



CITY OF COLLEGE STATION

Mayor

Ben White

Mayor ProTem

Lynn McIlhaney

City Manager

Glenn Brown

Councilmembers

John Crompton

James Massey

Dennis Maloney

Lawrence Stewart

David Ruesink

Agenda

College Station City Council

Regular Meeting

Thursday, June 11, 2009 3:00 p.m.

City Hall Council Chambers, 1101 Texas Avenue

College Station, Texas

1. Call meeting to order.
2. Hear Visitors.
3. Presentation, introduction and thanks to the Council for supporting the largest Police Recruit Class ever for the College Station Police Department.
4. Presentation, possible action, and discussion regarding progress and activities related to Green College Station policy and strategies and an update on the City's efforts for the Energy Efficiency and Conservation Block Grant.
5. Presentation, possible action, and discussion concerning the City Internal Auditor's Fuel Operations Audit Report.
6. Presentation, possible action, and discussion regarding non-annexation development agreements and an update on future annexation plans.
7. Presentation, possible action, and discussion on items listed on the consent agenda.
8. Presentation, possible action and discussion of consent agenda items which consists of ministerial or "housekeeping" items required by law. Items may be removed from the consent agenda by majority vote of the Council.
 - a. Presentation, possible action, and discussion of minutes for Council meetings of May 18, 2009, May 19, 2009 and May 28, 2009.
 - b. Presentation, possible action, and discussion regarding Change Order No. 2 to the construction contract (Contract #09-032) for the Barron Road Capacity Improvements Phase I with Brazos Valley Services in the amount of \$64,470.00.

City Council Regular Meeting
Thursday, June 11, 2009

- c. Presentation, possible action, and discussion on a Professional Services Contract with Bleyl & Associates, in the amount of \$179,037.50, for the design of the College Station Skate Park Project and approval of a resolution declaring intention to reimburse certain expenditures with proceeds from debt.
- d. Presentation, possible action and discussion regarding the approval of a resolution approving the articles and by-laws of the South Central High Speed Rail and Transportation Authority.
- e. Presentation, possible action, and discussion authorizing the renewal agreements for the purchase of T-shirts, caps and polos by all City Departments with C C Creations and Monograms and More for an annual estimated expenditure of \$80,000. The renewal period is June 1, 2009 thru May 31, 2010.
- f. Presentation, possible action, and discussion on a resolution approving Notices of Sale, Preliminary Official Statements and related materials for the sale of "City of College Station, Texas General Obligation Improvement Bonds, Series 2009" and "City of College Station, Texas Certificates of Obligation, Series 2009" including selection of a date for opening bids.
- g. Presentation, possible action, and discussion regarding a resolution awarding the bid and approval of a construction contract (Contract Number #09-182) with South Construction, Inc. in the amount of \$126,900.00, for construction improvements in Southern Oaks Park, PK 0905.
- h. Presentation, possible action, and discussion regarding a participation agreement by ordinance with Greens Prairie Investors, L.L.C., for construction of Castle Rock Park.
- i. Presentation, possible action, and discussion to approve the renewal of a consulting contract with First Southwest Company in an amount not to exceed \$250,000 for financial advisory services.

9. Council Calendar

June 12	Summerfest at Adamson Lagoon, 5:30 p.m.
June 13	2009 Starlight Music Series at Wolf Pen Creek Amphitheater. 6:00 p.m.
June 14	Grand Slam Tennis Tournament Dinner at The Zone – Kyle Field, 7:00 p.m.
June 16	Council Transportation Committee Meeting at Admin Conf Room, 4:30 p.m.
June 17	Exploring History Lunch Lecture Series at CS Conference Center, 11:30 p.m.
June 19	WTAW Radio Interview Spot @ 8:30 p.m.
June 22	Citizen Fire Academy Graduation in Council Chambers, 6:30 p.m.
June 24	Council Retreat, Meeting Training Facility – Assembly Room @ CSU, 8:30 p.m.
June 25	Council Workshop/Regular Meeting 3:00 p.m. & 7:00 p.m.

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

11. Discussion, review and possible action regarding the following meetings: Arts Council of the Brazos Valley, Audit Committee, Brazos County Health Dept., Brazos Valley Council of Governments, Brazos Valley Wide Area Communications Task Force, Cemetery Committee, Design Review Board, Historic

City Council Regular Meeting

Thursday, June 11, 2009

Preservation Committee, Interfaith Dialogue Association, Intergovernmental Committee, Joint Relief Funding Review Committee, Library Committee, Metropolitan Planning Organization, National League of Cities, Outside Agency Funding Review, Parks and Recreation Board, Planning and Zoning Commission, Sister City Association, TAMU Student Senate, Research Valley Partnership, Regional Transportation Committee for Council of Governments, Texas Municipal League, Transportation Committee, Wolf Pen Creek Oversight Committee, Wolf Pen Creek TIF Board, Zoning Board of Adjustments, BVSWMA, Signature Event Task Force, (Notice of Agendas posted on City Hall bulletin board).

12. Executive Session will immediately follow the regular meeting in the Administrative Conference Room.
- Consultation with Attorney {Gov't Code Section 551.071}; possible action. The City Council may seek advice from its attorney regarding a pending or contemplated litigation subject or settlement offer or attorney-client privileged information. Litigation is an ongoing process and questions may arise as to a litigation tactic or settlement offer, which needs to be discussed with the City Council. Upon occasion the City Council may need information from its attorney as to the status of a pending or contemplated litigation subject or settlement offer or attorney-client privileged information. After executive session discussion, any final action or vote taken will be in public. The following subject(s) may be discussed:
- a. Application with TCEQ for permits in Westside/Highway 60 area, near Brushy Water Supply Corporation
 - b. Sewer CCN permit requests for Brushy & Wellborn Services Areas
 - c. Water CCN permit requests for Brushy & Wellborn Services Areas
 - d. Bed & Banks Water Rights Discharge Permits for College Station and Bryan
 - e. Legal aspects of Water Well, permits and possible purchase of or lease of water well sites
 - f. Cliff A. Skiles, DVM & C.A. Skiles Family Partnership, Ltd. Water permit applications with the Brazos Valley Groundwater Conservation District
 - g. TMPA v. PUC (College Station filed Intervention)
 - h. City of Bryan suit filed against College Station, Legal issues and advise on Brazos Valley Solid Waste Management Agency contract, on proposed methane gas contract
 - i. Update on legal proceedings for Grimes County Landfill site and contracts for development of Grimes County site
 - j. Weingarten Realty Investors v. College Station, Ron Silvia, David Ruesink, Lynn McIlhaney, and Ben White
 - k. Chavers et al v. Tyrone Morrows, Michael Ikner, City of Bryan, City of College Station, et al
 - l. Rogers Sheridan v. Barbara Schob & Greg Abbott
 - m. Legal aspects RVP contract, possible additions to add other parties
 - n. Clancey v. College Station, Glenn Brown, and Kathy Merrill

Real Estate {Gov't Code Section 551.072}; possible action The City Council may deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. After executive session discussion, any final action or vote taken will be in public. The following subject(s) may be discussed:

- a. Possible Purchase or Exchange of Property near E. University and Tarrow

13. Final action on executive session, if necessary.

14. Adjourn.

City Council Regular Meeting
Thursday, June 11, 2009

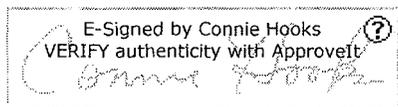
If litigation issues arise to the posted subject matter of these Council Meetings an executive session will be held.

APPROVED:

City Manager

Notice is hereby given that a Regular Meeting of the City Council of the City of College Station, Texas will be held on the 11th day of June, 2009 at 3:00 pm in the City Hall Council Chambers, 1101 Texas Avenue, College Station, Texas. The following subjects will be discussed, to wit: See Agenda

Posted this 8th day of June, 2009 at 2:00 pm



City Secretary

I, the undersigned, do hereby certify that the above Notice of Meeting of the Governing Body of the City of College Station, Texas, is a true and correct copy of said Notice and that I posted a true and correct copy of said notice on the bulletin board at City Hall, 1101 Texas Avenue, in College Station, Texas, and the City's website, www.cstx.gov. The Agenda and Notice are readily accessible to the general public at all times. Said Notice and Agenda were posted on June 8, 2009 at 2:00 pm and remained so posted continuously for at least 72 hours proceeding the scheduled time of said meeting.

This public notice was removed from the official board at the College Station City Hall on the following date and time: _____ by _____.

Dated this _____ day of _____, 2009.

