approval.** When the original Contract amount plus all change orders is \$100,000 or less, the City Manager or his designee may approve the written change order provided the change order does not increase the total amount set forth in the Contract to more than \$100,000. For such contracts, when a change order results in a total contract amount that exceeds \$100,000, the City Council of the City must approve such change order prior to commencement of the services or work; and
- (b) **City Council Approval.** When the original contract amount plus all change orders is greater than \$100,000, the City Manager or his designee may approve the written change order provided the change order does not exceed \$50,000. For such contracts, when a change order exceeds \$50,000, the City Council of the City must approve such change order prior to commencement of the services or work. The sum of all change orders may not exceed 25% of the original contract amount.
- (c) **Increase in Scope.** Any request by the Contractor for an increase in the Scope of Services and an increase in the amount listed in Article I of this Contract shall be made and approved by the City prior to the Contractor providing such services or the right to payment for such additional services shall be waived.
- (d) **Dispute.** If there is a dispute between the Contractor and the City respecting any service provided or to be provided hereunder by the Contractor, including a dispute as to whether such service is additional to the Scope of Services included in this Contract, the Contractor agrees to continue providing on a timely basis all services to be provided by the Contractor hereunder, including any service as to which there is a dispute.

ARTICLE III INDEPENDENT CONTRACTOR AND SUBCONTRACTORS

3.1 Independent Contractor. It is understood and agreed by the parties that the Contractor is an independent contractor retained for the services described in the Scope of Services. The Contractor shall be solely responsible for and have control over the means, methods, techniques and procedures, and for coordination of all portions of the work or services. Unless otherwise provided in the Contract, the Contractor shall provide and pay for labor, materials, equipment, tools, utilities, transportation, and other facilities and services necessary for proper execution and completion of the work or services. In addition, at the appropriate times, the Contractor shall arrange and bear cost of tests, inspections, and approvals of portions of the work or services required by the Contract or by laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities. The City will not control the manner or the means of the Contractor's performance, but shall be entitled to a work product as in the Scope of Services. The

City will not be responsible for reporting or paying employment taxes or other similar levies that may be required by the United States Internal Revenue Service or other State or Federal agencies. This Contract does not create a joint venture.

3.2 Subcontractor. The term “subcontractor” shall mean and include only those hired by and having a direct contact with Contractor for performance of work or services on the Project. The City shall have no responsibility to any subcontractor employed by a Contractor for performance of work or services on the Project, and all subcontractors shall look exclusively to the Contractor for any payments due. The Contractor shall be fully responsible to the City for the acts and omissions of its subcontractors. Nothing contained herein shall create any contractual or employment relations between any subcontractor and the City.

ARTICLE IV INSURANCE

4.1. The Contractor shall procure and maintain, at its sole cost and expense for the duration of this Contract, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the services performed by the Contractor, its officers, agents, volunteers, and employees.

4.2. The Contractor’s insurance shall list the City of College Station, its officers, agents, volunteers, and employees as additional insureds. More specifically, the following shall be required. Certificates of insurance evidencing the required insurance policies are attached in **Exhibit “C”**.

Throughout the term of this Agreement the Contractor must comply with the following.

4.3. Types. Contractor shall have the following types of insurance:

- (a) Commercial General Liability
- (b) Business Automobile Liability
- (c) Workers' Compensation
- (d) Professional Liability
- (e) Cyber Liability

4.4. General Requirements Applicable to All Policies. The following General requirements applicable to all policies shall apply:

- (a) Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent
- (b) Certificates of Insurance and endorsements shall be furnished on the most current State of Texas Department of Insurance-approved forms to the City’s Representative at the time of execution of this Agreement; shall be attached to this Agreement as Exhibit C; and shall be approved by the City before work begins

- (c) Contractor shall be responsible for all deductibles on any policies obtained in compliance with this Agreement. Deductibles shall be listed on the Certificate of Insurance and are acceptable on a per-occurrence basis only
- (d) The City will accept only licensed Insurance Carriers authorized to do business in the State of Texas
- (e) The City will not accept "claims made" policies
- (f) Coverage shall not be suspended, canceled, non-renewed or reduced in limits of liability before thirty (30) days written notice has been given to the City

4.5. Commercial General Liability. The following Commercial General Liability requirements shall apply:

- (a) General Liability insurance shall be written by a carrier rated "A:VIII" or better under the current A. M. Best Key Rating Guide.
- (b) Policies shall contain an endorsement listing the City as Additional Insured and further providing "primary and non-contributory" language with regard to self-insurance or any insurance the City may have or obtain
- (c) Limits of liability must be equal to or greater than \$1,000,000 per occurrence for bodily injury and property damage, with an annual aggregate limit of \$2,000,000.00. Limits shall be endorsed to be per project.
- (d) No coverage shall be excluded from the standard policy without notification of individual exclusions being submitted for the City's review and acceptance
- (e) The coverage shall not exclude the following: premises/operations with separate aggregate; independent contracts; products/completed operations; contractual liability (insuring the indemnity provided herein) Host Liquor Liability, and Personal & Advertising Liability.

4.6. Business Automobile Liability. The following Business Automobile Liability requirements shall apply:

- (a) Business Automobile Liability insurance shall be written by a carrier rated "A:VIII" or better under the current A. M. Best Key Rating Guide.
- (b) Policies shall contain an endorsement listing the City as Additional Insured and further providing "primary and non-contributory" language with regard to self-insurance or any insurance the City may have or obtain
- (c) Combined Single Limit of Liability not less than \$1,000,000 per occurrence for bodily injury and property damage.
- (d) The Business Auto Policy must show Symbol 1 in the Covered Autos Portion of the liability section in Item 2 of the declarations page

- (e) The coverage shall include any autos, owned autos, leased or rented autos, non-owned autos, and hired autos.

4.7. Workers' Compensation Insurance. The following Workers' Compensation Insurance shall include the following terms:

- (a) Employer's Liability minimum limits of liability not less than \$1,000,000 for each accident/each disease/each employee are required
- (b) "Texas Waiver of Our Right to Recover From Others Endorsement, WC 42 03 04" shall be included in this policy
- (c) TEXAS must appear in Item 3A of the Workers' Compensation coverage or Item 3C must contain the following: "All States except those listed in Item 3A and the States of NV, ND, OH, WA, WV, and WY"

4.8. Professional Liability. The following Professional Liability requirements shall apply:

- (a) Coverage shall be written by a carrier rated "A:VIII" or better in accordance with the current A. M. Best Key Rating Guide.
- (b) Minimum limits of liability of \$1,000,000 per occurrence and \$2,000,000 aggregate, with a maximum deductible of \$100,000.00 unless otherwise agreed in writing by both parties. Financial statements shall be furnished to the City upon request.
- (c) For "claims made" policies, the availability of a 24-month extended reporting period is required.

4.9. Cyber Liability. Minimum limits of \$5,000,000.00 for third party losses. Coverage must include:

- (a) Event Management
- (b) Unauthorized Access/use
- (c) Computer Virus
- (d) Denial of Service Attack
- (e) Libel, Cyber-libel, Slander, Product disparagement
- (f) Violation of right of privacy
- (g) Regulatory costs
- (h) Privacy Costs – Privacy Injury and Identity Theft
- (i) Programming Errors & Omissions Liability
- (j) Replacement or Restoration of Electronic Data (First party)
- (k) Extortion Threats
- (l) Business income and extra expense (to \$1 million)

- (m) Public Relations Expense
- (n) Security Breach Expense

ARTICLE V INDEMNIFICATION AND RELEASE

5.1 Indemnification. The Contractor shall indemnify, hold harmless, and defend the City, its Council members, officials, officers, agents, volunteers, and employees from and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorneys' fees, for injury to or death of any person or for damage to any property arising out of or in connection with the work or services done by the Contractor under this Contract. Such indemnity shall apply regardless of whether the claims, losses, damages, causes of action, suits, or liability arise in whole or in part from the negligence of the City, any other party indemnified hereunder, the Contractor, or any third party.

5.2 Release. The Contractor assumes full responsibility for the work to be performed hereunder and hereby releases, relinquishes, and discharges the City, its Council members, officials, officers, agents, volunteers, and employees from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to or death of any person and any loss of or damage to any property that is caused by, alleged to be caused by, arising out of, or in connection with the Contractor's work to be performed hereunder. This release shall apply regardless of whether said claims, demands, and causes of action are covered in whole or in part by insurance and regardless of whether such injury, death, loss, or damage was caused in whole or in part by the negligence of the City, any other party released hereunder, the Contractor, or any third party.

ARTICLE VI GENERAL TERMS

6.1 Performance. Contractor, its employees, associates, or subcontractors shall perform all the work or services described in the Scope of Services in a good, workmanlike, and professional manner and in accordance with this Contract, and all applicable laws, codes, and regulations. Contractor shall be fully qualified and competent to perform the work or services. Contractor shall undertake and complete the work or services in a timely manner.

6.2 Termination. The City may terminate the Project and this Contract, at any time, for convenience. In the event of such termination the City will notify the Contractor in writing and the Contractor shall cease work immediately. Contractor shall be compensated for the work or services performed. Should the City terminate this Contract for convenience, the City shall pay Contractor for the work or services performed and expenses incurred before the date of termination.

6.3 Venue. This Contract has been made under and shall be governed by the laws of the State of Texas. The parties agree that performance and all matters related thereto shall be in Brazos County, Texas.

6.4 Amendment. This Contract may only be amended by written instrument approved and executed by the parties.

6.5 Taxes. The City is exempt from payment of state and local sales and use taxes on labor and materials incorporated into the project. If necessary, it is the Contractor's responsibility to obtain a sales tax permit, resale certificate, and exemption certificate that shall enable the Contractor to buy any materials to be incorporated into the project and then resell the aforementioned materials to the City without paying the tax on the materials at the time of purchase.

6.6 Compliance with Laws. The Contractor will comply with all applicable federal, state, and local statutes, regulations, ordinances, and other laws, including but not limited to the Immigration Reform and Control Act (IRCA). The Contractor may not knowingly obtain the labor or services of an undocumented worker. The Contractor, not the City, must verify eligibility for employment as required by IRCA.

6.7 Waiver of Terms. No waiver or deferral by either party of any term or condition of this Contract shall be deemed or construed to be a waiver or deferral of any other term or condition or subsequent waiver or deferral of the same term or condition.

6.8 Assignment. This Contract and the rights and obligations contained herein may not be assigned by the Contractor without the prior written approval of City.

6.9 Invalid Provisions. If any provision of this Contract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court of competent jurisdiction finds that any provision of this Contract is invalid or unenforceable, but that by limiting such provision it may become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

6.10 Entire Agreement. This Contract represents the entire and integrated agreement between the City and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. This Contract may only be amended by written instrument approved and executed by the parties.

6.11 Agree to Terms. The parties state that they have read the terms and conditions of this Contract and agree to the terms and conditions contained in this Contract.

6.12 Effective Date. This Contract will be effective when it is signed by the last party making it fully executed.

6.13 Notice. Any official notice under this Contract will be sent to the following addresses:

CITY OF COLLEGE STATION

INVOKE, LLC

Attn: Sindhu Menon

PO BOX 9960

1101 Texas Ave

College Station, TX 77842

smenon@cstx.gov

Attn: Kevin Tjuatjah

118 Vintage Park Blvd. #W

Houston, Texas 77070

Kevin.Tjuatjah@InvokeLLC.com

6.14 Severability. In the event any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions, and in lieu of each provision that is invalid, illegal or unenforceable, there shall be added a new provision to this Contract as similar in terms to such invalid, illegal, or unenforceable provision as may be possible and yet be valid, legal and enforceable, by means of good faith negotiation by the Parties to this Contract or by reform by a court of competent jurisdiction.

6.15 Duplicate Originals. The parties may execute this Contract in duplicate originals, each of equal dignity.

6.16 Exhibits. All exhibits to this Contract are incorporated and made part of this Agreement for all purposes.

6.17 Verification No Boycott Israel. To the extent this Contract is considered a contract for goods or services subject to § 2270.002 Texas Government Code, Contractor verifies that it i) does not boycott Israel; and ii) will not boycott Israel during the term of this contract.

6.18 Cyber Security Requirements. The cyber security requirements set forth in Exhibit "D" hereto must be followed by Contractor.

6.19 Microsoft Agreement. The Microsoft Agreements between the City and Microsoft are attached in Exhibit "E".

List of Exhibits

- A. Scope of Services
- B. Payment Schedule
- C. Certificates of Insurance
- D. Cyber Security Requirements
- E. Microsoft Agreements

INVOKE, LLC

By: 
Printed Name: STEPHEN LENTHOLT
Title: MEMBER MANAGER
Date: 8/3/2019

CITY OF COLLEGE STATION

By: _____
City Manager
Date: _____

APPROVED:

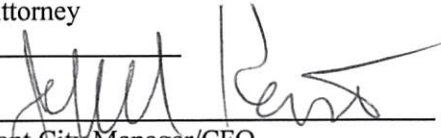
City Attorney
Date: _____

Assistant City Manager/CFO
Date: 8-13-19

EXHIBIT A
SCOPE OF SERVICES

The terms and conditions of this Contract shall take precedence and control over any term or provision of the Scope of Services that in any way conflicts with, differs from, or attempts to alter the terms of this Contract.

See attached Scope of Services.

1 Engagement Overview

1.1.1 Overview

Invoke is a consulting firm specialized in providing solutions for critical organizational needs through modern technologies encompassing systems management, security, data insights, and mobility. Our mission is to deliver long term business value by positioning ourselves as your trusted advisor through results driven strategic planning and alignment with your organizations goals.

"Invoke distinguishes itself within the top 1 percent of Microsoft's partner ecosystem"

Microsoft
Partner



Gold Cloud Platform
Gold Data Platform
Gold Data Analytics
Gold Windows & Devices
Gold Data Center
Gold Cloud Productivity

1.2 Objective

This Statement of Work ("SOW") represents an agreement between Invoke LLC. ("Invoke") and City of College Station ("Client", "City of College Station", "CoCS"). CoCS is embarking on their cloud journey and is looking for a qualified partner to provide a competitive solution to promote a successful migration to Office 365 and the modern workplace, specifically targeting their initial cloud footprint with Exchange Online.

1.3 Success Criteria

The engagement will be successful when:

- Office 365 Exchange Online readiness assessment has been completed.
- In-scope and compatible on-premises Exchange mailboxes have been migrated to Exchange online.
- Knowledge transfer to Client technical team.
- End user experience collateral has been provided.

2 Scope of Work

2.1 Invoke Scope for Exchange Online Migration

The Invoke team is responsible for the following work items to complete this engagement:

1. Exchange On-Premises to Exchange Online Hybrid Migration
 - a. Active Directory and on-premises Exchange assessment.
 - i. Cloud identity readiness
 1. Configure alternate UPN to match cloud identity.
 2. Remediate ProxyAddresses to mitigate split brain DNS risks.

3. Run idFix to remediate issues prior to Azure AD Connect.
4. Directory cleanup, directory object and attribute sync preparation.
5. Review operating system and Microsoft Office inventory from System Center Configuration Manager (SCCM).
- b. Office 365 Tenant Deployment and Configuration
 - i. Provision Azure GCC tenant.
 - ii. Initial configuration of Azure AD.
 - iii. Configure onmicrosoft.com domain.
 - iv. Configure MX record costing for temporary hybrid environment.
 - v. Reviewing DNS configurations and making necessary changes for Office 365 tenant.
- c. Azure AD (AAD) Connect deployment
 - i. Perform prerequisite checks.
 - ii. AAD Connect installation.
 - iii. AAD Connect configuration.
 - iv. Initiate AAD Connect sync to Office 365 tenant.
- d. Create Hybrid Exchange Environment
 - i. Exchange/Office 365 Hybrid Configuration
 1. Establish hybrid federation trust.
 2. Contextual DNS configuration (depending on scenario).
 3. Domain Configuration.
 4. Send Connector configuration.
 5. Transport certificate configuration.
 - ii. Validate hybrid configuration and status.
 - iii. Enable Mailbox Replication Service (MRS) Proxy.
 - iv. Configure OAuth for hybrid authentication.
 - v. Security
 1. Office 365 Advanced Threat Protection (ATP) Configuration (for Exchange Online)
 2. Configure Anti-spam, Anti-malware, and Anti-phishing
 3. Email authentication validation leveraging Sender Policy Framework (SPF), Domain-based Message Authentication, Reporting, and Conformance (DMARC), and DomainKeys Identified Mail (DKIM).
- e. Develop Exchange Migration Plan.
- f. Develop Communication Plan Content with Client.
- g. Test and Execute Migration Plan (Pilot).
- h. Implement Migration Plan
 - i. Migration mailboxes from on-premises Exchange to Exchange Online. (FastTrack)
 - ii. Provide day after remote assistance for potential post-migration end user experience remediation.
2. As-Built Documentation
3. Knowledge Transfer
 - a. Educate Client's technical professionals on Office 365 tenant configuration and mailbox migration process.
4. Decommission on-premises Exchange (optional)

2.2 Activity Plan

Phase / Activity	W1	W2	W3	W4	W5	W6	W7	W8	W9
Project Management									
Active Directory and on-premises Exchange assessment									
Office 365 Tenant Deployment and Configuration									
Azure AD (AAD) Connect deployment									
Create Hybrid Exchange Environment									
Develop & Pilot Exchange Migration Plan									
Exchange Migration (~60 mailboxes a day)									
As-Built Documentation & Knowledge Transfer									
Project Closeout									

2.3 Client Participation

The Client and Client's team will participate in the engagement as follows:

1. Coordinate Client's and Client's resources and staff schedules that coincide with the project schedule to prevent additional wait time during the engagement.
2. Ensure executive buy-in and support for this engagement.
3. Provide access to the necessary resources to complete the project.
4. Perform and validate all necessary backups to support a disaster recovery of Exchange.
5. Enable all necessary firewall access ports for the migration of Exchange.
6. Develop and execute communication plan in conjunction with Invoke.
7. Review and approve engagement deliverables.
8. Provide required software and licenses necessary to the success of the project.

2.4 Out of Scope

The following items should be considered with respect to the overall Client objective and are not planned for this engagement.

1. Project schedule and budget management.
2. Microsoft Exchange Public Folders.
3. Group based licensing configuration.
4. Exchange On-Premises Mailboxes greater than or equal to 200GB in size.
5. Installing or configuration of any solutions not specifically detailed in this document.

2.5 Deliverables

This engagement will produce the following deliverables:

Project deliverables to be completed		
#	Deliverable	Description
1	Migration Plan	Document outlining the migration plan from on-premises Exchange to Exchange online.
2	Test Plan	Document outlining the test and validation plan for mailbox migrations.
3	Communication Plan Content	Content of plan for upcoming changes and end user experience changes that may result due to this engagement.
4	As-Built Documentation	Provide documentation and document review sessions to cover the final configuration and to answer any knowledge transfer related questions or concerns.

2.6 Estimating Assumptions

The overall scope and related work estimate for this engagement were developed based on the following assumptions. Material changes to these assumptions may impact the estimated effort, schedule and fees associated with completing the work.

1. The scope, approach, and deliverables for this initiative are based on our current understanding of the work required to complete the objective.
2. Information provided in Client documents and statements prior to this Statement of Work is assumed to be an accurate representation of the respective subject matter.
3. Client's key stakeholders will be readily accessible for key decision making throughout the course of the initiative.
4. The Invoke team assigned to the project as defined in section 2.8 of this SOW may perform portions of the work either on site or off site, depending on the nature of each task.
5. Hardware and software costs that may be required to complete this engagement are not included in this Statement of Work.
6. Microsoft Office client meets minimum requirements for Office 365 and Exchange Online.
7. System Center Configuration Manager (SCCM) is operationally sound for inventory purposes.
8. Engagement activities (excluding migration and systemic work stoppage remediation) will occur during regular business work hours (Monday through Friday from 8:00 A.M. to 5:00 P.M.) unless otherwise agreed upon.
9. Pending management approval, and if in relation to this engagement, Client agrees to designate Invoke as Partner of Record for their Office 365 and Azure subscriptions. This designation does not delegate any administrative authority to Invoke and is only a

means for Invoke to maintain Gold Partner status with Microsoft.

2.7 Change Management

Either Invoke or Client may initiate a change request when some change or event has occurred that may impact the scope of the engagement. Invoke will prepare formal documentation that includes description of the change with estimated implementation effort and impact to schedule and budget. Client can choose to approve or deny the change request. Invoke will not proceed with work related to the change request until Client has issued formal approval.

Some examples of events that can cause a change request include the following:

- *Change in Technical Scope* – Client decides to include new functionality or capabilities not identified in the initial scope and related work estimates.
- *Change in Scope of Work* – Client requests Invoke perform work activities or produce deliverables not originally assigned to the Invoke team.
- *Change in Approach* – Material changes in the work approach due to circumstances outside the control of the engagement team (some examples include: Client team members not available as planned, delays in Client tasks or responsibilities, equipment not available as planned).

2.8 Staffing

Invoke Staffing Details	
Role	Responsibilities
Project Manager	• Manage engagement success and quality • Escalation point for project risks and issues • Ensures adherence to cost, schedule, and scope constraints
Senior Consultant	• Exchange Online Readiness • Implementation & Configuration of Net New Solutions • Communication, Test Plans and Migration Plans • Remediation escalated migration issues
Microsoft FastTrack	• Mailbox Migrations
Business Analyst	• Post Migration Remediation

2.9 Invoke On-Site Presence

For the Kick-Off Meeting, We will be on-site to do a presentation of what is in the Scope of Work, Execution Plan, Success Criteria, Communication Plan, Introduction to the Team of Resources and to address any necessary items.

During the delivery of the project, The delivery consultant(s) and/or Principal Consultants, Account Manager and/Or PM will come on-site for one day every other week to deliver the work and checking up

to make sure everything is going well.

For the Close Out Meeting, Invoke will be on-site to do the Knowledge Transfers, Hand-off the Deliverables and closing out the meeting. This will take 2 or 3 days depending on the Scope of Work.

3 Engagement Overview

3.1 Objective

This Statement of Work ("SOW") represents an agreement between Invoke LLC. ("Invoke") and City of College Station ("Client", "City of College Station", "CoCS"). CoCS is embarking on their cloud journey and is looking for a qualified partner to provide a competitive solution to promote a successful migration to Office 365 and the modern workplace. With the addition of the Office 365 client deployment, the user experience will be enhanced with security risk mitigation, readily available features, and artificial intelligence across the entire ecosystem of Outlook, Word, Excel, OneNote, Publisher, and PowerPoint.

3.2 Success Criteria

The engagement will be successful when:

- Office 365 Client readiness assessment has been completed.
- In-scope and compatible devices have been migrated to the Office 365 Client.
- Steady state servicing plan for the Office 365 Client has been implemented.
- Knowledge transfer to Client technical team.
- End user experience collateral has been provided.

4 Scope of Work

4.1 Invoke Scope for Office 365 ProPlus Deployment

The Invoke team is responsible for the following work items to complete this engagement:

1. Office 365 ProPlus Client Readiness Assessment and Remediation
 - a. Determine readiness of System Center Configuration Manager (SCCM)
 - b. Determine readiness of Windows clients
 - c. Implement Upgrade Analytics, telemetry, and Office Compatibility Solutions.
 - d. Remediate SCCM and Windows client readiness blockers
2. Develop Deployment Plan
3. Develop Communication Plan Content with Client
4. Test Deployment Plan and Execute Pilot
5. Implement Deployment Plan
 - a. Upgrade compatible Windows devices to Office 365 ProPlus Client.
 - b. Provide day after "boots on the ground" assistance for potential post-deployment end user experience remediations.
6. Office 365 ProPlus Client Servicing
 - a. Develop process for servicing the Office 365 ProPlus Client
 - b. Implement servicing process

7. As-Built Documentation
8. Knowledge Transfer
 - a. Educate Client's technical professionals on Office 365 deployment and servicing process.
 - b. End user adoption learning videos.

4.2 Activity Plan

Phase / Activity	W1	W2	W3	W4	W5	W6	W7	W8
Project Management								
Readiness Assessment and Remediation								
Develop & Pilot Deployment Plan								
User Adoption								
Deployment								
Post-Deployment Assistance								
As-Built Documentation & Knowledge Transfer								

4.3 Client Participation

The Client and Client's team will participate in the engagement as follows:

1. Coordinate Client's and Client's resources and staff schedules that coincide with the project schedule to prevent additional wait time during the engagement.
2. Provide access to the necessary resources to complete the project.
3. Add necessary exceptions to any endpoint security tools/applications to allow SCCM to run vital scripts and processes.
4. Remediate VBA and macro issues leveraging Desktop App Assure
5. Add necessary firewall exceptions for Upgrade Analytics telemetry
6. Review and approve engagement deliverables.
7. Provide required software and licenses necessary to the success of the project (i.e. Microsoft System Center, Office 365, Windows Server and SQL licensing)

4.4 Out of Scope

The following items should be considered with respect to the overall Client objective and are not planned for this engagement.

1. Project schedule and budget management.
2. Untrusted servers or services that require the implementation of a CA infrastructure and certificates.
3. Compatibility remediation for VBA code or macros in Office documents.
4. Installing or configuration of any solutions not specifically detailed in this document
5. Remediation of operating system issues or permissions preventing the successful deployment of Office 365 ProPlus Client.

4.5 Deliverables

This engagement will produce the following deliverables:

Project deliverables to be completed		
#	Deliverable	Description
1	Deployment Plan	Document outlining the deployment plan for Office 365 ProPlus.
2	Test Plan	Document outlining the test and validation plan for the Office 365 ProPlus deployment.
3	Communication Plan Content	Content of plan for upcoming changes and end user experience changes that may result due to this engagement.
4	Solution Servicing Documentation	Document outlining the process to service the Office 365 ProPlus client.
5	As-Built Documentation	Provide documentation and document review sessions to cover the final configuration and to answer any knowledge transfer related questions or concerns.

