

AN ORDINANCE 2011-06-23-0595

AUTHORIZING THE NEGOTIATION AND EXECUTION OF A DEVELOPER PARTICIPATION AGREEMENT WITH FCS CREAMER, LTD. IN THE AMOUNT NOT TO EXCEED 30 PERCENT OF THE TOTAL CONTRACT PRICE OR UP TO \$2,000,000.00, WHICHEVER IS LESS, FOR THE SHAENFIELD ROAD AND BRIDGE PROJECT, A 2007 BOND SAVINGS PROJECT LOCATED IN COUNCIL DISTRICT 6.

* * * * *

WHEREAS, Shaenfield Bridge and Road Project provides for the design and construction of a street and bridge over Helotes Creek east of Loop 1604 to connect Terra Oak to the Loop 1604 access road; and

WHEREAS, City and FCS Creamer, Ltd. (hereinafter “Developer”) desire to contract for design and construction of the extension of Shaenfield Road from the Terra Oak cul-de-sac to Loop 1604 frontage road to provide additional connectivity between Loop 1604 and the neighborhoods to the east to include the construction of traffic lanes and sidewalks, as well as, the construction of a bridge across Helotes Creek; and

WHEREAS, Texas Local Government Code Sections 212.071 – 212.074 allow the municipality to participate in a Developer Participation Contracts; and

WHEREAS, the statutes limit the participation of the municipality to a level not to exceed 30 percent of the total contract price; and

WHEREAS, in addition, the statutes also allow participation by the municipality at a level not to exceed 100 percent of the total cost for any oversizing of improvements required by the municipality; and

WHEREAS, the total cost of the Shaenfield Road Project has yet to be determined, the contract is written to ensure that statutory limits would not be exceeded, and

WHEREAS, the City’s participation may be composed of amount authorized by Texas Local Government Code sections 212.072(b), (c), and (d); and

WHEREAS, the contract with Developer for the Shaenfield Road Project limits the City of San Antonio participation to a level not to exceed 30 percent of the total contract price or \$2,000,000.00, whichever is less; and

WHEREAS, if the total contract price for the Shaenfield Road Project equals or exceeds \$6,667,000.00, then and in this event, the City’s participation is limited to 30 percent of the total contract price or \$2,000,000.00, whichever is less; and

WHEREAS, the Developer will complete the design and construction of the Project not later than three (3) years from the date of execution of the contract; and

WHEREAS, this Ordinance authorizes the negotiation and execution of a Developer Participation Contract with FCS Creamer, Ltd. for the Shaenfield Bridge and Road Project, a 2007-2012 Bond Savings Project located in Council District 6; **NOW THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager, or her designee, is authorized to negotiate and execute a Developer Participation Agreement in substantial form as **ATTACHMENT A** with FCS Creamer, Ltd. in the amount not to exceed 30 percent of the total contract price or \$2,000,000.00, whichever is less, for the Shaenfield Road Project. The Contract must be executed within 45 days of signing of this Ordinance; if the parties are not able to finalize within 45 days, the amendments must be considered through a subsequent ordinance. Should an agreement be negotiated which substantially varies from the terms of the attached Agreement, the Agreement must be considered through a subsequent ordinance.

SECTION 2. Payment in the amount not to exceed \$2,000,000.00 in SAP Fund 45099000, General Obligation Capital Projects, SAP Project Definition 40-00253, Shaenfield Road & Bridge, is authorized to be encumbered and made payable to the **FCS Creamer, Ltd.** for design and construction services.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Chief Financial Officer, City of San Antonio. The Chief Financial Officer may, subject to concurrence by the City Manager, or the City Manager's designee, correct allocation to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

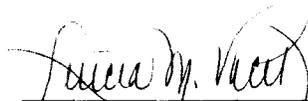
SECTION 4. This Ordinance shall be effective immediately upon passage by eight or more affirmative votes; otherwise, it shall be effective on the tenth day after passage.

PASSED AND APPROVED this 23rd day of June, 2011.



M A Y O R
Julián Castro

ATTEST:

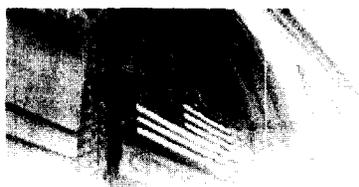


Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

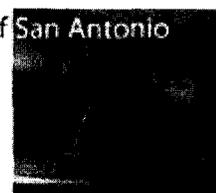


Michael D. Bernard, City Attorney



Request for
COUNCIL
 ACTION

City of San Antonio



Agenda Voting Results - 56A

Name:	6A, 6B, 6C, 7, 8, 9, 10, 11, 12, 13, 14A, 14B, 15, 18, 19, 20, 21, 22, 24, 25A, 25B, 25C, 25D, 25E, 25F, 25G, 27, 28, 29, 30A, 30B, 31, 32, 33A, 35, 36, 37, 38A, 38B, 38C, 38D, 38E, 38F, 38G, 38H, 38I, 38J, 38K, 38L, 38M, 38N, 38O, 38P, 38Q, 38R, 38S, 38T, 40, 41, 43, 44, 45, 46, 47, 49A, 49B, 49C, 49D, 50, 51, 52, 53A, 53B, 54, 55, 56A, 56B, 57						
Date:	06/23/2011						
Time:	09:57:52 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing the negotiation and execution of a Developer Participation Agreement with FCS Creamer, Ltd. in the amount of up to \$2,000,000.00 for the Shaenfield Road and Bridge project, a 2007 Bond Savings Project located in Council District 6.						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				
Ivy R. Taylor	District 2		x				
Jennifer V. Ramos	District 3		x				
Rey Saldaña	District 4		x				
David Medina Jr.	District 5		x				x
Ray Lopez	District 6		x			x	
Cris Medina	District 7		x				
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				
Carlton Soules	District 10		x				

STATE OF TEXAS §
COUNTY OF BEXAR §

**DEVELOPER PARTICIPATION CONTRACT
SHAENFIELD ROAD PROJECT**

This Developer Participation Contract is hereby made and entered into by and between the CITY OF SAN ANTONIO (hereinafter referred to as "City"), a Texas municipal corporation, acting by and through its City Manager pursuant to Ordinance No. _____ dated _____ and FCS Creamer, Ltd. a Texas Limited Partnership (hereinafter referred to as "Developer"), acting by and through its officers, hereto duly authorized.

WHEREAS, City held a Bond Election on May 12, 2007 and received approval from the voters to fund a variety of Infrastructure Improvements; and

WHEREAS, all of the Infrastructure Improvement Projects have been completed or due provision made for their completion; and

WHEREAS, the Shaenfield Road Project (hereinafter "Project") qualifies as a road project for which excess bond proceeds may be used; and

WHEREAS, the City has identified FCS Creamer, Ltd. as the appropriate party to contract with for the fulfillment of the public purpose of Infrastructure construction in accordance with all applicable laws of public funding and the authorizing instruments for the public funding; and

WHEREAS, the Developer is the fee simple owner of the property referenced in Master Development Plan No. 722 Amendment A ("MDP 722-A") the proposed location of the Project; and

WHEREAS, the public benefit to be gained from the project is the provision of street access to a public school and which is also available for use by the citizens of San Antonio; and

WHEREAS, Texas Local Government Code Sections 212.071 – 212.074 allow the municipality to participate in a Developer Participation Contracts; and

WHEREAS, the statutes limit the participation of the municipality to a level not to exceed 30 percent of the total contract price; and

WHEREAS, the statutes also allow participation by the municipality at a level not to exceed 100 percent of the total cost for any oversizing of improvements required by the municipality; and

WHEREAS, the total cost of the Shaenfield Road Project has yet to be determined, the contract is written to ensure that statutory limits would not be exceeded, and

WHEREAS, the City's participation may be composed of amounts authorized by Texas Local Government Code sections 212.072(b) (c), and (d); and

WHEREAS, the contract with FCS Creamer, Ltd. a Texas Limited Partnership for the Shaenfield Road Project limits the City of San Antonio participation to a level not to exceed 30 percent of the total contract price or \$2,000,000.00 which ever is less; and

WHEREAS, if the total contract price for the Shaenfield Road Project is \$6,667,000.00, then and in this event, the City's participation is limited to 30 percent of the total contract price or \$2,000,000.00, and

WHEREAS, if the total contract price for the Shaenfield Road Project is \$6,667,000.00, then and in this event, the City's participation is limited to 30 percent of the total contract price or \$2,000,000.00; and

WHEREAS, the Developer will complete the design and construction of the project not later than three (3) years from the date of execution of the contract; and

NOW THEREFORE, the Parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

I. DEFINITIONS

- 1.01 "City" means the City of San Antonio, Texas, a Texas municipal corporation.
- 1.02 "City's Representative" means the Director of Capital Improvement Management Services ("CIMS")_ or such other person as the City Manager may designate.
- 1.03 "City Share" means an amount not to exceed THIRTY PERCENT (30%) or TWO MILLION DOLLARS (\$2,000,000.00), whichever is less, of total Project Costs and may be composed of expenditures authorized by Section 212.072(b)(c) and (d) of the TEXAS LOCAL GOVERNMENT CODE.
- 1.04 "Contract" means this Developer Participation Contract between the City of San Antonio, Texas and FCS Creamer, Ltd.
- 1.05 "Contract Documents" means this Contract and Exhibit ___ through Exhibit ___ attached hereto and made a part hereof for all purposes.
- 1.06 "Construction Documents" means the plans, specifications and estimates for the Project which shall be provided by the Developer pursuant to the terms of this Contract. The Construction Documents shall illustrate the dimensions, materials, methods of construction, methods of excavation, and other details of the Project. A description of the Construction Documents is provided in Exhibit ___.
- 1.07 "Developer" means FCS Creamer, Ltd., a Texas Limited Partnership.
- 1.08 "Developer Property" means the _____ property described in Exhibit ___ attached hereto, comprising of _____ acres.
- 1.09 "Developer's Representative" means _____, or such other person as

Developer may designate.