CITY OF COLLEGE STATION, TEXAS

By _____

Subscribed and sworn to before me on this the _____ day of _____,

Notary Public – Brazos County, Texas My commission expires: _____

This building is wheelchair accessible. Handicap parking spaces are available. Any request for sign interpretive service must be made 48 hours before the meeting. To make arrangements call (979) 764-3517 or (TDD) 1-800-735-2989. Agendas may be viewed on www.cstx.gov. Council meetings are broadcast live on Cable Access Channel 19.

June 11, 2009
Regular Agenda Item No. 3
Introduction of Largest Recruit Class - CSPD

To: Glenn Brown, City Manager

From: Michael Ikner, Chief of Police

Agenda Caption: Presentation, possible action, discussion and introduction to the Council the largest Police Recruit Class ever for the College Station Police Department.

Recommendation(s):

N/A

Summary:

Chief Ikner wishes to introduce to the College Station City Council, 10 Police Recruits that graduated from the Central Texas Police Academy on June 4, 2009. This is the largest Recruit class ever for the College Station Police Department. We are thankful for the Council's support as this will enhance our ability to accomplish our "Mission".

We, the members of the College Station Police Department, in partnership with our community will strive to reduce crime, the fear of crime and improve the quality of life by upholding laws, protecting lives and property, and providing a safe and secure environment.

This group exemplifies our commitment to provide a high quality diverse workforce to serve the citizens of our fine community.

Budget & Financial Summary:

N/A

Attachments:

N/A

June 11, 2009
Regular Agenda Item No. 4
Update of Green College Station
and Energy Efficiency and Conservation Block Grant

To: Glenn Brown, City Manager

From: Hayden Migl, Assistant to the City Manager

Agenda Caption: Presentation, possible action, and discussion regarding progress and activities related to Green College Station policy and strategies and an update on the City's efforts for the Energy Efficiency and Conservation Block Grant.

Recommendation: Provide feedback and direction to City Manager regarding the proposed projects to be included in the City's application for the Energy Efficiency and Conservation Block Grant.

Summary: Council was presented with an update of Green College Station at their January mini-retreat. Since then, a number of green initiatives have taken place within the City.

College Station has also been notified that it is eligible for a block grant administered by the Department of Energy. Staff would like to update the Council on the process to identify projects for this funding as well as outline some of the proposed projects.

Budget & Financial Summary: None

Attachments: N/A

June 11, 2009
Regular Agenda Item No. 5
Fuel Operations Audit Report

To: Mayor and Members of the City Council

From: Ty Elliott, City Internal Auditor

Agenda Caption: Presentation, possible action, and discussion concerning the City Internal Auditor's Fuel Operations Audit Report.

Recommendation(s): Give staff direction to implement the recommendations contained in the Fuel Operations Audit Report.

Summary:

Reason for the Audit: On October 23, 2008, the City Council approved the City Internal Auditor's audit plan, which included an audit of fleet asset management. A preliminary review of fleet management was conducted in February 2009. During this review, discrepancies relating to accounting of fuel inventory were identified. As a result, the scope of the fleet asset management audit was narrowed to focus on the city's fuel operations.

Background: Fuel operations are administered through the Fleet Services Division of the Department of Public Works. To obtain fuel for city vehicles, authorized users must have a fuel card. There are 563 fuel cards assigned to the various departments throughout the city. From fiscal year 2005 to 2008, fuel costs have increased 135% and fuel usage has increased 3%.

Scope and Methodology: For most audit tests, 2005 through 2008 fuel transactions were examined. These transactions comprised over 100,000 transactions and 1.5 million gallons of fuel. The audit methods included identifying and analyzing the amount of fuel purchased and dispensed to city departments for fleet vehicles, and performing specific audit procedures to answer the audit objectives.

Audit Objectives: This audit addresses fleet fuel operations policies, procedures, processes and practices, and answers the following questions: (1) is fuel properly safeguarded and accounted for as to fuel purchased, received, dispensed, and in inventory, and (2) is the city complying with applicable laws, contracts, and policies?

Audit Results: Based on the results of the audit, the city is complying with state and federal laws; and fuel purchasing and receiving processes are acceptable. In addition, inventory processes have been improved to better account for fuel and reduce the likelihood of future large fuel inventory adjustments. However, dispensing controls need to be strengthened to reduce the risk of theft, enhance fleet management, and better account for fuel.

Audit Recommendations: Fleet fuel operations need a few improvements encompassed in the seven audit recommendations contained at the end of the audit report. Implementing these recommendations will strengthen internal controls to prevent any inappropriate fuel use and help better manage city vehicles and equipment.

Attachments: Fuel Operations Audit Report

**Performance Audit of
The City's Fleet Fuel Operations**

May 2009

**City Internal Auditor's Office
City of College Station**

File#: 09.01

Fuel Operations Audit

Table of Contents

Introduction	1
Fuel Operations Background	1
Audit Objectives	5
Scope and Methodology	5
Findings and Analysis	6
Opportunities to Better Safeguard & Account for Fuel Exist	6
Fuel Purchases are Effectively Administered	6
Fuel Receiving Processes have Improved	8
Former Fleet Practices Led to Miscalculation of Fuel Inventory	9
Fuel Dispensing Controls Should Be Strengthened	12
Fuel Overhead Rates Should Be Examined	17
The City is Complying with State and Federal Laws	17
Recommendations	19
Management Response	21

Introduction

The City Internal Auditor conducted this performance audit of the city's fleet fuel operations pursuant to Article III Section 30 of the College Station City Charter, which outlines the City Internal Auditor's primary duties.

A performance audit is an objective, systematic examination of evidence to assess independently the performance of an organization, program, activity, or function. The purpose of a performance audit is to provide information to improve public accountability and facilitate decision-making. Performance audits encompass a wide variety of objectives, including those related to assessing program effectiveness and results; economy and efficiency; internal control; compliance with legal or other requirements; and objectives related to providing prospective analyses, guidance, or summary information.

The results of a citywide risk assessment conducted in October 2007 identified asset management as a potential audit topic for the fiscal year 2009 audit plan. On October 23, 2008, the City Council approved the City Internal Auditor's audit plan, which included an audit of fleet asset management.

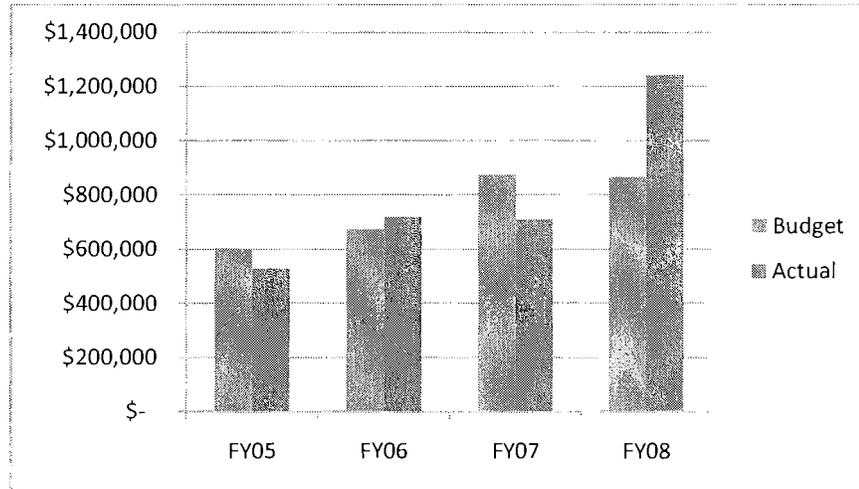
A preliminary review of fleet management was conducted in February 2009. During the preliminary review, significant discrepancies relating to accounting of fuel inventory were identified. For example, an approximate \$205,600 adjustment to fuel inventory was made in fiscal year 2008. As a result, the scope of the fleet asset management audit was narrowed to focus on the city's fleet fuel operations.

Fuel Operations Background

For fleet operations, the majority of dollars spent on fuel was purchased for vehicle use through the Fleet Services Division of the Department of Public Works. Authorized city employees obtain fuel for city equipment and vehicles at one of the two city fueling stations. Fleet Services then charges the appropriate department for the fuel dispensed.

Figure 1 shows the amount the city budgeted and spent on fuel during the last four complete fiscal years. In fiscal year 2009, the city has budgeted approximately \$1.4 million for the cost of fuel.