4.6 Estimating Assumptions

The overall scope and related work estimate for this engagement were developed based on the following assumptions. Material changes to these assumptions may impact the estimated effort, schedule and fees associated with completing the work.

1. The scope, approach, and deliverables for this initiative are based on our current understanding of the work required to complete the objective.
2. Information provided in Client documents and statements prior to this Statement of Work is assumed to be an accurate representation of the respective subject matter.
3. Client's key stakeholders will be readily accessible for key decision making throughout the course of the initiative.
4. The Invoke team assigned to the project as defined in section 2.8 of this SOW may perform portions of the work either on site or off site, depending on the nature of each task.
5. Hardware and software costs that may be required to complete this engagement are not included in this Statement of Work.
6. Engagement activities will occur during regular business work hours (Monday through Friday from 8:00 A.M. to 5:00 P.M.) unless otherwise agreed upon.
7. Pending management approval, and if in relation to this engagement, Client agrees to designate Invoke as Partner of Record for their Office 365 and Azure subscriptions. This

designation does not delegate any administrative authority to Invoke and is only a means for Invoke to maintain Gold Partner status with Microsoft.

4.7 Change Management

Either Invoke or Client may initiate a change request when some change or event has occurred that may impact the scope of the engagement. Invoke will prepare formal documentation that includes description of the change with estimated implementation effort and impact to schedule and budget. Client can choose to approve or deny the change request. Invoke will not proceed with work related to the change request until Client has issued formal approval.

Some examples of events that can cause a change request include the following:

- *Change in Technical Scope* – Client decides to include new functionality or capabilities not identified in the initial scope and related work estimates.
- *Change in Scope of Work* – Client requests Invoke perform work activities or produce deliverables not originally assigned to the Invoke team.
- *Change in Approach* – Material changes in the work approach due to circumstances outside the control of the engagement team (some examples include: Client team members not available as planned, delays in Client tasks or responsibilities, equipment not available as planned).

4.8 Staffing

Invoke Staffing Details	
Role	Responsibilities
Project Manager	• Manage engagement success and quality • Escalation point for project risks and issues • Ensures adherence to cost, schedule, and scope constraints
Senior Consultant	• Office 365 ProPlus Client Readiness • Implementation & Configuration of Net New Solutions • Communication, Test Plans and Deployment Plans • Remediation of high priority items in scope
Technical Analyst	• Client Deployment • Post Deployment Remediation • Documentation

4.9 Invoke On-Site Presence

For the Kick-Off Meeting, We will be on-site to do a presentation of what is in the Scope of Work, Execution Plan, Success Criteria, Communication Plan, Introduction to the Team of Resources and to address any necessary items.

During the delivery of the project, the delivery consultant(s) and/or Principal Consultants, Account Manager and/Or PM will come on-site for one day every other week to deliver the work and checking up to make sure everything is going well.

For the Close Out Meeting, Invoke will be on-site to do the Knowledge Transfers, Hand-off the Deliverables and closing out the meeting. This will take 2 or 3 days depending on the Scope of Work.

Terms and Conditions

This Statement of Work (SOW) is subject to the terms and conditions of the services agreement between Invoke and Client in effect at the time of signature for this SOW.

- Any exceptions to the services agreement are noted in this Statement of Work and are not to be construed as permanent modifications to the services agreement (i.e. they apply only to this SOW).
- Capitalized terms not defined in this SOW shall have the meaning ascribed to them in the Agreement.
- To the extent that there is any conflict between this SOW and the Agreement, the Agreement shall prevail.

The term of this SOW is effective beginning upon execution and continues through completion of the engagement.

Microsoft CSP Government Price List

Description	License Agreement Type	Purchase Unit	Price
Audio Conferencing for GCC	Government	1 Month(s)	\$ 4.00
Azure Active Directory Basic for Government	Government	1 Month(s)	\$ 1.00
Azure Active Directory Premium P1 for Government	Government	1 Month(s)	\$ 6.00
Azure Active Directory Premium P2 for Government	Government	1 Month(s)	\$ 9.00
Azure Advanced Threat Protection for Users (\$0 Add-On)	Government	1 Month(s)	\$ -
Azure Information Protection Plan 1 for Government	Government	1 Month(s)	\$ 2.00
Azure Information Protection Premium P2 for Government	Government	1 Month(s)	\$ 5.00
Common Area Phone for GCC	Government	1 Month(s)	\$ 8.00
Domestic and International Calling Plan for GCC	Government	1 Month(s)	\$ 24.00
Domestic Calling Plan for GCC	Government	1 Month(s)	\$ 12.00
Dynamics 365 - Additional Database Storage for Government	Government	1 Month(s)	\$ 5.00
Dynamics 365 - Additional Non-Production Instance for Government	Government	1 Month(s)	\$ 150.00
Dynamics 365 - Additional Portal for Government	Government	1 Month(s)	\$ 500.00
Dynamics 365 - Additional Portal Page Views for Government	Government	1 Month(s)	\$ 50.00
Dynamics 365 - Additional Production Instance for Government	Government	1 Month(s)	\$ 550.00
Dynamics 365 Customer Engagement Plan for Government Tier 1 (1-99 users)	Government	1 Month(s)	\$ 115.00
Dynamics 365 Customer Engagement Plan for Government Tier 2 (100-249 Users)	Government	1 Month(s)	\$ 90.00
Dynamics 365 Customer Engagement Plan for Government Tier 3 (250-499 Users)	Government	1 Month(s)	\$ 80.00
Dynamics 365 Customer Engagement Plan for Government Tier 4 (500-999 Users)	Government	1 Month(s)	\$ 70.00
Dynamics 365 Customer Engagement Plan for Government Tier 5 (1000+ Users)	Government	1 Month(s)	\$ 60.00
Dynamics 365 for Customer Service for Government	Government	1 Month(s)	\$ 95.00
Dynamics 365 for Field Service for Government	Government	1 Month(s)	\$ 95.00
Dynamics 365 for Field Service for Government Per Device	Government	1 Month(s)	\$ 145.00
Dynamics 365 for Project Service Automation for Government	Government	1 Month(s)	\$ 95.00
Dynamics 365 for Sales for Government	Government	1 Month(s)	\$ 95.00
Dynamics 365 for Sales for Government Per Device	Government	1 Month(s)	\$ 145.00
Dynamics 365 for Sales Professional for Government	Government	1 Month(s)	\$ 65.00
Dynamics 365 Team Members for Government	Government	1 Month(s)	\$ 8.00
Enterprise Mobility + Security E3 for Government	Government	1 Month(s)	\$ 8.80
Enterprise Mobility + Security E5 for Government	Government	1 Month(s)	\$ 14.80
Exchange Online (Plan 1) for GCC	Government	1 Month(s)	\$ 4.00
Exchange Online (Plan 2) for GCC	Government	1 Month(s)	\$ 8.00
Exchange Online Archiving for Exchange Online for GCC	Government	1 Month(s)	\$ 3.00
Exchange Online Archiving for Exchange Server for GCC	Government	1 Month(s)	\$ 3.00
Exchange Online Kiosk for GCC	Government	1 Month(s)	\$ 2.00

Exchange Online Protection for GCC	Government	1 Month(s)	\$ 1.00
Flow Additional Runs for Government	Government	1 Month(s)	\$ 40.00
Flow Plan 1 for Government	Government	1 Month(s)	\$ 5.00
Flow Plan 2 for Government	Government	1 Month(s)	\$ 15.00
Microsoft 365 G5 Compliance for GCC	Government	1 Month(s)	\$ 10.00
Microsoft 365 GCC G3	Government	1 Month(s)	\$ 32.00
Microsoft Cloud App Security (\$0 Add-On)	Government	1 Month(s)	\$ -
Microsoft Intune for Government	Government	1 Month(s)	\$ 6.00
Office 365 Advanced Compliance for GCC			
Office 365 Advanced Threat Protection (Plan 1) for GCC	Government	1 Month(s)	\$ 2.00
Office 365 Advanced Threat Protection (Plan 2) for GCC	Government	1 Month(s)	\$ 5.00
Office 365 Data Loss Prevention for GCC	Government	1 Month(s)	\$ 3.00
Office 365 Extra File Storage for GCC	Government	1 Month(s)	\$ 0.20
Office 365 GCC F1	Government	1 Month(s)	\$ 4.00
Office 365 GCC G1	Government	1 Month(s)	\$ 8.00
Office 365 GCC G3	Government	1 Month(s)	\$ 20.00
Office 365 GCC G5	Government	1 Month(s)	\$ 35.00
Office 365 GCC G5 without Audio Conferencing	Government	1 Month(s)	\$ 35.00
Office 365 ProPlus for GCC	Government	1 Month(s)	\$ 12.00
OneDrive for Business (Plan 1) for GCC	Government	1 Month(s)	\$ 5.00
OneDrive for Business (Plan 2) for GCC	Government	1 Month(s)	\$ 10.00
Phone System for GCC	Government	1 Month(s)	\$ 8.00
Power BI Premium P1 for Government	Government	1 Month(s)	\$ 4,995.00
Power BI Premium P2 for Government	Government	1 Month(s)	\$ 9,995.00
Power BI Premium P3 for Government	Government	1 Month(s)	\$19,995.00
Power BI Premium P4 for Government	Government	1 Month(s)	\$39,995.00
Power BI Premium P5 for Government	Government	1 Month(s)	\$79,995.00
Power BI Pro for Government	Government	1 Month(s)	\$ 10.00
PowerApps Plan 1 for Government	Government	1 Month(s)	\$ 7.00
PowerApps Plan 2 for Government	Government	1 Month(s)	\$ 40.00
Project Online Premium for GCC	Government	1 Month(s)	\$ 55.00
Project Online Professional for GCC	Government	1 Month(s)	\$ 30.00
SharePoint Online (Plan 1) for GCC	Government	1 Month(s)	\$ 5.00
SharePoint Online (Plan 2) for GCC	Government	1 Month(s)	\$ 10.00
Skype for Business Online (Plan 1) for GCC	Government	1 Month(s)	\$ 2.00
Skype for Business Online (Plan 2) for GCC	Government	1 Month(s)	\$ 5.50
Visio Online Plan 1 for GCC	Government	1 Month(s)	\$ 5.00
Visio Online Plan 2 for GCC	Government	1 Month(s)	\$ 15.00

*Price subject to change based on Microsoft Price List

EXHIBIT B
PAYMENT SCHEDULE

- ☐ The Contractor must submit *monthly* invoices to the City, accompanied by an explanation of charges, fees, services, and expenses. The City will pay such invoices in compliance with the Texas Prompt Payment Act.

-OR-

- ☒ Payment is a fixed fee in the amount listed in Article I of this Contract. This amount shall be payable by the City pursuant to the schedule listed below and upon completion of the services and written acceptance by the City. The City will pay such invoices in compliance with the Texas Prompt Payment Act.

Schedule of Payment for each phase:

See attached Payment Schedule of phased payment milestones, monthly and annual payments, one-time fixed fees and additional pricing information.

Monthly Payments for Microsoft Office 365 Licenses and Exchange Online Archiving.

- The Contractor ("Invoke, LLC" or "Invoke") must submit monthly invoices to the City for Office 365 Licenses and Microsoft Exchange Online Archiving calculated by the number of licensed users each month (per user, per month basis).

Annual Payments for Windows 10 Licenses.

- Third-party Microsoft Partner ("Crayon Software Experts, LLC" or "Crayon") must submit annual invoices to the City for Windows 10 Licenses calculated by the number of licensed users each year (per user, per annual basis).

*** In response to City's RFP, Invoke is authorized to submit and quote Windows 10 licensing on behalf of Microsoft Partners. Per the terms and conditions of Microsoft licensing, Invoke cannot accept direct payments from the City for the Windows 10 licensing. Therefore, Crayon is the Third-party Microsoft Partner or authorized reseller to the City for all Windows 10 licenses. ***

Scope Number	Scope of Services One Time Fixed Fees	Cost
Scope I	Exchange Online Migration	\$47,008.80
Scope II	Office 365 Implementation	\$53,597.70
Scope VI	Administrative Training	Incl
Scope VII	Operational Services Agreement	Optional
Scope VIII	Microsoft CSP Gov't Price List	Optional

Invoke's Rate Card	
Role	Rate
Project Manager	\$ 162.00
Principal Consultant	\$ 225.00
Microsoft MVP	\$ 250.00
Senior Consultant	\$ 200.00
Technical Analyst	\$ 165.00
Technical Writer	\$ 142.00
Business Analyst	\$ 160.00
Organizational Change Manager	\$ 250.00
User Adoption Analyst	\$ 175.00
Business Strategist	\$ 250.00

Name	Price	Qty	Annual Subtotal
Microsoft Office 365 F1 GCC	\$ 48.00	50	\$ 2,400.00
Microsoft Office 365 G3 GCC	\$213.48	900	\$ 192,132.00
Microsoft Exchange Online Archiving for Exchange Online GCC	\$32.16	50	\$ 1,608.00
Administrator Training – Documentation & Knowledge Transfer will be done at the end of each Phase/Project	Incl	Incl	Incl
Annual Total			\$ 196,140.00
Three Year Total not to exceed			\$ 588,420.00

QTY	PRODUCT DESCRIPTION	UNIT PRICE	EXTD TOTAL
	Year 1 payment		
1,000	Windows E3Usr User Subsc WindowsE3 Per User Per User Subscriptions	\$66.64	\$66,640.00
	Year 2 payment		
1,000	Windows E3Usr User Subsc WindowsE3 Per User Per User Subscriptions	\$66.64	\$66,640.00
	Year 3 payment		
1,000	Windows E3Usr User Subsc WindowsE3 Per User Per User Subscriptions	\$66.64	\$66,640.00
		SUBTOTAL	\$199,920.00
		SALES TAX	\$0.00
		TOTAL	\$199,920.00

All Windows 10 Licenses will be provided to the City by Crayon Software Experts, LLC. Invoices will be submitted annually by Crayon to the City for Windows 10 Licenses calculated by the number of licensed users each year (per user, per annual basis). In reference to Microsoft Products and Services Agreement (MPSA) and Crayon's Quote CSEO37855 attached in Exhibit E.

Invoice Payment Schedule for Phase I, Phase II, Windows 10 Licenses & Office 365 Licenses			
<u>Milestone Payment Schedule</u>	<u>Items Description</u>	<u>Payment Due</u>	<u>Total 3 Year Contract Value</u>
Phase I – Exchange Online Migration Due 30 days after Contract Execution	- Exchange Online Migration - Professional Services (25% of Total Cost) - Windows 10 Licenses *provided by 3rd Party Crayon* (3 year Contract- Annual payments) - Office 365 Licenses (3 year Contract – Monthly Payments)	\$11,752.20(fixed)	\$47,008.80
		\$66,640.00 (Annually per user)	\$199,920.00
		\$16,345.00 not to exceed (Monthly per user)	\$588,420.00
	Total due Milestone 1	\$94,737.20	
Hybrid Exchange Infrastructure Deployed	Exchange Online Migration - Professional Services (25% of Total Cost) Total due Milestone2	\$11,752.20 (fixed)	
Migration Completed	Exchange Online Migration - Professional Services (25% of Total Cost) Total due Milestone3	\$11,752.20 (fixed)	
Closeout	Exchange Online Migration - Professional Services (25% of Total Cost) Total due Milestone4	\$11,752.20 (fixed)	
	Total Amount Due for Phase I	<u>\$129,993.80</u>	
Phase II – Office 365 ProPlus Deployment Due 30 days after start of Phase II Execution	Office 365 ProPlus Deployment – Professional Services (25% of Total Cost) Total due Milestone1	\$13,399.42 (fixed)	\$53,597.70
Test Deployment Plan and Execute Pilot	Office 365 ProPlus Deployment – Professional Services (25% of Total Cost) Total due Milestone2	\$13,399.42 (fixed)	
Office 365 ProPlus Client Servicing	Office 365 ProPlus Deployment – Professional Services (25% of Total Cost) Total due Milestone3	\$13,399.42 (fixed)	
Closeout	Office 365 ProPlus Deployment – Professional Services (25% of Total Cost) Total due Milestone4	\$13,399.44 (fixed)	
	Total Amount Due for Phase II	<u>\$53,597.70(one-time fixed fee)</u>	
Total project cost (Not to exceed)		\$183,591.50	\$888,946.48

EXHIBIT C
CERTIFICATES OF INSURANCE

Contract No. 19300481
General Service Contract
Microsoft Office 365 Migration
CRC 04-17-19



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/17/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER		CONTACT NAME:	
HUB INTERNATIONAL INSURANCE SERVICES		PHONE (A/C, No, Ext): (866) 368-2395	
201 E MAIN DR STE 800		FAX (A/C, No): (866) 828-2424	
EL PASO TX 79901		E-MAIL ADDRESS: Certificate@Hanover.com	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: The Hanover Casualty Company	
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PROJECT ☐ LOC OTHER:	Y	N	OLD D486402 01	01/25/2019	01/25/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY	Y	N	OLD D486402 01	01/25/2019	01/25/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	☒ UMBRELLA LIAB ☐ EXCESS LIAB ☒ OCCUR ☐ CLAIMS-MADE DED ☒ RETENTION \$	Y	N	OLD D486402 01	01/25/2019	01/25/2020	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of College Station, its officers, agents, volunteers and employees are Additional Insured on the General Liability pursuant to the terms and conditions by form 391-1006. Additional Insured is Primary and Noncontributory to the extent provided by form 391-1003 (pg 79 of 81). Cancellation Notice will be provided to the Certificate Holder pursuant to endorsement: 401-1235. Such notice is solely for the purpose of informing the Certificate Holder of the effective date of cancellation and does not grant, alter, or extend any rights or obligations under this policy.

CERTIFICATE HOLDER**CANCELLATION**

CITY OF COLLEGE STATION RISK MANAGEMENT DEPARTMENT PO BOX 9960 COLLEGE STATION TX 77842	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	---

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/02/19

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Aon Risk Services, Inc of Florida
1001 Brickell Bay Drive, Suite #1100
Miami, FL 33131-4937

CONTACT NAME: Aon Risk Services, Inc of Florida

PHONE
(A/C, No, Ext): 800-743-8130

FAX
(A/C, No): 800-522-7514

EMAIL ADDRESS: ADP.COI.Center@Aon.com

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: New Hampshire Ins Co

23841

INSURED
ADP TotalSource FL XIX, Inc.
10200 Sunset Drive
Miami, FL 33173
ALTERNATE EMPLOYER
Invoke, LLC DBA Invoke Systems Management
118 Vintage Park Blvd
Houston, TX 77070

INSURER B:

INSURER C:

INSURER D:

INSURER E:

INSURER F:

COVERAGES

CERTIFICATE NUMBER: 2521971

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. LIMITS SHOWN ARE AS REQUESTED.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE \$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$
							MED EXP (Any one person) \$
							PERSONAL & ADV INJURY \$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$
	☐ POLICY ☐ PROJECT ☐ LOC						PRODUCTS - COM/OP AGG \$
	☐ OTHER						\$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	☐ ANY AUTO						BODILY INJURY (Per person) \$
	☐ OWNED AUTOS ONLY	☐ SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	☐ HIRED AUTOS ONLY	☐ NON-OWNED AUTOS ONLY					PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB	☐ OCCUR					EACH OCCURRENCE \$
	EXCESS LIAB	☐ CLAIMS-MADE					AGGREGATE \$
	DEC ☐ RETENTION \$						
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	☐ Y ☐ N		WC 080371953 TX	07/01/19	07/01/20	☒ PER STATUTE ☐ OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)		N/A				E.L. EACH ACCIDENT \$ 2,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below		X				E.L. DISEASE - EA EMPLOYEE \$ 2,000,000
							E.L. DISEASE - POLICY LIMIT \$ 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
All worksite employees working for INVOKE, LLC DBA INVOKE SYSTEMS MANAGEMENT, paid under ADP TOTALSOURCE, INC.'s payroll, are covered under the above stated policy. INVOKE, LLC DBA INVOKE SYSTEMS MANAGEMENT is an alternate employer under this policy.
WAIVER OF SUBROGATION IN FAVOR OF CERTIFICATE HOLDER AS RESPECTS OF JOB PERFORMED BY INVOKE, LLC DBA INVOKE SYSTEMS MANAGEMENT AS REQUIRED BY WRITTEN CONTRACT.

CERTIFICATE HOLDER

City of College Station
Risk Management Department
PO Box 9960
College Station, TX 77840

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Aon Risk Services, Inc of Florida

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TEXAS WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Texas is shown in Item 3.A. of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, but this waiver applies only with respect to bodily injury arising out of the operations described in the Schedule where you are required by a written contract to obtain this waiver from us.

This endorsement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

The premium for this endorsement is shown in the Schedule.

Schedule

1. ☒ Specific Waiver

City of College Station
Risk Management Department
PO Box 9960
College Station, TX 77840

☐ Blanket Waiver

Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

2. Operations:

3. Premium: N/A

The premium charge for this endorsement shall be – percent of the premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.

4. Advance Premium: N/A

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective: 07/02/2019

Policy No. WC 080371953

Endorsement No. N/A

Insured: ADP TotalSource FL XIX, Inc. (PEO Company)
10200 Sunset Drive
Miami, FL 33173
Invoke, LLC DBA Invoke Systems Management (Client of PEO Company)
118 Vintage Park Blvd
Houston, TX 77070

Premium \$ N/A

Insurance Company: New Hampshire Ins Co

Countersigned by _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

07/31/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER The Woodlands Financial Group 1201 Lake Woodlands Drive Suite 4020 The Woodlands TX 77380		CONTACT NAME: Miranda Englishbee PHONE (A/C, No, Ext): (281) 367-3424 FAX (A/C, No): E-MAIL ADDRESS: menglishbee@twfg.com	
INSURED Invoke LLC 118 Vintage Park Blvd. Houston TX 77070		INSURER(S) AFFORDING COVERAGE INSURER A: INSURER B: INSURER C: INSURER D: INSURER E: United States Liability Co. INSURER F:	
		NAIC # 26522	

COVERAGES**CERTIFICATE NUMBER:** INVO19073114113636**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC OTHER:					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ HIRED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ NON-OWNED AUTOS ONLY					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED ☐ RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) if yes, describe under DESCRIPTION OF OPERATIONS below Y/N ☐ N/A					☐ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
E	Technology Professional Liability Errors And Omissions		TK1553276	07/30/2019	07/30/2020	Each Claim Limit \$5,000,000 Annual Aggregate \$5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

City of College Station Risk Management Department PO Box 9960 College Station TX 77842	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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EXHIBIT D
CYBER SECURITY REQUIREMENTS

1. CITY IT CONTRACT REQUIREMENTS FOR CLOUD PROVIDERS

1.1 Security Policies and Procedures. The Contractor shall provide the City with copies of its information security policies and procedures within three (3) business days upon City's request covering:

- (a) Data classification and privacy;
- (b) Security training and awareness;
- (c) Systems administration, patching and configuration;
- (d) Incident response;
- (e) Managing workstations, mobile devices and antivirus applications;
- (f) Backups, disaster recovery and business continuity;
- (g) Audit and testing schedules;
- (h) Requirements for third-party business partners and contractors;
- (i) Compliance with information security or privacy laws, rules, regulations or standards
- (j) Evidence of background checks that support security of sensitive or confidential information;
- (k) Disclosure of previous data breaches; and
- (l) Any other relevant information regarding security policies or procedures.

1.2 Industry Best Practices. Contractor must provide all services using the best commercially-available security technology and techniques according to industry best practices and standards; the City's security standards, policies and procedures including those relating to fraud prevention and detection and any other inappropriate system and network use or access, including:

- (a) Providing secure (SSL, HTTPS, or similar) access to all levels of users as defined by the City via the internet;
- (b) Having controls meeting applicable laws and the latest Framework for Improving Critical Infrastructure Cyber security from National Institute of Standards and Technology (NIST) or compatible industry security frameworks;
- (c) Completely testing and applying patches for hardware bios/firmware, bare metal operating systems (e.g. VMware ESXi), virtualized server operating systems, and software products before release; and
- (d) Having all servers providing services to the City solely physically located within the continental United States of America. Contractor must house all servers and equipment in an operational environment meeting industry standards including a climate-controlled room with a fire and security hazard detection system and a network and

electrical redundancy system, including backup Uninterruptable Power Supply (UPS) and automatic fail-over stand-by generators and physical security.

1.3 Data Breach.

(a) **Notice.** Contractor must immediately notify the City by telephone and email no later than twenty-four (24) hours if there is a reasonable probability of a data security incident. Contractor must send a written letter following up on the data security incident within forty-eight (48) hours following a data breach. The Contractor must:

1. Cooperate with the City's request to investigate and resolve the incident in a timely manner;
2. Promptly implement necessary remedial measures; and
3. Document responsive actions taken related to the data breach, including any post-incident review and actions taken to make changes in business practices in providing the services, if necessary.

(b) **Contractor Agreement Breach.** If a data breach results from Contractor's breach of the Agreement, Contractor must:

1. Bear any costs associated with the investigation and resolution of the data breach
2. Notify individuals, regulators and all others required by Identity Theft Enforcement and Protection Act in the Texas Business and Commerce Code Chapter 521 Unauthorized Use of Identifying Information;
3. Engage a credit monitoring service or identity protection service;
4. Publish a website or toll-free number and call center for affected individuals as required by state or federal law;
5. Complete all corrective actions as reasonably determined based on root cause; and
6. Send the City written findings and remedial measures from the data breach.