- 1.10 "Developer's Share" means all costs of the Project in excess of City Share.
- 1.11 "Development" means the _____ attached hereto as Exhibit _____.
- 1.12 "Director" means the Capital Improvements Management Services, City of San Antonio.
- 1.13 "Project" means the public improvements consisting of the construction of the Street and bridge to connect Shaenfield Road to Loop 1604, as more fully described in Exhibit _____ attached hereto and made a part hereof for all purposes.
- 1.14 "Project Costs" means all costs and expenses incurred by Developer with respect to the Project in accordance with this Contract, including without limitation all costs to (i) prepare the Construction Documents, including but not limited to (a) all engineering fees and expenses for all studies, estimates of probable costs and other work performed by the Project Engineer (b) all environmental reports; (c) all title work; (d) all legal fees; and (e) all other fees and expenses relating to the Project; and (ii) all costs and expenses to construct the Project.
- 1.15 "Project Engineer" means _____.
- 1.16 "Work" means the installation and construction of the Project by Developer on in accordance with the Construction Documents and as provided herein.

II. CONTRACT PROVISIONS

2.01 Background. This Contract qualifies as a "Developer Participation Contract" pursuant to Sections 212.071-212.074 of the TEXAS LOCAL GOVERNMENT CODE. In this regard, Developer shall construct the Project on property dedicated as right of way to the City. City shall pay the City Share and Developer shall pay the cost for Developer's Development by paying the Developer's Share.

- 2.01.01 In Order to adequately size the street and to accommodate City needs, Developer has agreed to oversize the street and bridge to meet City requirements. City shall pay the City Share of expenditure authorized by Texas Local Government Code, Sections 212.072(b), (c), and (d) in a total amount not to exceed \$2,000,000.00 a detailed estimate and calculation of the City Share is illustrated and attached as Exhibit _____.
 - 2.01.02 The Shaenfield Road Project provides for the design, construction and alignment of 1) Shaenfield to connect with Loop 1604 and 2) bridge over Helotes Creek. The construction of these roadway modifications will resolve long standing public access issues associated with Shaenfield Road to provide regional connectivity.
- 2.02 Project Schedule. No more than one month after execution of this contract, the

Developer shall submit a Critical Path Method (CPM) Project Schedule using Primavera Project Manager 5.x or above or Primavera Developer 4.1 or above, which shall show the sequence and interdependence of activities required for complete performance of the work. All schedule submittals shall be in the electronic form to include PDF plots of the schedule, a PDF plot defining the Critical Path and two week look-ahead, and include the native Primavera file format. The Developer shall submit the schedule to the CIMS Web-portal and Project Manager via electronic mail, CD-Rom, floppy disc, or any other electronic media acceptable to the City. The City will review the Project Schedule within twenty (20) calendar days for compliance with the specifications and notify the Developer at the pre-construction conference of its acceptability

2.02.01 The Project Schedule shall be updated on a monthly basis. The project schedule update layout shall be grouped by Project, then WBS. The layout shall include the following columns:

- a. Activity ID
- b. Activity Description
- c. Original Durations
- d. Remaining Durations
- e. Start and Finish Dates
- f. Baseline Start and Finish Dates
- g. Total Float
- h. Performance Percent Complete
- i. Display logic and target bars in the Gantt bar chart view

2.02.02 The City's review and acceptance of the Developer's Project Schedule is for conformance to the requirements of the contract documents only. Review and acceptance by the City of the Developer's Project Schedule does not relieve the Developer of any of its responsibility for the Project Schedule or of the Developer's ability to meet interim milestone dates (if specified) and the contract completion date, nor does such review and acceptance expressly or by implication warrant, acknowledge or admit the reasonableness of the logic, durations, manpower or equipment loading of the Developer's Project Schedule. In the event the Developer fails to define any element of work, activity or logic and the City review does not detect this omission or error, such omission or error, when discovered by the Developer or City shall be corrected by the Developer at the next monthly schedule update and shall not affect the project completion date.

2.02.03 Acceptance by the City of a Baseline or project update schedule that exceeds contractual time does not alleviate the Developer from meeting the contractual completion date.

2.02.04 In all cases it is Developer's sole responsibility to provide schedule and updates at no cost to the City.

2.03 Design. Developer shall commence design within 10 days upon execution of this agreement and shall complete design within 1 year.

2.04 Construction. Developer shall commence construction of the Project within ten days after the later of (i) approval of the Construction Documents by the Director, and (ii) receipt by Developer of all governmental and regulatory permits and approvals required in connection with the construction of the Project (the "Permits"). Developer's obligation to commence construction of the Project is conditioned upon the receipt by Developer of the Permits on such terms and conditions as Developer may deem to be acceptable in Developer's reasonable discretion. City agrees to use its best efforts (without cost or expense to City) to assist Developer in obtaining the Permits. Without limiting the foregoing, City agrees to use its best efforts (without cost or expense to City) to assist Developer with all requisite approvals from any regulatory authority in connection with the construction of the Project. Construction of the Project shall at all times be performed in a good and workmanlike manner in accordance with the Construction Documents using only new, first class materials as specified in the Construction Documents. Any variations from the Construction Documents shall require approval by City's Representative not to be unreasonably withheld or delayed. In the event change orders are necessary in connection with the construction of the Project, Developer shall submit the same to City's Representative for its review and approval, not to be unreasonably withheld or delayed. Upon written approval of any change order by both Developer and City's Representative, the Project Costs shall be adjusted accordingly. The Project may be built in stages as Developer may determine subject to City's reasonable approval. Construction shall be completed within 3 years from execution of this agreement.

- 2.04.01 Developer shall first design and construct the bridge over Helotes Creek to connect Shaenfield Road to Loop 1604.
- 2.04.02 After the Project is constructed and accepted by City, Developer may submit a request to City for the City Share as may be attributable to the completed engineering and construction of the Project. Any such request shall be accompanied by a certificate from the Project Engineer certifying the amount of the Work performed and confirming that such Work was performed in accordance with the Construction Documents, stating the amount of the City Share attributable thereto and Developer's Share and include a breakdown of labor, names of contractors and materials used. Upon approval of the draw request, City shall pay the City Share within thirty (30) days following City's receipt of such draw request. Developer shall pay all costs incurred from time to time with respect to the Work.
- 2.04.03 Developer shall enter into a contract (the "Construction Contract") for construction of the Project with a licensed contractor selected by Developer (the "Contractor") subject to City's approval, which approval shall not be unreasonably withheld provided such contractor has the proven capacity, solvency and expertise to construct the Project. Once commenced, Developer shall use commercially reasonable efforts to cause construction of the Project to be prosecuted diligently and continuously by the Contractor in accordance with the Construction Contract until completion in accordance with the Construction Documents as certified jointly by the Project Engineer and the Director. The Director shall have the authority to accept the Project on behalf of City, and City shall accept ownership and maintenance of the Project upon approval of the completed Project by the Director.

- 2.04.04 Prior to the commencement of construction, Developer shall cause the Contractor to provide City with (i) a performance bond in accordance with and in satisfaction of Section 212.073 of the TEXAS LOCAL GOVERNMENT CODE, reflecting the City as beneficiary thereunder (it being understood and agreed that Developer itself shall have no obligation to provide a bond other than the bond to be provided by Contractor), and (ii) insurance certificates showing the City as a named insured in types and amounts reasonably required by the City's Risk Manager. The foregoing shall remain in force and effect throughout the course of construction of the Project.
- 2.04.05 The Construction Contract shall prohibit third party beneficiaries other than City which shall be specifically designated as a third party beneficiary, shall not be assignable by the Contractor and shall provide City access to the Project at all reasonable times for inspection purposes. The Contractor shall acknowledge therein that it has read this Contract and understands that City has certain rights hereunder and pursuant to the Construction Contract. "As Built" Plans shall be provided to the City no later than 60 days after completion of the Project, as jointly certified by the Project Engineer and the Director.
- 2.04.06 During construction of the Project, Developer shall provide the Director with status reports showing the percentage of completion of the Work and expenditures incurred in connection with the construction of the Project, all in accordance with current project management practices using the City's web portal. In all cases it is Developer's sole responsibility to connect to the City's web portal (system) at no cost to the City.

2.05 Inspections. The Project shall be accessible at all reasonable times to the Director or his designee for inspection. The Developer acknowledges any inspections performed by City during the course of construction for purposes of this Contract (as opposed to routine building and construction inspections performed by City for permitting and acceptance purposes common to all similar construction projects) are for the benefit of City only and may not be relied upon by others, be claimed by Developer as an approval by City, a permit granted by City, a waiver by City, or used for any purpose by Developer, the Contractor or any third party. Developer further acknowledges that Developer and Contractor are required to perform their own inspections and inspections by City do not address any obligations of Developer or others. Subject to the foregoing, City shall promptly notify Developer of any defects or non-conformances discovered during any City inspection.

2.06 Construction Documents. Developer shall provide City with a complete set of Construction Documents meeting the requirements of this Contract and in conformance with all applicable local, state and federal codes and regulations and customary engineering practices. The Construction Documents shall be prepared by and bear the seal of the individual engineer working on behalf of the Project Engineer. Construction of any part of the Project shall in no event commence prior to City approval of the Construction Documents for that part of the Project. Developer shall cause the Project Engineer to commence preparation of the Construction Documents promptly upon completion of engineering and design and to diligently continue same to completion. Developer shall provide City with copies of the Project Engineer's invoices for the Project as such invoices are received by Developer, and City shall pay the City Share thereof. City

shall own the Construction Documents upon payment by City of the City Share of the total Project Engineer charges and Developer, shall thereupon obtain and provide Project Engineer's assignment of its interest to City. Developer hereby assigns its interest in the Construction Documents to City, to become effective upon receipt by Developer of the total City Share. City shall own the Construction Documents for all purposes and may duplicate them, license them, use them and re-use them for any and all purposes.