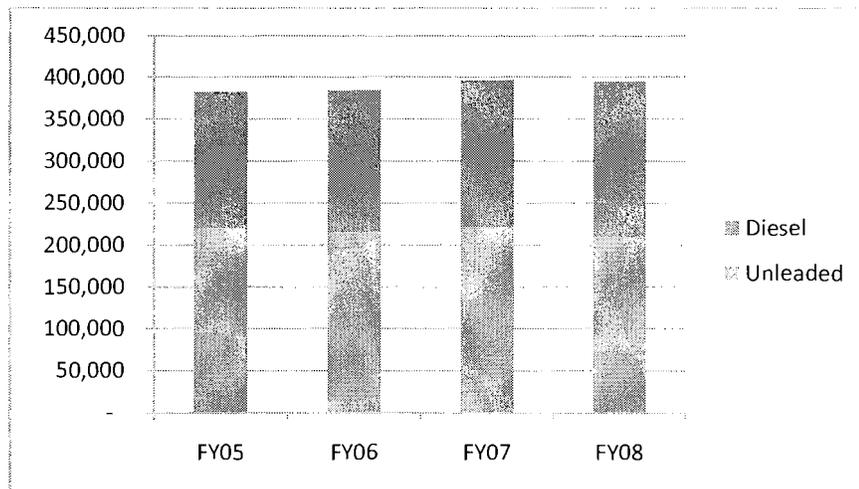
Figure 1
Budget to Actual Expenditures for Fuel in Fiscal Years 2004 – 2008



Source: The City's Financial System (HTE)

From fiscal year 2005 to fiscal year 2008 fuel costs have increased 135 percent. However, fuel usage during this same period has increased by only three percent. Figure 2 below shows the gallons of fuel dispensed during the last four fiscal years.

Figure 2
Gallons of Fuel Dispensed in Fiscal Years 2004 – 2008



Source: The City's Fuel Management System (Phoenix)

The average cost per gallon of fuel in fiscal years 2005, 2006, and 2007 was \$1.38, \$1.87, and \$1.79 respectively. In fiscal year 2008, however, the average cost per gallon was \$3.14.

In December 2004, the City of Bryan solicited bids for gasoline and diesel fuel on behalf of several local agencies including the City of College Station, City of Hearne, Brazos County, Bryan ISD, College Station ISD and Texas A&M University. By contracting for a large volume of fuel with all participating agencies, the City of College Station was able to obtain better pricing with the selected vendor—Brenco Marketing Corp. The joint request for proposal stipulated the terms of the offer were for one year (the original term) with the option for four renewal periods. Within this period, the city has processed two amendments to its original fuel contract and exercised its right to contract renewals; thereby allowing the city to continue to procure fuel from Brenco through December 2009. The contract terms allow for the fluctuation of fuel price through the calculation of fuel cost as described below:

Documented wholesales product cost/gallon¹

+ Per gallon markup²

+ Freight charge (pre-agreed upon rates)

+ Required Texas taxes per gallon

Price per gallon charged to the city

Fleet manages its fuel operations from the Public Works facility and distributes fuel to vehicles and equipment through two fueling sites located at the Public Works and the College Station Utilities facilities. At these fueling sites, a total capacity of approximately 32,000 gallons of fuel is stored in three 87 octane unleaded fuel tanks (20,000 gallon capacity) and two diesel fuel tanks (12,000 gallon capacity). The fuel contractor makes regular deliveries to these two fuel sites upon request. Approximately 80 percent of the fuel dispensed in the last four fiscal years occurred at the Public Work's fueling site.

¹ The wholesale product cost/gallon is based on the OPIS unbraided rack average for Hearne, TX. The Oil Price Information Service (OPIS) is a widely accepted fuel price benchmark for supply contracts and competitive positioning. OPIS provides a weekly publication with fuel prices for each distribution location.

² The markup for unleaded fuel transports less than 7000 gallons is \$0.04/gallon and \$0.0135/gallon for transports greater 7000 gallons. The markup for diesel fuel transports less than 6000 gallons is \$0.04/gallon and \$0.014/gallon for transports greater than 6000 gallons.

In 1990, Fleet implemented the Phoenix fuel management system to track fuel inventoried and dispensed for the city. Phoenix is not integrated with the city's other information systems. Therefore, Fleet personnel must periodically upload fuel transaction data from Phoenix into the city's financial system in order for departments to be properly charged for their fuel consumption.

An eight percent overhead rate is applied to the cost of fuel sold to departments to cover the direct and indirect cost to manage fuel operations. The markup rate of eight percent was initiated in 1990 and there has been no analysis conducted since then to determine the appropriate rates for fuel overhead.

To obtain fuel for city vehicles, users must have a vehicle fuel card and obtain authorization by inputting a valid user id and the vehicle's mileage. Most city equipment is assigned a corresponding fuel card. However, some smaller equipment such as chain saws, weed eaters, and push mowers are primarily fueled through the use of miscellaneous fuel cards. As of March 2009, there were 504 metered vehicles or equipment and 59 miscellaneous cards assigned to the various departments throughout the city. See Table 1 below for a breakdown by department.

Table 1
Vehicles/Equipment & Misc Cards Assigned to Departments

Department	Equipment	Misc Cards	Total
Public Works	123	10	133
Police	76	5	81
Parks & Recreation	60	19	79
Electric	59	4	63
Fire	40	14	54
Wastewater	48	3	51
BVSWMA	33	1	34
Water	26	2	28
Planning & Development	13	0	13
Information Technology	12	0	12
Fiscal Services	11	1	12
Economic Development	2	0	2
Capital Projects	1	0	1
Total	504	59	563

Source: The City's Financial System (HTE)

Audit Objectives

This audit addresses fleet fuel operations policies, procedures, processes and practices. This report answers the following questions:

- Is fuel properly safeguarded and accounted for as to fuel purchased, received, dispensed, and in inventory?
- Is the city complying with applicable laws, contracts, and policies?

Scope and Methodology

This audit was conducted in accordance with government auditing standards, which are promulgated by the Comptroller General of the United States. Audit fieldwork was conducted from February 2009 through April 2009. For most audit tests, fuel transactions between January 1, 2005 and December 31, 2008 were examined. These transactions comprised 101,997 transactions for 1,564,499 gallons of fuel. For some tests, however, fiscal year 2008 or calendar year 2007 and 2008 data was analyzed. The audit methods included identifying and analyzing the amount of fuel purchased and dispensed to city departments for fleet vehicles, and performing specific audit procedures to answer the audit objectives.

To provide assurances that fuel was properly safeguarded and accounted for, I interviewed city staff and industry experts; reviewed contracts and industry practices; observed fuel procurement, delivery, inventory, and reconciliation processes; examined invoices; and analyzed fuel transaction data and configuration settings in the city's financial and fuel management systems. I also assessed the adequacy of physical and system controls present at fueling stations.

To provide assurances that fuel operations complied with applicable state and federal laws and city ordinances and policies, I interviewed city staff. I reviewed the Texas Administrative Code, city ordinances and policies, applicable contracts, and city supporting documentation to determine compliance. In addition, I observed fuel leak testing performed at selected fueling sites, interviewed the third-party vendor that performed these tests, and reviewed the official results of the tests performed.

Findings and Analysis

Opportunities to Better Safeguard & Account for Fuel Exist

Current fuel purchasing and receiving processes are adequate. However, physical and system controls related to inventorying and dispensing fuel should be strengthened. Fleet has made several improvements throughout the course of the audit to address some of these audit findings.

Fuel Purchases are Effectively Administered

Fleet centrally purchases the majority of the city's fuel from Brenco Marketing based on contract prices that were negotiated in December 2004. The unit cost of fuel charged to the city is a product of the following two components: (1) the wholesale product cost per gallon and (2) a per gallon markup rate determined by the gallons of fuel delivered. Table 2 below describes the markup per gallon rate charged to the city under the four possible transport delivery scenarios.

Table 2
Fuel Rates Based on Transport Load

Unleaded Full Transport Truck Delivery	
Minimum transport load	7,000 gallons
Markup per gallon	\$0.0135
Unleaded Less than Full Transport Truck Delivery	
Minimum transport load	250 gallons
Markup per gallon	\$0.04
Diesel Transport Truck Delivery	
Minimum transport load	6,000 gallons
Markup per gallon	\$0.014
Diesel Less than Full Transport Truck Delivery	
Minimum transport load	250 gallons
Markup per gallon	\$0.04

Source: The City's Fuel Contract with Brenco Marketing

The wholesale product cost per gallon is based on the OPIS unbraided rack average for Hearne, TX. The Oil Price Information Service (OPIS) is a widely accepted fuel price benchmark for supply contracts and competitive positioning. OPIS provides a weekly publication with fuel prices for each distribution location.

Fuel is purchased at competitive rates. The City of College Station and several other public organizations within the region cooperatively contract with Brenco Marketing to supply fuel. By contracting for a large volume of fuel with participating agencies, the City of College Station was able to obtain better markup pricing from Brenco. In addition, the city is assured that the price of fuel is purchased at competitive rates because the contract with Brenco stipulates that the wholesale price per gallon for unleaded and diesel is based on OPIS rates.