1.4 Preventive Security Procedures. Contractor must:

- (a) Provide on-going software updates as they become available complying with the defined maintenance windows. The Contractor must completely test updates; including any bug fixes, patches and other improvements;
- (b) Monitor system and error logs and perform preventive maintenance to minimize and predict system problems, including initiating and completing an appropriate response;
- (c) Conduct a third-party independent security/vulnerability assessment at its own expense at least annually and submit the results of such assessment to the City;
- (d) Agree to third-party application and vulnerability security scans and schedules;
- (e) Comply with the City's directions/resolutions to remediate security/vulnerability assessment results aligning with City Security Vulnerability Assessment Standards;

- (f) Limit logical and physical access to all system components and provide access only to those individuals with a business need for services provided. Individuals who have access to systems and data must have a criminal background check;
 - (g) Annually audit the data center through an independent third-party auditor. Audit results must form part of the Contractor's applicable Service Organization Control (SOC) report. The audit results must comply with industry standard controls for data security and disaster recovery that the Contractor shall report to the City in writing; and
 - (h) Take all necessary measures to protect the data and encryption keys including, but not limited to the off-site servers daily backup according to industry best practices and encryption techniques.
- 1.5 Disaster Recovery.** Contractor must comply with any and all City disaster recovery and resiliency protocols to prevent system interruption. In the event of a system breach, Contractor shall notify the City and restore the system within twenty-four (24) hours from discovery of breach.
- 1.6 Closeout.**
- (a) **Agreement Expiration.** When the Agreement term expires or terminates, and at any other time at the City's written request, Contractor must promptly return to the City all intellectual and physical property subject to the Agreement including, but not limited to system configuration data and information in file or document formats in the Contractor's possession or control.
 - (b) **Access.** The City will have access to export and retrieve its data for no less than ninety (90) days after the Agreement expiration or termination date. The City must be able to access its data at any time during the Agreement term in a readily readable, structured and documented format, such as CSV-format or some other standard format offered by the Contractor. The Contractor must provide the City transition services after Agreement expiration or termination at Contractor's then-current and generally-charged hourly rates.
 - (c) **Data Removal.** At the City's request upon Agreement expiration or termination, the Contractor must remove, delete, purge, overwrite or otherwise render inaccessible within a reasonable time, all City data remaining on Contractor's servers to the extent possible based on the then-current technology available. Contractor must provide the City a written and signed statement confirming data has been deleted, purged, overwritten or otherwise rendered inaccessible. The Contractor will not otherwise delete the City's data without City's prior written consent.

2. CITY IT CONTRACT REQUIREMENTS FOR ON PREMISE SOLUTIONS

2.1 Requirements: Contractor must:

- (a) Provide the City with its security architecture. The security architecture must at a minimum meet applicable laws and the latest Cybersecurity Framework for Improving Critical Infrastructure from National Institute of Standards and Technology (NIST) or compatible industry security frameworks;

- (b) Have data access limited to only required support service;
- (c) Evidence of background checks that support security of the City's sensitive or confidential information;
- (d) Notify the City within twenty-four (24) hours when any patches resulting from security vulnerability and threats become available;
- (e) Provide City with all applicable security assessments, audits and certifications related to system security annually;
- (f) Train City staff on security-related procedures regarding system operation and maintenance; and
- (g) Take all necessary measures to protect the City's data and data encryption when applicable.

2.2 Data Breach.

(a) **Notice.** Contractor must immediately notify the City by telephone and email no later than twenty-four (24) hours if there is a reasonable probability of a data security incident. Contractor must send a written letter following up on the data security incident within forty-eight (48) hours following a data breach. The Contractor must:

1. Cooperate with the City's request to investigate and resolve the incident in a timely manner;
2. Promptly implement necessary remedial measures; and
3. Document responsive actions taken related to the data breach, including any post-incident review and actions taken to change business practices in providing the services, if necessary.

(b) **Contractor Agreement Breach.** If a data breach results from Contractor's breach of this Agreement, Contractor must:

1. Bear any costs associated with the investigation and resolution of the data breach;
2. Notify individuals, regulators and all others required by Identity Theft Enforcement and Protection Act in the Texas Business and Commerce Code Chapter 521 Unauthorized Use of Identifying Information;
3. Engage a credit monitoring service;
4. Publish a website or a toll-free number and call center for affected individuals as required by state or federal law;
5. Complete all corrective actions as reasonably determined based on root cause; and
6. Send the City written findings and remedial measures from the data breach.

2.3 Data Removal. At the City's request upon Agreement expiration or termination, the Contractor must remove, delete, purge, overwrite or otherwise render inaccessible within a reasonable time, all City data remaining on Contractor's servers to the extent possible based on the then-current technology available. Contractor must provide the City a written

and signed statement confirming data has been deleted, purged, overwritten or otherwise rendered inaccessible. The Contractor will not otherwise delete the City's data without City's prior written consent.

EXHIBIT E
MICROSOFT AGREEMENTS

Contract No. 19300481
General Service Contract
Microsoft Office 365 Migration
CRC 04-17-19



Microsoft Cloud Agreement

US Government Community Cloud

This Microsoft Cloud Agreement is incorporated into the Customer Agreement and entered into between the customer who is a Community member ("Customer") and the person or entity who has entered into a prime contract with the Customer ("Contractor") as an addendum and governs Customer's use of the Microsoft Products. It consists of the terms and conditions below, Use Rights, SLA, and all documents referenced within those documents (together, the "agreement"). It is effective on the date that the Contractor provisions the Customer's Subscription. Key terms are defined in Section 13.

1. Grants, rights and terms.

All rights granted under this agreement are non-exclusive and non-transferable and apply as long as neither Customer nor any of its Affiliates is in material breach of this agreement.

a. Software. Upon acceptance of each order, Microsoft grants Customer a limited right to use the Software in the quantities ordered.

- (i) **Use Rights.** The Use Rights in effect when Customer orders Software will apply to Customer's use of the version of the Software that is current at the time. For future versions and new Software, the Use Rights in effect when those versions and Software are first released will apply. Changes Microsoft makes to the Use Rights for a particular version will not apply unless Customer chooses to have those changes apply.
- (ii) **Temporary and perpetual licenses.** Licenses available on a subscription basis are temporary. For all other licenses, the right to use Software becomes perpetual upon payment in full.

b. Online Services. Customer may use the Online Services as provided in this agreement.

- (i) **Online Services Terms.** The Online Services Terms in effect when Customer orders or renews a Subscription to an Online Service will apply for the applicable Subscription term. For Online Services that are billed periodically based on consumption, the Online Services Terms current at the start of each billing period will apply to usage during that period.
- (ii) **Suspension.** Microsoft may suspend use of an Online Service during Customer's violation of the Acceptable Use Policy or failure to respond to a claim of alleged infringement. Microsoft will give Customer notice before suspending an Online Service when reasonable.
- (iii) **End Users.** Customer controls access by End Users, and is responsible for their use of the Product in accordance with this agreement. For example, Customer will ensure End Users comply with the Acceptable Use Policy.
- (iv) **Customer Data.** Customer is solely responsible for the content of all Customer Data. Customer will secure and maintain all rights in Customer Data necessary for Microsoft to provide the Online Services to Customer without violating the rights of any third party or otherwise obligating Microsoft to Customer or to any third party. Microsoft does not and will not assume any obligations with respect to Customer Data or to Customer's use of the Product other than as expressly set forth in this agreement or as required by applicable law.
- (v) **Responsibility for your accounts.** Customer is responsible for maintaining the confidentiality of any non-public authentication credentials associated with Customer's use of the Online Services. Customer must promptly notify customer support about any possible misuse of Customer's accounts or authentication credentials or any security incident related to the Online Services.

c. License transfers. License transfers are not permitted, except that Customer may transfer only fully-paid perpetual licenses to (1) an Affiliate or (2) a third party, solely in connection with the transfer of hardware or employees to whom the licenses have been assigned to the third party as part of (a) a divestiture of all or part of an Affiliate or (b) a merger involving Customer or an Affiliate. Upon such transfer, Customer and its Affiliates must uninstall and discontinue using the licensed Product and render any copies unusable. Attempted license transfers that do not comply with this agreement are void.

d. Reservation of rights. Products are protected by copyright and other intellectual property rights laws and international treaties. Microsoft reserves all rights not expressly granted in this agreement. No rights will be granted or implied by waiver or estoppel. Rights to access or use Software on a device do not give Customer any right to implement Microsoft patents or other Microsoft intellectual property in the device itself or in any other software or devices.

e. Restrictions. Customer may use the Product only in accordance with this agreement. Customer may not (and is not licensed to): (1) reverse engineer, decompile or disassemble any Product or Fix, or attempt to do so; (2) install or

use non-Microsoft software or technology in any way that would subject Microsoft's intellectual property or technology to any other license terms; or (3) work around any technical limitations in a Product or Fix or restrictions in Product documentation. Customer may not disable, tamper with, or otherwise attempt to circumvent any billing mechanism that meters Customer's use of the Online Services. Except as expressly permitted in this agreement or Product documentation, Customer may not distribute, sublicense, rent, lease, lend, resell or transfer and Products, in whole or in part, or use them to offer hosting services to a third party.

- f. **Preview releases.** Microsoft may make Previews available. Previews are provided "as-is," "with all faults," and "as-available," and are excluded from the SLA and all limited warranties provided in this agreement. Previews may not be covered by customer support. Previews may be subject to reduced or different security, compliance, and privacy commitments, as further explained in the Online Services Terms and any additional notices provided with the Preview. Microsoft may change or discontinue Previews at any time without notice. Microsoft also may choose not to release a Preview into "General Availability."

g. **Verifying compliance for Products.**

- (i) **Right to verify compliance.** Customer must keep records relating to all use and distribution of Products by Customer and its Affiliates. Microsoft has the right, at its expense, to verify compliance with the Products' license terms. Customer must promptly provide any information reasonably requested by the independent auditors retained by Microsoft in furtherance of the verification, including access to systems running the Products and evidence of licenses for Products that Customer hosts, sublicenses, or distributes to third parties. Customer agrees to complete Microsoft's self-audit process, which Microsoft may request as an alternative to a third party audit.

- (ii) **Remedies for non-compliance.** If verification or self-audit reveals any unlicensed use of Products, then within 30 days Customer must order sufficient licenses to cover its use. If unlicensed use or distribution is 5% or more, the Customer may be completely responsible for the costs Microsoft has incurred in verification, to the extent permitted by 31 U.S.C. § 1341 (Anti-Deficiency Act) and other applicable Federal law or similar state law (as applicable). The unlicensed use percentage is based on the total number of licenses purchased compared to actual install base. Notwithstanding the foregoing, nothing in this section prevents the Customer from disputing any invoice in accordance with the Contract Disputes Act (41 U.S.C. §§7101-7109), if and as applicable. If there is no unlicensed use, Microsoft will not subject Customer to another verification for at least one year. By exercising the rights and procedures described above, Microsoft does not waive its rights to enforce this agreement or to protect its intellectual property by any other legal means.

- (iii) **Verification process.** Microsoft will notify Customer at least 30 days in advance of its intent to verify Customers' compliance with the license terms for the Products Customer and its Affiliates use or distribute. Microsoft will engage an independent auditor, which will be subject to a confidentiality obligation. Any information collected in the self-audit will be used solely for purposes of determining compliance. This verification will take place during normal business hours and in a manner that does not unreasonably interfere with Customer's operations.

2. **Subscriptions, ordering.**

- a. **Available Subscription offers.** The Subscription offers available to Customer will be established by the Customer Agreement and generally can be categorized as one or a combination of the following:

- (i) **Online Services Commitment Offering.** Customer commits in advance to purchase a specific quantity of Online Services for use during a Term and to pay upfront or on a periodic basis for continued use of the Online Service.
- (ii) **Consumption Offering (also called Pay-As-You-Go).** Customer pays based on actual usage with no upfront commitment.
- (iii) **Limited Offering.** Customer receives a limited quantity of Online Services for a limited term without charge (for example, a free trial) or as part of another Microsoft offering (for example, MSDN). Provisions in this agreement with respect to the SLA and data retention may not apply.
- (iv) **Software Commitment Offering.** Customer commits in advance to purchase a specific quantity of Software for use during a Term and to pay upfront or on a periodic basis for continued use of the Software.

b. **Ordering.**

- (i) Orders must be placed through the Contractor. Customer may place orders for its Affiliates under this agreement and grant its Affiliates administrative rights to manage the Subscription, but, Affiliates may not place orders under this agreement. Customer also may assign the rights granted under Section 1.a and 1.b to a third party for use by that third party in Customer's internal business. If Customer grants any rights to Affiliates or third parties with respect to Software or Customer's Subscription, such Affiliates or third parties will be bound by this agreement

and Customer agrees to be jointly and severally liable for any actions of such Affiliates or third parties related to their use of the Products.

- (ii) The Contractor may permit Customer to modify the quantity of Online Services ordered during the Term of a Subscription. Additional quantities of Online Services added to a Subscription will expire at the end of that Subscription.
- c. **Pricing and payment.** Prices for each Product and any terms and conditions for invoicing and payment will be established by the Contractor.
- d. **Renewal.**
 - (i) Upon renewal of a Subscription, Customer may be required to sign a new agreement, a supplemental agreement or an amendment to this agreement.
 - (ii) Customer's Subscription will automatically renew unless Customer provides the Contractor notice of its intent not to renew prior to the expiration of the Term.
- e. **Eligibility for Academic, Government and Nonprofit versions.** Customer agrees that if it is purchasing an academic, government or nonprofit offer, Customer meets the respective eligibility requirements listed at the following sites:
 - (i) For academic offers, the requirements for educational institutions (including administrative offices or boards of education, public libraries, or public museums) listed at www.aka.ms/academiceligibility;
 - (ii) For government offers, the requirements listed at www.aka.ms/governmenteligibility; and
 - (iii) For nonprofit offers, the requirements listed at www.aka.ms/nonprofiteligibility.

As an exception to the foregoing, if Customer is not a government entity but has been verified by Contractor to be an eligible member of the Community, then the requirements in (ii) above shall not apply. Microsoft reserves the right to verify eligibility at any time and suspend the Online Service if the eligibility requirements are not met.

- f. **Taxes.** The parties are not liable for any of the taxes of the other party that the other party is legally obligated to pay and which are incurred or arise in connection with or related to the transactions contemplated under this agreement, and all such taxes will be the financial responsibility of the party who is obligated by operation of law to pay such tax.

3. **Term, termination.**

- a. **Agreement term and termination.** This agreement will remain in effect until the expiration or termination of the Customer Agreement Contract, whichever is earliest.
- b. **Cancel a Subscription.** The Customer Agreement will establish the terms and conditions, if any, upon which Customer may cancel a Subscription.

4. **Security, privacy, and data protection.**

- a. **Reseller Administrator Access and Customer Data.** Customer acknowledges and agrees that (i) the Contractor will be the primary administrator of the Online Services for the Term and will have administrative privileges and access to Customer Data, however, Customer may request additional administrator privileges from its Contractor; (ii) Customer can, at its sole discretion and at any time during the Term, terminate its Contractor's administrative privileges; (iii) the Contractor's privacy practices with respect to Customer Data or any services provided by the Contractor are subject to the terms of the Customer Agreement and may differ from Microsoft's privacy practices; and (iv) the Contractor may collect, use, transfer, disclose, and otherwise process Customer Data, including personal data. Customer consents to Microsoft providing the Contractor with Customer Data and information that Customer provides to Microsoft for purposes of ordering, provisioning and administering the Online Services.
- b. If Customer plans to include criminal justice information or federal tax information with its Customer Data, it is Customer's responsibility to ensure compliance with FBI CJIS Policy, including ensuring that all of Customer's and/or Contractor's employees that will have unencrypted access to Customer Data meet the FBI background check. Customer must contact Contractor to obtain an applicable amendment to this Government Agreement for that purpose.
- c. Customer consents to the processing of personal information by Microsoft and its agents to facilitate the subject matter of this agreement. Customer may choose to provide personal information to Microsoft on behalf of third parties (including your contacts, resellers, distributors, administrators, and employees) as part of this agreement. Customer will obtain all required consents from third parties under applicable privacy and data protection laws before providing personal information to Microsoft.

- d. Additional privacy and security details are in the Online Services Terms. The commitments made in the Online Services Terms only apply to the Online Services purchased under this agreement and not to any services or products provided by the Contractor. If Customer uses software or services that are hosted by a Reseller, that use will be subject to Reseller's privacy practices, which may differ from Microsoft's.
- e. As and to the extent required by law, Customer shall notify the individual users of the Online Services that their data may be processed for the purpose of disclosing it to law enforcement or other governmental authorities as directed by the Contractor or as required by law, and Customer shall obtain the users' consent to the same.
- f. Customer appoints the Contractor as its agent for purposes of interfacing with and providing instructions to Microsoft for purposes of this Section 4.

5. Warranties.

a. Limited warranty.

- (i) **Software.** Microsoft warrants that each version of the Software will perform substantially as described in the applicable Product documentation for one year from the date Customer is first licensed for that version. If it does not, and Customer notifies Microsoft within the warranty term, then Microsoft will, at its option, (1) return the price Customer paid for the Software license or (2) repair or replace the Software.
- (ii) **Online Services.** Microsoft warrants that each Online Service will perform in accordance with the applicable SLA during Customer's use. Customer's remedies for breach of this warranty are in the SLA. The remedies above are Customer's sole remedies for breach of the warranties in this section. Customer waives any breach of warranty claims not made during the warranty period.
- b. **Exclusions.** The warranties in this agreement do not apply to problems caused by accident, abuse or use inconsistent with this agreement, including failure to meet minimum system requirements. These warranties do not apply to free or trial products, Previews, Limited Offerings, or to components of Products that Customer is permitted to redistribute.
- c. **Disclaimer.** Except for the limited warranties above, to the extent not prohibited by applicable law, Microsoft provides no warranties or conditions for Products and disclaims any other express, implied, or statutory warranties for Products, including warranties of quality, title, non-infringement, merchantability and fitness for a particular purpose.

6. Defense of third party claims.

- a. **By Microsoft.** Microsoft will defend Customer against any third-party claim to the extent it alleges that a Product or Fix made available by Microsoft for a fee and used within the scope of the license granted under this agreement (unmodified from the form provided by Microsoft and not combined with anything else), misappropriates a trade secret or directly infringes a patent, copyright, trademark or other proprietary right of a third party. If Microsoft is unable to resolve a claim of infringement under commercially reasonable terms, it may, as its option, either: (1) modify or replace the Product or fix with a functional equivalent; or (2) terminate Customer's license and refund any prepaid license fees (less depreciation on a five-year, straight-line basis) for perpetual licenses and any amount paid for Online Services for any usage period after the termination date.

Microsoft will not be liable for any claims or damages due to Customer's continued use of a Product or Fix after being notified to stop due to a third-party claim.

- b. **Customer's agreement.** Customer agrees that use of Customer Data or non-Microsoft software Microsoft provides or otherwise makes available on Customer's behalf will not infringe any third party's patent, copyright or trademark or make unlawful use of any third party's trade secret. In addition, Customer will not use an Online Service to gain unauthorized access to or disrupt any service, data, account or network in connection with the use of the Online Services.
- c. **Rights and remedies in case of possible infringement or misappropriation.** If Microsoft reasonably believes that a claim under this section may result in a legal bar prohibiting Customer's use of the Product or Fix, Microsoft will seek to obtain the right for Customer to keep using it or modify or replace it with a functional equivalent, in which case Customer must discontinue use of the prior version immediately. If these options are not commercially reasonable, Microsoft may terminate Customer's right to the Product or Fix and refund any amounts Customer has paid for those rights to Software and Fixes and, for Online Services, any amount paid for a usage period after the termination date.
- d. **Other terms.** Customer must notify Microsoft promptly in writing of a claim subject to this section; give Microsoft sole control over the defense and settlement (provided that for any Federal Agency Customers, the control of the defense and settlement is subject to 28 U.S.C. 516); and provide reasonable assistance in defending the claim. Microsoft will

reimburse Customer for reasonable out of pocket expenses that it incurs in helping. The remedies provided in this section are the exclusive remedies for the claims described in this section.

Notwithstanding the foregoing, and solely with respect to Federal Agency Customers, Microsoft's rights set forth in this section (and the rights of the third party claiming infringement) shall be governed by the provisions of 28 U.S.C. § 1498.

7. **Limitation of liability.** For each Product, each party's maximum, aggregate liability to the other under this agreement is limited to direct damages finally awarded in an amount not to exceed the amounts Customer was required to pay for the applicable Products during the term of this agreement, subject to the following:
- Online Services.** For Online Services, Microsoft's maximum liability to Customer for any incident giving rise to a claim will not exceed the amount Customer paid for the Online Service during the 12 months before the incident; provided that in no event will Microsoft's aggregate liability for any Online Service exceed the amount paid for that Online Service during the Subscription.
 - Free Products and distributable code.** For Products provided free of charge and code that Customer is authorized to redistribute to third parties without separate payment to Microsoft, Microsoft's liability is limited to direct damages finally awarded up to US\$5,000.
 - Exclusions.** In no event will either party be liable for loss of revenue or indirect, special, incidental, consequential, punitive, or exemplary damages, or damages for loss of use, lost profits, revenues, business interruption, or loss of business information, however caused or on any theory of liability.
 - Exceptions.** The limits of liability in this section apply to the fullest extent permitted by applicable law, but do not apply to: (1) the parties' obligations under section 6; or (2) violation of the other's intellectual property rights.

For Customers that are Federal Agencies, this Section shall not impair the Customer's right to recover for fraud or crimes arising out of or related to this agreement under any federal fraud statute, including the False Claims Act, 31 U.S.C. §§ 3729-3733.

8. **ITAR Covered Services.** This section applies to only the ITAR Covered Services, defined below. Customer buys subject to this Agreement. These terms only apply if Customer provides express notice to Microsoft of Customer's intent to manage ITAR controlled data in the Customer Data during the eligibility validation phase of the online application process.

a. **Customer Prerequisites:**

- Customer is responsible for ensuring that the prerequisites established or required by the ITAR are fulfilled prior to introducing ITAR-controlled data into the ITAR Covered Services.
- Customer acknowledges that the ITAR Covered Services ordered by Customer under this Agreement enable End Users optionally to access and use a variety of additional resources, applications, or services that are (a) provided by third parties, or (b) provided by Microsoft subject to their own terms of use or privacy policies (collectively, for convenience, "add-ons"), as described in services documentation and/or in the portal through which Customer's administrator(s) will manage and configure the ITAR Covered Services.
- Customer is responsible for reviewing Online Services documentation, configuring the ITAR Covered Services, and adopting and implementing such policies and practices for Customer's End Users' use of ITAR Covered Services, together with any add-ons, as Customer determines are appropriate to comply with the ITAR or other legal or regulatory requirements applicable to Customer and not generally applicable to Microsoft as an IT service provider.
- Customer acknowledges that only ITAR Covered Services will be delivered subject to the terms of this Section. Processing and storage of ITAR-controlled data in other services, including without limitation add-ons, is not supported. Without limiting the foregoing, data that Customer elects to provide to the Microsoft technical support organization, if any, or data provided by or on Customer's behalf to Microsoft's billing or commerce systems in connection with purchasing or ordering ITAR Covered Services, if any, is not subject to the provisions of this Section. Customer is solely responsible for ensuring that ITAR-controlled data is not included in support information or support case artifacts.

b. **Special Terms.**

- ITAR Covered Services.** The ITAR Covered Services are cloud services operated in a standardized manner with features and processes common across multiple customers. As part of Customer's preparation to use the ITAR Covered Services for the storage, processing, or transmission of ITAR-controlled data, Customer should review applicable services documentation. Customer's compliance with the ITAR will be dependent, in part, on Customer's configuration of the services and adoption and implementation of policies and practices for

Customer's End Users' use of ITAR Covered Services. Customer is solely responsible for determining the appropriate policies and practices needed for compliance with the ITAR.