2.07 Warranty. If the Work is found to be defective, either wholly or in part, and/or found to be non-conforming with the Contract Documents and/or the Construction Documents during the 12 Month period following completion of the Project as defined in the Construction Contract, City shall immediately give Developer written notice thereof; specifying the defect and/or non-conforming Work with particularity. Developer shall correct such defective or nonconforming Work within thirty (30) days of notice thereof given by City, or within such longer time as may be reasonably necessary, provided Developer is working diligently and continuously towards a cure. If Developer fails to so cure such defective or non-conforming Work, then City may, at its own expense, correct such defective or non-conforming Work by City's own crews or by outside contractors, at City's option, and the reasonable cost of such correction shall be deemed to be sums due City by Developer, and may be offset against any outstanding sums due by City to Developer under this Contract. The cost of City crews shall be determined by prevailing market rates for performing the work required to correct such defects and/or nonconforming work. At the end of said 12-inonth period, all available product and workmanship material warranties, including all warranties given by Contractor, shall be assigned to City, to the extent assignable. This provision shall survive termination of this Contract.

2.08 Default. Upon the occurrence of a default by Developer in the performance of its obligations hereunder and the failure of Developer to cure such default within thirty (30) days following receipt of written notice of default from City (or such reasonably longer time as may be necessary provided the Developer commences the cure within thirty (30) days and continuously and diligently pursues the cure to completion) (a "Default"), City shall have the right to terminate this Contract.

2.08.01 In the event of Default by Developer and only if City decides to construct the Project, the Developer grants to City a twenty-five (25) foot construction easement on each side of the proposed Shaenfield Road and bridge for City to complete the construction of the road and bridge. In the event of Default by Developer, City may require Developer to cease construction and, City may, at its option, take over construction of the Project with its own contractor. In this event, Developer agrees to reimburse City for any reasonable costs in excess of City Share. This Contract shall operate as an agreement by Developer to allow City access to the Property as necessary to complete the Project in accordance with the Contract Documents. These remedies are in addition to any money damages and/or legal, equitable and/or other contract rights City may have in the event of a Default; provided that it is expressly agreed that neither party shall have the right to seek consequential, special or punitive damages against the other for any default under this Contract.

2.09 Representations and Warranties. Developer and City represent, warrant, certify

and agree that neither this Contract, nor the Contract Documents, nor any part of the relationship between the parties hereto shall be construed in any way or operate as creating a joint venture, partnership or other business entity between Developer and City.

III. TERM

3.01 The term of this Contract shall commence upon execution of the Contract by the City Manager or designee and continue until the Project is complete and the road and bridge are accepted by the City.

IV. GENERAL RESPONSIBILITIES OF DEVELOPER

4.01 Developer hereby accepts full responsibility for the performance of all services and activities described in this Contract to complete the design and construction of the Project not later than three (3) years from the date of execution of this Contract. The Developer shall design and construct Shaenfield Road from the Terra Oaks cul-de-sac to Loop 1604 frontage road and construct a bridge across Helotes Creek. Construction shall be in accordance with the City Unified Development Code "UDC", all state and federal environmental requirements including all City applicable construction and development regulations except for application of Section 35-523 of the City Code of San Antonio, Texas as described specifically below.

4.02 Ordinance No. 85262, the 1997 Tree Preservation will apply to the portion of the property upon which the Project is specifically located. The City does not by this Contract, recognize statutory permit rights as described within Chapter 245 of the Local Government Code and the UDC, for property identified in MDP 772-A.

4.03 Developer will provide tree credits to the City in the amount of 300 inches for the removal of trees from property within the Project. For purposes of this paragraph the Project includes the street and bridge and the construction easement area.

4.04 Current budget estimates of the Project are \$6,667,000. Developer shall provide all necessary funding for the Project beyond the City Share contained herein and provide evidence to City that all Project funds have been secured.

4.05 Unless written notification by Developer to the contrary is received and approved by City, Developer's _____ shall be Developer designated representative responsible for the management of this Contract.

4.06 The Director of the CIMS or his designee shall be responsible for the administration of this Contract on behalf of City until the completion of the Project.

4.07 Communications between City and Developer shall be directed to the designated representatives of each as set forth in paragraphs numbered 4.05 and 4.06 hereinabove.

4.08 Developer shall provide to City its plans and specifications for the Project Plans and such Plans shall be subject to the review and approval of City; acting in its capacity as grantor under this Contract. After approval by City, Developer shall not make any substantial changes to the Plans without the prior written approval of City. The approvals given in this Section do not relieve

Developer of the burden of obtaining all necessary governmental approvals, including those provided by City through its relevant development departments and relevant boards and commissions including the Historic and Design Review Commission, and the State of Texas Commission on Environmental Quality (Article 9102).

4.9 Developer shall also provide a schematic showing the width of the road and bridge.

4.10 Developer shall provide City with the engineering documents at the preliminary 30%, 70%, and 95% phase for review and comment. Developer upon Project completion and acceptance shall provide City final record drawings.

4.11 Developer shall submit any and all changes to the CIMS Director or his designee for review and approval to ensure their compatibility with the Plans.

4.12 City shall have authority to inspect the Project throughout the construction process to ensure compliance with the Plans. Developer shall cause its design professional to provide periodic certifications of construction certifying that construction has been conducted in compliance with the Plans. Developer shall submit said certification to the CIMS Director or his designee at the completion of the Project construction. City shall have the right to withhold funding until such certifications are provided.

4.13 Developer shall dedicate and/or obtain at no cost to the City all the Right of Way required by the City's Unified Development Code (UDC) for construction of a collector road and bridge for the entire project.

4.14 Beginning on _____, 2011 (this date shall be the year following the anticipated completion of the Project), and on each succeeding January 31 throughout the term of the Contract, Developer shall provide to City an annual report ("Annual Report"). The Annual Report shall include the following:

4.14.01 Description of all activities that occurred during the previous calendar year.

4.14.02 Evidence of insurance coverages, with City as additional insured, as outlined in Section XIII below.

4.14.03 Evidence of a performance bond in accordance with and in satisfaction of Section 212.073 of the TEXAS LOCAL GOVERNMENT CODE.

4.15 Any development of the Project affecting the floodplain shall comply with UDC. The extension of Shaenfield Road along with the development of property within MDP 772-A which is not part of the Project, is subject to platting, building drainage, and stormwater regulations of federal agencies, state agencies, City regulations and all applicable laws.

V. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS

5.01 Developer warrants and represents that it will comply with all federal, state and local laws and regulations and will use all reasonable efforts to ensure said compliance by any and all contractors and subcontractors that may work on the Project.

5.02 Developer agrees to abide by the following laws, Ordinances, Rules and regulations in its expenditures of City Funds:

1. Chapter 252 and 2254 of the Texas Local Government Code, or other competitive contracting processes allowed for as express exceptions to Chapter 252.
2. Government Code provisions regarding performance bonds on certain Public Works contracts (copies of required bonds must be provided to City prior to the start of construction).
3. Government Code chapter 2258 and Ordinance No. 71312, as amended by Ordinance No. 2008-11-20-1045 regarding Prevailing Wage Rate regulations required for certain Public Works Contracts, including ensuring that is construction contractor submit certified payrolls to the City on a weekly basis utilizing the form required by the Wage and Hour office of CIMS.
4. City of San Antonio Small Business Economic Development Advocacy Ordinance (Ordinance No. 2010-06-17-0531.) Developer may obtain authoritative interpretations and guidance for such compliance from the City's Department of Economic Development (207-3900). (See ARTICLE XXXV)

5.03 Plans must conform to Americans with Disabilities Act requirements and must be approved by the Texas Department of Licensing and Regulation before construction may begin. Inspections and final approval shall be the responsibility of Developer.

VI. FUNDING AND ASSISTANCE BY CITY

6.01 Developer shall be responsible for the design and construction of the Project and all associated costs, if any, in excess of the City Share.

6.02 City shall reimburse Developer only for eligible expenditures authorized by Texas Local Government Code Section 212.072(a), (b) and (c) expenses incurred hereunder. Notwithstanding any other provisions of this Contract, the total of all payments and other obligations made or incurred by City hereunder shall not exceed the City Share.

6.03 City shall not be obligated nor liable under this Contract to any party, other than Developer, for payment of any monies or provision of any goods or services.

6.04 Funding shall consist of reimbursements paid to Developer for costs of design and construction of the Project, not to exceed the City Share, as part of the 2007 General Obligation Bond Program savings, as approved by City Council on May 19, 2011.

6.05 It is further expressly understood and agreed by City and Developer that the City's obligations under this Contract are based on a minimum of \$ _____ provided by

Developer and that City's obligation to pay the funds under this Contract is limited to the City Share. Additionally, it is expressly understood and agreed by City and Developer that this Contract in no way obligates City's General Fund monies or any other monies or credits of City.

6.06 Provided Developer designs and constructs the bridge and Shaenfield Road in accordance with federal state, and local laws, rules and regulations, and the UDC, and Developer provides City a one(1) year warranty bond for the bridge and road, City agrees to accept the dedication by Developer of the right of way, bridge, and road as a collector.

VII. RECEIPT, DISBURSEMENT AND ACCOUNT OF FUNDS BY DEVELOPER

7.01 Developer shall maintain readily identifiable records that will provide accurate, current, separate, and complete disclosure of the status of any funds received pursuant to this Contract. Developer further agrees:

- (A) That maintenance of said records shall be in compliance with all terms, provisions, and requirements of this Contract and with all generally accepted accounting practices; and
- (B) That Developer's record system shall contain sufficient documentation to provide, in detail, full support and justification for each expenditure.

7.02 Developer agrees to retain all books, records, documents, reports, written accounting policies and procedures and all other relevant materials (hereinafter "records") pertaining to activities pertinent to this Contract for a minimum of four (4) years from the completion of the Project. Records will be retained by Developer in an electronic format and Developer will forward the records to City at the end of the four (4) year period.