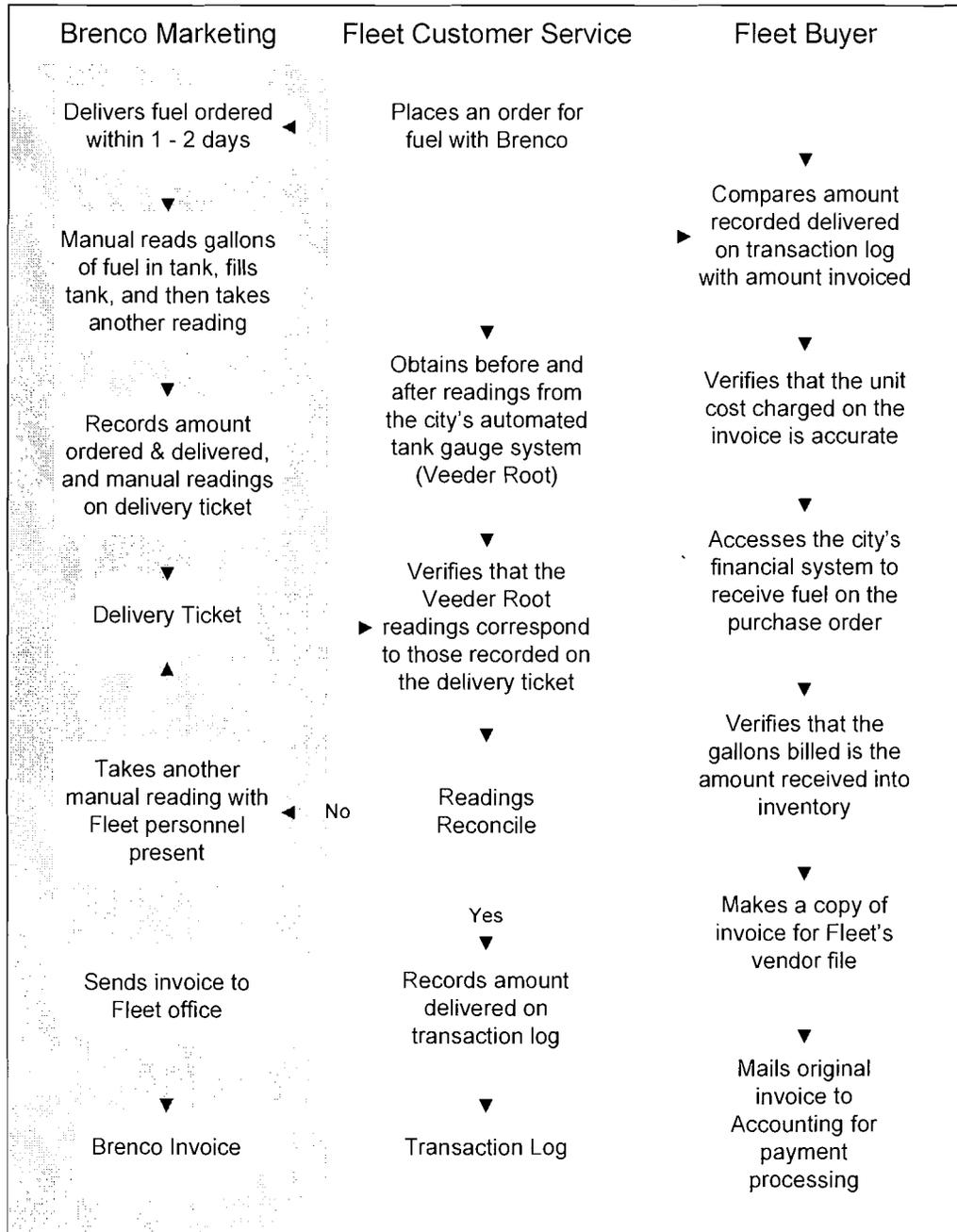
Fuel purchased at retail stations is insignificant. Although the city has a full network of on-site fueling stations, there is some fuel being purchased at retail stations at a premium cost. Most city employees use the on-site fueling stations to fuel city equipment and vehicles with diesel or 87 octane unleaded fuel. However, there are seven Police Department motorcycles that require premium gasoline. Because the city does not purchase and inventory premium gasoline, these police officers fuel their motorcycles at retail stations and use a city purchasing card to pay for the fuel. In fiscal year 2008, there was no other significant use of purchasing cards to purchase fuel for city vehicles or equipment at retail gas stations.

Fuel purchasing processes are acceptable. Fuel is purchased in accordance with the city's purchasing policies and procedures, and fuel deliveries are ordered by authorized Fleet personnel. In addition, fuel purchasing and receiving processes are segregated within the Fleet Services Division. When feasible, Fleet personnel order fuel in larger quantities to obtain better markup pricing by receiving the full transport truck delivery rate. In fiscal year 2008, there were 120 diesel and 81 unleaded fuel orders, and 11 percent of the diesel and 14 percent of the unleaded orders were made at the less than full transport truck delivery rate. The city would have realized a cost savings of \$730 if these orders were made in bulk in order to receive the transport truck delivery rate. However, sometimes it is necessary to order fuel in smaller quantities, such as completely filling the city's fuel tanks to prepare for potential natural disasters.

Fuel Receiving Processes have Improved

During the course of the audit, improvements to the fuel receipt process and documentation of this process have been made by Fleet personnel. Figure 3 below describes the current fuel receipt process.

Figure 3
Flowchart of the Current Fuel Receiving Process



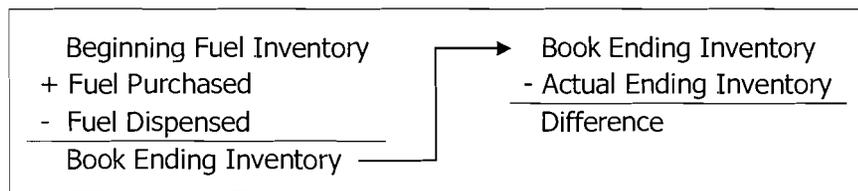
The current fuel receiving process is adequate. The fuel receiving process described in Figure 3, on the previous page, has led to better safeguarding and accounting of fuel purchased and in inventory. However, one improvement could be made to the current fuel receiving process. In addition to the current Fleet Buyer's fuel receipt processing duties, the Fleet Buyer should also verify contract pricing.

Fleet staff should verify contract pricing. Despite Fleet personnel not verifying contract prices during the receiving process, there were no instances during fiscal year 2008 where Brenco overcharged the city for fuel purchases. However, there is a risk that intentional or unintentional errors could be made in invoicing the correct unit cost according to the city's contract with Brenco Marketing. To mitigate this risk, Fleet personnel should verify that the invoiced unit cost corresponds with the contract price documented in the city's fuel agreement with Brenco.

Former Fleet Practices Led to Miscounting Fuel Inventory

An approximate \$205,600 adjustment to fuel inventory was made in fiscal year 2008. This adjustment was the result of the difference between fiscal year 2008 book ending inventory (calculated by Accounting) and actual ending inventory (providing to Accounting by Fleet). Figure 4 below describes how fuel inventory is calculated.

Figure 4
Fuel Inventory Calculation



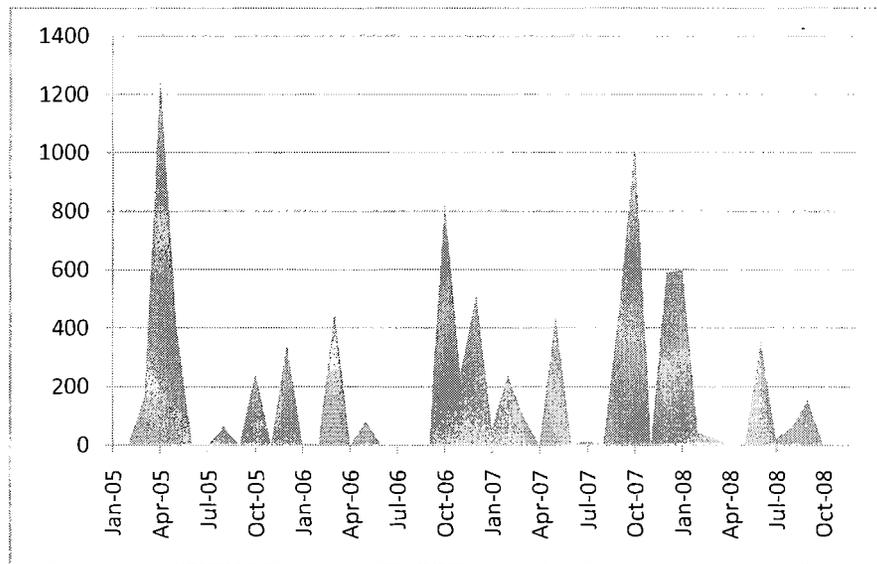
Former Fleet practices led to this miscounting of fuel inventory. However, many of these practices have recently been corrected. Therefore, large adjustments to fuel inventory should be prevented in the future.