- c. **Personnel.** Microsoft personnel and contractors authorized by Microsoft to access Customer Data (that may include ITAR-controlled data) in the ITAR Covered Services, will be limited to U.S. persons, as that term is defined in the ITAR. Customer may also authorize Microsoft personnel and contractors to access its Customer Data. Customer is solely responsible for ensuring any such authorization is permissible under the ITAR.
 - d. **Use of Subcontractors.** As set forth in the OST, Microsoft may hire subcontractors to provide services on its behalf. Any such subcontractors used in delivery of the ITAR Covered Services will be permitted to obtain Customer Data (that may include ITAR-controlled data) only to deliver the ITAR Covered Services Microsoft has retained them to provide and will be prohibited from using Customer Data for any other purpose. Storage and processing of Customer Data in the ITAR Covered Services is subject to Microsoft security controls at all times and, to the extent subcontractor personnel perform services in connection with ITAR Covered Services, they are obligated to follow Microsoft's policies, including without limitation the geographic restrictions and controls selected by you in the configuration of the ITAR Covered Services. Microsoft remains responsible for its subcontractors' compliance with Microsoft's obligations.
 - e. **Notification.** The Security Incident handling process defined in the OST will apply to the ITAR Covered Services. In addition, the parties agree to the following:
 - (i) Customer acknowledges that effective investigation or mitigation of a Security Incident involving ITAR-controlled data may be dependent upon information or services configurations within Customer's control. Accordingly, proper treatment of ITAR-controlled data will be a joint obligation between Microsoft and Customer. If Customer becomes aware of any unauthorized release of ITAR-controlled data to Microsoft or the use of a service other than the ITAR Covered Service to store, process, or transmit ITAR-controlled data, Customer will promptly notify Microsoft of such event and provide reasonable assistance and information necessary for Microsoft to investigate and report such event.
 - (ii) If, subsequent to notification of a Security Incident by Microsoft, Customer determines that ITAR-controlled data may have been subject to unauthorized inspection or disclosure, it is Customer's responsibility to notify the appropriate authorities of such event, or to notify impacted individuals, if Customer determines such notification is required under applicable law or regulation or your internal policies.
 - (iii) If either party determines it is necessary or prudent to make a voluntary disclosure to the Directorate of Defense Trade Controls regarding the treatment of ITAR-controlled data in the Online Services, such party will work in good faith to notify the other party of such voluntary disclosure prior to providing such voluntary disclosure. The parties will work together in good faith in the development and reporting of any such voluntary disclosure.
 - f. **Conflicts.** If there is any conflict between any provision in this Section and any provision in the agreement, this Section shall control.
9. **IRS 1075 Covered Services.** This section applies to only the IRS 1075 Covered Services, defined below. Customer buys under the Subscription. These terms only apply if Customer provides express notice to Microsoft of its intent to purchase IRS 1075 Covered Services.
- a. **Customer Prerequisites.**
 - (i) Customer is responsible to ensure that the prerequisites established or required by IRS Publication 1075 are fulfilled prior to introducing FTI into the IRS 1075 Covered Services.
 - (ii) Customer acknowledges that the IRS 1075 Covered Services ordered by Customer under the Subscription enable End Users optionally to access and use a variety of additional resources, applications, or services that are (a) provided by third parties, or (b) provided by Microsoft subject to their own terms of use or privacy policies (collectively, for convenience, "add-ons"), as described in services documentation and/or in the portal through which your administrator(s) will manage and configure the IRS 1075 Covered Services.
 - (iii) Customer is responsible for reviewing Online Services documentation, configuring the services, and adopting and implementing such policies and practices for your End Users' use of IRS 1075 Covered Services, together with any add-ons, as Customer determines are appropriate in order for Customer to comply with IRS Publication 1075 or other legal or regulatory requirements applicable to Customer and not generally applicable to Microsoft as an IT service provider.
 - (iv) Customer acknowledges that only IRS 1075 Covered Services will be delivered subject to the terms of this section. No other services are supported by the terms of this section. Without limiting the foregoing, data that Customer elects to provide to the Microsoft technical support organization ("Support Data"), if any, or data provided by or on Customer's behalf to Microsoft's billing or commerce systems in connection with

purchasing/ordering IRS 1075 Covered Services ("Billing Data"), if any, is not subject to the provisions of this section. Customer is solely responsible for ensuring that FTI is not provided as Support Data or Billing Data.

b. IRS Publication 1075 Special Terms.

IRS 1075 Covered Services. The IRS 1075 Covered Services are cloud services operated in a standardized manner with features and processes common across multiple customers. As part of your preparation to use the services for FTI, Customer should review applicable services documentation. Customer's compliance with IRS Publication 1075 will be dependent, in part, on Customer's configuration of the services and adoption and implementation of policies and practices for Customer's End Users' use of IRS 1075 Covered Services. Customer is solely responsible for determining the appropriate policies and practices needed for compliance with IRS Publication 1075.

- (i) Attachment 1 contains the Safeguarding Contract Language for Technology Services specified by IRS Publication 1075. Microsoft and Customer has agreed that certain requirements of the Safeguarding Contract Language and IRS Publication 1075 will be fulfilled as set forth in the remainder of this section.
- (ii) **Background Checks.** Notwithstanding anything to the contrary in Attachment 1, all screened personnel authorized to have logical access to Customer Data (that may include FTI) in the IRS 1075 Covered Services will meet background check requirements equivalent to those defined in IRS Publication 1075.
- (iii) **Personnel Records and Training.** Microsoft will maintain a list of screened personnel authorized to access Customer Data (that may include FTI) in the IRS 1075 Covered Services, which will be available to Customer or to the IRS upon written request. Customer will treat Microsoft personnel personally identifiable information (PII) as Microsoft trade secret or security-sensitive information exempt from public disclosure to the maximum extent permitted by applicable law, and, if required to provide such Microsoft personnel PII to the IRS, will require the IRS to treat such personnel PII the same.
- (iv) **Training Records.** Microsoft will maintain security and disclosure awareness training records as required by IRS Publication 1075, which will be available to Customer upon written request.
- (v) **Confidentiality Statement.** Microsoft will maintain a signed confidentiality statement, and will provide a copy for inspection upon request.
- (vi) **Cloud Computing Environment Requirements.** The IRS 1075 Covered Services are provided in accordance with the FedRAMP System Security Plan for the applicable services. Microsoft's compliance with controls required by IRS Publication 1075, including without limitation encryption and media sanitization controls, can be found in the applicable FedRAMP System Security Plan.
- (vii) **Use of Subcontractors.** Notwithstanding anything to the contrary in Attachment 1, as set forth in the OST, Microsoft may use subcontractors to provide services on its behalf. Any such subcontractors used in delivery of the IRS 1075 Covered Services will be permitted to obtain Customer Data (that may include FTI) only to deliver the services Microsoft has retained them to provide and will be prohibited from using Customer Data for any other purpose. Storage and processing of Customer Data in the IRS 1075 Covered Services is subject to Microsoft security controls at all times and, to the extent subcontractor personnel perform services in connection with IRS 1075 Covered Services, they are obligated to follow Microsoft's policies. Microsoft remains responsible for its subcontractors' compliance with Microsoft's obligations. Subject to the preceding, Microsoft may employ subcontractor personnel in the capacity of augmenting existing staff, and understands IRS Publication 1075 reference to employees to include employees and subcontractors acting in the manner specified herein. It is the responsibility of the Customer to gain approval of the IRS for the use of all subcontractors.
- (viii) Microsoft maintains a list of subcontractor companies who may potentially provide personnel authorized to access Customer Data in the Online Services, published for Azure branded services at <http://azure.microsoft.com/en-us/support/trust-center/>, or successor locations identified by Microsoft. Microsoft will update these websites at least 14 days before authorizing any new subcontractor to access Customer Data, Microsoft will update the website and provide Customer with a mechanism to obtain notice of that update.
- (ix) **Security Incident Notification.** The Security Incident handling process defined in the OST will apply to the IRS 1075 Covered Services. In addition, the parties agree to the following:
 - 1. Customer acknowledges that effective investigation or mitigation of a Security Incident may be dependent upon information or services configurations within Customer's control. Accordingly, compliance with IRS Publication 1075 Incident Response requirements will be a joint obligation between Microsoft and Customer.
 - 2. If, subsequent to notification from Microsoft of a Security Incident, Customer determines that FTI may have been subject to unauthorized inspection or disclosure, it is Customer responsibility to notify the appropriate Agent-in-Charge, TIGTA (Treasury Inspector General for Tax Administration) and/or the IRS of a Security Incident, or to notify impacted individuals, if Customer determines this is required under IRS Publication 1075, other applicable law or regulation, or Customer internal policies.

c. Customer Right to Inspect.

(i) **Audit by Customer.** Customer will, (i) be provided quarterly access to information generated by Microsoft's regular monitoring of security, privacy, and operational controls in place to afford you an ongoing view into the effectiveness of such controls, (ii) be provided a report mapping compliance of the IRS 1075 Covered Services with NIST 800-53 or successor controls, (iii) upon request, be afforded the opportunity to communicate with Microsoft's subject matter experts for clarification of the reports identified above, and (iv) upon request, and at Customer's expense, be permitted to communicate with Microsoft's independent third party auditors involved in the preparation of audit reports. Notwithstanding anything to the contrary in Attachment 1, Customer will use this information above to satisfy any inspection requirements under IRS Publication 1075 and agrees that the audit rights described in this section are the sole rights to be provided in full satisfaction of any audit that may otherwise be requested by the IRS or the Customer. Notwithstanding anything to the contrary in Attachment 1, Microsoft will not grant any inspection rights to the IRS or access to Microsoft data centers or other facilities that may cause Microsoft to be non-compliant with its contractual obligations under FedRAMP, ISO 27001/27018, other US Government security related operations, or its internal security policies.

(ii) **Confidentiality of Audit Materials.** Audit information provided by Microsoft to Customer will consist of highly confidential proprietary or trade secret information of Microsoft. Microsoft may request reasonable assurances, written or otherwise, that information will be maintained as confidential and/or trade secret information subject to this agreement prior to providing such information to Customer, and Customer will ensure Microsoft's audit information is afforded the highest level of confidentiality available under applicable law. Notwithstanding the foregoing, upon request and pursuant to appropriate confidentiality protections, Customer shall be permitted to provide Microsoft's audit information described in Section 9.c(i) to the IRS to satisfy the IRS inspection requirements under IRS Publication 1075.

(iii) This Section, 9.c, is in addition to compliance information available to Customer under the OST.

10. Criminal Justice Information Services (CJIS). This section applies only to the Government CJIS Covered Services, defined below, you buy under the Subscription. These terms only apply if Customer provides express notice to Microsoft of its intent to purchase CJIS Covered Services.

a. Customer Prerequisites.

(i) Microsoft's representations as it relates to its CJIS Covered Services' compliance with the FBI Criminal Justice Information Systems ("CJIS") Security Addendum (Appendix H of FBI CJIS Policy) are subject to Customer's incorporation of applicable state-specific CJIS Amendment terms and conditions into Customer's order with the Contractor. They are also subject to Customer's incorporation and flow down of such terms in Customer's contracts with a Covered Entity.

(ii) Please visit <https://www.microsoft.com/en-us/TrustCenter/Compliance/CJIS> for additional information about CJIS Covered States and CJIS Covered Services. Note that not all states are CJIS Covered States and that different CJIS Covered Services may apply in different CJIS Covered States. For more information about how to sign up for CJIS Covered Services through an Enterprise Agreement, please visit <https://azure.microsoft.com/en-us/pricing/enterprise-agreement/>. For purposes of this section, if Customer is not in a CJIS Covered State, then Microsoft is unable to provide CJIS-related representations at this time, and no CJIS Amendment will apply.

(iii) Customer can access the terms and conditions of Microsoft's adherence to the FBI CJIS Policy by contacting the CSA in a CJIS Covered State. The Security Addendum for Private Contractors (Cloud Providers) referenced in the FBI CJIS Policy and CSA-provided terms and conditions is incorporated herein by reference, and you acknowledge that Microsoft's support for CJI will be in accordance with those terms agreed to and/or signed by the applicable state CSA. Customer also acknowledges that it is Customer's responsibility to contact the applicable state CSA for this and any additional information. Customer is required to, and acknowledge it will, work directly with the applicable state CSA for any CJIS-related documentation and audit requirements.

(iv) Customer is responsible to ensure that the CJIS Security Addendum has been signed by the CSA, that the CSA has approved Customer's use of the Covered Services to store or process CJI, and that any other prerequisites established or required by either the FBI, state CSA, or Customer is fulfilled prior to introducing CJI into the Covered Services.

(v) Customer acknowledges that it will keep records of any Covered Entity to which it provides CJIS State Agreements or other CJIS-related documentation Customer obtains from the state CSA and shall make such records available to Microsoft promptly upon request.

b. If there is any conflict between any provision in this section and any provision in the agreement, this section shall control.

11. Government Community requirements. Customer certifies that it is a member of the Community and agrees to use Government Community Cloud Services solely in its capacities as a member of the Community and for the benefit of end users that are members of the Community. Use of Government Community Cloud Services by an entity that is not a member of the Community or to provide services to non-Community members is strictly prohibited. Customer acknowledges that only Community members may use Government Community Cloud Services.

- a. All terms and conditions applicable to non-Government Community Cloud Services also apply to their corresponding Government Community Cloud Services, except as otherwise noted in the Use Rights and this Agreement.
- b. Customer may not deploy or use Government Community Cloud Services and corresponding non-Government Community Cloud Services in the same domain.
- c. Any Customer that uses Government Community Cloud Services must maintain its status as a member of the Community. Maintaining status as a member of the Community is a material requirement for such services.
- d. **Use Rights for Government Community Cloud Services.** For Government Community Cloud Services, notwithstanding anything to the contrary in the Use Rights:
 - (i) Government Community Cloud Services will be offered only within the United States.
 - (ii) Additional European Terms, as set forth in the Use Rights, will not apply.
 - (iii) References to geographic areas in the Use Rights with respect to the location of Customer Data at rest, as set forth in the Use Rights, refer only to the United States.
- e. All terms and conditions applicable to non-Government Community Cloud Services also apply to their corresponding Government Community Cloud Services, except as otherwise noted herein.
- f. Customer may not deploy or use Government Community Cloud Services and corresponding non-Government Community Cloud Services in the same domain. Additionally, Office 365 US Government may not be deployed or used in the same domain as other Government Community Cloud Services.
- g. Notwithstanding the Data Processing Terms section of the Online Services Terms, Office 365 GCC High and Azure Government Services are not subject to the same control standards and frameworks as the Microsoft Azure Core Services. The Compliance Trust Center Page describes the control standards and frameworks with which Office 365 GCC High and Azure Government Services comply.
- h. **Operational and Ordering Consideration for GCC High:**
 - (i) Customer (a) acknowledges that its Tenant administrator console (when available) will appear to include more licenses than it has ordered and is entitled to; and (b) agrees that it must order licenses for every User account it assigns. Notwithstanding anything to the contrary in the order and Product Terms, Licenses will be deemed "Reserved" for each user (and thereby subject to a True-Up Order requirement in accordance with the terms and conditions of the order), as of the day that User's account is reserved, unless a License for each such User is ordered in advance. Customer is solely responsible for keeping accurate records of the month each User is assigned to a User account, and will provide such records to Microsoft with its True-Up orders.
 - (ii) Customer acknowledges that (a) availability of its Office 365 GCC High tenant may follow several weeks after its initial order, and (b) the service components provided pursuant to its orders for "Suite" SKUs such as E1 and E3, as listed in the Office 365 GCC High, may differ from those components available in similar suites available in other forms of Office 365 Services.

12. Miscellaneous.

- a. **Notices.** You must send notices by mail, return receipt requested, to the address below.

Notices should be sent to:

Microsoft Corporation
Volume Licensing Group
One Microsoft Way
Redmond, WA 98052
USA

Customer agrees to receive electronic notices from us, which will be sent by email to the account administrator(s) named for your Subscription. Notices are effective on the date on the return receipt or, for email, when sent. You are responsible for ensuring that the email address for the account administrator(s) named for your Subscription is accurate and current. Any email notice that we send to that email address will be effective when sent, whether or not Customer actually receives the email.

- b. Assignment.* Customer may not assign this agreement either in whole or in part. Microsoft may transfer this agreement without Customer's consent, but only to one of Microsoft's Affiliates. Any prohibited assignment is void.
- c. Severability.* If any part of this agreement is held unenforceable, the rest remains in full force and effect.
- d. Waiver.* Failure to enforce any provision of this agreement will not constitute a waiver.
- e. No agency.* This agreement does not create an agency, partnership, or joint venture.
- f. No third-party beneficiaries.* There are no third-party beneficiaries to this agreement.
- g. Use of contractors.* Microsoft may use contractors to perform services, but will be responsible for their performance, subject to the terms of this agreement.
- h. Microsoft as an independent contractor.* The parties are independent contractors. Customer and Microsoft each may develop products independently without using the other's confidential information.
- i. Agreement not exclusive.* Customer is free to enter into agreements to license, use or promote non-Microsoft products or services.
- j. Entire agreement.* This agreement is the entire agreement concerning its subject matter and supersedes any prior or concurrent communications. In the case of a conflict between any documents in this agreement that is not expressly resolved in those documents, their terms will control in the following order of descending priority: (1) this agreement, (2) the Product Terms, (3) the Online Services Terms, and (4) any other documents in this agreement.
- k. Survival.* All provisions survive termination of this agreement except that requiring performance only during the term of the agreement.
- l. U.S. export jurisdiction.* Products are subject to U.S. export jurisdiction. Customer must comply with all applicable international and national laws, including the U.S. Export Administration Regulations, the International Traffic in Arms Regulations, and end-user, end-use and destination restrictions issued by U.S. and other governments related to Microsoft products, services, and technologies.
- m. Force majeure.* Neither party will be liable for any failure in performance due to causes beyond that party's reasonable control (such as fire, explosion, power blackout, earthquake, flood, severe storms, strike, embargo, labor disputes, acts of civil or military authority, war, terrorism (including cyber terrorism), acts of God, acts or omissions of Internet traffic carriers, actions or omissions of regulatory or governmental bodies (including the passage of laws or regulations or other acts of government that impact the delivery of Online Services). This Section will not, however, apply to your payment obligations under this agreement.
- n. Contracting authority.* If you are an individual accepting these terms on behalf of an entity, you represent that you have the legal authority to enter into this agreement on that entity's behalf.
- o. Additional Terms Applicable when the Customer is a U.S. Federal Agency.*
 - (i)* No provisions of any shrink-wrap or any click-through agreement (or other similar form of agreement) that may be provided in conjunction with any Product(s) acquired under this agreement shall apply in place of, or serve to modify any provision of this agreement, even if a user or authorized officer of Customer purports to have affirmatively accepted such shrink-wrap or click through provisions. For the avoid of doubt and without limiting the foregoing, in the event of a conflict between any such shrink-wrap or click-through provisions (irrespective of the products or services that such provisions attach to) and any term or condition of this agreement, then the relevant term or condition of this agreement shall govern and supersede the purchase of such Product(s) to the extent of any such conflict. All acceptance of agreements and renewals shall be executed in writing.
 - (ii)* If any document incorporated by reference into this agreement, including the Product Terms and Online Service Terms included and/or referenced or incorporated herein and/or therein, contains a provision (1) allowing for the automatic termination of your license rights or Online Services; (2) allowing for the automatic renewal of services and/or fees; (3) requiring the governing law to be anything other than Federal law; and/or (4) otherwise violates applicable Federal law, then, such terms shall not apply with respect to the Federal Government. If any document incorporated by reference into this agreement, including the Product Terms and Online Service Terms included and/or referenced or incorporated herein and/or therein contains an indemnification provision, such provision shall not apply as to the United States indemnifying Microsoft or any other party.

13. Definitions.

Any reference in this agreement to "day" will be a calendar day.

"Acceptable Use Policy" is set forth in the Online Services Terms.

"Affiliate" means any legal entity that a party owns, that owns a party, or that is under common ownership with a party.

"Ownership" means, for purposes of this definition, control of more than a 50% interest in an entity.

"Azure Government Services" means one or more of the services or features Microsoft makes available to Customer under this Enrollment and identified at <http://azure.microsoft.com/en-us/regions/#services>, which are Government Community Cloud Services.

"CJI" means Criminal Justice Information, as defined in FBI CJIS Policy.

"CJIS Covered State" means a state, as shown at <https://www.microsoft.com/en-us/TrustCenter/Compliance/CJIS> or another site Microsoft may provide, with which Microsoft and the applicable state have entered into a CJIS State Agreement.

"CJIS Covered Service" means, for any state-specific CJIS Amendment, the Microsoft Online Services that are listed as such in that amendment, and for which Microsoft's CJIS representations apply.

"CJIS State Agreement" means an agreement between Microsoft and a Covered State's CSA (or another entity to which the CSA has delegated its duties) containing terms and conditions under which the Covered State and Microsoft will comply with the applicable requirements of the CJIS Policy. Each CJIS State Agreement is consistent with the applicable state-specific CJIS Amendment, and includes Microsoft CJIS Security Addendum Certifications. For clarity, a CJIS State Agreement may be titled "CJIS Information Agreement" or "CJIS Management Agreement."

"Community" means the community consisting of one or more of the following: (1) a Government, (2) a Customer using eligible Government Community Cloud Services to provide solutions to a Government or a qualified member of the Community, or (3) a Customer with Customer Data that is subject to Government regulations for which the Customer determines, and Microsoft agrees, that the use of Government Community Cloud Services is appropriate to meet the Customer's regulatory requirements. Membership in the Community is ultimately at Microsoft's discretion, which may vary by Government Community Cloud Service.

"Compliance Trust Center Page" means the compliance page of the Microsoft Trust Center, published by Microsoft at <https://www.microsoft.com/en-us/TrustCenter/Compliance/default.aspx> or a successor site Microsoft later identifies.

"Consumption Offering", "Commitment Offering", or "Limited Offering" describe categories of Subscription offers and are defined in Section 2.

"Covered Entity" means any State/Local Entity in a Covered State with which you maintain a contractual relationship whose use of CJIS Covered Services is subject to CJIS Policy.

"CSA" means, for each CJIS Covered State, that state's CJIS Systems Agency, as defined in FBI CJIS Policy.

"Customer Agreement" means the binding agreement between the Contractor and Customer under which Customer orders Products from the Contractor and the Contractor binds Customer to the terms of the this agreement.

"Customer Data" is defined in the Online Services Terms.

"End User" means any person you permit to access Customer Data hosted in the Online Services or otherwise use the Online Services. With respect to ITAR Covered Services, End User means an individual that accesses the ITAR Covered Services. With respect to IRS 1075 Covered Services, End User means an individual that accesses the IRS 1075 Covered Services.

"Federal Agency" means a bureau, office, agency, department or other entity of the United States Government.

"Fix" means a Product fix, modifications or enhancements, or their derivatives, that Microsoft either releases generally (such as Product service packs) or provides to Customer to address a specific issue.

"FTI" is defined as in IRS Publication 1075.

"Government" means a Federal Agency, State/Local Entity, or Tribal Entity acting in its governmental capacity.

"Government Community Cloud Services" means Microsoft Online Services that are provisioned in Microsoft's multi-tenant data centers for exclusive use by or for the Community and offered in accordance with the National Institute of Standards and Technology (NIST) Special Publication 800-145. Microsoft Online Services that are Government Community Cloud Services are designated as such in the Use Rights and Product Terms.

"IRS 1075 Covered Services" means Azure Government services listed as being in the scope for IRS 1075 at <http://azure.microsoft.com/en-us/support/trust-center/compliance/irs1075/> or its successor site. Without limitation, IRS 1075 Covered Services do not include any other separately branded Online Services.

"IRS Publication 1075" means the Internal Revenue Services (IRS) Publication 1075 effective September 30, 2016, including updates (if any) released by the IRS during the term of the Enrollment.

"ITAR" means the International Traffic in Arms Regulations, found at 22 C.F.R. §§ 120 - 130.

"ITAR-controlled data" means Customer Data that is regulated by the ITAR as Defense Articles or Defense Services.

"ITAR Covered Services" means, solely with respect to this Amendment, the (i) Office 365 GCC High services; and (ii) Azure Government services, listed as being in the scope for the ITAR at <https://www.microsoft.com/en-us/TrustCenter/Compliance/itar> or its successor site.

"Microsoft Trust Center Compliance Page" is Microsoft's website accessible at <https://www.microsoft.com/en-us/TrustCenter/Compliance/> or a successor upon which Microsoft provides information about how each of its Online Services complies with, and/or is certified under, various government and industry control standards.

"Licensing Site" means <http://www.microsoft.com/licensing/contracts> or a successor site.

"Non-Microsoft Product" is defined in the Online Services Terms.

"Office 365 Service Descriptions" means, collectively and solely for this Amendment, the Service Descriptions for Office 365 High, published by Microsoft at <https://technet.microsoft.com/en-us/library/mt774581.aspx> (for the product superset, Office 365 US Government) and <https://technet.microsoft.com/en-us/library/mt774968.aspx> (for the product subset, Office 365 GCC High), or at successor sites Microsoft later identifies.

"Office 365 US Government" means the Government Community Cloud Service described by the Office 365 Service Descriptions

"Office 365 GCC High" means the Government Community Cloud Service described by the Office 365 Service Descriptions.

"Online Services" means any of the Microsoft-hosted online services subscribed to by Customer under this agreement, including Government Community Cloud Services, Microsoft Dynamics Online Services, Office 365 Services, Microsoft Azure Services, or Microsoft Intune Online Services.

"Online Services Terms" means the additional terms that apply to Customer's use of Online Services published on the Licensing Site and updated from time to time.

"Previews" means preview, beta, or other pre-release version or feature of the Online Services or Software offered by Microsoft to obtain customer feedback.

"Product" means all products identified in the Product Terms, such as all Software, Online Services and other web-based services, including Previews.

"Product Terms" means the document that provides information about Microsoft Products and Professional Services available through volume licensing. The Product Terms document is published on the Licensing Site and is updated from time to time.

"SLA" means Service Level Agreement, which specifies the minimum service level for the Online Services and is published on the Licensing Site.

"State/Local Entity" means (1) any agency of a state or local government in the United States, or (2) any United States county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar type of governmental instrumentality established by the laws of Customer's state and located within Customer's state' jurisdiction and geographic boundaries.

"Software" means licensed copies of Microsoft software identified on the Product Terms. Software does not include Online Services, but Software may be a part of an Online Service.

"Subscription" means an enrollment for Online Services for a defined Term as established by your Reseller.

"Technical Data" has the meaning provided in 22 C.F.R. § 120.

"Term" means the duration of a Subscription (e.g., 30 days or 12 months).

"Tribal Entity" means a federally-recognized tribal entity performing tribal governmental functions and eligible for funding and services from the U.S. Department of Interior by virtue of its status as an Indian tribe.

"Use Rights" means the use rights or terms of service for each Product published on the Licensing Site and updated from time to time. The Use Rights supersede the terms of any end user license agreement that accompanies a Product. The Use Rights for Software are published by Microsoft in the Product Terms. The Use Rights for Online Services are published in the Online Services Terms.

ATTACHMENT 1

Internal Revenue Services

Federal Tax Information

Safeguarding Addendum

In performance of its obligations to deliver the IRS 1075 Covered Services under the Agreement, Microsoft agrees to comply with the requirements contained in Exhibit 7 (Safeguarding Contract Language for Technology Services) from IRS Publication 1075, as set forth below. For purposes of this Attachment 1, "contractor" refers to Microsoft, "agency" refers to Customer, "contract" refers to the Customer Agreement, inclusive of the Amendment, "Exhibit" refers to IRS Publication 1075 exhibit, and "Section" refers to IRS Publication 1075 section.