7.03 In order to be reimbursed for work completed, Developer shall submit to the City a report indicating the amount of funds expended, the payee, the date paid, the purpose of the payment, and provide supporting documentation (i.e. copies of paid itemized invoices) as requested by the City. Prior to reimbursement, City will have the right to inspect work completed to ensure conformance with the approved Plans.

7.04 All requests for reimbursement shall be submitted through the City's Program Management Portal ("Portal"). Developer shall sign a Business Level Agreement and ensure that all of its employees or representatives utilizing the Portal sign and comply with an Individual User Agreement. Such requests for reimbursement shall be completed on the Portal and/or utilizing forms and instructions approved by CIMS. Prior to the initial request for reimbursement, Developer must submit a schedule of values for payment to be approved by CIMS, which approval shall not be unreasonably withheld, conditioned, or delayed. Any changes to the schedule of values once approved will be processed and approved as task orders through the portal.

7.05 City agrees to provide Developer written notice regarding any expenditure the City reasonably determines to be outside the permissible parameters of this Contract. Said notice will provide Developer thirty (30) days from receipt of said notice to cure the deficiency or refund to the City any sum of money paid by City to Developer determined to:

- (A) Have not been spent by Developer strictly in accordance with the terms of this Contract; or
- (B) Not be supported by adequate documentation to fully justify the expenditure.

7.06 Upon termination of this Contract, should any expense or charge be subsequently disallowed or disapproved using the same criteria as set out in Section 6 as a result of any auditing or monitoring by City, Developer shall refund such amount to City within thirty (30) working days of City's written request therefore wherein the amount disallowed or disapproved shall be specified.

VIII. RIGHT OF REVIEW AND AUDIT

8.01 The Developer grants the City or its designees, the right to audit, examine or inspect, at the City's election, all of the Developer's records relating to the performance of the Work under the Contract during the term of the Contract and retention period herein. The audit, examination or inspection may be performed by a City designee, which may include its internal auditors or an outside representative engaged by the City. The Developer agrees to retain its records for a minimum of four (4) years following termination of the Contract, unless there is an ongoing dispute under the contract, then, such retention period shall extend until final resolution of the dispute. "Developer's records" include any and all information, materials and data of every kind and character generated as a result of the work under this Contract. Example of Developer records include but are not limited to billings, books, general ledger, cost ledgers, invoices, production sheets, documents, correspondence, meeting notes, subscriptions, agreements, purchase orders, leases, contracts, commitments, arrangements, notes, daily diaries, reports, drawings, receipts, vouchers, memoranda, time sheets, payroll records, policies, procedures, federal and state filings for issue in question, and any and all other agreements, sources of information and matters that may in the City's judgment have any bearing on or pertain to any matters, rights, duties or obligations under or covered by any Contract Documents.

8.02 The City agrees that it will exercise the right to audit, examine or inspect only during regular business hours. The Developer agrees to allow the City's designee access to all of the Developer's Records, Developer's facilities, and current or former employees of Developer, deemed necessary by City or its designee(s), to perform such audit, inspection or examination. Developer also agrees to provide adequate and appropriate work space necessary to City or its designees to conduct such audits, inspections or examinations.

8.03 Developer must include this audit clause in any subcontractor, supplier or vendor contract.

IX. ALLOWABLE EXPENDITURES

9.01 Upon preparation of a construction plan timeline/schedule and budget by Developer, Developer shall submit said timeline/schedule and budget to City for approval of any costs to be paid from funds received hereunder. Costs shall be considered allowable only if so approved in Developer's construction budget, or otherwise approved in advance by City in writing, and incurred directly and specifically in the performance of and in compliance with this Contract and with all city, state and federal laws; regulations and ordinances affecting Developer's operations hereunder. Only the following categories of costs shall be considered allowable:

- Construction contract
- Construction contingencies with approved change orders
- Design Plans and specifications

Expenditures of the funds provided under this Contract shall only be allowed if incurred directly and specifically in the performance of and in compliance with this Contract and all applicable city, state and federal laws, regulations and/or ordinances.

9.02 The following shall not be considered allowable costs under this Contract:

- Personnel costs, salaries or wages paid directly by Developer or other similarly affiliated organization
- Travel and travel-related expenses
- Costs or fees for consultant and/or professional services, except for those directly related to the projects
- Costs or fees associated with attendance at meetings, seminars, or conferences
- Costs or fees associated with regular maintenance and operation
- Fundraising
- Equipment and Furnishings, unless provided by Developer's General Contractor and shown on the approved Plans
- Advertising
- Right of Way

9.03 Written requests for prior approval shall be Developer's responsibility and shall be made thirty (30) days from date necessary to permit a thorough review by City. Procurements and/or purchases which must be approved pursuant to the terms of this Contract shall be conducted entirely in accordance with all applicable terms, provisions and requirements hereof.

X. FURTHER REPRESENTATIONS, WARRANTIES AND COVENANTS

10.01 Developer further represents and warrants that:

- (A) All information, data or reports heretofore or hereafter provided to City is, shall be, and shall remain complete and accurate as of the date shown on the information, data, or report, and that since said date shown, shall not have undergone any significant change without written notice to City.
- (B) It is financially stable and capable of fulfilling its obligations under this Contract and that Developer shall provide City immediate written notice of any Adverse material change in the financial condition of Developer that may materially and adversely effect its obligations hereunder.
- (C) No litigation or proceedings are presently pending or to Developer's knowledge, threatened against Developer.

- (D) None of the provisions contained herein contravene or in any way conflict with the authority under which Developer is doing business or with the provisions of any existing indenture or agreement of Developer.

XI. ACCESSIBILITY OF RECORDS

11.01 At any time and as often as City may deem necessary, upon three (3) days written notice, Developer shall make all of its records pertaining to this Contract available to City or any of its authorized representatives, and shall permit City or any of its authorized representatives to audit, examine, and make excerpts and/or copies of same.

11.02 Developer agrees and represents that it will cooperate with City, at no charge to the City, to satisfy, to the extent required by law, any and all requests for information received by City under the Texas Public Information Act or related laws pertaining to this Contract.

XII. MONITORING EVALUATION

12.01 Developer agrees that City may carry out reasonable monitoring and evaluation activities so as to ensure compliance by Developer with this Contract, and Developer shall provide reasonable access to City related to such activities, and with all other laws, regulations and ordinances related to the performance hereof.

XIII. TERMINATION

13.01 Notwithstanding any other provision of this Contract, this Contract may be terminated immediately by the City for any good cause after giving seven (7) days advance written notice and opportunity to cure to the Developer, including but not limited to the following causes:

- 13.01.01 Failure or refusal of the Developer to start the Work.
- 13.01.02 A reasonable belief that the progress of the Work being made by the Developer is insufficient to complete the Work within the specified time.
- 13.01.03 Failure or refusal of the Developer to provide sufficient and proper equipment or construction forces to properly execute the Work in a timely manner.
- 13.01.04 A reasonable belief that the Developer has abandoned the Work.
- 13.01.05 A reasonable belief that the Developer has become insolvent, bankrupt, or otherwise financially unable to carry on the Work.
- 13.01.06 Failure or refusal on the part of the Developer to observe any material requirements of this Contract Documents.
- 13.01.07 Failure or refusal of the Developer to promptly make good any defects in materials or workmanship, or any defects of any nature, the correction of which has been directed in writing by the City.

13.01.08 A reasonable belief by the City that collusion exists or has occurred for the purpose of illegally procuring the contract or a Subcontractor, or that a fraud is being perpetrated on the City in connection with the construction of Work under the Contract.

13.01.09 Repeated and flagrant violation of safe working procedures.

13.02 When the Work or any portion of the Work is terminated for any of the causes itemized above or for any other cause except termination for convenience pursuant to Section 13.06 the Developer shall, as of the date specified by the City, discontinue the Work or portion of the Work as the City shall designate, whereupon the Surety shall, within fifteen (15) days after the written notice of termination for cause has been served upon the Developer and the Surety or its authorized agents, assume the obligations of the Developer for the Work or that portion of the Work which the City has ordered the Developer to discontinue and may:

13.02.01 perform the Work with forces employed by the surety;

13.02.02 with the written consent of the City, tender a replacement contractor to take over and perform the Work, in which event the surety shall be responsible for and pay the amount of any costs required to be incurred for the completion of the Work that are in excess of the amount of funds remaining under the Contract as, of the time of the termination; or

13.02.03 with the written consent of the City, tender and pay to the City in settlement the amount of money necessary to finish the balance of uncompleted Work under the Contract, correct existing defective or nonconforming work, and compensate the City for any other loss sustained as a result of Developer's default.

13.03 In the event of termination for cause, the Surety shall assume the Developer's place in all respects, and the amount of funds remaining unpaid under the Contract shall be paid by the City for all Work performed by the surety or the replacement contractor in accordance with the terms of the Contract Documents, subject to any rights of the City to deduct any costs, damages, or actual damages that the City may have incurred, including but not limited to additional fees, expenses and attorneys fees, as a result of such termination.

13.04 The balance of the City's contribution remaining at the time of the Developer's default and of the termination shall become due and payable to the surety as the Work progresses, subject to all of the terms, covenants, and conditions of the Contract Documents. If the surety does not, within the time specified, exercise its obligation to assume the obligations of the Developer, or that portion of the Contract which the City has ordered the Developer to discontinue, then the City shall have the power to complete the Work by contract or otherwise, as it may deem necessary. The Developer agrees that the City shall have the right to take possession of or use any or all of the materials, plant, tools, equipment, supplies, and property of every kind provided by the Developer for the purpose of the Work, and to procure other tools, equipment, labor, and materials for the completion of the Work, and to charge to the account of the Developer the expenses of completion and labor, materials, tools, equipment, and incidental expenses. The expenses incurred by the City

to complete the Work shall be deducted by the City out of the balance of the Contract Sum remaining unpaid to or unearned by the Developer. The Developer and the surety shall be liable to the City for any costs incurred in excess of the balance of the Contract Sum for the completion and correction of the Work, and for any other costs, damages, expenses (including but not limited to additional fees and attorney's fees), and actual damages, as the case may be, incurred as a result of the termination.