Several thousand fuel system transactions are missing from the city's financial system. The Phoenix fuel management system is not directly interfaced with the city's financial system (HTE).

Therefore, Fleet personnel must upload fuel transactional data from Phoenix to HTE in order for the amount of fuel dispensed to be properly accounted for and charged to the appropriate departments. However, many fuel transactions are not uploading into the HTE system during the data import process.

All fuel transactions between January 1, 2005 and December 31, 2008 were examined. These transactions comprised 101,997 transactions for 1,564,499 gallons of fuel. During this same period there were 8,934 transactions for 137,105 gallons of fuel recorded in the fuel management system (Phoenix) that was missing from the city's financial system. The area chart below (see Figure 5) provides a breakdown of these missing transactions per month.

Figure 5
2005 – 08 Fuel Transactions missing from the City's Financial System



Source: Comparison of Phoenix to HTE System Data

The total amount of fuel transactions per month was fairly consistent. Between January 1, 2005 and December 31, 2008, fuel transaction per month averaged 2,125 and deviated by plus or minus 185. In addition, months with the highest number of transactions did not correspond to the months with highest number of missing transactions shown in Figure 5 above.

Former fleet practices led to the missing fuel transactions.

The volatile picture shown in Figure 5 is the result of large number of missing transactions during one period followed by a sharp decline in

missing transactions in the next period. These results are partially caused by a former fleet practice to import fuel transactions infrequently. The highest volume of missing transactions occurred during periods when transactions were not frequently imported from Phoenix into HTE. As seen in Table 3 below, there were instances where Fleet personnel would wait up to 28 days before they would import fuel transactions from Phoenix into HTE. According to Fleet staff, some of these instances shown in Table 3 were caused by system equipment malfunctions, or leave or holiday time taken by fleet personnel.

Table 3
 Number of Days between Import Dates
 (Period Reviewed Jan 1, 2005 to Dec 31, 2008)

Range (in days)	Instances	Percentage
Sixteen to twenty-eight	5	1.1%
Fourteen to sixteen	5	1.1%
Eleven to thirteen	8	1.8%
Eight to ten	24	5.4%
Five to seven	67	15.1%
Two to four	116	26.1%
One day	220	49.4%

Source: City's Fuel Management System (Phoenix)

Information system data cleanup is needed. When a new piece of equipment or a vehicle is purchased, information relating to the purchase needs to be entered twice—first in the HTE system and second in the Phoenix system. If some of the essential data is not entered correctly in both systems, problems in importing fuel transactions will occur. I reviewed all calendar year 2007 and 2008 fuel transactions and found 23 instances where essential equipment identifying data did not match. Fleet personnel should do a thorough evaluation and cleanup of the data in both the fuel management system and the equipment file in the city's financial system to ensure that the data is accurate and corresponds to one another.

Automated fuel tank readings have been inaccurate. On November 3, 2008, I observed Fleet personnel take manual readings of the fuel tanks and compared the manual readings to those made by the automated tank gauge system (Veeder Root). During my observations, I found that the Veeder Root system produced

inaccurate readings for one of the fuel tanks. Therefore, I reviewed in-tank inventory reports and found that Veeder Root readings for this fuel tank did not change for nearly the entire month of October 2008.

Improvements have been made to fuel inventory practices.

Recently, Fleet has improved the process by which they import fuel transactions. Currently, Fleet personnel perform daily import of fuel transactions and reconcile the Phoenix system fuel transactional data to the data imported into HTE. If the data does not match, Fleet personnel perform a second import to capture any missing transactions. The malfunctioning automated tank gauge has been repaired and processes have been implemented to prevent unnoticed errors in the tank gauge from occurring in the future. For example, Fleet personnel periodically manually read the amount dispensed from individual fuel pumps and compare these readings to in-tank inventory reports produced by Veeder Root. In addition, the current fuel purchasing and receiving processes should prevent automated tank gauge system errors from going unnoticed.

Fuel Dispensing Controls Should Be Strengthened

To obtain fuel for city vehicles or equipment, users must have a vehicle fuel card and obtain authorization by inputting a valid user id and the vehicle's mileage. Most city equipment is assigned a corresponding fuel card. However, some smaller equipment such as chain saws, weed eaters, and push mowers are primarily fueled through the use of miscellaneous fuel cards. As of March 2009, there were 504 metered vehicles or equipment and 59 miscellaneous cards assigned to the various departments throughout the city. Based on the results of several audit tests, opportunities exist to strengthen controls over how fuel is dispensed in order to better safeguard and account for fuel transactions.

Nearly half of authorized users should be removed from the fuel management system. As of March 2, 2009, there were 1141 individuals authorized in the fuel management system to obtain fuel. Over 200 of these individuals are former employees who should be removed from the fuel management system. Several other authorized fuel users should be removed because they use fuel cards infrequently or not at all. For example, 45 percent of those authorized to obtain fuel did not make a single fuel transaction between January 1, 2008 and March 2, 2009.

Several hundred fuel cards should be removed from the fuel management system. As of March 2, 2009, there were 812 valid fuel cards in the fuel management system, but only 545 of these cards were used to obtain fuel from January 1, 2008 to March 2, 2009. To reduce the risk of fuel theft, non misc fuel cards that are not assigned to current city equipment or vehicles should be removed from the fuel management system. The number of miscellaneous fuel cards should also be reduced.

Odometer reasonability and quantity restrictions should be implemented. There are three main user restrictions available in the fuel management system: odometer reasonability, pump, and quantity restrictions. Fleet has enabled pump restrictions, which limit a vehicles access to certain fuel types in order to prevent a user from fueling a vehicle that requires diesel with gasoline or vice versa. However, odometer reasonability and quantity restriction controls are currently not setup in the fuel management system.

Approximately 25 percent of meter readings are inaccurate. Odometer reasonability checks the difference between two user-entered odometer readings, and determines if the difference is within a range the city specified for that card. However, the fuel management system's odometer reasonability control is deactivated for all fuel cards. I reviewed all metered transactions from January 1, 2005 through December 31, 2008 and found that approximately 25 percent of the readings during this period were entered incorrectly. Table 4 below summarizes the results of this review.

Table 4
Percentage of Inaccurate Meter Readings from 2005 – 2008

Year	Bad Readings	Total Fuel Trans	Percentage
2005	5,897	25,737	23%
2006	5,727	25,942	22%
2007	6,203	24,851	25%
2008	6,838	25,467	27%
Total	32,515	131,638	25%

Source: City's Fuel Management System (Phoenix)

Odometer entries can be used to calculate miles per gallon or cost per mile, which can be used by Fleet to track driver and vehicle efficiency. In addition, odometer readings and efficiency data is used to schedule

preventative maintenance and plan for vehicle or equipment replacement. Unreliable odometer readings greatly impact the ability of Fleet personnel to effectively manage the city's 504 metered vehicles and equipment. Consequently, Fleet should implement the fuel management system's odometer reasonability controls to prevent high percentage of inaccurately entered meter readings.

There appears to be fuel dispensed exceeding vehicle tank capacity. I reviewed fuel transactions between January 1, 2005 and December 31, 2008 and found 5,809 transactions where the amount fueled exceeded the vehicles tank capacity (as recorded in the financial system's equipment inventory file). These fuel transactions accounted for 30,450 gallons of fuel that exceeded fuel tank capacities. On average, the amount of fuel dispensed that exceeded vehicles tank capacity for these 5,809 fuel transactions was 5.24 gallons per transaction. Table 5 below describes the fuel dispensed that exceeded vehicles tank capacity (during the period reviewed) broken down by vehicle type.

Table 5

Fuel Dispensed Exceeding Vehicles Tank Capacity from 2005 – 2008

Vehicle Description	Trans. Over Tank Capacity	Gallons Over Tank Capacity	Avg. Gal. Over Tank Capacity
Motorcycles	2,539	8,366	3.29
Heavy Equipment	1,304	10,026	7.69
Pickup Trucks	1,126	7,550	6.71
Sedans	632	3,340	5.28
Light Equipment	142	1,054	7.42
Vans	44	56	1.27
Patrols Cars	22	58	2.64
Total	5,809	30,450	5.24

Source: City's Fuel Management System (Phoenix) & HTE's Equipment Inventory File

The fuel management system's quantity restriction controls are used to specify how much product (fuel or diesel) a particular fuel card can access. Quantity restriction is often set to match a vehicle's tank size.

According to city staff, users fueling a vehicle with the vehicle's fuel card and then continuing to use the card to fuel gas cans for unmetered equipment (e.g. mowers, weed eaters, etc.) is a common practice—despite the availability of miscellaneous fuel cards. Another reported practice, is the loaning of authorized user id numbers to

employees who are not authorized in the system to obtain fuel. Lack of personal accountability caused by these practices make it difficult to accurately determine what fuel dispensed (if any) that exceeded vehicle tank capacity is because of theft.