I. PERFORMANCE.

In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

- (1) All work will be performed under the supervision of contractor or the contractor's responsible employees.
- (2) The contractor and the contractor's employees with access to or who use FTI must meet the background check requirements defined in IRS Publication 1075.
- (3) Any return or return information made available shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Addendum. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.
- (4) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- (5) The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of their computer facility, and no output will be retained by contractor at the time the work is completed. If immediate purging of all data storage components is not possible, contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- (6) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- (7) All computer systems receiving, processing, storing, or transmitting FTI must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal Tax Information.
- (8) No work involving Federal Tax Information furnished under this contract will be subcontracted without prior written approval of the IRS.
- (9) The contractor will maintain a list of employees authorized access. Such list will be provided to the Company and, upon request, to the IRS reviewing office.
- (10) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

II. CRIMINAL/CIVIL SANCTIONS.

- (1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRCs 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

- (2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431 and set forth at 26 CFR 301.6103(n)-1.
- (3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- (4) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors must be advised of the provisions of IRCs 7431, 7213, and 7213A (see Exhibit 4, Sanctions for Unauthorized Disclosure, and Exhibit 5, Civil Damages for Unauthorized Disclosure). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

III. INSPECTION.

The IRS and the Agency, with 24 hour notice, shall have the right to send its inspectors into the offices and plants of the contractor to inspect facilities and operations performing any work with FTI under this contract for compliance with requirements defined in IRS Publication 1075. The IRS' right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology (IT) assets that access, store, process or transmit FTI. On the basis of such inspection, corrective actions may be required in cases where the contractor is found to be noncompliant with contract safeguards.

Organization Name: _____

Name: _____

Title: _____

Date: _____

Signature: _____



Purchasing Account registration signature

By signing below, Customer acknowledges that it has received, read and understands all contract documents identified in the Purchasing Account registration, including the Microsoft Products and Services Agreement, any amendments, and all documents incorporated by reference (collectively, the "Agreement"), and accepts the terms and conditions set forth in all such documents. The Agreement will take effect upon acceptance by Microsoft. Customer must be a legal entity that is an Affiliate of the Agreement Administrator to execute a Purchasing Account registration.

The Agreement Administrator and Purchasing Account contacts will receive an acceptance notification from Microsoft confirming the effective date of this Agreement. When Customer is associating a Purchasing Account with an Affiliate's Microsoft Products and Services Agreement, it must obtain a copy of that agreement from its Affiliate if not presented as part of this registration.

Customer

Customer Legal Entity Name: City of College Station
Country/Region: United States
Address: 310 Krenek Tap Rd.
City: College Station
State/Province: Texas
Postal Code: 77842-0000
Phone number: 979-764-3500
Within City Limits: Yes

Customer Signatory

Printed first and last name: Bryan Woods
Job title:
Phone number: (979) 764-3511
Email address: bwoods@cstx.gov
Preferred language: English

Authorized Customer Signature:

Authorized Customer Signature Date:

Microsoft Affiliate

Affiliate: Microsoft Corporation
Printed first and last name: Joshua Farlow
Affiliate ID:

Authorized Microsoft Affiliate signature:



Volume Licensing

Microsoft Affiliate signature date:

Effective date:

When this agreement is executed by Microsoft, Customer will receive a copy.

Microsoft Corporation

Dept. 551, Volume Licensing

6100 Neil Road, Suite 210

Reno, Nevada 89511-1137 United States

Partner

Customer has selected the following Partner for the Purchasing Account(s) identified in this registration. Partner will assist Customer with managing the Agreement and place orders on behalf of Customer under the Agreement.

Entity Name: Crayon Software Experts LLC Attn: Greg Landry

Account Number: 0005224734

Street address: 12221 Merit Drive

City: Dallas

State/Province: Texas

Postal Code: 75251-1313

Country: United States

Phone number: 469-329-0290

First and last name: Charles Golden

Phone number: 469-329-0293

Email address: license.us@crayon.com

Preferred language: English

Job title: MS Ops Desk

Microsoft Products & Services Agreement Registration

Microsoft Products & Services Agreement (MPSA) Number: 4100086169

Version: 2016May

Agreement Language: English

Agreement Administrator Purchasing Account Number: 0005577049

Customer Legal Entity Name: City of College Station

By executing this registration, Customer registers the following Purchasing Account(s) under the Agreement and accepts the terms of the Agreement. Capitalized terms used but not defined in this registration have the definitions in the Agreement. To register a Purchasing Account, Customer must be a legal entity and Affiliate of the Agreement Administrator.

By providing contact information, Customer consents to (1) the use of such information for purposes of administering purchases under the Agreement and any Supplemental Agreement by Microsoft, its Affiliates, and other parties that help administer the Agreement and (2) disclosure of information related to Customer's Agreement to the contact(s) identified. Each party will notify the other if any of the contact information changes.

Purchasing Accounts

Customer registers a Purchasing Account to manage orders of Products under the Agreement. Customer can register itself as the Purchasing Account or identify a business unit within Customer's organization that will manage orders and payment for the Customer. In either case the Customer identified on the signature form for this registration is the legal entity for the Agreement.

Purchasing Account name: City of College Station

Purchasing Account number:	0005577049
Purchasing Account type:	Government
Address:	310 Krenek Tap Rd.
City:	College Station
State/Province:	Texas
Postal code:	77842-0000
Country/Region:	United States
Within City Limits:	Yes

Purchasing Account contact: This is an individual within Customer's organization who will serve as the main contact and administrator for the Purchasing Account and who will receive contractual notices from Microsoft. Customer authorizes this individual to establish the Purchasing Account's electronic identity which is required for online administrator access to the Microsoft Business Center. This contact's access to the Microsoft Business Center is used for purposes of managing agreements and Products associated with this Purchasing Account, and granting online access and permissions to others as needed to support managing the Purchasing Account.

First and last name	Larry Vierus
Email address	lvierus@cstx.gov
Phone number	979-764-6319
Preferred language	English

Anniversary month: August

Customer may align the subscription term for a Product to this anniversary month.

Software Assurance membership: Each Purchasing Account may qualify for and receive additional benefits with Software Assurance membership. By electing Software Assurance membership below, Customer is committing to (a)



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including Software Assurance with every eligible order and (b) maintaining Software Assurance for all Products licensed through the Purchasing Account for at least one Product pool for at least one year.

Pool	Choice
Applications	No
Systems	No
Servers	No

Eligible for Government Community Cloud: Yes

Cloud Deployment Model: Government Community Cloud

The Government Community Cloud (GCC) is a way to store government data in a segregated community cloud. Only Government customers in the United States are eligible to use Government Community Cloud Services (defined below), which store Customer Data in the GCC.

Important: By electing to store its data in the GCC and use Government Community Cloud Services, Customer certifies that it is a member of the Community (defined below) and agrees to use Government Community Cloud Services solely in its capacity as a member of the Community and, for eligible Government Community Cloud Services, for the benefit of end users that are members of the Community. If Customer is (1) not a member of the Community, (2) fails to maintain the conditions of membership in the Community, or (3) uses Government Community Cloud Services to provide services to non-Community members, Customer understands that Microsoft may terminate Customer's license(s) to use the Government Community Cloud Services without notice. If Microsoft terminates Customer's license(s) to use the Government Community Cloud Services, Microsoft will retain any Customer Data in accordance with the data retention policy described in the Online Services Terms. Customer is solely responsible for ensuring that it is and remains eligible to store its data in the GCC and use Government Community Cloud Services.

"Community" means the community consisting of one or more of the following: (1) a Government, (2) a Customer using eligible Government Community Cloud Services to provide solutions to a Government or a qualified member of the Community, or (3) a Customer with Customer Data that is subject to Government regulations for which Customer determines and Microsoft agrees that the use of Government Community Cloud Services is appropriate to meet Customer's regulatory requirements. Membership in the Community is ultimately at Microsoft's discretion, which may vary by Government Community Cloud Service.

"Federal Agency" means a bureau, office, agency, department or other entity of the United States Government.

"Government" means a Federal Agency, State/Local Entity, or Tribal Entity acting in its governmental capacity.

"Government Community Cloud Services" means Microsoft Online Services that are provisioned in Microsoft's multi-tenant data centers for exclusive use by or for the Community and offered in accordance with the National Institute of Standards and Technology (NIST) Special Publication 800-145. Microsoft Online Services that are Government Community Cloud Services are designated as such in the Use Rights.

"State/Local Entity" means (1) any agency of a state or local government in the United States, or (2) any United States county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar type of governmental instrumentality established by the laws of Customer's state and located within Customer's state's jurisdiction and geographic boundaries.

"Tribal Entity" means a federally-recognized tribal entity performing tribal governmental functions and eligible for funding and services from the U.S. Department of Interior by virtue of its status as an Indian tribe.

License transfers. License transfers are not permitted, except that Customer may transfer only fully-paid perpetual licenses to (1) an Affiliate or (2) a third party, solely in connection with the transfer of hardware or employees to whom the licenses have been assigned to the third party as part of (a) a divestiture of all or part of an Affiliate or (b) a merger involving Customer or an Affiliate. Upon such transfer, Customer and its Affiliates must uninstall and discontinue using the licensed Product and render any copies unusable. The Licensing Manual describes the requirements for license transfers. Attempted license transfers that do not comply with this Agreement are void.

Applicable Law: This Agreement will be governed by and construed in accordance with the laws of Customer's state, without regard to conflict of laws principles. The 1980 United Nations Convention on Contracts for the International Sale of Goods and its related instruments will not apply to this Agreement.

Government Customer Affiliate Definition. With regard to Customer, "Affiliate" means any eligible entity, as defined in the applicable Microsoft Government Eligibility Definition located at the Licensing Site, that:

- a. is a government agency, department, office, instrumentality, division, unit or other entity of the state or local government that is supervised by or is part of Customer, or that supervises Customer or of which Customer is a part, or that is under common supervision with Customer;
- b. is a county, borough, commonwealth, city, municipality, town, township, parish, special purpose district, or other similar type of governmental instrumentality established by the laws of Customer's state or local jurisdiction and is located within Customer's state or local jurisdiction and geographic boundaries;
- c. is in Customer's state or local jurisdiction that is expressly authorized by the laws of Customer's state or local jurisdiction to purchase under state or local government contracts; provided that a state and its Affiliates shall not, for purposes of this definition, be considered to be Affiliates of the federal government and its Affiliate; or d. has legislative authority to control or supervise Customer.

Government Pricing. In addition to the pricing terms above, Customer may qualify for government pricing. To qualify for government pricing, Customer and its Affiliates must satisfy the applicable Microsoft Government Eligibility Definition located at the Licensing Site. Microsoft reserves the right to verify Customer's and its Affiliates' eligibility for government pricing at any time and suspend the Agreement if such eligibility requirements are not met.

Termination for non-appropriation of funds. In addition to the rights granted in the "Term and Termination" section of this Agreement, Customer may terminate this Agreement without liability, penalty or further obligation to make payments (other than payments for outstanding invoices or for Products ordered but for which Customer has not yet been invoiced) if funds to make payments under the Agreement are not appropriated or allocated for such purpose. If Customer terminates the Agreement for non-appropriation of funds, or Microsoft terminates for non-payment due to non-appropriation of funds, then the following applies:

- a. For subscription-based Products (including Online Services), Customer may use the Products for the period for which Customer has paid, even if such period extends beyond the termination date.
- b. For other Software Products, Customer may either (1) pay all remaining amounts due under the Agreement, in which case it will have perpetual rights for all Products ordered or (2) pay only the amounts due as of the termination date, in which case it will have perpetual licenses for all fully-paid Products and a pro rata number of perpetual licenses for Products for which it has partially paid. In each case, if Software Assurance coverage applies, the perpetual licenses Customer receives will be for the version of Products ordered as of the date the Software Assurance coverage expires.

Microsoft Products and Services Agreement

This Microsoft Products and Services Agreement (the "Agreement") is entered into between Customer and Microsoft. It includes the General Terms, the Professional Services Terms (if any), the Purchasing Account registration (if any), Use Rights, Licensing Manual and all documents referenced within those documents.

General Terms

These General Terms apply to all of Customer's Purchasing Accounts. Capitalized terms have the meanings given in the "Definitions" section below.

1. Grants, rights and terms.

All rights granted under this Agreement are non-exclusive and non-transferable (except as set forth in the "License transfers" section in the Purchasing Account registration) and apply as long as neither Customer nor any of its Affiliates is in material breach of this Agreement.

- a. **Software.** Upon acceptance of each order, Microsoft grants Customer a limited right to use the Software in the quantities ordered.
 - (i) **Use Rights.** The Use Rights in effect when Customer orders Software will apply to that Software, even if Customer chooses to use an earlier version. If the Software is covered by Software Assurance, when a new version is released, Customer may, at its option, (1) install and use the new version under the Use Rights in effect when the new version is released; or (2) continue to use the earlier version under the Use Rights applicable to either the earlier version or the new version.
 - (ii) **Temporary and perpetual licenses.** Licenses available on a subscription basis, rights to Online Services, and most Software Assurance rights are temporary. For all other licenses, the right to use Software becomes perpetual only when all applicable payments for that Software have been made and any applicable Software Assurance term has expired. To obtain rights for a newer version of Software through Software Assurance, Customer must maintain continuous Software Assurance coverage for its licenses for that Software. Licenses for a new version of Software obtained through Software Assurance replace any licenses for the earlier version.
- b. **Online Services.** Customer may use the Online Services as provided in this Agreement.
 - (i) **Online Services Terms.** The Online Services Terms in effect when Customer orders or renews a subscription to an Online Service will apply for the applicable subscription term. For Online Services that are billed periodically based on consumption, the Online Services Terms current at the start of each billing period will apply to usage during that period.
 - (ii) **Suspension.** Microsoft may suspend use of an Online Service during Customer's violation of the Acceptable Use Policy described in the Online Services Terms, failure to pay amounts due, or failure to respond to a claim of alleged infringement. Microsoft will give Customer notice before suspending an Online Service when reasonable, including 30 days' notice of a suspension for non-payment. Microsoft may de-provision seats for Online Services that Customer has self-provisioned if Customer does not promptly submit a reconciliation order for those seats.
- c. **Fixes.** Each Fix is licensed under the same terms as the Product to which it applies. If a Fix is not provided for a specific Product, any use rights Microsoft provides with the Fix will apply.
- d. **Affiliates' rights.** Customer may sublicense its rights to use Products to its Affiliates, but Customer's Affiliates may not sublicense these rights. Customer is responsible for ensuring its

Affiliates' compliance with this Agreement. Customer must notify Microsoft promptly if any Affiliate ceases to be an Affiliate of the Agreement Administrator.

- e. **Restrictions.** Customer must not (and is not licensed to): (1) reverse engineer, decompile or disassemble any Product or Fix, or attempt to do so; (2) install or use non-Microsoft software or technology in any way that would subject Microsoft's intellectual property or technology to any other license terms; or (3) work around any technical limitations in a Product or Fix or restrictions in Product documentation. Except as expressly permitted in this Agreement, a Supplemental Agreement or Product documentation, Customer must not (and is not licensed to): (1) separate and run parts of a Product or Fix on more than one device, upgrade or downgrade parts of a Product or Fix at different times, or transfer parts of a Product or Fix separately; or (2) distribute, sublicense, rent, lease, lend any Products or Fixes, in whole or in part, or use them to offer hosting services to a third party.
- f. **Reservation of rights.** Products and Fixes are protected by copyright and other intellectual property rights laws and international treaties. Microsoft reserves all rights not expressly granted in this Agreement. No rights will be granted or implied by waiver or estoppel. Rights to access or use Software on a device do not give Customer any right to implement Microsoft patents or other Microsoft intellectual property in the device itself or in any other software or devices.
- g. **Verifying compliance for Products.**
 - (i) **Right to verify compliance.** Customer must keep records relating to all use and distribution of Products by Customer and its Affiliates. Microsoft has the right, at its expense, to verify compliance with the Products' license terms. Customer must promptly provide any information reasonably requested by the independent auditors retained by Microsoft in furtherance of the verification, including access to systems running the Products and evidence of licenses for Products that Customer hosts, sublicenses, or distributes to third parties. Customer agrees to complete Microsoft's self-audit process, which Microsoft may request as an alternative to a third party audit. Additional details about the process are included in the Licensing Manual.
 - (ii) **Remedies for non-compliance.** If verification or self-audit reveals any unlicensed use of Products, then within 30 days (i) Customer must order sufficient licenses to cover its use, and (2) if unlicensed use is 5% or more, Customer must reimburse Microsoft for the costs Microsoft incurred in verification and acquire the necessary additional licenses at 125% of the price, based on the then-current price list and customer price level. The unlicensed use percentage is based on the total number of licenses purchased for current use compared to actual installed base. If there is no unlicensed use, Microsoft will not subject Customer to another verification for at least one year. By exercising the rights and procedures described above, Microsoft does not waive its rights to enforce this Agreement or to protect its intellectual property by any other legal means.
 - (iii) **Verification process.** Microsoft will notify Customer at least 30 days in advance of its intent to verify Customers' compliance with the license terms for the Products Customer and its Affiliates use or distribute. Microsoft will engage an independent auditor, which will be subject to a confidentiality obligation. Any information collected in the self-audit will be used solely for purposes of determining compliance. This verification will take place during normal business hours and in a manner that does not unreasonably interfere with Customers operations.

2. Privacy and compliance with Laws.

- a. Customer consents to the processing of personal information by Microsoft and its agents to facilitate the subject matter of this Agreement and any Supplemental Agreement. Customer will obtain all required consents from third parties (including Customer's contacts, resellers, distributors, administrators, and employees) under applicable privacy and data protection laws before providing personal information to Microsoft.

- b. Personal information collected under this Agreement (1) may be transferred, stored and processed in the United States or any other country in which Microsoft or its service providers maintain facilities and (2) will be subject to the privacy terms specified in the Use Rights. Microsoft will abide by the requirements of European Economic Area and Swiss data protection law regarding the collection, use, transfer, retention, and other processing of personal data from the European Economic Area and Switzerland.
- c. U.S. export. Products and Fixes are subject to U.S. export jurisdiction. Customer must comply with all applicable international and national laws, including the U.S. Export Administration Regulations, the International Traffic in Arms Regulations, and end-user, end use and destination restrictions by U.S. and other governments related to Microsoft products, services, and technologies.

3. Confidentiality.

"Confidential Information" is non-public information that is designated "confidential" or that a reasonable person should understand is confidential, including Customer Data and the terms of Microsoft agreements. The Online Services Terms may provide additional obligations for, and limitations on disclosure and use of, Customer Data. Confidential Information does not include information that (1) becomes publicly available without a breach of this Agreement, (2) the receiving party received lawfully from another source without a confidentiality obligation, (3) is independently developed, or (4) is a comment or suggestion volunteered about the other party's business, products or services.

Each party will take reasonable steps to protect the other's Confidential Information and will use the other party's Confidential Information only for purposes of the parties' business relationship. Neither party will disclose that Confidential Information to third parties, except to its employees, Affiliates, contractors, advisors and consultants ("Representatives"), and then only on a need-to-know basis under nondisclosure obligations at least as protective as this Agreement. Each party remains responsible for the use of the Confidential Information by its Representatives and, in the event of discovery of any unauthorized use or disclosure, must promptly notify the other party.

A party may disclose the other's Confidential Information if required by law, but only after it notifies the other party (if legally permissible) to enable the other party to seek a protective order.

Neither party is required to restrict work assignments of its Representatives who have had access to Confidential Information. Each party agrees that the use of information retained in Representatives' unaided memories in the development or deployment of the parties' respective products or services does not create liability under this Agreement or trade secret law, and each party agrees to limit what it discloses to the other accordingly.

These obligations apply (1) for Customer Data until it is deleted from the Online Services and (2) for all other Confidential Information for a period of five years after a party receives the Confidential Information.

4. Product warranties.

a. Limited warranties and remedies.

- (i) **Software.** Microsoft warrants that each version of the Software will perform substantially as described in the applicable Product documentation for one year from the date Customer is first licensed for that version. If it does not, and Customer notifies Microsoft within the warranty term, then Microsoft will, at its option, (1) return the price Customer paid for the Software license or (2) repair or replace the Software.
- (ii) **Online Services.** Microsoft warrants that each Online Service will perform in accordance with the applicable SLA during Customer's use. Customer's remedies for breach of this warranty are in the SLA.

The remedies above are Customer's sole remedies for breach of the warranties in this section. Customer waives any breach of warranty claims not made during the warranty period.

- b. **Exclusions.** The warranties in this Agreement do not apply to problems caused by accident, abuse or use inconsistent with this Agreement, including failure to meet minimum system requirements.

These warranties do not apply to free, trial, preview, pre-release or beta products, or to components of Products that Customer is permitted to redistribute.

- c. **Disclaimer.** Except for the limited warranties above, Microsoft provides no other warranties or conditions for Products and disclaims any other express, implied or statutory warranties for Products, including warranties of quality, title, non-infringement, merchantability and fitness for a particular purpose.

5. Defense of third party claims.

The parties will defend each other against the third-party claims described in this section and will pay the amount of any resulting adverse final judgment or approved settlement, but only if the defending party is promptly notified in writing of the claim and has the right to control the defense and any settlement of it. The party being defended must provide the defending party with all requested assistance, information, and authority. The defending party will reimburse the other party for reasonable out-of-pocket expenses it incurs in providing assistance. This section describes the parties' sole remedies and entire liability for such claims.

- a. **By Microsoft.** Microsoft will defend Customer against any third-party claim to the extent it alleges that a Product or Fix made available by Microsoft for a fee and used within the scope of the license granted under this Agreement (unmodified from the form provided by Microsoft and not combined with anything else), misappropriates a trade secret or directly infringes a patent, copyright, trademark or other proprietary right of a third party. If Microsoft is unable to resolve a claim of infringement under commercially reasonable terms, it may, at its option, either: (1) modify or replace the Product or Fix with a functional equivalent; or (2) terminate Customer's license and refund any prepaid license fees (less depreciation on a five-year, straight-line basis) for perpetual licenses and any amount paid for Online Services for any usage period after the termination date. Microsoft will not be liable for any claims or damages due to Customer's continued use of a Product or Fix after being notified to stop due to a third-party claim.
- b. **By Customer.** To the extent permitted by applicable law, Customer will defend Microsoft against any third-party claim to the extent it alleges that: (1) any Customer Data or non-Microsoft software hosted in an Online Service by Microsoft on Customer's behalf misappropriates a trade secret or directly infringes a patent, copyright, trademark, or other proprietary right of a third party; or (2) Customer's use of any Product or Fix, alone or in combination with anything else, violates the law or harms a third party.

6. Limitation of liability.

For each Product, each party's maximum, aggregate liability to the other under this Agreement and any Supplemental Agreement is limited to direct damages finally awarded in an amount not to exceed the amounts Customer was required to pay for the applicable Products during the term of this Agreement, subject to the following:

- a. **Online Services.** For Online Services, Microsoft's maximum liability to Customer for any incident giving rise to a claim will not exceed the amount Customer paid for the Online Service during the 12 months before the incident.
- b. **Free Products and distributable code.** For Products provided free of charge and code that Customer is authorized to redistribute to third parties without separate payment to Microsoft, Microsoft's liability is limited to direct damages finally awarded up to US\$5,000.
- c. **Exclusions.** In no event will either party be liable for indirect, incidental, special, punitive, or consequential damages, or loss of use, loss of profits, or interruption of business, however caused or on any theory of liability.

- d. **Exceptions.** No limitation or exclusions will apply to liability arising out of either party's (1) confidentiality obligations (except for all liability related to Customer Data, which will remain subject to the limitations and exclusions above); (2) defense obligations; or (3) violation of the other party's intellectual property rights.

7. Term and termination.

- a. **Term.** This Agreement is effective until terminated by a party, as described below.
- b. **Termination without cause.** The Agreement Administrator or Microsoft may terminate this Agreement without cause on 60 days' notice. Termination without cause will not affect any existing orders or Supplemental Agreements, but Customer will no longer be able to place orders, register Purchasing Accounts, or enter into Supplemental Agreements after the effective date of termination.
- c. **Termination for cause.** If a party breaches this Agreement or any Supplemental Agreement, the other party may terminate the breached agreement (in whole or in part, including orders) upon notice. If the breach is curable within 30 days, then the terminating party must provide 30 days' notice to the breaching party and an opportunity to cure the breach. Microsoft may terminate a Customer's right to place orders if Customer ceases to be an Affiliate of the Agreement Administrator.
- d. **Effect of termination.** If Customer terminates this Agreement due to a breach by Microsoft, then
 - (i) For subscription-based Products (including Online Services), Customer will receive a credit for any amount paid for a usage period after the termination date.
 - (ii) For consumption-based Products, Customer must (1) pay for Products consumed as of the termination date and (2) will receive a credit for any Product for which it has paid but not consumed.
 - (iii) For other Software, Customer may either (1) pay all remaining amounts due under the Agreement, in which case it will have perpetual rights for all such Software ordered, or (2) pay only the amounts due as of the termination date, in which case it will have perpetual licenses for all fully-paid Software licenses and a pro rata number of Software licenses for which partial payment has been made. In each case, if the Software licenses are covered by Software Assurance, the perpetual licenses will be for the latest version of the Software at termination.