13.05 The City shall not be required to obtain the lowest bid for the Work of completing the construction, but the expenses to be deducted from the Contract Sum shall be the actual cost of such Work and the other damages. In case the City's costs and damages are less than the sum which would have been payable under the Contract if the same had been completed by the Developer, then the City may pay to the Developer (or the Surety, in the event of a complete termination for cause) the difference, provided that the Developer (or the Surety) shall not be entitled to any claim for damages or for loss of anticipated profits. In case such costs for completion and damages shall exceed the amount which would have been payable under the Contract if the same had been completed by the Developer, then the Developer and his Sureties shall pay the amount of the excess to the City on notice from the City for the excess amount owed. When only a particular part of the Work is being carried on by the City by Agreement or otherwise under the provisions of this Section, the Developer shall continue the remainder of the Work in conformity with the terms of the Agreement and in such manner as not to hinder or interfere with the performance of workmen employed and provided by the City.

13.06 The right to terminate this Contract for the convenience of the City (including but not limited to non-appropriation of funding) is expressly retained by the City. In the event of a termination for convenience, the City shall deliver at least ten (10) days advance written notice of the termination for convenience to the Developer. Upon the Developer's receipt of such written notice, the Developer shall cease the performance of the Work and shall take reasonable and appropriate action to secure and protect the Work in place. The Developer shall then be paid by the City in accordance with the terms and provisions of the Contract Documents an amount not to exceed the actual-labor costs incurred, the actual cost of all materials stored at the Project site or away from the Project site as approved by the City but not yet paid for and which cannot be returned, plus applicable overhead and profit, and actual, reasonable, and documented termination costs, if any, paid by the Developer in connection with the Work in place which is completed and in conformance with the Contract Documents to the date of termination for convenience, less all amounts previously paid for the Work. No amount shall ever be due to the Developer for lost or anticipated profits on any part of the Work not performed.

XIV. INDEMNITY

14.01 Developer covenants and agrees to FULLY REIMBURSE, INDEMNIFY, and HOLD HARMLESS; City and the elected officials, agents, employees, officers, directors, volunteers, contractors, subcontractors, consultants, subconsultants and representatives of City individually or collectively, (collectively, the "City Parties") from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal injury, death and property damage, (the "Damages") made upon City, arising, out of or resulting from Developer's negligent activities or omissions under this Contract, including any negligent acts or

omissions of any agent, officer, director, representative, employee, consultant, subconsultant, licensee, sublicensee, contractor or subcontractor of Developer, and their respective officers, agents, employees, directors and representatives (collectively "Developer Parties") while in the exercise of the performance of the rights or duties under this Contract, all without, however, waiving any governmental immunity available to City under Texas law and without waiving any defenses of the parties under Texas law. THE INDEMNITY PROVIDED FOR IN THE PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE NEGLIGENCE OF CITY, OR THE CITY PARTIES IN SUCH INSTANCE WHERE SUCH NEGLIGENCE CAUSES PERSONAL INJURY, DEATH OR PROPERTY DAMAGE. IN THE EVENT DEVELOPER AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS; WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

14.02 The provisions of this INDEMNITY are solely for the benefit of the parties, hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. Developer shall promptly advise City in writing within 24 hours of any claim or demand against City or Developer known to Developer and related to or arising out of Developer's negligent activities or omissions under this Contract, and shall see to the investigation and defense of such claim or demand at Developer's cost. Notwithstanding any condition imposed by a policy of insurance to which Developer and City are named, City shall retain the right, at its option and at its own expense, to participate in such defense provided by any insurance or self-insurance of Developer under this section without relieving Developer of any of its obligations under this section.

XV. INSURANCE

15.01 Prior to the commencement of any work under this Contract, Developer shall furnish copies of all required endorsements and an original completed Certificate(s) of Insurance to the City's Capital Improvements Management Services (CIMS) Department, which shall be clearly labeled, "Developer Participation Contract Shaenfield Road Project" in the Description of Operations block of the Certificate. The original Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The City will not accept Memorandum of Insurance or Binders as proof of insurance. The original certificate(s) or form must have the agent's original signature, including the signer's company affiliation, title and phone number, and be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the City. The City shall have no duty to pay or perform under this Contract until such certificate and endorsements have been received and approved by the City's CIMS Department. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

15.02 The City reserves the right to review the insurance requirements of this Article during the effective period of this Contract and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Contract. In no instance will City allow modification whereupon City may incur increased risk.

15.03 Developer's financial integrity is of interest to the City; therefore, subject to Developer's right to maintain reasonable deductibles in such amounts as are approved by the City, DEVELOPER shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at Developer's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed:

Insurance Table	
TYPE	AMOUNTS
1. Workers' Compensation 2. Employers' Liability	Statutory \$1,000,000/\$1,000,000/\$1,000,000
3. Commercial General Liability Insurance to include coverage for the following: a. Premises operations *b. Independent Contractors c. Products/completed operations d. Personal Injury e. Contractual Liability	For Bodily Injury and Property Damage of \$1,000,000 per occurrence; \$2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage
4. Business Automobile Liability a. Owned leased vehicles b. Non-owned vehicles c. Hired Vehicles	Combined Single Limit for Bodily Injury and Property Damage of \$1,000,000 per occurrence
* if applicable	

15.04 Developer agrees to obtain all insurance coverages with minimum limits of not less than those limits delineated in Section 15.03 (Insurance Table) from each vendor subcontracted by Developer and provide a Certificate of Insurance and Endorsement that names the Developer and the CITY as an additional insured.

15.05 The City shall be entitled, upon request and without expense, to receive copies of the policies, declaration page and all endorsements thereto as they apply to the limits required by the City, and may require the deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Consultant shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. DEVELOPER shall pay any costs incurred resulting from said changes.

City of San Antonio
Capital Improvements Management Department
P.O. Box 839966
San Antonio, Texas 78283-3966

15.06 DEVELOPER agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the City, its officers, officials, employees, volunteers, and elected representatives as additional insureds by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation and professional liability policies;
- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;
- Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City.
- Provide thirty (30) calendar days advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance notice for nonpayment of premium.

15.07 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, DEVELOPER shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Developer's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this Contract.

15.08 Nothing herein contained shall be construed as limiting in any way the extent to which DEVELOPER may be held responsible for payments of damages to persons or property resulting from Developer's or its subcontractors' performance of the work covered under this Contract.

15.09 It is agreed that Developer's insurance shall be deemed primary and noncontributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Contract.

15.10 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Contract.

XVI. GUARANTEE/WARRANTY

16.01 Developer Guarantees that design and construction of the road and bridge shall meet the requirements of the City's Unified Development Code and be constructed in strict compliance with the Plans and Specifications.

16.02 Prior to acceptance by the City of the bridge and road Developer shall provide the City with a performance bond to cover a one year warranty for the bridge and road.

XVII. NONDISCRIMINATION

17.01 Developer covenants that it, or agents, employees or anyone under its control, will not discriminate against any individual or group on account of race, color, sex, age, religion, national origin, handicap or familial status, in employment practices or in the *use* of or admission to the premises, which said discrimination Developer acknowledges is prohibited.

XVIII. CONFLICT OF INTEREST

18.01 Developer covenants that neither it nor any member of its governing body or of its staff presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract. Developer further covenants that in the performance of this Contract, no persons having such interest shall be employed or appointed as a member of its governing body or of its staff.

18.02 Developer further covenants that no member of its governing body or of its staff shall possess any interest in, or use their position for a purpose that is or gives the appearance of being motivated by desire for private gain for themselves or others, particularly those with which they have family, business, or other ties.

18.03 No member of City's governing body or of its staff who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this Contract shall:

- (A) Participate in any decision relating to this Contract which may affect his or her personal interest or the interest of any corporation, partnership, or association in which he or she has a direct or indirect interest;
- (B) Have any direct or indirect interest in this Contract or the proceeds thereof.

XIX. POLITICAL ACTIVITY

19.01 None of the activities performed hereunder shall involve, and no portion of the funds received hereunder shall be used, either directly or indirectly, for any political activity including, but not limited to, an activity to further the election or defeat of any candidate for public office or for any activity undertaken to influence the passage, defeat or final content of local, state or federal legislation.

XX. RIGHTS TO PROPOSAL AND CONTRACTUAL MATERIAL

20.01 All finished or unfinished reports, documents, data, studies, surveys, charts, drawings, maps, models, photographs, designs, plans, schedules, or other appended documentation to any proposal or contract, and any responses, inquiries, correspondence and related material submitted by Developer, shall, upon receipt, become the property of City.

XXI. CONTRACTING

21.01 Any work or services contracted hereunder shall be contracted only by written contract or agreement and, unless specific waiver is granted in writing by City, shall be subject by

its terms to each and every provision of this Contract. Compliance by contractors with this Contract shall be the responsibility of Developer. Developer is responsible to ensure that all local, state and federal permits and approvals required for the activities under this Contract are obtained.

21.02 City shall in no event be obligated to any third party, including any sub-contractor of Developer, for performance of or payment for work or services.

XXII. CHANGES AND AMENDMENTS

22.01 Except when the terms of this Contract expressly provide otherwise, any alterations, additions, or deletions to the terms hereof shall only be by amendment in writing executed by both City and Developer under authority granted by formal action of the Parties' respective governing bodies.

22.02 It is understood and agreed by the Parties hereto that changes in local, state and federal rules, regulations or laws applicable hereto may occur during the term of this Contract and that any such changes shall be automatically incorporated into this Contract without written amendment hereto, and shall become a part hereof as of the effective date of the rule, regulation or law.