In addition, fuel tank capacity data recorded in the equipment inventory file may not be completely accurate. I performed a preliminary review of the equipment inventory file to assess reasonableness of the fuel tank capacity data, and I found that this data appeared to be reasonable. However, physically inspecting every metered vehicle and equipment to verify the accuracy of the tank capacity data in the equipment inventory file was not within the scope of this audit. Therefore, Fleet should review the equipment inventory file and make any needed corrections to tank capacity data. One way vehicle tank capacities could be verified is during the physical inventory of city assets conducted by Accounting during the summer of 2009.

Miscellaneous fuel card transactions have a higher risk of abuse. Because miscellaneous fuel cards are not assigned to any particular individual, vehicle, or equipment; it is difficult to identify inappropriate or wasteful use of miscellaneous fuel card transactions. In addition, odometer reasonability controls and quantity restrictions related to tank capacity can't be implemented for miscellaneous fuel cards.

I also found that a disproportionate amount of the largest transactions are made on miscellaneous fuel cards. For example, there were 27 fuel transactions of 100 gallons or more between January 1, 2005 and December 31, 2008, and all of these transactions were made with miscellaneous fuel cards. Table 6, on the next page, categorizes miscellaneous fuel card transactions by specified fuel quantity ranges between January 1, 2005 and December 31, 2008.

Table 6
Miscellaneous Card Transactions from 2005 – 2008

Fuel Quantity Range (gal)	Misc Card Transactions	% of Total Misc Cards	Total Fuel Qty (gal)
>300.00	1	0.02%	320
200.00 – 300.00	3	0.07%	660
100.00 – 199.99	24	0.59%	3,120
75.00 – 99.99	65	1.61%	5,550
50.00 – 74.99	180	4.46%	10,660
25.00 – 49.99	252	6.25%	8,670
0.01 – 24.99	<u>3,510</u>	<u>86.99%</u>	<u>29,330</u>
	4,035	100%	58,310

Source: City's Fuel Management System (Phoenix)

If the city continues to use miscellaneous fuel cards, Fleet should monitor miscellaneous fuel card usage by employee and supply user's supervisors with miscellaneous fuel card usage reports. By doing this, employee's supervisors should be capable of identifying instances of inappropriate fuel use. Fleet should also conduct an analysis of miscellaneous card use, which should consider the following:

1. Assigning cards to equipment. Fleet should identify potential unmetered equipment that can be assigned to each miscellaneous fuel card.
2. Setting justifiable monthly limits. Fleet should identify reasonable monthly limits that can be placed on each miscellaneous card based on the historical use of unmetered equipment appropriate to be fueled with the card.
3. Assessing user appropriateness. Fleet should identify who uses miscellaneous cards and determine if these users are appropriate for the card's intended use.

Employee instruction is needed. Employees, authorized to fuel vehicles and equipment, have not been given consistent instruction on the appropriate fueling procedures. Fleet should draft fueling procedures to be distributed to current authorized users, and provide these instructions to every new user.

Fueling site physical controls are adequate. Each of the fueling sites contains some level of physical security controls. For example, the College station Utilities site fuel pumps are located within the facility surrounded by a 10-foot fence with the entrance

and exit gates remaining closed—only authorized city employees have access to open the gate. At this time, access is not limited by a fence or gates to the parking area at the Public Works fuel site. However the Public Works site fuel pumps are located behind the police station. In addition, fuel tanks at the Public Works site are secured by locks.

Fuel Overhead Rates Should Be Examined

An eight percent overhead rate is applied to the cost of fuel sold to departments to cover the direct and indirect cost to manage fuel operations. The markup rate of eight percent was initiated in 1990 and there has been no analysis conducted since then to determine the appropriate rates for fuel overhead. In addition, the markup rate is not consistently applied for all fuel transactions. Between January 1, 2005 and December 31, 2008, I identified 3,284 transactions that did not have a markup rate of 8 percent—most of which had a 0% markup rate. Fleet should conduct an analysis to determine the overhead cost of administering fuel and develop a markup rate that reflects those costs. In addition, the equipment inventory file should be examined to ensure that all vehicles and equipment are assessed the same markup rate.

The City is Complying with State and Federal Laws

The Energy Policy Act of 2005 requires states to make certain underground storage tanks (UST) information available to the public. Therefore, Texas State law requires owners of underground storage tanks (USTs) to do the following:

- Register each UST with the Texas Commission on Environmental Quality (TCEQ) — even if it is empty or unused.
- Each year, renew the delivery certificate for your facility at least 30 days before the current certificate expires.
- Include proof of financial assurance with all self-certification forms.
- Make sure that each UST tank fill pipe is clearly labeled according to State rules.
- Notify TCEQ at least 30 days before beginning construction work on the UST facility or if any changes in ownership at the UST facility.

- Have a certified UST contractor registered with TCEQ perform fuel leak detector tests once per year per state regulations. For tanks with mechanical leak detectors, fuel line tests must also be conducted.

Public Works Department underground storage tanks holds one (1) 8,000 gallons tank for unleaded fuel and one (1) 8,000 gallons tank for diesel. The Utility Service Center underground storage tanks holds two (2) 6,000 gallons tanks for unleaded and one (1) 4,000 gallons tank for diesel. Sufficient documentary, physical, and testimonial evidence was obtained during the course of the audit to conclude that tank installation, inspection, maintenance and removal meet state and federal regulations.

Recommendations

In addition to the changes that Fleet has already implemented, the city's fuel operations need a few slight improvements, encompassed in the following audit recommendations. Implementing these recommendations will strengthen internal controls to further prevent any inappropriate fuel use and help better manage city vehicles and equipment.

1. The Director of Public Works should instruct the Fleet Buyer to verify that the invoiced unit cost corresponds with the contract price documented in the city's fuel agreement with Brenco. There are four steps to verifying the contract price. (1) Obtain the Oil Price Information Service (OPIS) publication for Hearne, TX. (2) Verify that the date on the OPIS publication matches the order date documented on the invoice and the transaction log. (3) Identify the UBD rack average rates for unleaded (UNL) and diesel (ULS) on the OPIS publication, and add the appropriate markup rate based on the gallons delivered. (4) Compare the unit costs identified in step three to the unit costs on the invoice.
2. The Director of Public Works should direct Fleet personnel to do a thorough evaluation and cleanup of the data in both the fuel management system (Phoenix) and the equipment file in the city's financial system to ensure that the data is accurate and corresponds to one another. Former employees and current employees, who no longer have a need to fuel city vehicles or equipment, should have their fuel pump authorization deactivated from the Phoenix system. In addition, non misc fuel cards that are not assigned to current city equipment or vehicles should be deactivated in the Phoenix system.
3. The Director of Public Works should direct Fleet staff to activate the fuel management system's odometer reasonability control for all fuel cards. Prior to this control being implemented, Fleet should develop a communications plan to instruct all fuel users about the importance of entering correct odometer readings and to communicate the proper fueling procedures. Once odometer reasonability controls are implemented, Fleet should consider using odometer entries to calculate miles per gallon or cost per mile in order to track driver and vehicle efficiency.

4. The Director of Public Works should direct Fleet personnel to activate the fuel management system's quantity restriction controls for all fuel cards. Quantity restriction should be set to match a vehicle's tank size. Therefore, Fleet staff should verify that tank capacity data recorded in the city's financial system's equipment inventory file is complete and accurate prior to implementing quantity restriction controls. The Phoenix system also has the ability to set daily and monthly fuel quantity limits for fuel cards. Daily and monthly limits should be set in accordance with cardholder needs in order to prevent users from circumventing quantity controls by fueling multiple times within the same day or more than reasonable within a month. Therefore, Fleet staff should work with department fuel users and conduct a fuel usage analysis to identify appropriate daily and monthly fueling limits to be placed on fuel cards.
5. The Director of Public Works should direct Fleet staff to monitor miscellaneous fuel card usage by employee and supply users' supervisors with miscellaneous fuel card usage reports. Department supervisors should be instructed by Fleet to use these reports to help them identify possible instances of inappropriate fuel use. Fleet staff should also conduct an analysis of miscellaneous card use. This analysis should identify the following: (1) potential unmetered equipment that can be assigned to each miscellaneous fuel card, (2) reasonable monthly limits that can be placed on each miscellaneous card based on the historical use of unmetered equipment appropriate to be fueled with the card, (3) who uses miscellaneous cards and determine if these users are appropriate for the card's intended use, and (4) the miscellaneous cards that should be deactivated from the system.
6. The Director of Public Works should direct Fleet staff to draft fueling procedures to be distributed to current authorized users, and provide these instructions to every new user.
7. The Director of Public Works should direct Fleet staff to conduct an analysis to determine the overhead cost of administering fuel and develop an overhead rate that reflects those costs. In addition, the equipment inventory file should be examined to ensure that all vehicles and equipment are assessed the same overhead rate.