8. Ordering, pricing, and payment.

- a. **Ordering Products.** To order Products under this Agreement, Customer must be a legal entity that is an Affiliate of the Agreement Administrator and establish one or more Purchasing Accounts by executing a Purchasing Account registration for each Purchasing Account.
- b. **Pricing and payment.** The Partner or Microsoft Affiliate that invoices Customer will set Customer's pricing and payment terms for that invoice. Microsoft annually reviews price levels used, as described in the Licensing Manual. Customer will pay the amount due according to the payment terms.
- c. **Payment terms for Microsoft invoices.** If a Microsoft Affiliate invoices Customer, Customer must pay Microsoft according to the terms, payment methods and in the currency stated on Microsoft's invoice. The terms of any extension of credit under this Agreement may be modified or withdrawn by Microsoft upon notice. Microsoft may assess a finance charge on all past due amounts, payable on demand and equal to the lesser of an annual rate of 24% and the highest amount allowed by law, applied from the first day the amount is past due until paid in full.
- d. **Taxes.** If any amounts are to be paid to Microsoft, the amounts owed are exclusive of any taxes, unless specified on the invoice as tax inclusive. Customer shall pay any applicable value added, goods and services, sales, gross receipts, or other transaction taxes, fees, charges, or surcharges, or any regulatory cost recovery surcharges or similar amounts that are owed under this Agreement and

that Microsoft is permitted to collect from Customer. Customer shall be responsible for any applicable stamp taxes and for all other taxes that it is legally obligated to pay including any taxes that arise on the distribution or provision of Products by Customer to its Affiliates. Microsoft shall be responsible for all taxes based upon its net income, gross receipts taxes imposed in lieu of taxes on income or profits or taxes on its property ownership.

If any taxes are required to be withheld on payments to Microsoft, Customer may deduct such taxes from the amount owed and pay them to the appropriate taxing authority, but only if Customer promptly provides Microsoft an official receipt for those withholdings and other documents reasonably requested to allow Microsoft to claim a foreign tax credit or refund. Customer will ensure that any taxes withheld are minimized to the extent possible under applicable law.

9. *Miscellaneous.*

- a. **Partners.** Customer may authorize a Partner to place orders on Customer's behalf and manage Customer's purchases by associating the Partner with a Purchasing Account. Partners and other third parties are not agents of Microsoft and are not authorized to enter into any agreement with Customer on behalf of Microsoft. Microsoft may pay some Partners and other third parties for their services related to Customer purchases. The fees Microsoft pays depend upon several factors, including the number and types of licenses ordered.
- b. **Use of contractors.** Microsoft may use contractors to perform services, but will be responsible for their performance, subject to the terms of this Agreement.
- c. **Microsoft as independent contractor.** The parties are independent contractors. Customer and Microsoft each may develop products independently without using the other's Confidential Information.
- d. **Notices.** Notices to Microsoft must be sent to the address listed on the applicable registration or Supplemental Agreement. Notices must be in writing and will be treated as delivered on the date shown on the return receipt or on the courier or fax confirmation of delivery. Microsoft may provide information to Customer about upcoming ordering deadlines, services and subscription information in electronic form, including by email, to contacts provided by Customer under the Purchasing Account registration or other documents or sites. Emails will be treated as delivered on the transmission date.
- e. **Agreement not exclusive.** Customer is free to enter into agreements to license, use, or promote non-Microsoft products or services.
- f. **Order of precedence.** In the case of a conflict between any documents in this Agreement that is not expressly resolved in those documents, their terms will control in the following order of descending priority: (1) these General Terms, (2) any Professional Services Terms; (3) any Purchasing Account registration, (4) any Supplemental Agreement, (5) the Licensing Manual, (6) the Product Terms, (7) the Online Services Terms, (8) orders submitted under this Agreement, and (9) any other documents in this Agreement. Terms in an amendment control over the amended document and any prior amendments concerning the same subject matter.
- g. **Amendments.** Any amendment to this Agreement or any Supplemental Agreement must be executed by both parties, except that Microsoft may change the Product Terms, Use Rights and Licensing Manual from time to time, subject to the terms of this Agreement. Any additional or conflicting terms and conditions contained in Customer's or a Partner's purchase order are expressly rejected and will not apply. Microsoft may require Customer to sign a new agreement or an amendment to an existing agreement before processing a new order or accepting a Purchasing Account registration.
- h. **Assignment.** Either party may assign this Agreement to an Affiliate, but it must notify the other party in writing of the assignment. Any other proposed assignment of this Agreement must be approved by the non-assigning party in writing. Assignment will not relieve the assigning party of its obligations under the assigned Agreement. Any attempted assignment without required approval will be void.

- i. **Applicable law.** Except as noted in any Professional Services Terms, this Agreement shall be governed by and construed in accordance with the laws specified in the Purchasing Account registration.
- j. **Dispute resolution.** When bringing any action arising under this Agreement or any Supplemental Agreement, the parties agree to the following exclusive venues:
 - (i) If Microsoft brings the action, the venue will be where Customer has its headquarters.
 - (ii) If Customer brings the action against Microsoft or any Microsoft Affiliate located outside of Europe, the venue will be the state or federal courts in King County, State of Washington, U.S.A.
 - (iii) If Customer brings the action against a Microsoft Affiliate located in Europe, and not also against Microsoft or a Microsoft Affiliate located outside of Europe, the venue will be Ireland.The parties consent to personal jurisdiction in the agreed venue. This choice of venue does not prevent either party from seeking injunctive relief in any jurisdiction with respect to a violation of intellectual property rights or confidentiality obligations.
- k. **Severability.** If any provision in this Agreement is held to be unenforceable, the balance of the Agreement will remain in full force and effect.
- l. **Waiver.** Failure to enforce any provision of this Agreement will not constitute a waiver. Any waiver must be in writing and signed by the waiving party.
- m. **No third-party beneficiaries.** This Agreement does not create any third-party beneficiary rights.
- n. **Survival.** All provisions survive termination of this Agreement except those requiring performance only during the term of the Agreement.

10. Country-specific provisions.

The country-specific provisions available at the Licensing Site replace or supplement the relevant provisions of this Agreement based on the Customer's location and in any case where the law of the jurisdictions listed in the country-specific provisions gets applied.

11. Definitions.

"Affiliate," unless otherwise defined in the Purchasing Account type terms, means any legal entity that a party owns, or is owned by, or that is under common ownership with that party. "Ownership" means, for purposes of this definition, control of more than a 50% interest in an entity.

"Agreement Administrator," or a successor term, means the legal entity that manages this Agreement. By default, the first Customer to execute this Agreement is the Agreement Administrator.

"Confidential Information" is defined in the "Confidentiality" section.

"Customer" means a legal entity that enters into this Agreement by executing a Purchasing Account registration or Supplemental Agreement.

"Customer Data" means all data, including all text, sound, software, image or video files that are provided to Microsoft by, or on behalf of, Customer and its Affiliates through use of Online Services.

"day" means a calendar day.

"Fix" means a Product fix, modifications or enhancements, or their derivatives, that Microsoft either releases generally (such as Product service packs) or provides to Customer to address a specific issue.

"Licensing Manual" means the document that provides information about this Agreement, such as price levels and ordering rules. The Licensing Manual document is on the Licensing Site and is updated from time to time.

"Licensing Site" means <http://www.microsoft.com/licensing/contracts> or a successor site.

"Microsoft" means the Microsoft entity that counter-executed Customer's Purchasing Account registration or Supplemental Agreement and its Affiliates (as appropriate).

"Online Services" means the Microsoft-hosted services identified as Online Services in the Product Terms.

"Online Services Terms" means the additional terms that apply to Customer's use of Online Services published on the Licensing Site and updated from time to time.

"Partner" means a company Microsoft has authorized to sell Products to Customer.

"Product" means all products identified in the Product Terms, such as all Software, Online Services and other web-based services, including pre-release or beta versions. Product availability may vary by region.

"Product Terms" means the document that provides information about Microsoft Products and Professional Services available through volume licensing. The Product Terms document is published on the Licensing Site and is updated from time to time.

"Purchasing Account" means the account that Customer authorizes to manage orders and payment under this Agreement and is established by executing a Purchasing Account registration.

"SLA" means Service Level Agreement, which specifies the minimum service level for the Online Services and is published on the Licensing Site.

"Software" means licensed copies of Microsoft software identified on the Product Terms. Software does not include Online Services, but Software may be part of an Online Service.

"Software Assurance" means an offering that provides new version rights for Products and other benefits, as further described in the Product Terms and the Licensing Manual.

"Supplemental Agreement" means any agreement that incorporates this Agreement.

"use" or "run" means to copy, install, use, access, display, run or otherwise interact with.

"Use Rights" means the use rights or terms of service for each Product published on the Licensing Site and updated from time to time. The Use Rights supersede the terms of any end user license agreement that accompanies a Product. The Use Rights for Software are published by Microsoft in the Product Terms. The Use Rights for Online Services are published in the Online Services Terms.

Professional Services Terms

These terms are part of the Agreement and apply to any consulting and support services Microsoft performs ("Professional Services"). Professional Services Microsoft performs will be described in a work order or other description of services that incorporates the Agreement (a "Statement of Services"). Any computer code or materials other than Products or Fixes that Microsoft leaves with Customer at the conclusion of Microsoft's performance of Professional Services are considered "Services Deliverables."

- a. **Pre-existing work.** All rights in any computer code or other written materials developed or otherwise obtained independent of this Agreement ("Pre-existing Work") will remain the sole property of the party providing it. Each party may use, reproduce and modify the other party's Pre-existing Work only as needed to perform obligations related to Professional Services.
- b. **Services Deliverables.** Upon payment in full for the Professional Services, Microsoft grants Customer a non-exclusive, non-transferable, perpetual license to reproduce, use and modify the Services Deliverables solely for Customer's internal business purposes, subject to the terms and conditions in this Agreement.
- c. **Use of technical information from Professional Services.** Microsoft may use any technical information it derives from providing Professional Services for problem resolution, troubleshooting, product functionality enhancements, Fixes, and for Microsoft's knowledge base. Microsoft agrees not to identify Customer or disclose any of Customer's Confidential Information as part of such use.
- d. **Professional Services warranty.** Microsoft warrants that it will perform Professional Services with professional care and skill. If Microsoft fails to do so and Customer notifies Microsoft within 90 days of the date the Professional Services were performed, then Microsoft will, at its discretion and as Customer's sole remedy for the breach of the warranty, either re-perform the Professional Services

or return the price Customer paid for them. This warranty is subject to the "exclusions" and "disclaimer" terms of the Warranties section in the General Terms.

- e. **Professional Services limitation of liability.** The total liability of each party for Professional Services under this Agreement and any Supplemental Agreement that incorporates its terms is limited to direct damages up to the amount Customer was required to pay under the applicable Statement of Services. In the case of services provided free of charge, or code Customer is authorized to redistribute to third parties without separate payment to Microsoft, Microsoft's liability is limited to direct damages up to U.S. \$5,000. This limitation of liability is subject to the "Exclusions" and "Exceptions" terms in the General Terms.
- f. **Compliance with laws.** Microsoft and Customer will each comply with all applicable laws and regulations. However, Microsoft is not responsible for compliance with any laws or regulations applicable to Customer or Customer's industry that are not also generally applicable to information technology services providers.
- g. **Professional Services termination.** If Customer terminates a Statement of Services as a result of a breach by Microsoft, Customer must pay all amounts due under the Statement of Services as of the termination date. Upon Microsoft's receipt of payment for the Professional Services, Customer's interests in the Services Deliverables will vest. Microsoft has no obligation to continue to provide Professional Services if Customer fails to make timely payment for the Professional Services.
- h. **Applicable law and dispute resolution for Professional Services.** The terms of each Statement of Services will be governed by and construed in accordance with the law of the jurisdiction where the Microsoft Affiliate delivering the Professional Services is organized. If Customer brings an action to enforce a Statement of Services, the venue will lie where the Microsoft Affiliate delivering the services has its headquarters.
- i. **Certain terms.** Services Deliverables are deemed "Products" for purposes of all rights and obligations in the sections of the General Terms titled "Affiliates' rights," "Restrictions," "Reservation of rights," "Privacy and Compliance with Laws," "Defense of third party claims" and "Taxes." The parties may agree to change any of the terms in this "Professional Services Terms" section in a Statement of Services.



INVOICE: CSE037855

DATE PREPARED: 7/3/2019

PURCHASE ORDER:

DUE DATE:

BILL TO:

City of College Station

310 Krenak Tap Rd
College Station, TX 77840

SHIP TO:

City of College Station

310 Krenak Tap Rd
College Station, TX 77840

QTY	PART#	PRODUCT DESCRIPTION	UNIT PRICE	EXTD TOTAL
1		Year 1	\$0.00	\$0.00
1,000	AAA-11029	Windows E3Usr User Subsc WindowsE3 Per User Per User Subscriptions	\$66.64	\$66,640.00
1		Year 2 *	\$0.00	\$0.00
1,000	AAA-11029	Windows E3Usr User Subsc WindowsE3 Per User Per User Subscriptions	\$66.64	\$66,640.00
1		Year 3 *	\$0.00	\$0.00
1,000	AAA-11029	Windows E3Usr User Subsc WindowsE3 Per User Per User Subscriptions	\$66.64	\$66,640.00
			SUBTOTAL	\$199,920.00
			SALES TAX	\$0.00
			TOTAL	\$199,920.00

Important Customer Notes: ***Our records indicate payment is due on your multi-year Microsoft licensing agreement. The due date is listed in the upper right hand corner of this pro forma invoice. In the event of late (or non) payment, Microsoft suspends MSDN, TechNet, and Online Services.

Agreement Details: * - price is subject to change based on Microsoft pricing.
Checks may be made out and mailed to:

Crayon Software Experts, LLC
12221 Merit Drive, Suite 800
Dallas, TX. 75251

If you would rather pay by credit card (Visa, MasterCard, Discover, AMEX) please call 469-329-0290, option 2. Please note we do not save credit cards, so cards given the previous year will not be charged.

Legislation Details (With Text)

File #:	19-0408	Version:	1	Name:	Annual Padmount Equipment Repair and Restoration
Type:	Contract	Status:		Status:	Consent Agenda
File created:	7/25/2019	In control:		In control:	City Council Regular
On agenda:	8/22/2019	Final action:		Final action:	
Title:	Presentation, discussion, and possible action regarding awarding a contract for Annual Padmount Equipment Repair and Restoration to Utility Restoration Services Inc. in the amount of \$321,644.66.				
Sponsors:	Timothy Crabb				
Indexes:					
Code sections:					
Attachments:	19-069 Tabulation sheet				

Date	Ver.	Action By	Action	Result
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Presentation, discussion, and possible action regarding awarding a contract for Annual Padmount Equipment Repair and Restoration to Utility Restoration Services Inc. in the amount of \$321,644.66.

Relationship to Strategic Goals: (Select all that apply)

- Core Services and Infrastructure

Recommendation(s):

Staff recommends approval of the contract.

Summary:

In 2013, College Station Utilities (CSU) began a program designed to extend the life of padmounted electrical equipment such as transformers, junction boxes, and switchgear by addressing issues that can lead to premature failure such as rust, paint, fire ant mounds, weeds, and equipment that is no longer level. This contract will provide the necessary inspections and repair of electric padmounted equipment as funded in the budget. Performing this preventative maintenance on the padmounted equipment will reduce premature failures and the number of devices which have to be replaced each year while providing better customer service by eliminating extended, untimely outages to the customers served from these devices.

On July 11, 2019, Purchasing received two bids in response to Invitation to Bid 19-069. One vendor did not attend the mandatory pre-bid meeting, therefore their bid was disqualified. Utility Restoration Services, Inc. was therefore the lowest responsible bidder for this contract. Utility Restoration Services, Inc. has performed this service for the City before, and the Electric Department is confident their ability to performed the needs of this contract. This contract will be for a one year term, with two possible one year renewals.

Budget & Financial Summary:

Funds are budgeted and available in the Electric Capital Improvement Project Budget.

Attachments:

1. Bid Tab

ITB#19-069 ADDENDUM 1 REVISED TABULATION SHEET
ANNUAL PAD MOUNT EQUIPMENT RESTORATION PRICE SHEET

SINGLE-PHASE PAD-MOUNTED EQUIPMENT AND ASSEMBLY PRICES

(All quantities are estimates and are subject to change.)

Please type or write legibly in blue or black ink. A unit price is required for all bid items. If there are discrepancies between unit prices and totals, the unit price will prevail. Please initial all corrections and do not round totals.

				Utility Restoration Services				
ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENDED PRICE PER BID SUBMITTED	Correct Extended price	Pricing Difference	
BCJB-1 & BCJB-3	Contractor to furnish labor and material to apply epoxy base coat to one (1) single phase pad mount junction box.	366	ea	\$ 111.24	\$ 4,113.84	\$ 40,713.84	\$ 36,600.00	
BCT	Contractor to furnish labor and material to apply epoxy base coat to one (1) single phase pad mount transformer	200	ea	\$ 89.64	\$ 17,928.00	\$ 17,928.00	\$ -	
Brush	Contractor to furnish labor and material to remove all brush and debris located within five (5) feet of the sides or back and ten (10) feet in front of pad-mount transformers, J-boxes and switchgears. This unit to be paid per asset.	100	ea	\$ 56.16	\$ 5,616.00	\$ 5,616.00	\$ -	
D1	Contractor to furnish labor to remove all debris inside one (1) single phase pad mounted transformer or junction box bib level. This removal includes but is not limited to insects, rodents, animals, nests, fire ants, etc. City will furnish fire ant or insect preventative agent for the Contractor to install inside the transformer or junction box.	165	ea	\$ 44.28	\$ 7,306.20	\$ 7,306.20	\$ -	
D2	Contractor to furnish labor to remove all debris inside one (1) single phase pad mounted transformer or junction box bib level. This removal includes but is not limited to insects, rodents, animals, nests, fire ants, etc. City will furnish fire ant or insect preventative agent for the Contractor to install inside the transformer or junction box.	20	ea	\$ 60.00	\$ 1,200.00	\$ 1,200.00	\$ -	
Decal	Contractor to furnish labor and decals to remove and replace all warning decals and identification number on one (1) underground asset. Should the existing decals and identification number be missing on the existing transformer, new identification shall be placed on the refurbished underground asset. Contractor will furnish all decals and identification numbers required to be installed.	450	ea	\$ 15.00	\$ 6,750.00	\$ 6,750.00	\$ -	
Fence	Contractor to furnish labor and materials to remove and install steel decorative fence as necessary to restore and paint pad-mount transformer. This unit to be paid by lineal foot of existing fence.	85	lf	\$ 10.80	\$ 918.00	\$ 918.00	\$ -	
GPS	Contractor to provide coordinates using map grade GPS/GLSS software on all CSU assets inspected and restored	667	ea	\$ 10.00	\$ 6,670.00	\$ 6,670.00	\$ -	
Landscape	Contractor to furnish labor and materials to remove all landscape bushes, shrubs and trees located within five (5) feet of the side or back and ten (10) feet in front of pad-mount transformer. This unit is to be paid per transformer.	35	ea	\$ 56.16	\$ 1,965.60	\$ 1,965.60	\$ -	
Leveling	Contractor to furnish labor and materials to lwcwl one (1) existing single- phase pad.	267	ea	\$ 44.28	\$ 11,822.76	\$ 11,822.76	\$ -	
MR	Contractor to furnish labor and materials to repair and restore all corrosion holes and divots on a underground asset. This unit to be paid by square foot of repair	445	sf	\$ 35.64	\$ 15,859.80	\$ 15,859.80	\$ -	
PB	Contractor to furnish labor and materials to replace one (1) missing or defective penta head bolt on one (1) single-phase pad-mount transformer or junction box.	27	ea	\$ 11.88	\$ 320.76	\$ 320.76	\$ -	
PBA	Contractor to furnish labor and materials to replace one (1) damaged penta head bolt and locking assembly on one (1) single-phased pad-mount transformer or junction box.	35	ea	\$ 88.56	\$ 3,099.60	\$ 3,099.60	\$ -	
PL	Contractor to furnish labor to add or replace one (1) pad lock on pad-mount transformer or junction box. City to furnish pad lock	267	ea	\$ 1.00	\$ 267.00	\$ 267.00	\$ -	
R4"	Contractor to furnish labor and materials to raise one (1) single-phase pad up to existing grade. This unit includes raising the pad up to 4". Top of pad to be 2" above existing ground line.	267	ea	\$ 55.62	\$ 14,850.54	\$ 14,850.54	\$ -	
R6"	Contractor to furnish labor and materials to raise one (1) single-phase pad 4.1" - 6", to existing grade. This unit includes raising the pad up to 4-1" to 6". Top of pad to be 2" above existing ground line.	100	ea	\$ 66.96	\$ 6,696.00	\$ 6,696.00	\$ -	
RC	Contractor to furnish labor and materials to apply rust converter to effected areas on one (1) single-phase pad-mount transformer or junction box.	235	ea	\$ 66.96	\$ 15,735.60	\$ 15,735.60	\$ -	
RR	Contractor to furnish labor and materials to remove all rust and loose debris accumulated on metal services of one (1) single-phase pad-mount transformer or junction box.	370	ea	\$ 111.24	\$ 41,158.80	\$ 41,158.80	\$ -	
TCJB	Contractor to furnish labor and materials to apply epoxy top coat to one (1) single-phase pad-mount junction box.	10	ea	\$ 88.56	\$ 885.56	\$ 885.60	\$ 0.04	

ITB#19-069 ADDENDUM 1 REVISED TABULATION SHEET
ANNUAL PAD MOUNT EQUIPMENT RESTORATION PRICE SHEET

SINGLE-PHASE PAD-MOUNTED EQUIPMENT AND ASSEMBLY PRICES

(All quantities are estimates and are subject to change.)

Please type or write legibly in blue or black ink. A unit price is required for all bid items. If there are discrepancies between unit prices and totals, the unit price will prevail. Please initial all corrections and do not round totals.

				Utility Restoration Services			
ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENDED PRICE PER BID SUBMITTED	Correct Extended price	Pricing Difference
TCT	Contractor to furnish labor and materials to apply epoxy top coat to one (1) single-phase pad-mount transformer.	367	ea	\$ 88.56	\$ 32,501.52	\$ 32,501.52	\$ -
UM6-4-2a	Contractor to furnish labor to install and connect fault indicator to single-phase pad-mount transformer (skirt pre-drilled). See Assembly Drawing.	100	ea	\$ 46.44	\$ 4,644.00	\$ 4,644.00	\$ -
UM6-4-2b	Contractor to furnish labor to install and connect fault indicator to single-phase pad-mount transformer (include Drilling skirt). See Assembly Drawing.	267	ea	\$ 65.88	\$ 17,589.96	\$ 17,589.96	\$ -
SINGLE-PHASE PAD-MOUNTED EQUIPMENT TOTAL					\$ 217,899.54	\$ 254,499.58	\$ 36,600.04

J-BOX & THREE PHASE PA-MOUNTED TRANSFORMERS AND ASSEMBLY UNIT PRICES

(All quantities are estimates and are subject to change.)

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENDED PRICE	Correct Extended price	Pricing Difference
3ph-75-500	Three phase 75 KVA to 500 KVA. Treat Rust areas and paint with base & top coat epoxy outside and inside compartment areas, where possible and re-install decals and numbers	37	ea	\$ 834.84	\$ 30,889.08	\$ 30,889.08	\$ -
3PH-750-2500	Three phase 75 KVA to 2500 KVA. Treat Rust areas and paint with base & top coat epoxy outside and inside compartment areas, where possible and re-install decals and numbers	20	ea	\$ 1,112.40	\$ 22,248.00	\$ 22,248.00	\$ -
3PH-J-Box	Three phase J-Box. Treat Rust areas and paint with base & top coat epoxy outside and inside compartment areas.	20	ea	\$ 334.80	\$ 6,696.00	\$ 6,696.00	\$ -
3PH-SWGR	Three phase Switch-Gear. Treat Rust areas and paint with base & top coat epoxy outside and inside compartment areas.	5	ea	\$ 1,112.40	\$ 5,562.00	\$ 5,562.00	\$ -
THREE- PHASE PAD-MOUNTED EQUIPMENT TOTAL					\$ 65,395.08	\$ 65,395.08	\$ -

SINGLE-PHASE AND THREE PHASE POLE-MOUNTED TRANSFORMERS AND ASSEMBLY UNIT PRICES

(All quantities are estimates and are subject to change.)

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENDED PRICE	Correct Extended price	Pricing Difference
1PH & 3PH-75-167	Single-Phase and Three-phase 75 KVA to 167 KVA. Treat Rust areas and paint with base & top coat epoxy outside and inside compartment areas, where possible and re-install decals and numbers	7	ea	\$ 250.00	\$ 1,750.00	\$ 1,750.00	\$ -
POLE-MOUNTED EQUIPMENT TOTAL					\$ 1,750.00	\$ 1,750.00	\$ -

ITB#19-069 BID SUMMARY

SINGLE-PHASE PAD-MOUNTED EQUIPMENT TOTAL	\$ 217,899.54	\$ 254,499.58	\$ 36,600.04
THREE- PHASE PAD-MOUNTED EQUIPMENT TOTAL	\$ 65,395.08	\$ 65,395.08	\$ -
POLE-MOUNTED EQUIPMENT TOTAL	\$ 1,750.00	\$ 1,750.00	\$ -
GRAND TOTAL OF BID	\$ 285,044.62	\$ 321,644.66	\$ 36,600.04

BID RESPONSE ITEMS:

Mandatory Pre Bid Attendance
 Originals Contractor's Bid Proposal Pages including
 Certification Page of Bid
 Contractor Safety Manual Acknowledgement
 Number of Addenda is hereby acknowledged
 5% Bid Bond

Utility Restoration Services

✓

✓
✓
✓
✓



Legislation Details (With Text)

File #:	19-0409	Version:	1	Name:	Purchase and Installation of Animal Deterrent Fencing at Electric Substations
Type:	Contract	Status:		Status:	Consent Agenda
File created:	7/25/2019	In control:		In control:	City Council Regular
On agenda:	8/22/2019	Final action:		Final action:	
Title:	Presentation, discussion, and possible action regarding the award of a contract to TransGard, LLC for the purchase, delivery and installation of animal control fencing at five (5) electric substations for a not to exceed amount of \$256,750.				
Sponsors:	Timothy Crabb				
Indexes:					
Code sections:					
Attachments:	19300674 Sole Source approval				

Date	Ver.	Action By	Action	Result
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Presentation, discussion, and possible action regarding the award of a contract to TransGard, LLC for the purchase, delivery and installation of animal control fencing at five (5) electric substations for a not to exceed amount of \$256,750.