XXIII. ASSIGNMENTS

23.01 Developer shall not transfer, pledge or otherwise assign this Contract, any interest in and to same, or any claim arising thereunder, without first procuring the written approval of City. Any attempt at transfer, pledge or other assignment shall be void *ab initio* and shall confer no rights upon any third person. Any such assignment, whether voluntary or involuntary, by operation of law, under legal process or proceedings, by receivership, in bankruptcy or otherwise, without the prior written consent of City shall, at City's option, be of no force and effect whatsoever. Any consent to any such assignment or transfer shall not constitute a waiver of any of the restrictions of this Section and the provisions of this Section shall apply to each successive assignment or other transfer hereunder, if any.

XXIV. SEVERABILITY OF PROVISIONS

24.01 If *any* clause or provision of this Contract is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the City Charter, City Code, or ordinances of the City of San Antonio, Texas, then and in that event it is the intention of the Parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Contract shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the Parties hereto that in lieu of each clause or provision of this Contract that is invalid, illegal, or unenforceable, there be added as a part of the Contract a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XXV. NON-WAIVER OF PERFORMANCE

25.01 No waiver by either Party of a breach of any of the terms, conditions, covenants or guarantees of this Contract shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of either Party to insist in anyone or more cases upon the strict performance of any of the covenants of this Contract, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option. In fact, no waiver, change, modification or discharge by either Party hereto of any provision of this Contract shall be deemed to have been made or shall be effective unless expressed in writing and signed by the Party to be charged.

25.02 No act or omission of either Party shall in any manner impair or prejudice any right, power, privilege, or remedy available to either Party hereunder or by law or in equity, such rights, powers, privileges, or remedies to be always specifically preserved hereby.

25.03 No representative or agent of City may waive the effect of the provisions of this Article without formal action from the City Council.

XXVI. ENTIRE AGREEMENT

26.01 This Contract constitutes the final and entire agreement between the Parties hereto and contains all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind the Parties hereto unless same be in writing, dated subsequent to the date hereof and duly executed by the Parties.

26.02 The terms of this Contract are intended to be a final expression of the parties agreement and may not be contradicted by evidence of any prior or contemporaneous statements, representations, agreements or understandings, whether written or oral. The parties expressly agree that no such statements, representations, agreements or understandings exist. The parties further intend that this Contract constitutes the complete and exclusive statement of the parties' intent and that no extrinsic evidence may be introduced in any proceeding involving the Contract Documents. No addition to, deletion from, or modification of any term or provision of this Contract shall be effective unless it is made in a writing signed by the parties hereto.

XXVII. NOTICES

27.01 For purposes of this Contract, all official communications and notices among the Parties shall be deemed sufficient if in writing and mailed, registered or certified mail, postage prepaid, to the addresses set forth below:

CITY: Director Capital Improvements Management
City of San Antonio
P.O. Box 839966
San Antonio, Texas 78283-3966

With Copies to: Office of the City Clerk
City of San Antonio
P.O. Box 839966
San Antonio, Texas 78283-3966

DEVELOPER: *(add address here)*

Notice of change of address by either Party must be made in writing and mailed to the other Party's last known address within five (5) business days of such change.

Any communication so addressed and mailed shall be deemed to be given on the earliest of: (a) when actually received or delivered; (b) when proof of return of certified mail is received; or (c) on the first business day after deposit with an overnight air courier service, if proof to the address of the intended addressee is provided. A change of address may be given by written notice: as provided herein

XXVIII. MISCELLANEOUS

28.01 Conflicts Between Documents. In the event of any conflict between the Exhibits hereto and the terms and provisions of this Contract, the terms and provisions of this Contract shall control.

28.02 Waiver. It is understood and acknowledged that City exercises no control over the means of accomplishing the Work. No approval by City shall impose any liability on City for any risk or damage to persons or property or the City Property or shall imply or guarantee any drainage implications or the operation of the drainage facilities to the parties, any other party or otherwise.

28.03 Third Party Beneficiaries. There shall be no third party beneficiaries to this Contract.

28.04 Partial Invalidity. Any provisions or part of this Contract held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the parties and construed as close as reasonably possible to their original intent.

28.05 No Oral Modification. This Contract shall not be modified orally or by course of conduct or dealing. Any modification of this' Contract shall be in writing ,and signed' by the authorized party.

28.06 Counterparts. The Contract Documents may be executed in counterparts, each of which shall be deemed an original and together shall constitute a single instrument.

28.07. Force Majeure. In the event Developer or City is unable in whole or in part by force majeure to carry out any covenant, agreement, obligation or undertaking to be kept or performed under this Contract, the time for the performance of such covenant, agreement, obligation or undertaking so delayed shall be extended for the period of such delay, and such default shall be remedied with all reasonable dispatch. The term "force majeure" as employed in this

section shall include acts of God, acts of terrorism, strikes, lockouts, or other industrial disturbances, acts of a public enemy, war, blockades, riots, epidemics, earthquakes, explosions, accidents, or repairs to machinery or pipes, the delays of carriers, or inability by reason of governmental regulation to obtain materials, acts of public authorities, or other causes, whether or not of the same kind as specifically enumerated, not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to overcome. If the Contractor suffers any event of "force majeure", such event shall likewise constitute force majeure with respect to Developer.

XXIX PARTIES BOUND

29.01 This Contract shall be binding on and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, except as otherwise expressly provided herein.

XXX. RELATIONSHIP OF PARTIES

30.01 Nothing contained herein shall be deemed or construed by the Parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers or any other similar such relationship between the Parties hereto.

XXXI. TEXAS LAW TO APPLY

31.01 This Contract shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the Parties created hereunder are performable in Bexar County, Texas.

XXXII. GENDER

32.01 Words of any gender used in this Contract shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. Exclusive venue shall lie in Bexar County, Texas.

XXXIII. CAPTIONS

33.01 The captions contained in this Contract are for convenience of reference only, and in no way limit or enlarge the terms and/or conditions of this Contract.

XXXIV. LEGAL AUTHORITY

34.01 Developer represents, warrants, assures, and guarantees that it possesses the legal authority, pursuant to *any* proper, appropriate and official motion, resolution or action passed or taken, to enter into this Contract and to perform the responsibilities herein required.

34.02 The signer of this Contract for Developer represents, warrants, assures and guarantees that he or she has full legal authority to execute this Contract on behalf of Developer and to bind Developer to all terms, performances and provisions herein contained.

XXXV SBEDA TERMS & CONDITIONS
SBE SUBCONTRACTING GOAL

SBEDA Ordinance Compliance Provisions

35.01 SBEDA Program

The CITY has adopted a Small Business Economic Development Advocacy Ordinance (Ordinance No. 2010-06-17-0531, also referred to as “SBEDA” or “the SBEDA Program”), which is posted on the City’s International and Economic Development (IEDD) website page and is also available in hard copy form upon request to the CITY. The SBEDA Ordinance Compliance Provisions contained in this section of the agreement are governed by the terms of this Ordinance, as well as by the terms of the SBEDA Ordinance Policy & Procedure Manual established by the CITY pursuant to this Ordinance, and any subsequent amendments to this referenced SBEDA Ordinance and SBEDA Policy & Procedure Manual that are effective as of the date of the execution of this agreement. Unless defined in a contrary manner herein, terms used in this section of the agreement shall be subject to the same expanded definitions and meanings as given those terms in the SBEDA Ordinance and as further interpreted in the SBEDA Policy & Procedure Manual.

35.02 Definitions

35.02.01 **Affirmative Procurement Initiatives (API)** – Refers to various Small Business Enterprise, Minority Business Enterprise, and/or Women Business Enterprise (“S/M/WBE”) Program tools and Solicitation Incentives that are used to encourage greater Prime and subcontract participation by S/M/WBE firms, including bonding assistance, evaluation preferences, subcontracting goals and joint venture incentives. (For full descriptions of these and other S/M/WBE program tools, see Section III. D. of Attachment A to the SBEDA Ordinance.)

35.02.02 **Centralized Vendor Registration System (CVR)** – a mandatory electronic system wherein the City requires all prospective Respondents and Subcontractors that are ready, willing and able to sell goods or services to the City to register. The CVR system assigns a unique identifier to each registrant that is then required for the purpose of submitting solicitation responses and invoices, and for receiving payments from the City. The CVR-assigned identifiers are also used by the Goal Setting Committee for measuring relative availability and tracking utilization of SBE and M/WBE firms by Industry or commodity codes, and for establishing Annual Aspirational Goals and Contract-by-Contract Subcontracting Goals.

35.02.03 Certification or “Certified” – the process by which the Small Business Office (SBO) staff determines a firm to be a bona-fide small, minority-, women-owned, or emerging small business enterprise. Emerging Small Business Enterprises (ESBEs) are automatically eligible for Certification as SBEs. Any firm may apply for multiple Certifications that cover each and every status

category (e.g., SBE, ESBE, MBE, or WBE) for which it is able to satisfy eligibility standards. The SBO staff may contract these services to a regional Certification agency or other entity. For purposes of Certification, the City accepts any firm that is certified by local government entities and other organizations identified herein that have adopted Certification standards and procedures similar to those followed by the SBO, provided the prospective firm satisfies the eligibility requirements set forth in this Ordinance in Section III.E.6 of Attachment A.