Management Response



MEMO TO: TY ELLIOT, CITY INTERNAL AUDITOR

THROUGH: DAVID NEELEY, ASSISTANT CITY MANAGER

FROM: Mark Smith, Director of Public Works

CC: Charles McLemore, Assistant PW Director
Pete Caler, Assistant PW Director / BWSWMA Director
Bill Johnson, Fleet Superintendent
Luke Irvin, Budget & Management Analyst

SUBJECT: Audit of the City's Fleet Fuel System

DATE: MAY 26, 2009

The following is the Public Works Department response to the audit of the City's Fleet Fuel Operations. There is a response describing how each of the seven recommendations will be addressed.

1. RECOMMENDATION: The Director of Public Works should instruct the Fleet Buyer to verify that the invoiced unit cost corresponds with the contract price documented in the city's fuel agreement with Brenco. There are four steps to verifying the contract price. (1) Obtain the Oil Price Information Service (OPIS) publication for Heame, TX. (2) Verify that the date on the OPIS publication matches the order date documented on the invoice and the transaction log. (3) Identify the UBD rack average rates for unleaded (UNL) and diesel (ULS) on the OPIS publication, and add the appropriate markup rate based on the gallons delivered. (4) Compare the unit costs identified in step three to the unit costs on the invoice.

RESPONSE: Management concurs with the recommendation and will instruct the Fleet Buyer to verify that the invoiced unit price corresponds with the contract price.

2. RECOMMENDATION: The Director of Public Works should direct Fleet personnel to do a thorough evaluation and cleanup of the data in both the fuel management system (Phoenix) and the equipment file in the city's financial system to ensure that the data is accurate and corresponds to one another. Former employees and current employees, who no longer have a need to fuel city vehicles or equipment, should have their fuel pump authorization deactivated from the Phoenix system. In addition, non misc fuel cards that are not assigned to current city equipment or vehicles should be deactivated in the Phoenix system.



RESPONSE: Management concurs with the recommendation and will direct that the data in the fuel management system and city's financial system be cleaned up as described to ensure that the data is accurate in both systems.

3. RECOMMENDATION: The Director of Public Works should direct Fleet staff to activate the fuel management system's odometer reasonability control for all fuel cards. Prior to this control being implemented, Fleet should develop a communications plan to instruct all fuel users about the importance of entering correct odometer readings and to communicate the proper fueling procedures. Once odometer reasonability controls are implemented, Fleet should consider using odometer entries to calculate miles per gallon or cost per mile in order to track driver and vehicle efficiency.

RESPONSE: Management concurs with the recommendation and will direct the implementation of the fuel management system's odometer reasonability controls for vehicles after meeting with fleet coordinators from each department to develop a training and informational program.

4. RECOMMENDATION: The Director of Public Works should direct Fleet personnel to activate the fuel management system's quantity restriction controls for all fuel cards. Quantity restriction should be set to match a vehicle's tank size. Therefore, Fleet staff should verify that tank capacity data recorded in the city's financial system's equipment inventory file is complete and accurate prior to implementing quantity restriction controls. The Phoenix system also has the ability to set daily and monthly fuel quantity limits for fuel cards. Daily and monthly limits should be set in accordance with cardholder needs in order to prevent users from circumventing quantity controls by fueling multiple times within the same day or more than reasonable within a month. Therefore, Fleet staff should work with department fuel users and conduct a fuel usage analysis to identify appropriate daily and monthly fueling limits to be placed on fuel cards.

RESPONSE: Management concurs with the recommendation. Fleet staff will be directed to work with departmental fleet coordinators to conduct a fuel usage analysis to determine appropriate fueling limits and implement the fuel management system's quantity restriction controls as described for all fuel cards.

5. RECOMMENDATION: The Director of Public Works should direct Fleet staff to monitor miscellaneous fuel card usage by employee and supply user's supervisors with miscellaneous fuel card usage reports. Department supervisors should be instructed by Fleet to use these reports to help them identify possible instances of inappropriate fuel use. Fleet staff should also conduct an analysis of miscellaneous card use. This analysis should identify the following: (1) potential unmetered equipment that can be assigned to each miscellaneous fuel card, (2) reasonable monthly limits that can be placed on each miscellaneous card based on the historical use of unmetered equipment appropriate to be fueled with the card, (3) who uses miscellaneous cards and determine if these users are appropriate for the



card's intended use, and (4) the miscellaneous cards that can be deactivated from the system.

RESPONSE: Management concurs with the recommendation. Fleet staff will be directed to work with departmental fleet coordinators to conduct miscellaneous fuel card usage analysis as described to identify possible instances of inappropriate fuel use and to take actions to prohibit inappropriate fuel card activity.

6. RECOMMENDATION: The Director of Public Works should direct Fleet staff to draft fueling procedures to be distributed to current authorized users, and provide these instructions to every new user.

RESPONSE: Management concurs with the recommendation and will direct the fleet staff to draft fueling procedures to be provided to all authorized users and to new users added to the system.

7. RECOMMENDATION: The Director of Public Works should direct Fleet staff to conduct an analysis to determine the overhead cost of administering fuel and develop an overhead rate that reflects those costs. In addition, the equipment inventory file should be examined to ensure that all vehicles and equipment are assessed the same overhead rate.

RESPONSE: Management concurs with the recommendation and will direct the Fleet staff to determine the overhead cost for administering the fuel system and establish an overhead rate that accurately reflects those costs. The Fleet staff will examine the equipment inventory to ensure that all vehicles and equipment are assessed the correct overhead rate.

11 June 2009
Regular Agenda Item No. 6
Non-Annexation Development Agreements and Annexation Plan Update

To: Glenn Brown, City Manager

From: Bob Cowell, AICP, Director of Planning & Development Services

Agenda Caption: Presentation, possible action, and discussion regarding non-annexation development agreements and an update on future annexation plans.

Recommendation(s): Staff recommends approving the non-annexation development agreements, foregoing annexation of the 14.62 acres not covered by non-annexation development agreements, and including annexation area three in the three-year annexation process.

Summary: The Texas Local Government Code provides that a city may not annex an area that is appraised as agricultural without first offering a development agreement. In compliance with this requirement, the City of College Station offered six non-annexation development agreement offers to owners of property located within areas identified for annexation under the exempt status. The development agreements contained the following provisions:

- A guarantee that the City will not annex the property for a period of ten (10) years unless the terms of the agreement are violated.
- A promise by the owner(s) to use the property in a way that is consistent with the City's A-O (Agricultural Open) zoning district.
- A promise by the owner that no person will file a plat or related development document for the property.
- A provision that a violation of the agreement by the landowner by commencing development will constitute a petition for voluntary annexation.
- A provision requiring building construction allowed by the agreement to comply with the applicable City codes and ordinances.
- A provision that the agreement be recorded in the property records at the County Clerk's Office so that the agreement will run with the land.

Of the six development agreement offers sent out, five were signed and returned to the city, representing a total of 281 acres.

The five development agreements also represent all but 14.62 acres of annexation area one and the entirety of annexation area two, leaving area three (the speedway property) for consideration. With the recent adoption of the Comprehensive Plan, we are poised to move forward with the three-year annexation process. The speedway property could be annexed via the exempt process, however, at this point staff recommends including the speedway property in the pending three-year annexation plan. There are pros and cons associated with either approach and staff will be prepared to discuss these further at the Council meeting.