Relationship to Strategic Goals: (Select all that apply)

- Core Services and Infrastructure

Recommendation(s):

Staff recommends awarding contract 19300674 to TransGard, LLC for an amount not to exceed \$256,750.00.

Summary:

In order to mitigate substation outages caused by wildlife, CSU has identified the need for an electric fence that is designed to deter wildlife from coming in contact with our substation equipment, is safe for our personnel and has the ability to remotely control and monitor the electric fence. Wildlife has been involved in many past outages that can affect hundreds to thousands of customers at a time and that have caused extensive damage to substation equipment.

The TransGard Substation Protection system provides a low voltage electrical fence that is designed to keep wildlife (snakes, squirrels, and other land animals) from getting into substation areas and causing damages and/or outages. The system can also be monitored and controlled remotely.

In 2017, the TransGard Substation Protection system was installed at the Northgate Substation. The animal control fence has proven to be successful in deterring wildlife from contacting the energized substation equipment. CSU personnel have found the system safe and easy to work with. This

contract will allow the animal control fencing to be installed at five (5) additional substations: Southwood Valley, Post Oak, Greens Prairie, Switch Station, and Dowling Road. After construction/reconstruction is completed, it is planned to install this fencing at the remaining two substations in our system.

TransGard has been approved as a sole source vendor, and is therefore exempt from competitive bidding. TransGard is the sole manufacturer of this system and their product is patented as the only electrified animal deterrent fence available.

Budget & Financial Summary:

Funds for this contract are available in Electric's Capital fund.

Attachments:

Sole Source Justification Approval Form

Contract is available for review in the City Secretary's office

CITY OF COLLEGE STATION
Sole Source Justification

Vendor: TransGard Substation Protection Requisition #: _____

Product/Service: Wildlife protection fence for 5 Electric Substations

Estimated expenditure for the above commodity or service: \$256,750.00

This form must be completed for each requisition/contract that provides for proprietary (sole source) acquisition of goods and services valued at a total amount of \$3,000 or more. If more space is needed, please attach additional page(s). **Inadequate justification or documentation for a request for non-competitive procurement will result in a solicitation of bids or quotes.**

Unique Features. Specify the unique features or characteristics of the goods or services that are requested:

TransGard offers the only electrified wildlife protection fence product

Special Needs. Briefly explain why the unique specifications restrict the requisition to one manufacturer or provider:

The TransGard system is patented under U.S. Patent Number 6,712,339.

Other Sources. State the reason or reasons why competing products are not satisfactory, e.g. a justification for the proprietary (sole source) acquisition:

Other fence systems are not electrified and do not provide the level of protection that the electrified fence provides. TransGard also provides the ability to monitor and control the status of the fence remotely.

Check all entries below that apply to the proposed purchase. (More than one entry will apply to most sole source products/services requested).

1. ☐ SOLE SOURCE REQUEST IS FOR THE ORIGINAL MANUFACTURER OR PROVIDER, THERE ARE NO OTHER DISTRIBUTORS. (Attach the manufacturer's written certification that no regional distributors exist. **Item No. 3 also must be completed.**)
2. ☐ SOLE SOURCE REQUEST IS FOR THE ONLY BRAZOS COUNTY AREA DISTRIBUTOR OF THE ORIGINAL MANUFACTURER OR PROVIDER. (Attach the manufacturer's — not the distributor's — written certification that identifies all regional distributors. **Item No. 3 also must be completed.**)
3. ☒ THIS IS THE ONLY ITEM OR SERVICE REASONABLY KNOWN THAT WILL MEET THE SPECIALIZED NEEDS OF THIS DEPARTMENT OR PERFORM THE INTENDED FUNCTION. (Attach memorandum with details of specialized function or application.)
4. ☐ CAPTIVE REPLACEMENT PARTS OR COMPONENTS FOR EQUIPMENT: THE PARTS/EQUIPMENT ARE NOT INTERCHANGEABLE WITH SIMILAR PARTS OF ANOTHER MANUFACTURER. (Explain in separate memorandum.)
5. ☒ THE PARTS/EQUIPMENT ARE REQUIRED FROM THIS SOURCE TO PERMIT STANDARDIZATION OR COMPATIBILITY WITH EXISTING EQUIPMENT OPERATIONS OR SERVICES. (Attach Memorandum describing basis for standardization request.)

6. ☐ NONE OF THE ABOVE IS APPLICABLE. A DETAILED EXPLANATION AND JUSTIFICATION FOR THIS SOLE SOURCE REQUEST IS CONTAINED IN THE ATTACHED MEMORANDUM.

The undersigned attests that the above is true and correct and requests that this purchase be exempt from the City's purchasing policies and applicable state law requirements for competitive procurement.

TIMOTHY CRABO
DEPARTMENT DIRECTOR PRINTED NAME

Timothy Ray Crabb, P.E.
DEPARTMENT DIRECTOR SIGNATURE

ELECTRIC
DEPARTMENT

7/9/19
DATE

(FOR PURCHASING DEPARTMENT USE ONLY)

Pf APPROVED

NOT APPROVED

REASON, IF NOT APPROVED: _____

BY: Robyn Forsyth DATE: July 9, 2019

Sole Source Justification Memorandum

Item 3: In order to mitigate substation outages caused by wildlife, COCS identified the need for an electric fence that is designed not only to deter wildlife from coming in contact with our substation equipment but also is safe for our personnel. Another requirement is the ability to remotely control and monitor the electric fence.

TransGard is the only vendor that meets both the requirements identified by COCS. The TransGard Substation Protection system provides a low voltage electrical fence that is designed to keep wildlife (snakes, squirrels and other land animals) from getting into substation areas and causing damages and/or outages. The system can also be monitored and controlled remotely.

Their system is patented and they are the sole manufacturer. A letter of Sole Source Justification has been provided by Transgard and is attached to this memo.

Item 5: In 2017 the TransGard Substation Protection system was installed at the Northgate Substation. Contract 17300568 was approved on August 21, 2017. This new contract will provide the same system for an additional five (5) substations. Utilizing the same system for all substations will allow for parts to be interchangeable if a repair is needed.



Keep **animals out.** Keep the **power on.**

Sole Source Justification

To whom it may concern,

TransGard, LLC is the sole source/single supplier of the modular electric animal deterrent fence system designed for electric utility substations. The herein labeled "product" includes, but is not limited to, the proprietary control center, entryway/gateway design, modular fence panels of varying size and securing stands designed for the TransGard, LLC fence. The product is protected under U.S. Patent Number 6,712,339 and Canadian Patent Number 2,317,254. As such, the aforementioned product may only be manufactured and sold by TransGard, LLC.

All sales and distribution occur exclusively through TransGard, LLC and authorized manufacturer representatives. There are no alternative producers or providers of the product due to the patent protection of this system and all components and connections are created exclusively for and/or by TransGard, LLC.

If more information is desired, do not hesitate to contact TransGard, LLC at (717) 900-6140 or at www.transgardfence.com. Thank you for your interest in our product.

Bill Reichard
President
TransGard LLC

TransGard LLC
1000 Vogelsong Road, York, PA 17404
Office (717) 900-6140 • Fax (717) 850-2657
www.transgardfence.com



Legislation Details (With Text)

File #:	19-0424	Version:	1	Name:	Ordinance Amending Chapter 8 of the College Station Code of Ordinances
Type:	Ordinance	Status:		Status:	Consent Agenda
File created:	8/5/2019	In control:		In control:	City Council Regular
On agenda:	8/22/2019	Final action:		Final action:	
Title:	Presentation, discussion, and possible action regarding an ordinance amendment to Chapter 8, "Businesses," Article IV, "Gravediggers," Division 2 "License," Section 8-145 "Application," and Section 8-146 "Requirements and Qualifications," of the Code of Ordinances of the City of College Station, Texas, by amending certain sections relating to Gravediggers License; providing a severability clause; declaring a penalty; and providing an effective date.				
Sponsors:	David Schmitz				
Indexes:					
Code sections:					
Attachments:	Grave Digging Ord. Amend LW 2.pdf				

Date	Ver.	Action By	Action	Result
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Presentation, discussion, and possible action regarding an ordinance amendment to Chapter 8, "Businesses," Article IV, "Gravediggers," Division 2 "License," Section 8-145 "Application," and Section 8-146 "Requirements and Qualifications," of the Code of Ordinances of the City of College Station, Texas, by amending certain sections relating to Gravediggers License; providing a severability clause; declaring a penalty; and providing an effective date.

Relationship to Strategic Goals:

Providing Core Services and Infrastructure

Recommendation(s):

Staff recommends approval of the amendment to Chapter 8.

Summary:

As the Parks and Recreation Department oversees all functions of the cemeteries, operations and sales, this amendment would move the responsibility of issuing grave digging permits to the Parks and Recreation Department (away from the City Secretary's office).

Budget & Financial Summary: NA

Reviewed and Approved by Legal: Yes

Attachments:

- 1) Ordinance

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 8, “BUSINESSES,” ARTICLE IV, “GRAVEDIGGERS,” DIVISION 2 “LICENSE,” SECTION 8-145 “APPLICATION,” AND SECTION 8-146 “REQUIREMENTS AND QUALIFICATIONS,” OF THE CODE OF ORDINANCES OF THE CITY OF COLLEGE STATION, TEXAS, BY AMENDING CERTAIN SECTIONS RELATING TO GRAVEDIGGERS LICENSE; PROVIDING A SEVERABILITY CLAUSE; DECLARING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

- PART 1:** That Chapter 8, “Businesses,” Article IV, “Gravediggers,” Division 2 “License,” Section 8-145 “Application,” and Section 8-146 “Requirements and Qualifications,” of the Code of Ordinances of the City of College Station, Texas, be amended as set out in **Exhibit “A”** attached hereto and made a part of this Ordinance for all purposes.
- PART 2:** If any provision of this Ordinance or its application to any person or circumstances is held invalid or unconstitutional, the invalidity or unconstitutionality does not affect other provisions or application of this Ordinance or the Code of Ordinances of the City of College Station, Texas, that can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this Ordinance are severable.
- PART 3:** That any person, corporation, organization, government, governmental subdivision or agency, business trust, estate, trust, partnership, association and any other legal entity violating any of the provisions of this Ordinance shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not less than twenty five dollars (\$25.00) and not more than five hundred dollars (\$500.00) or more than two thousand dollars (\$2,000) for a violation of fire safety, zoning, or public health and sanitation ordinances, other than the dumping of refuse. Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.
- PART 4:** This Ordinance is a penal ordinance and becomes effective ten (10) days after its date of passage by the City Council, as provided by City of College Station Charter Section 35.

PASSED, ADOPTED and APPROVED this _____ day of _____, 20__.

ATTEST:

APPROVED:

City Secretary

Mayor

APPROVED:

City Attorney

EXHIBIT A

That Chapter 8, “Businesses,” Article IV, “Gravediggers,” Division 2 “License,” Section 8-145 “Application,” and Section 8-146 “Requirements and Qualifications,” of the Code of Ordinances of the City of College Station, Texas, is hereby amended or created to read as follows:

“Sec. 8-145. – Application and Fee

- a. Application. A person seeking a license under this Section must apply to the City Parks and Recreation Department on a form furnished by the City for such purpose. After meeting the qualifications and requirements of this Article, the Applicant shall be issued a gravedigger license by the City Parks and Recreation Department.
- b. Fee. Each new applicant must pay an application fee established in Section 2-117. Each licensee must pay a yearly renewal fee established in Section 2-117. All yearly fees and proof of insurance are due by October 1. A license shall be effective for a period of one year from the date of issuance or until the set renewal date of October 1.

Sec. 8-146. – Requirements and qualifications.

The following requirements must be met by each licensee:

- (1) A licensee must have a regular business office.
- (2) A licensee must have telephone availability 24 hours a day for emergencies. Each licensee must be available upon three hours’ notice during daylight hours to open and close graves.
- (3) A licensee must be generally familiar with laws, ordinances, rules and regulations applicable to the activity regulated hereunder. The City Parks and Recreation Department may require an applicant to take an examination for licensure or license renewal.
- (4) A licensee shall have the capability to open and close graves as defined herein. Prior experience shall establish capability provided that two references may be required showing satisfactory performance history. An inexperienced applicant may be required to demonstrate capability, including the opening and closing of one to three graves prior licensure.
- (5) A licensee shall have equipment suitable for the activity to be performed. A complete listing of vehicles and equipment, including vehicle identification numbers, shall be furnished with the application and shall be approved or rejected by the City Manager or designee. Said listing shall be updated within ten days of the disposition or acquisition of any vehicle or equipment. Any issues relating to the

suitability of equipment shall be resolved by a good faith determination by the City Manager or designee.

- (6) A licensee shall file a current certificate of insurance, with the City named as an additional insured, of comprehensive general liability insurance and commercial automobile liability insurance showing a minimum combined single limit of \$500,000.00 per occurrence for bodily injuries and property damage. The certificate of insurance shall also reflect upon its face the obligation of the insurance company to notify the City Parks and Recreation Department thirty (30) days before cancellation of such coverage. Any termination of insurance coverage shall terminate any license granted hereunder. Insurance shall be renewed yearly on October 1.”



Legislation Details (With Text)

File #:	19-0427	Version:	1	Name:	Audit Services
Type:	Presentation	Status:		Status:	Consent Agenda
File created:	8/6/2019	In control:		In control:	City Council Regular
On agenda:	8/22/2019	Final action:		Final action:	
Title:	Presentation, discussion, and possible action to ratify and approve the renewal of the letter agreement for Professional Auditing Services with BKD, LLP for an amount not to exceed \$89,390.				
Sponsors:	Mary Ellen Leonard				
Indexes:					
Code sections:					
Attachments:	Contract 18300669 Prof Auditing Services Ren1				

Date	Ver.	Action By	Action	Result
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Presentation, discussion, and possible action to ratify and approve the renewal of the letter agreement for Professional Auditing Services with BKD, LLP for an amount not to exceed \$89,390.

Relationship to Strategic Goals:

1. Good Governance
2. Financial Sustainability
3. Sustainable City

Recommendation(s): Staff respectfully recommends approving the first renewal of the letter agreement with BKD, LLP for Professional Auditing Services and ratifying the term of service which began on August 10, 2019.

Summary: June 2018, staff solicited proposals for professional auditing services for the fiscal year ending September 30, 2018 with the option of renewing the contract annually for up to four (4) additional years. Upon completion of the evaluation, interview and scoring processes, the Audit Committee recommended BKD, LLP for award of contract which was approved by City Council on August 9, 2018. The audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards* and the *Uniform Guidance*.

The renewal also includes the option of "Special Services" upon request from the City for a pre-approved amount as needed. This is intended to address possible occasions when interim audit services are needed throughout the year.

Budget & Financial Summary: Funds are available and budgeted in the General Fund and in the Community Development budget.

Reviewed and Approved by Legal: Yes

Attachments: Renewal agreement
2019 Engagement Letter is on file in the City Secretary's Office

RENEWAL 1 ACCEPTANCE

By signing herewith, I acknowledge and agree to renew **Contract 18300669** for **Professional Auditing Services** in accordance with all terms and conditions previously agreed to and accepted for an amount not to exceed Eighty-Nine Thousand Three Hundred Ninety No/100 Dollars (\$89,390.00). This is a 3.34% increase to the original contract amount as allowed by the proposal documents and the attached Engagement Letter.

This renewal also includes the addition of "Special Services". Upon request from the City, BKD, LLP may provide special services relating to forensic accounting and investigation services. In such instances, BKD, LLP shall provide an hourly rate and estimated number of hours relating to such special services to which the parties agree in writing. BKD, LLP agrees to not exceed such amount without additional written authorization from the City.

I understand this renewal term will be for the period beginning August 10, 2019 through August 9, 2020. This is the first of four (4) renewal options available.

BKD, LLP

By: Kimberly McKay
Printed Name: Kimberly McKay
Title: Managing Partner
Date: 7/12/19

CITY OF COLLEGE STATION

By: _____
City Manager
Date: _____

APPROVED:

By: _____
City Attorney
Date: _____

By: _____
Assistant City Manager/CFO
Date: _____



Legislation Details (With Text)

File #:	19-0437	Version:	1	Name:	Annual Purchase of Electric Meters and Sockets
Type:	Presentation	Status:		Status:	Consent Agenda
File created:	8/9/2019	In control:		In control:	City Council Regular
On agenda:	8/22/2019	Final action:		Final action:	
Title:	Presentation, discussion, and possible action regarding approval of the renewal of the City's annual blanket orders for electric meters and sockets with estimated annual expenditures of: Anixter Inc., \$37,952; Priester Mell & Nicholson, \$164,363 and for Texas Electric Cooperative for \$22,230. The total recommended renewal is for an amount not to exceed \$224,545.				
Sponsors:	Mary Ellen Leonard				
Indexes:					
Code sections:					
Attachments:	18300687R1 PMN Anixter TEC ltrs				

Date	Ver.	Action By	Action	Result
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Presentation, discussion, and possible action regarding approval of the renewal of the City's annual blanket orders for electric meters and sockets with estimated annual expenditures of: Anixter Inc., \$37,952; Priester Mell & Nicholson, \$164,363 and for Texas Electric Cooperative for \$22,230. The total recommended renewal is for an amount not to exceed \$224,545.

Relationship to Strategic Goals: Financially Sustainable City

Recommendation(s): Staff recommends renewal of the award of the annual price agreements with Anixter, Inc. for \$37,952, Priester Mell & Nicholson for \$164,363 and Texas Electric Cooperative for \$22,230. These estimates are contract estimates and within past fiscal year's history for city-wide electrical warehouse needs.

Summary: Staff issued a Bid #18-098, in June, 2018, for the City's Electric Meters and Sockets warehouse inventory. Eight (8) sealed proposals were received and were reviewed by Electric Staff to ensure the compliance of needed specifications. City Council approved the original award of one year (1) with an option to renew two (2) additional one (1) year contracts on August 9, 2018, File#18-0502. This is the first renewal of two possible one (1) year renewals, of the purchasing agreement.

Staff recommends renewing the contract for these Electrical Warehouse Inventory Items as previously awarded in August, 2018.

1.	Anixter	\$ 37,952.00
2.	Priester-Mell & Nicholson	\$164,363.00
3.	Texas Electric Cooperative	<u>\$ 22,230.00</u>
	Grand Total	\$ 224,545.00

Upon Council approval, staff will issue blanket orders to be used by all City departments throughout the year.

Budget & Financial Summary: Funds are available and budgeted within the Electrical Fund. These electrical meters and sockets are maintained in the Warehouse as Electrical Inventory and various

projects may be expensed as supplies are pulled from inventory and issued to staff.

Reviewed and Approved by Legal: N/A

Attachments: Renewal Letters from Anixter, Inc.; Priester-Mell & Nicholson; and Texas Electric Cooperatives



July 22, 2019

ATTN: Mr. Ross Nicholson
Priester-Mell & Nicholson, Inc.
PO Box 15204
Austin, TX 78761

RE: Renewal #1 –Contract 18300687, Bid #18-098
Annual Purchase of Electric Meters and Sockets

Dear Mr. Nicholson,

The City of College Station appreciates the products and services provided by Priester-Mell & Nicholson Inc., this past year. We would like to exercise our option to renew the above referenced agreement for the term of September 8, 2019 through September 7, 2020, for an amount not to exceed One Hundred Sixty Four Thousand, Three Hundred Sixty Three dollars (\$164,363.00).

If this meets with your company's approval, please complete the attached contract renewal agreement and return it via e-mail to rforsyth@cstx.gov. ***Please follow up by mailing 3 original signed copies, no later than Friday, August 2, 2019, to my attention at the following address:***

City of College Station
Purchasing Division
PO Box 9960
College Station, TX 77842

Sincerely,


Robyn Forsyth
Buyer

Attachment

PO Box 9960
1101 Texas Avenue
College Station, TX 77842

www.cstx.gov

.....

RENEWAL ACCEPTANCE

By signing herewith, I acknowledge and agree to renew Contract 18300687, Annual Purchase of Electric Meters and Sockets as needed, in accordance with all terms and conditions previously agreed to and accepted for an amount not to exceed One Hundred Sixty Four Thousand, Three Hundred Sixty Three dollars (\$164,363.00).

Pricing will be structured as follows:

Original Bid Pricing:

Line Item 1:

Meter 240V CL200 1PH 3-W N/D Solid Sate Form 2S.

Estimated Quantity 900 \$23.89 each for \$21,501.00

Line Item 2:

Meter 240V CL10/20 1PH 3W 4S

Estimated Quantity 20 \$97.50 each for \$ 1,950.00

Line Item 3:

Meter 240V CL320 1PH 3-W W/D 2S Solid Sate

Estimated Quantity 50 \$97.50 each for \$ 4,875.00

Line Item 4:

Meter 120/480V CL20 FORM 9S 4W

Estimated Quantity 80 \$135.00 each for \$10,800.00

Line Item 5:

Meter 120/480V CL200 FORM16S 16s ITRON SENTINEL SV4SD

Estimated Quantity 60 \$135.00 each for \$8,100.00

Line Item 6:

Meter 120V CL200 3W W/D FORM 16S

Estimated Quantity 1,000 \$106.00 each for \$ 106,000.00

Line Item 7:

Meter 240V CL200 1PH 3W W/D FORM 2S

Estimated Quantity 100 \$ 92.77 each for \$ 9,277.00

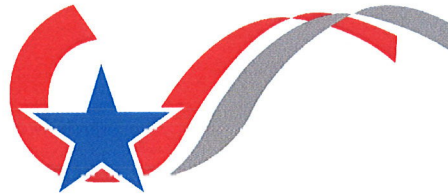
Line Item 8:

Meter 120/277V CL320 3PH 4W WYE W/D FORM 16S

Estimated Quantity 12 \$155.00 each for \$ 1,860.00

GRAND TOTAL

\$164,363.00



CITY OF COLLEGE STATION

Home of Texas A&M University®

I understand this renewal term will be for the period beginning September 8, 2019 through September 7, 2020. This is the first renewal of two possible renewals.

PRIESTER-MELL & NICHOLSON

By: Ross Nicholson
Printed Name: Ross Nicholson
Title: Salesman
Date: July 23, 2019

CITY OF COLLEGE STATION

By: _____
City Manager
Date: _____

Assistant City Manager/CFO
Date: _____



July 22, 2019

ATTN: Mr. Codie Arnold
Anixter Inc.
4727 Macro
San Antonio, TX 78218

RE: Renewal #1 –Contract 18300688, Bid #18-098
Annual Purchase of Electric Meters and Sockets

Dear Mr. Arnold,

The City of College Station appreciates the products and services provided by Anixter, Inc., this past year. We would like to exercise our option to renew the above referenced agreement for the term of September 8, 2019 through September 7, 2020, for an amount not to exceed Thirty Seven Thousand, Nine Hundred Fifty Two Dollars (\$37,952.00).

If this meets with your company's approval, please complete the attached contract renewal agreement and return it via e-mail to rforsyth@cstx.gov. ***Please follow up by mailing 3 original signed copies, no later than Friday, August 2, 2019, to my attention at the following address:***

City of College Station
Purchasing Division
PO Box 9960
College Station, TX 77842

Sincerely,

Robyn Forsyth
Buyer

Attachment

PO Box 9960
1101 Texas Avenue
College Station, TX 77842

www.cstx.gov

.....

RENEWAL ACCEPTANCE

By signing herewith, I acknowledge and agree to renew Contract 18300688, Annual Purchase of Electric Meters and Sockets as needed, in accordance with all terms and conditions previously agreed to and accepted for an amount not to exceed Thirty Seven Thousand, Nine Hundred Fifty Two Dollars (\$37,952.00).

Pricing will be structured as follows:

Original Bid Pricing:

SEL 735 Transmission Revenue Meter
P/N SEL-0735 EX00944CGXXXXX16101XX
Estimated Quantity 16

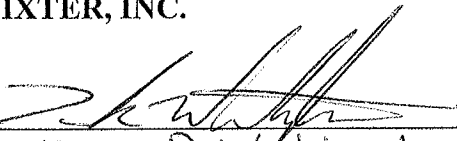
\$2,372.00 each for \$37,952.00

GRAND TOTAL

\$ 37,952.00

I understand this renewal term will be for the period beginning September 8, 2019 through September 7, 2020. This is the first renewal of two possible renewals.

ANIXTER, INC.

By: 
Printed Name: D. Washington
Title: Pres Mgmt
Date: 08/02/19

CITY OF COLLEGE STATION

By: _____
City Manager
Date: _____

Assistant City Manager/CFO
Date: _____



August 6, 2019

ATTN: Mr. Ryan Johnson
Texas Electric Cooperative
100 Cooperative Way
Georgetown, TX 78626

RE: Renewal #1 –Contract 18300689, Bid #18-098
Annual Purchase of Electric Meters and Sockets

Dear Mr. Johnson,

The City of College Station appreciates the products and services provided by Texas Electric Cooperative, this past year. We would like to exercise our option to renew the above referenced agreement for the term of September 8, 2019 through September 7, 2020, for an amount not to exceed Twenty Two Thousand, Two Hundred Thirty dollars (\$22,230.00).

If this meets with your company's approval, please complete the attached contract renewal agreement and return it via e-mail to rforsyth@cstx.gov. ***Please follow up by mailing 3 original signed copies, no later than Friday, August 9, 2019, to my attention at the following address:***

City of College Station
Purchasing Division
PO Box 9960
College Station, TX 77842

Sincerely,

Robyn Forsyth
Buyer

Attachment

PO Box 9960
1101 Texas Avenue
College Station, TX 77842

www.cstx.gov

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RENEWAL ACCEPTANCE

By signing herewith, I acknowledge and agree to renew Contract 18300689, Annual Purchase of Electric Meters and Sockets as needed, in accordance with all terms and conditions previously agreed to and accepted for an amount not to exceed Thirty Three Thousand, Five Hundred dollars (\$33,500.00).