- 35.02.04 Commercially Useful Function – an S/M/WBE firm performs a Commercially Useful Function when it is responsible for execution of a distinct element of the work of the contract and is carrying out its responsibilities by actually performing, staffing, managing and supervising the work involved. To perform a Commercially Useful Function, the S/M/WBE firm must also be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quantity and quality, ordering the material, and installing (where applicable) and paying for the material itself. To determine whether an S/M/WBE firm is performing a Commercially Useful Function, an evaluation must be performed of the amount of work subcontracted, normal industry practices, whether the amount the S/M/WBE firm is to be paid under the contract is commensurate with the work it is actually performing and the S/M/WBE credit claimed for its performance of the work, and other relevant factors. Specifically, an S/M/WBE firm does not perform a Commercially Useful Function if its role is limited to that of an extra participant in a transaction, contract or project through which funds are passed in order to obtain the appearance of meaningful and useful S/M/WBE participation, when in similar transactions in which S/M/WBE firms do not participate, there is no such role performed. The use of S/M/WBE firms by CONTRACTOR to perform such “pass-through” or “conduit” functions that are not commercially useful shall be viewed by the CITY as fraudulent if CONTRACTOR attempts to obtain credit for such S/M/WBE participation towards the satisfaction of S/M/WBE participation goals or other API participation requirements. As such, under such circumstances where a commercially useful function is not actually performed by the S/M/WBE firm, the CONTRACTOR shall not be given credit for the participation of its S/M/WBE subcontractor or joint venture partner towards attainment of S/M/WBE utilization goals, and the CONTRACTOR and S/M/WBE firm may be subject to sanctions and penalties in accordance with the SBEDA Ordinance.
- 35.02.05 Good Faith Efforts – documentation of the CONTRACTOR’s or Respondent’s intent to comply with S/M/WBE Program Goals and procedures including, but not limited to, the following: (1) documentation within a solicitation response reflecting the Respondent’s commitment to comply with SBE or M/WBE Program Goals as established by the GSC for a particular contract; or (2) documentation of efforts made toward achieving the SBE or M/WBE Program Goals (e.g., timely advertisements in appropriate trade publications and publications of wide general circulation; timely posting of SBE or M/WBE

subcontract opportunities on the City of San Antonio website; solicitations of bids/proposals/qualification statements from all qualified SBE or M/WBE firms listed in the Small Business Office's directory of certified SBE or M/WBE firms; correspondence from qualified SBE or M/WBE firms documenting their unavailability to perform SBE or M/WBE contracts; documentation of efforts to subdivide work into smaller quantities for subcontracting purposes to enhance opportunities for SBE or M/WBE firms; documentation of a Prime Contractor's posting of a bond covering the work of SBE or M/WBE Subcontractors; documentation of efforts to assist SBE or M/WBE firms with obtaining financing, bonding or insurance required by the Respondent; and documentation of consultations with trade associations and consultants that represent the interests of SBE and/or M/WBEs in order to identify qualified and available SBE or M/WBE Subcontractors.) The appropriate form and content of CONTRACTOR's Good Faith Efforts documentation shall be in accordance with the SBEDA Ordinance as interpreted in the SBEDA Policy & Procedure Manual.

- 35.02.06 HUBZone Firm – a business that has been certified by U.S. Small Business Administration for participation in the federal HUBZone Program, as established under the 1997 Small Business Reauthorization Act. To qualify as a HUBZone firm, a small business must meet the following criteria: (1) it must be owned and Controlled by U.S. citizens; (2) at least 35 percent of its employees must reside in a HUBZone; and (3) its Principal Place of Business must be located in a HUBZone within the San Antonio Metropolitan Statistical Area. [See 13 C.F.R. 126.200 (1999).]
- 35.02.07 Independently Owned and Operated – ownership of an SBE firm must be direct, independent and by Individuals only. Ownership of an M/WBE firm may be by Individuals and/or by other businesses provided the ownership interests in the M/WBE firm can satisfy the M/WBE eligibility requirements for ownership and Control as specified herein in Section III.E.6. The M/WBE firm must also be Independently Owned and Operated in the sense that it cannot be the subsidiary of another firm that does not itself (and in combination with the certified M/WBE firm) satisfy the eligibility requirements for M/WBE Certification.
- 35.02.08 Individual – an adult person that is of legal majority age.
- 35.02.09 Industry Categories – procurement groupings for the City of San Antonio inclusive of Construction, Architectural & Engineering (A&E), Professional Services, Other Services, and Goods & Supplies (i.e., manufacturing, wholesale and retail distribution of commodities). This term may sometimes be referred to as “business categories.”
- 35.02.10 Joint Venture – Joint ventures are manifested by written agreements between two or more Independently Owned and Controlled business firms to form a third business entity solely for purposes of undertaking distinct roles and

responsibilities in the completion of a given contract. Under this business arrangement, each joint venture partner shares in the management of the joint venture and also shares in the profits or losses of the joint venture enterprise commensurately with its contribution to the venture.

- 35.02.11 Originating Department – the CITY department or authorized representative of the CITY which issues solicitations or for which a solicitation is issued.
- 35.02.12 Payment – dollars actually paid to CONTRACTORS and/or Subcontractors and vendors for CITY contracted goods and/or services.
- 35.02.13 Prime Contractor – the vendor or contractor to whom a purchase order or contract is issued by the City of San Antonio for purposes of providing goods or services for the City. For purposes of this agreement, this term refers to the CONTRACTOR.
- 35.02.14 Relevant Marketplace – the geographic market area affecting the S/M/WBE Program as determined for purposes of collecting data for the MGT Studies, and for determining eligibility for participation under various programs established by the SBEDA Ordinance, is defined as the San Antonio Metropolitan Statistical Area (SAMSA), currently including the counties of Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina and Wilson.
- 35.02.15 Responsible – a firm which is capable in all respects to fully perform the contract requirements and has the integrity and reliability which will assure good faith performance of contract specifications.
- 35.02.16 San Antonio Metropolitan Statistical Area (SAMSA) – also known as the Relevant Marketplace, the geographic market area from which the CITY’s MGT Studies analyzed contract utilization and availability data for disparity (currently including the counties of Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina and Wilson).
- 35.02.17 SBE Directory - a listing of small businesses that have been certified for participation in the City's SBE Program APIs.
- 35.02.18 SBE Subcontracting Program – an API in which Prime Contractors or vendors are required to make Good Faith Efforts to subcontract a specified percentage of the value of prime contract dollars to certified SBE firms. Such subcontracting goals may be set and applied by the GSC on a contract-by-contract basis to those types of contracts that provide subcontract opportunities for performing Commercially Useful Functions wherein there have been ongoing disparities in the utilization of available SBE Subcontractors.

When specified by the GSC, the SBE Subcontracting Plan or Good Faith Efforts plan submitted by CONTRACTOR may also be required to reflect Good Faith Efforts that a Prime Contractor or vendor has taken (or commits to taking in the case of solicitations that do not include a detailed scope of work

or those in which price cannot be considered a factor in evaluation), toward attainment of subcontracting goals for SBE firms.

- 35.02.19 Significant Business Presence – to qualify for this Program, a S/M/WBE must be headquartered or have a significant business presence for at least one year within the Relevant Marketplace, defined as: an established place of business in one or more of the eight counties that make up the San Antonio Metropolitan Statistical Area (SAMSA), from which 20% of its full-time, part-time and contract employees are regularly based, and from which a substantial role in the S/M/WBE's performance of a Commercially Useful Function is conducted. A location utilized solely as a post office box, mail drop or telephone message center or any combination thereof, with no other substantial work function, shall not be construed to constitute a significant business presence.
- 35.02.20 Small Business Enterprise (SBE) – a corporation, partnership, sole proprietorship or other legal entity for the purpose of making a profit, which is Independently Owned and Operated by Individuals legally residing in, or that are citizens of, the United States or its territories, and which meets the U.S. Small Business Administration (SBA) size standard for a small business in its particular industry(ies) and meets the Significant Business Presence requirements as defined herein.
- 35.02.21 Small Business Office (SBO) – the office within the International and Economic Development Department (IEDD) of the CITY that is primarily responsible for general oversight and administration of the S/M/WBE Program.
- 35.02.22 Small Business Office Manager – the Assistant Director of the IEDD of the CITY that is responsible for the management of the SBO and ultimately responsible for oversight, tracking, monitoring, administration, implementation and reporting of the S/M/WBE Program. The SBO Manager is also responsible for enforcement of contractor and vendor compliance with contract participation requirements, and ensuring that overall Program goals and objectives are met.
- 35.02.23 Small Minority Women Business Enterprise Program (S/M/WBE Program) – the combination of SBE Program and M/WBE Program features contained in the SBEDA Ordinance.
- 35.02.24 Subcontractor – any vendor or contractor that is providing goods or services to a Prime Contractor or CONTRACTOR in furtherance of the Prime Contractor's performance under a contract or purchase order with the City. A copy of each binding agreement between the CONTRACTOR and its subcontractors shall be submitted to the CITY prior to execution of this contract agreement and any contract modification agreement.
- 35.02.25 Suspension – the temporary stoppage of the SBE or M/WBE firm's beneficial participation in the CITY's S/M/WBE Program for a finite period of time due

to cumulative contract payments the S/M/WBE firm received during a fiscal year that exceed a certain dollar threshold as set forth in Section III.E.7 of Attachment A to the SBEDA Ordinance, or the temporary stoppage of CONTRACTOR's and/or S/M/WBE firm's performance and payment under CITY contracts due to the CITY's imposition of Penalties and Sanctions set forth in Section III.E.13 of Attachment A to the SBEDA Ordinance.

- 35.02.26 Subcontractor/Supplier Utilization Plan – a binding part of this contract agreement which states the CONTRACTOR's commitment for the use of Joint Venture Partners and / or Subcontractors/Suppliers in the performance of this contract agreement, and states the name, scope of work, and dollar value of work to be performed by each of CONTRACTOR's Joint Venture partners and Subcontractors/Suppliers in the course of the performance of this contract, specifying the S/M/WBE Certification category for each Joint Venture partner and Subcontractor/Supplier, as approved by the SBO Manager. Additions, deletions or modifications of the Joint Venture partner or Subcontractor/Supplier names, scopes of work, of dollar values of work to be performed requires an amendment to this agreement to be approved by the IEDD Director or designee.

35.03 SBEDA Program Compliance – General Provisions

- 35.03.01 As CONTRACTOR acknowledges that the terms of the CITY's SBEDA Ordinance, as amended, together with all requirements, guidelines, and procedures set forth in the CITY's SBEDA Policy & Procedure Manual are in furtherance of the CITY's efforts at economic inclusion and, moreover, that such terms are part of CONTRACTOR's scope of work as referenced in this Agreement, these SBEDA Ordinance requirements, guidelines, and procedures are hereby incorporated by reference into this Agreement, and are considered by the parties to this Agreement to be material terms. CONTRACTOR voluntarily agrees to fully comply with these SBEDA program terms as a condition for being awarded this contract by the CITY. Without limitation, CONTRACTOR further agrees to the following terms as part of its contract compliance responsibilities under the SBEDA Program:
- 35.03.02 CONTRACTOR shall cooperate fully with the Small Business Office and other CITY departments in their data collection and monitoring efforts regarding CONTRACTOR's utilization and payment of Subcontractors, S/M/WBE firms, and HUBZone firms, as applicable, for their performance of Commercially Useful Functions on this contract including, but not limited to, the timely submission of completed forms and/or documentation promulgated by SBO, through the Originating Department, pursuant to the SBEDA Policy & Procedure Manual, timely entry of data into monitoring systems, and ensuring the timely compliance of its Subcontractors with this term;
- 35.03.03 CONTRACTOR shall cooperate fully with any CITY or SBO investigation (and shall also respond truthfully and promptly to any CITY or SBO inquiry)

regarding possible non-compliance with SBEDA requirements on the part of CONTRACTOR or its Subcontractors or suppliers;

- 35.03.04 CONTRACTOR shall permit the SBO, upon reasonable notice, to undertake inspections as necessary including, but not limited to, contract-related correspondence, records, documents, payroll records, daily logs, invoices, bills, cancelled checks, and work product, and to interview Subcontractors and workers to determine whether there has been a violation of the terms of this Agreement;
- 35.03.05 CONTRACTOR shall immediately notify the SBO, in writing on the Change to Utilization Plan form, through the Originating Department, of any proposed changes to CONTRACTOR's Subcontractor / Supplier Utilization Plan for this contract, with an explanation of the necessity for such proposed changes, including documentation of Good Faith Efforts made by CONTRACTOR to replace the Subcontractor / Supplier in accordance with the applicable Affirmative Procurement Initiative. All proposed changes to the Subcontractor / Supplier Utilization Plan including, but not limited to, proposed self-performance of work by CONTRACTOR of work previously designated for performance by Subcontractor or supplier, substitutions of new Subcontractors, terminations of previously designated Subcontractors, or reductions in the scope of work and value of work awarded to Subcontractors or suppliers, shall be subject to advanced written approval by the Originating Department and the SBO. CONTRACTOR shall require new Subcontractors or Suppliers, prior to submission of CONTRACTOR's Change to Utilization Plan form, to register in the Centralized Vendor Registration system, before seeking SBO approval.
- 35.03.06 CONTRACTOR shall immediately notify the Originating Department and SBO of any transfer or assignment of its contract with the CITY, as well as any transfer or change in its ownership or business structure.
- 35.03.07 CONTRACTOR shall retain all records of its Subcontractor payments for this contract for a minimum of four years or as required by state law, following the conclusion of this contract or, in the event of litigation concerning this contract, for a minimum of four years or as required by state law following the final determination of litigation, whichever is later.
- 35.03.08 In instances wherein the SBO determines that a Commercially Useful Function is not actually being performed by the applicable S/M/WBE or HUBZone firms listed in a CONTRACTOR's Subcontractor / Supplier Utilization Plan, the CONTRACTOR shall not be given credit for the participation of its S/M/WBE or HUBZone subcontractor(s) or joint venture partner(s) toward attainment of S/M/WBE or HUBZone firm utilization goals, and the CONTRACTOR and its listed S/M/WBE firms or HUBZone firms may be subject to sanctions and penalties in accordance with the SBEDA Ordinance.

35.03.09 CONTRACTOR acknowledges that the CITY will not execute a contract or issue a Notice to Proceed for this project until the CONTRACTOR and each of its Subcontractors for this project have registered and/or maintained active status in the CITY's Centralized Vendor Registration System, and CONTRACTOR has represented to CITY which primary commodity codes each registered Subcontractor will be performing under for this contract.

35.04 **SBEDA Program Compliance – Affirmative Procurement Initiatives**

35.04.01 The CITY has applied the following contract-specific Affirmative Procurement Initiative to this contract. CONTRACTOR hereby acknowledges and agrees that the selected API requirement shall also be extended to any change order or subsequent contract modification, and absent SBO's granting of a waiver, that its full compliance with the following API terms and conditions are material to its satisfactory performance under this Agreement:

35.04.02 SBE Subcontracting Program. In accordance with SBEDA Ordinance Sections III. D. 1. (c), this contract is being awarded pursuant to the SBE Subcontracting Program. CONTRACTOR agrees to subcontract at least 20% of its prime contract value to certified SBE firms. The Subcontractor / Supplier Utilization Plan that CONTRACTOR submitted to CITY, and that contains the names of the certified SBE Subcontractors to be used by CONTRACTOR on this contract, the respective percentages of the total prime contract dollar value to be awarded and performed by each SBE Subcontractor, and documentation including a description of each SBE Subcontractor's scope of work and confirmation of each SBE Subcontractor's commitment to perform such scope of work for an agreed upon dollar amount is hereby attached and incorporated by reference into the material terms of this Agreement. In the absence of a waiver granted by the SBO, the failure of CONTRACTOR to attain this subcontracting goal for SBE firm participation in the performance of a Commercially Useful Function under the terms of its contract shall be a material breach and grounds for termination of the contract with the CITY, and may result in debarment from performing future CITY contracts, withholding of payment for retainage equal to the dollar amount of the underutilization below the agreed upon SBE subcontracting goal, and/or shall be subject to any other remedies available under the terms of this Agreement for violations of the SBEDA Ordinance, or under any other law.

35.04.03 Commercial Nondiscrimination Policy Compliance

As a condition of entering into this agreement, the CONTRACTOR represents and warrants that it has complied with throughout the course of this contract award process, and will continue to comply with, the CITY's Commercial Nondiscrimination Policy, as described under Section III. C. 1. of the SBEDA Ordinance. As part of such compliance, CONTRACTOR shall not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful

forms of discrimination in the solicitation, selection, hiring or commercial treatment of Subcontractors, vendors, suppliers, or commercial customers, nor shall the company retaliate against any person for reporting instances of such discrimination. The company shall provide equal opportunity for Subcontractors, vendors and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that nothing contained in this clause shall prohibit or limit otherwise lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the CITY's Relevant Marketplace. The company understands and agrees that a material violation of this clause shall be considered a material breach of this agreement and may result in termination of this agreement, disqualification of the company from participating in CITY contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party. CONTRACTOR's certification of its compliance with this Commercial Nondiscrimination Policy as submitted to the CITY pursuant to the solicitation for this contract is hereby incorporated into the material terms of this Agreement. CONTRACTOR shall incorporate this clause into each of its Subcontractor and supplier agreements entered into pursuant to CITY contracts.

35.04.04 Prompt Payment

Upon execution of this contract by CONTRACTOR, CONTRACTOR shall be required to submit to CITY accurate progress payment information with each invoice regarding each of its Subcontractors, including HUBZone Subcontractors, to ensure that the CONTRACTOR's reported subcontract participation is accurate. CONTRACTOR shall pay its Subcontractors in compliance with Chapter 2251, Texas Government Code (the "Prompt Payment Act") within ten days of receipt of payment from CITY. In the event of CONTRACTOR's noncompliance with these prompt payment provisions, no final retainage on the Prime Contract shall be released to CONTRACTOR, and no new CITY contracts shall be issued to the CONTRACTOR until the CITY's audit of previous subcontract payments is complete and payments are verified to be in accordance with the specifications of the contract.

35.04.05 Violations, Sanctions and Penalties

In addition to the above terms, CONTRACTOR acknowledges and agrees that it is a violation of the SBEDA Ordinance and a material breach of this Agreement to:

1. Fraudulently obtain, retain, or attempt to obtain, or aid another in fraudulently obtaining, retaining, or attempting to obtain or retain Certification status as an SBE, MBE, WBE, M/WBE, HUBZone firm, Emerging M/WBE, or ESBE for purposes of benefitting from the SBEDA Ordinance;

2. Willfully falsify, conceal or cover up by a trick, scheme or device, a material fact or make any false, fictitious or fraudulent statements or representations, or make use of any false writing or document, knowing the same to contain any false, fictitious or fraudulent statement or entry pursuant to the terms of the SBEDA Ordinance;

3. Willfully obstruct, impede or attempt to obstruct or impede any authorized official or employee who is investigating the qualifications of a business entity which has requested Certification as an S/M/WBE or HUBZone firm;

4. Fraudulently obtain, attempt to obtain or aid another person fraudulently obtaining or attempting to obtain public monies to which the person is not entitled under the terms of the SBEDA Ordinance; and

5. Make false statements to any entity that any other entity is, or is not, certified as an S/M/WBE for purposes of the SBEDA Ordinance.

Any person who violates the provisions of this section shall be subject to the provisions of Section III. E. 13. of the SBEDA Ordinance and any other penalties, sanctions, and remedies available under law, including but not limited to:

1. Suspension of contract;

2. Withholding of funds;

3. Rescission of contract based upon a material breach of contract pertaining to S/M/WBE Program compliance;

4. Refusal to accept a response or proposal; and

5. Disqualification of CONTRACTOR or other business firm from eligibility for providing goods or services to the City for a period not to exceed two years (upon City Council approval).

[Signatures on next page]

EXECUTED IN DUPLICATE ORIGINALS, each of which shall have the full force and effect of an original this the _____ day of _____, 2011.

CITY OF SAN ANTONIO

FCS CREAMER, LTD

By: _____
Sheryl Sculley
City Manager

By: _____
Printed Name: _____
Title: _____

ATTEST: _____
CITYCLERK

APPROVED AS TO FORM:

CITY ATTORNEY