Pricing will be structured as follows:

Original Bid Pricing:

Line Item 1:

Meter Socket 200 AMP, OH4 Terminal

Estimated Quantity 40

\$27.00 each for \$ 1,080.00

Line Item 2:

Deleted for price increase

Line Item 3:

Meter Socket 320 AMP, URD OR OH 4 Terminal

Estimated Quantity 30

\$167.00 each for \$ 5,010.00

Line Item 4:

Meter Socket 200 AMP, URD 7 Terminal

Estimated Quantity 30

\$105.00 each for \$ 3,150.00

Line Item 5:

Meter Socket 13 Terminal CL20 3PH, Potential,

Estimated Quantity 50

\$237.00 each for \$ 11,850.00

Line Item 6:

Meter Socket Duplex 200A, 4T-RL-2P-CTR-WY

Estimated Quantity 10

\$114.00 each for \$ 1,140.00

GRAND TOTAL

\$ 22,230.00

I understand this renewal term will be for the period beginning September 8, 2019 through September 7, 2020. This is the first renewal of two possible renewals.

TEXAS ELECTRIC COOPERATIVE

CITY OF COLLEGE STATION

By: Ryan Johnson

Printed Name: Ryan Johnson

Title: Inside Sales CSR

Date: 8.7.19

By: _____

City Manager

Date: _____

Assistant City Manager/CFO

Date: _____



Legislation Details (With Text)

File #:	19-0448	Version:	2	Name:	2020 Census Support Resolution
Type:	Resolution	Status:		Status:	Consent Agenda
File created:	8/13/2019	In control:		In control:	City Council Regular
On agenda:	8/22/2019	Final action:		Final action:	
Title:	Presentation, discussion, and possible action regarding a Resolution in support of the 2020 U.S. Census.				
Sponsors:	Alaina Chafin				
Indexes:					
Code sections:					
Attachments:	2020 Census Resolution				

Date	Ver.	Action By	Action	Result
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Presentation, discussion, and possible action regarding a Resolution in support of the 2020 U.S. Census.

Relationship to Strategic Goals:

- Good Governance

Recommendation: Staff recommends approving the Resolution.

Summary: This item is a resolution in support of the 2020 U.S. Census.

Required once every 10 years by the U.S. Constitution, the Census counts everyone living in the United States, both citizens and noncitizens. Census data is used to reapportion the U.S. House of Representatives, re-district each state and determine the distribution of the Electoral College. Census data also directly affect how more than \$675 billion per year in federal funding is distributed to state, local and tribal governments.

On a local level, Census data is used to determine when to expand infrastructure and helps guide local decisions relating to business development, school locations, infrastructure investments, and many other services.

The United States Census Bureau has historically requested the City of College Station's support and partnership in the Census. This resolution affirms College Station's support of the goals and ideals of the upcoming 2020 Census, and indicates that College Station will be proactive in disseminating Census information and encouraging residents to participate. Participation by the City of College Station will allow the 2020 Census message to reach a broader audience and provide a trusted advocate who can spark positive conversations about the 2020 Census.

Budget & Financial Summary: N/A

Attachments:

1. Census Support Resolution

RESOLUTION NO. _____**A RESOLUTION AFFIRMING THE CITY OF COLLEGE STATION, TEXAS SUPPORT OF AND PARTNERSHIP WITH THE 2020 U.S. CENSUS.**

WHEREAS, the U.S. Census Bureau is required by the Constitution of the United States of America to conduct a count of the population and provides a historic opportunity for the City of College Station to help shape the foundation of our society and play an active role in American democracy; and

WHEREAS, the City of College Station is committed to ensuring every resident is counted; and

WHEREAS, more than \$675 billion per year in federal and state funding is allocated to communities, and decisions are made on matters of national and local importance based on census data, including healthcare, community development, housing, education, transportation, social services, employment, and much more; and

WHEREAS, census data determines how many seats each state will have in the U.S. House of Representatives as well as the redistricting of state legislatures, county and city councils, and voting districts; and

WHEREAS, the 2020 Census creates hundreds of thousands of jobs across the nation; and

WHEREAS, every Census Bureau worker takes a lifetime oath to protect confidentiality and ensure that data identifying respondents or their household not be released or shared for 72 years; and

WHEREAS, a united voice from businesses, government, community-based and faith-based organizations, educators, media and others will allow the 2020 Census message to reach a broader audience, providing trusted advocates who can spark positive conversations about the 2020 Census;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

- PART 1: That the City Council of the City of College Station supports the goals and ideals for the 2020 Census and will disseminate 2020 Census information to encourage participation.
- PART 2: That the City Council of the City of College Station asks its affiliates and membership to partner together to achieve an accurate and complete count.
- PART 3: That the City Council of the City of College Station encourages people in the City of College Station to participate in events and initiatives that will raise overall awareness of the 2020 Census and increase participation among all populations.
- PART 4: That this Resolution shall be effective immediately upon its passage and approval.

PASSED, ADOPTED and APPROVED this 22 day of August, 2019.

ATTEST:

APPROVED:

City Secretary

Mayor

APPROVED:

City Attorney



Legislation Details (With Text)

File #:	19-0446	Version:	1	Name:	Public Hearing #1 for FY 20 Ad Valorem Tax Rate
Type:	Presentation	Status:		Status:	Agenda Ready
File created:	8/13/2019	In control:		In control:	City Council Regular
On agenda:	8/22/2019	Final action:		Final action:	
Title:	Public Hearing, presentation, discussion, and possible action on the City of College Station 2020 advertised ad valorem tax rate of \$0.534618 per \$100 valuation resulting in an increase in tax revenues. Also discussion and possible action on announcing the meeting date, time and place to adopt the tax rate.				
Sponsors:	Mary Ellen Leonard				
Indexes:					
Code sections:					
Attachments:					

Date	Ver.	Action By	Action	Result
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Public Hearing, presentation, discussion, and possible action on the City of College Station 2020 advertised ad valorem tax rate of \$0.534618 per \$100 valuation resulting in an increase in tax revenues. Also discussion and possible action on announcing the meeting date, time and place to adopt the tax rate.

Recommendation(s): Hold public hearing and receive citizen input on the tax rate.

Summary: The Texas Property Tax Code requires that if an entity wishes to increase tax revenues over the effective tax rate then that entity must call and hold two public hearings on the proposed tax rate. Following each public hearing the City Council must announce the meeting date, time and place to adopt the tax rate.

The tax rate that the City Council announced it would hold the public hearings on is \$0.534618 per \$100 assessed valuation.

The notice of this public hearing was placed in the Eagle, as well as on the City's internet site, and the City's television channel.

This is the first public hearing on the tax rate. A second public hearing will be held on Thursday September 12, 2019. The City Council will vote on the tax rate on Thursday September 26, 2019, at 6:00 PM.

Budgetary and Financial Summary: The public hearing tax rate of \$0.534618 per \$100 assessed valuation will generate \$51,722,744 in taxes. The property taxes are used to fund the general debt service of the City as well as a portion of the operations and maintenance costs of the General Fund.

Attachments: N/A

Legislation Details (With Text)

File #: 19-0419 **Version:** 1 **Name:** MUD #2 SPA - 2nd Hearing
Type: Agreement **Status:** Agenda Ready
File created: 8/3/2019 **In control:** City Council Regular
On agenda: 8/22/2019 **Final action:**
Title: Public Hearing, presentation, discussion, and possible action regarding approval of a Strategic Partnership Agreement between the City and Brazos County Municipal Utility District No.2.
Sponsors: Jennifer Prochazka
Indexes:
Code sections:
Attachments: [MUD 2 SPA - Final](#)

Date	Ver.	Action By	Action	Result
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Public Hearing, presentation, discussion, and possible action regarding approval of a Strategic Partnership Agreement between the City and Brazos County Municipal Utility District No.2.

Relationship to Strategic Goals:

- Financially Sustainable City
- Core Services and Infrastructure
- Diverse Growing Economy

Recommendation: Staff recommends approval of the Strategic Partnership Agreement.

Summary: The Strategic Partnership Agreement (SPA) outlines conditions for annexation of the District and limited purpose annexation of commercial land. This is the second of two public hearings required before approving the SPA with Brazos County MUD No. 2. The first Public hearing is was held during the July 25, 2019 City Council Meeting.

Budget & Financial Summary: N/A

Legal Review: Yes

Attachments:

1. Strategic Partnership Agreement

STRATEGIC PARTNERSHIP AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

This **STRATEGIC PARTNERSHIP AGREEMENT** (this “*Agreement*”) is made and entered into, effective as of _____, 201__, by and between the **CITY OF COLLEGE STATION, TEXAS**, a municipal corporation and home rule city of the State of Texas (the “*City*”), and **BRAZOS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2**, a conservation and reclamation district created pursuant to Article XIV, Section 59, Texas Constitution and operating pursuant to Chapters 49 and 54, Texas Water Code (the “*District*”).

RECITALS

The District was created with the consent of the City for the purpose of providing water, sewer, drainage, and road facilities to the land within its boundaries. The District is located entirely within the extraterritorial jurisdiction (“*ETJ*”) of the City.

The provisions of TEX. LOCAL GOV’T CODE, Section 43.0751 (the “*Act*”) state that the City and the District may enter into a strategic partnership agreement that provides for the terms and conditions under which services will be provided and funded by the City and the District and under which the District will continue to exist for an extended period after annexation of all or a portion of the land within the District by the City.

The City and the District, after the provision of required notices, held public hearings in compliance with the Act. Based upon public input received at such hearings, the City and the District wish to enter into a strategic partnership agreement to provide the terms and conditions under which services will be provided and funded by the City and the District and under which the District will continue to exist for an extended period of time after the District is annexed for general purposes.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the City and the District agree as follows:

ARTICLE 1. DEFINITIONS

1.01. Definitions. The terms *Act*, *City*, *District* and *ETJ* shall have the meanings provided for them in the recitals, above. Except as may be otherwise defined, or the context clearly requires otherwise, capitalized terms and phrases used in this Agreement shall have the meanings as follows:

City Consent means the most recent resolution of the City consenting to the creation of the District, and the terms and conditions to such consent described therein.

Commercial means all nonresidential development, except for developments owned by a tax-exempt entity, a non-profit entity or a homeowner or property owner association.

Commission means the Texas Commission on Environmental Quality and its successors.

Developer means the entity or entities advancing funds to the District for the design and construction of District facilities and for other legal purposes which advances are subject to reimbursement by the District pursuant to the rules of the Commission.

Person means any individual, partnership, association, firm, trust, estate, public or private corporation, or any other entity whatsoever.

1.02. Findings and conclusions. The City and the District hereby find and declare:

a. The Act authorizes the City and the District to enter into this Agreement to define the terms and conditions under which services to the District will be provided and funded by the parties and to define the terms and conditions under which the District will be annexed by the City at a future date as agreed hereunder as an alternative to annexation without the consent of the District.

b. In compliance with Subsection (p) of the Act, this Agreement (i) does not require the District to provide revenue to the City solely for the purpose of an agreement with the City to forgo annexation of the District, and (ii) provides benefits to each party, including revenue, services, and regulatory benefits, which are reasonable and equitable with regard to the benefits provided to the other party.

c. All the terms and conditions contained in this Agreement are lawful and appropriate to provide for the provision of municipal services and annexation.

d. The District is not obligated to make payments to the City for services except as otherwise provided herein.

e. This Agreement has been duly adopted by the City and the District after conducting two public hearings at which members of the public who wanted to present testimony or evidence regarding the Agreement were given the opportunity to do so. Notice of each hearing was published in the format required by TEX. LOCAL GOV'T CODE, Section 43.123(b) and was published at least once on or after the 20th day before each public hearing of the City.

ARTICLE 2 ANNEXATION OF THE DISTRICT

2.01. Conditions to annexation.

a. The parties agree that the District and its residents should be allowed to develop and function with certainty regarding the conditions under which annexation will be authorized by the City. As a result, the City and the District agree that, without regard

to the City's right and power under existing or subsequently enacted law and subject to Section 2.02, the City will not fully annex the District until both the following conditions have been satisfied, and shall thereafter be authorized, but not required, to fully annex the District for any purpose:

1. 90% of the initial installation of the water, sanitary sewer, drainage and paving facilities for which District bonds were authorized in the City's written consent has been completed ("Substantial Completion").

2. The Developer has been reimbursed to the maximum extent permitted by the rules of the Commission or the City assumes any obligation for such reimbursement of the District under such rules.

- b. If the City wishes to complete the District facilities in order to comply with subsection a, item 1, above, the District will cooperate with the City to provide access to the District's facilities and allow such connection or supplement thereto as may be reasonably necessary upon written notice of its intent to so complete from the City to the District; provided that any such construction by or on behalf of the City shall be sufficient to provide water supply and distribution, wastewater collection and treatment, and drainage facilities to the entire unserved portion of the District.

- c. Prior to annexing the District for full purposes, the City shall make the election either to dissolve the District and assume all rights, assets, liabilities and obligations of the District or to continue the District as a limited district for an extended period of time (the "Limited District") as further provided for in Section 2.05. The City will notify the District in writing of its election prior to full purpose annexation.

2.02. Annexation of Commercial property. Notwithstanding Section 2.01, the City may annex for limited purposes any Commercial property of the District at any time after the effective date of this Agreement, as determined by the City (the "Annexed Commercial Property"). In such event, the District shall remain in existence, with full powers, and any Annexed Commercial Property shall also remain in the boundaries of the District, subject to the full power and authority of the District with respect to water, wastewater and drainage facilities and services. This annexation provision is in lieu of any annexation of residential property prior to the annexation of the entire District as provided in this Article.

In accordance with TEX. LOCAL GOV'T CODE, Section 43.0751(r)(2), the District consents to noncontiguous annexation of the Annexed Commercial Property.

2.03 Annexation procedures. Because the District is, pursuant to this Agreement, an area that is the subject of a strategic partnership agreement, the City is not required to include the District in an annexation plan pursuant to TEX. LOCAL GOV'T CODE, Section 43.052(h)(3)(B).

2.04. Operations prior to full annexation. Prior to annexation of the entire District for full purposes, except as may be specifically provided in this Agreement or in the City Consent, the District is authorized to exercise all powers and functions of a municipal utility district provided by law, including, without limiting the foregoing, the power to incur additional debts, liabilities, or obligations, to construct additional utility facilities, or to contract with others for the provision and operation thereof, or sell or otherwise transfer property without prior approval of the City, and the exercise of such powers is hereby approved by the City.

2.05. Continuation of the District following full annexation. Upon full purpose annexation of the entire District under the provisions of Section 2.01 above, the District will continue to exist for an extended period to allow for the completion of District operations and the integration of the District's utility system into the City's utility system, following which period the City shall act to dissolve the District in accordance with applicable law. If the City has not elected for the District to continue as a Limited District and has not dissolved the District within 120 days after annexation, then the District shall be automatically dissolved on the 121st day after such annexation. At such time, the City will assume all rights, assets, liabilities and obligations of the District (including all obligations to reimburse the developers within the District) and the District will not be continued or converted for limited purposes.

If the City elects to continue the District as a Limited District following full purpose annexation as provided in Section 2.01, the boundaries of the Limited District will be the same of those of the District, and the Limited District will continue to be called Brazos County Municipal Utility District No. 2. The District will continue to exist as a Limited District to allow for the completion of District operations and the integration of the District's system into the City's system and the retirement of District bonded indebtedness, following which period the City shall act to dissolve the District in accordance with applicable law. The District will continue as a Limited District for an initial term of up to ten years, and the City may extend this term for additional ten year periods prior to the expiration of the initial term or any renewal term. Until the dissolution of the Limited District, the Limited District will retain all District rights, assets, liabilities and obligations and shall operate in all respects in the same manner as prior to its conversion to Limited District, subject to the terms of this Agreement. The City may dissolve the Limited District at any time. At such time as the Limited District is dissolved, the City will assume all rights, assets, liabilities and obligations of the District.

Upon full purpose annexation, fees and charges imposed on residents of the former District for services provided by the City shall be equal to those fees and charges imposed on all other residents of the City.

2.06. Limitation on incurring additional debt after annexation. After full purpose annexation of the District by the City, and without regard to whether the City has elected for the District to continue as a Limited District, the District or Limited District shall not incur additional debt, liabilities, or obligations which are not fully payable from currently budgeted funds and shall not sell or otherwise transfer property without approval of the City.

2.07. Attempted incorporation. Notwithstanding any provision herein to the contrary, in the event that an election is called pursuant to applicable law in connection with a bona fide petition

for incorporation of a municipality that includes a substantial portion of the District, the City shall be entitled to annex that portion the District attempting to incorporate.

ARTICLE 3

LIMITED PURPOSE ANNEXATION OF LAND

3.01. Imposition of the City's Sales and Use Tax.

In the event the City elects to annex Commercial property for limited purposes as provided in Section 2.02 of this Agreement, the City shall impose its sales and use tax upon the Annexed Commercial Property pursuant to Subsection (k) of the Act. The sales and use tax shall be imposed on the receipts from the sale and use at retail of taxable items at the rate of one and one-half percent (1 ½ %) or the rate specified under future amendments to Chapter 321 of the Tax Code. The sales and use tax shall take effect on the date described in Tax Code §321.102.

ARTICLE 4

DEFAULT, NOTICE AND REMEDIES

4.01. Default; notice. A breach of any material provision of this Agreement after notice and an opportunity to cure shall constitute a default. The non-breaching party shall notify the breaching party of an alleged breach, which notice shall specify the alleged breach with reasonable particularity. If the breaching party fails to cure the breach within a reasonable time not sooner than 30 days after receipt of such notice (or such longer period of time as the non-breaching party may specify in such notice), the non-breaching party may declare a default hereunder and exercise the remedies provided in this Agreement in the event of default.

4.02. Remedies. In the event of a default hereunder, the remedies of the non-defaulting party shall be limited to either or both of the following:

a. Monetary damages for actual losses incurred by the non-defaulting party if such recovery of monetary damages would otherwise be available under existing law and the defaulting party is not otherwise immune from paying such damages; and

b. Injunctive relief specifying the actions to be taken by the defaulting party to cure the default or otherwise comply with its obligations hereunder. Injunctive relief shall be directed solely to the default and shall not address or include any activity or actions not directly related to the default.

ARTICLE 5

MISCELLANEOUS

5.01. Beneficiaries. This Agreement shall bind and inure to the benefit of the parties, their successors and assigns. This Agreement shall be recorded with the County Clerk in the Official Records of Brazos County, and shall bind and benefit each owner and each future owner of land included within the District's boundaries in accordance with Tex. Local Gov't Code, Section 43.0751(c). In the event of annexation of the District by the City, the Developer shall be considered a third-party beneficiary of this Agreement.

5.02 Term. This Agreement shall commence and bind the parties on the effective date first written above and continue for thirty (30) years thereafter, unless terminated on an earlier date pursuant to other provisions or by express written agreement executed by the City and the District. Upon the expiration of the initial term, this Agreement may be extended, upon the mutual consent of the parties, for successive one-year periods until all land within the District has been annexed into the City.

5.03. Notice. Any notices or other communications (“Notice”) required to be given by one party to another by this Agreement shall be given in writing addressed to the party to be notified at the address set forth below for such party, (i) by delivering the same in person, (ii) by depositing the same in the United States Mail, certified or registered, return receipt requested, postage prepaid, addressed to the party to be notified, or (iii) by depositing the same with Federal Express or another nationally recognized courier service guaranteeing “next day delivery”, addressed to the party to be notified, or (iv) by sending the same by electronic mail (“email”) with confirming copy sent by regular mail. Notice deposited in the United States mail in the manner hereinabove described shall be deemed effective from and after the date of such deposit. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties, until changed as provided below, shall be as follows:

City: City of College Station
P. O. Box 9960
1101 Texas Ave.
College Station, TX 77842
Attn: City Manager
Email: _____

With a copy to: City of College Station
P. O. Box 9960
1101 Texas Ave.
College Station, TX 77842
Attn: City Attorney
Email: _____

District: Brazos County Municipal Utility District No. 2
c/o Allen Boone Humphries Robinson
3300 Southwest Freeway, Suite 2600
Houston, Texas 77027
Attn: Jessica Holoubek
Email: Jessica.holoubek@gmail.com

The parties shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address within the United States of America by giving at least five days’ written notice to the other parties. If any date or any period provided

in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the notice shall be extended to the first business day following such Saturday, Sunday or legal holiday.

5.04. Time. Time is of the essence in all things pertaining to the performance of this Agreement.

5.05. Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable then, and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected.

5.06. Waiver. Any failure by a party hereto to insist upon strict performance by the other party of any material provision of this Agreement shall not be deemed a waiver thereof or of any other provision hereof, and such party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

5.07. Applicable law and venue. The construction and validity of this Agreement shall be governed by the laws of the State of Texas without regard to conflicts of law principles. Venue shall be in Brazos County, Texas.

5.08. Reservation of rights. To the extent not inconsistent with this Agreement, each party reserves all rights, privileges, and immunities under applicable laws.

5.09. Further documents. The parties agree that at any time after execution of this Agreement, they will, upon request of another party, execute and deliver such further documents and do such further acts and things as the other party may reasonably request in order to carry out the terms of this Agreement.

5.10. Incorporation of exhibits and other documents by reference. All Exhibits and other documents attached to or referred to in this Agreement are incorporated herein by reference for the purposes set forth in this Agreement.

5.11. Effect of state and federal laws. Notwithstanding any other provision of this Agreement, the District and the City shall comply with all applicable statutes or regulations of the United States and the State of Texas, as well as any City ordinances or rules implementing such statutes or regulations, and such City ordinances or rules shall not be deemed a breach or default under this Agreement.

5.12. Authority for execution. The City hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with the City Charter and City ordinances. The District hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted by the Board of Directors of the District.

SIGNATURE PAGES FOLLOW

IN WITNESS WHEREOF, the undersigned Parties have executed this Agreement effective as of the date first written above.

CITY OF COLLEGE STATION, TEXAS

By: _____
Mayor

ATTEST:

By: _____
City Secretary

THE STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

This instrument was acknowledged before me on this the ____ day of _____, _____, by _____, City Manager of the City of College Station, Texas, on behalf of said city.

Notary Public, State of Texas

(NOTARY SEAL)

BRAZOS COUNTY MUNICIPAL
UTILITY DISTRICT NO. 2

By: _____
President, Board of Directors

ATTEST:

By: _____
Secretary

THE STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

This instrument was acknowledged before me on this the ____ day of _____,
____, by _____, _____ of the Board of
Directors of Brazos County Municipal Utility District No. 2, a political subdivision of the State of
Texas, on behalf of said political subdivision.

Notary Public, State of Texas

(NOTARY SEAL)



Legislation Details (With Text)

File #:	19-0432	Version:	1	Name:	Elder Aid CDBG Contract 2019
Type:	Contract	Status:		Status:	Agenda Ready
File created:	8/7/2019	In control:		In control:	City Council Regular
On agenda:	8/22/2019	Final action:		Final action:	
Title:	Presentation, discussion, and possible action regarding approval of a contract granting Community Development Partnership Grant (CDBG) funds to Elder-Aid, Inc. in the amount of \$463,026 for the purchase and rehabilitation costs related to the creation of four affordable rental units located at 3312-3314 Normand and 3337-3339 Longleaf.				
Sponsors:	Debbie Eller				
Indexes:					
Code sections:					
Attachments:	CDBG Funding Ageement 2019 Elder-Aid Location Map				

Date	Ver.	Action By	Action	Result
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Presentation, discussion, and possible action regarding approval of a contract granting Community Development Partnership Grant (CDBG) funds to Elder-Aid, Inc. in the amount of \$463,026 for the purchase and rehabilitation costs related to the creation of four affordable rental units located at 3312-3314 Normand and 3337-3339 Longleaf.

Relationship to Strategic Goals: (Select all that apply)

- Financially Sustainable City
- Core Services and Infrastructure
- Neighborhood Integrity

Recommendation(s): Staff recommends approval of this Contract

Summary:

The City of College Station annually receives the Community Development Block Grant (CDBG) from the U. S. Department of Housing and Urban Development. CDBG is utilized to address the growing need for more affordable, decent housing units, creating a suitable living environment, and expanding economic opportunities, principally for low- and moderate-income residents. RFP 19-080 was released on June 11, 2019 to seek proposals for the development of affordable housing

Two responses were received, including a proposal from Elder-Aid, Inc. Elder-Aid, Inc. currently has a rental program that includes ownership and management of multiple properties that provide affordable rental opportunities for seniors. Their proposal includes the expansion their current rental program to two duplexes located at 3312-3314 Normand and 3337-3339 Longleaf.

This contract will grant funds to Elder-Aid, Inc. in the amount of \$463,026.00. With these funds, Elder-Aid, Inc. will acquire and rehabilitate two duplexes located at 3312-3314 Normand and 3337-3339

Longleaf and making them available for lease to income-eligible senior households.

Budget & Financial Summary:

This contract commits \$463,026.00 of unobligated CDBG funds from Program Year 2018. These funds will be provided to Elder-Aid, Inc. on a reimbursement basis and are budgeted and available through the Community Development FY 2019 (PY 2018) federal Community Development Block Grant Program budget.

Attachments:

Attachment 1: Contract and Grant for CDBG Programs

Attachment 2: Location Map

Embedded Secure Document

The file <https://collegestation.legistar.com/View.ashx?M=F&ID=7594681&GUID=79D19749-FC51-4CAF-941C-18F9C0C9731B> is a secure document that has been embedded in this document. Double click the pushpin to view.



3312-14 Normand Dr.& 3337-39 Longleaf Circle