Comprehensive Plan Considerations

Chapter eight of the Comprehensive Plan provides guidance regarding annexations. Map 8.1, "Potential Annexation Priorities and Phasing" along with Table 8.1, "Annexation

Considerations", provide the framework for future annexation activity. The annexation considerations for each annexation area are summarized below:

Exempt Area 1

- Provides control of gateway frontage (FM 2154)
- Provides undeveloped or underdeveloped land for future growth
- Part or all of area qualifies for non-annexation development agreement
- Protects areas from future development (short term)

Exempt Area 2

- Provides undeveloped or underdeveloped land for future growth
- Part or all of area qualifies for non-annexation development agreement
- Protects areas from future development (short term)

Exempt Area 3

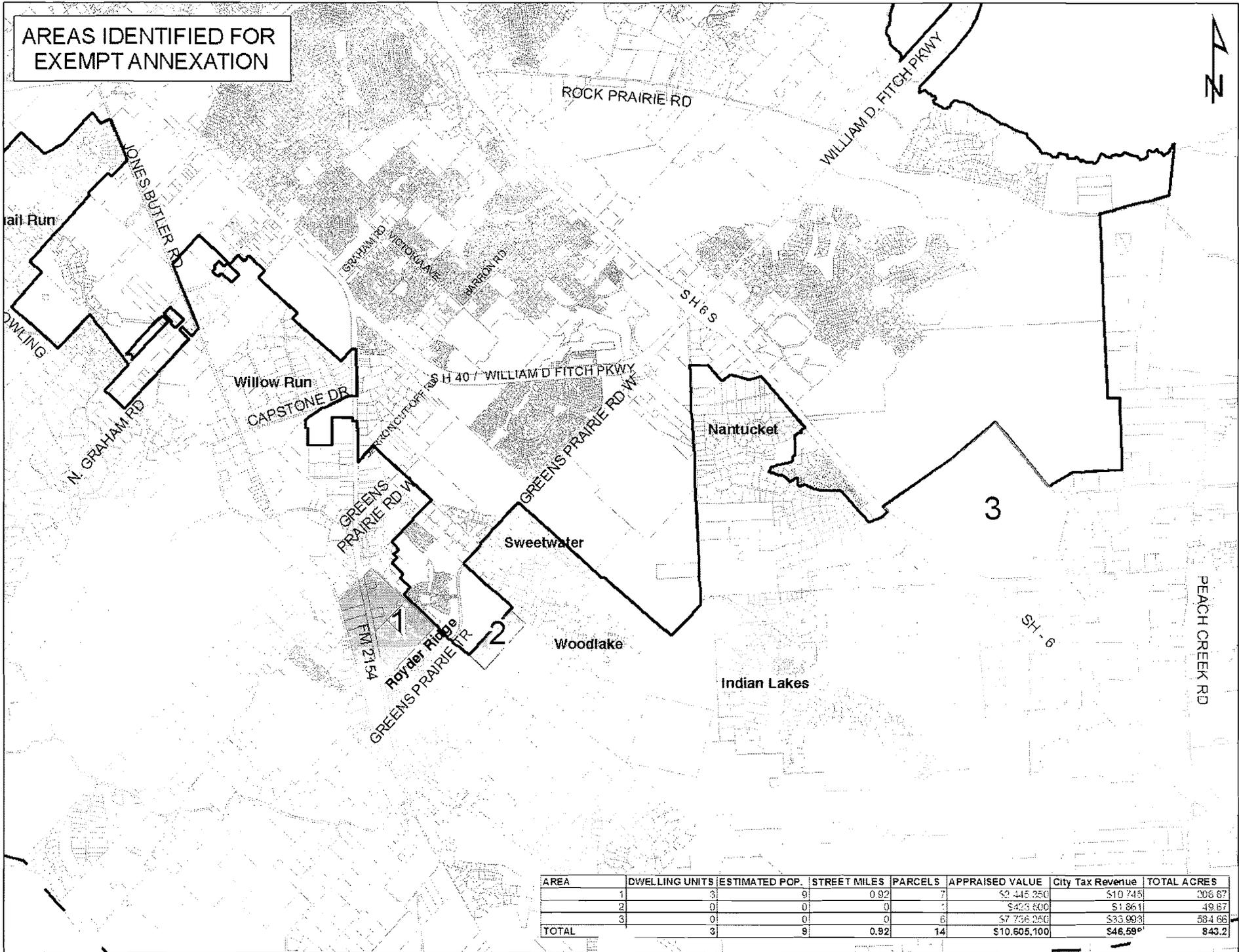
- Provides control of gateway frontage (east side of State Highway 6)
- Provides undeveloped or underdeveloped land for future growth
- Area adjacent to the city on two or more sides
- Part or all of area located within the City's water CCN
- Health and life safety concerns (building & fire code enforcement, emergency response, etc.)

Budget & Financial Summary: A Fiscal Impact Analysis (projecting costs and revenues upon full build-out of the proposed annexed areas) was developed when preparing the exempt annexation package. The annexation development agreements may have the effect of extending the time required to reach ultimate build-out.

Attachments:

1. 2009 Exempt Annexation Map
2. 2009 Development Agreements Map
3. Development Agreements Map (2008 and 2009)
4. Annexation Priorities and Phasing Map
5. Development Agreement Summary
6. Standard Development Agreement (hard copies of all development agreements are available in the City Secretary's Office)

AREAS IDENTIFIED FOR EXEMPT ANNEXATION

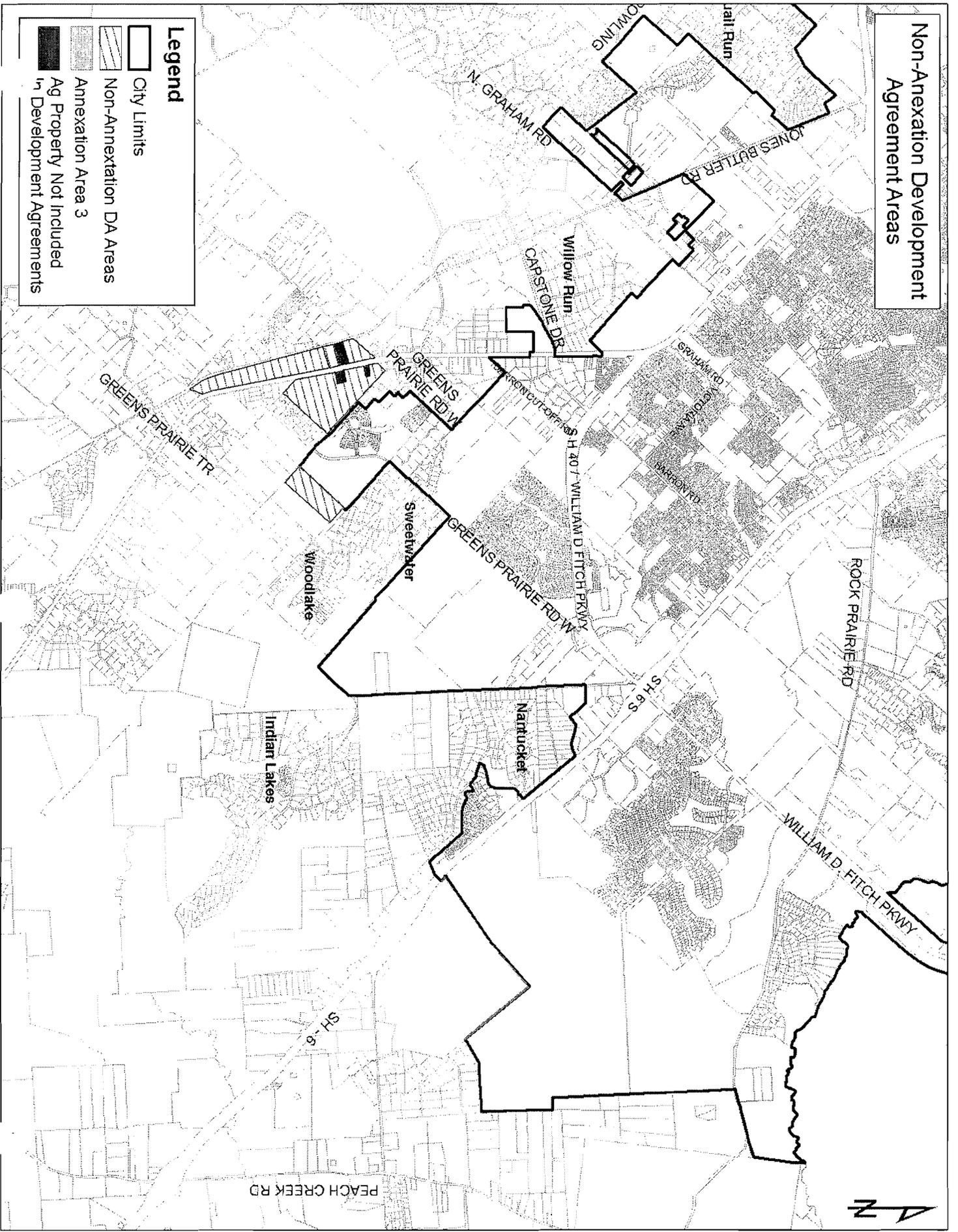


AREA	DWELLING UNITS	ESTIMATED POP.	STREET MILES	PARCELS	APPRAISED VALUE	City Tax Revenue	TOTAL ACRES
1	3	9	0.92	7	\$2,416,250	\$10,745	206.67
2	0	0	0	-	\$423,600	\$1,861	49.67
3	0	0	0	6	\$7,756,250	\$33,993	584.66
TOTAL	3	9	0.92	14	\$10,605,100	\$46,599	843.2

Non-Annexation Development Agreement Areas

Legend

- City Limits
- Non-Annexation DA Areas
- Annexation Area 3
- Ag Property Not Included in Development Agreements

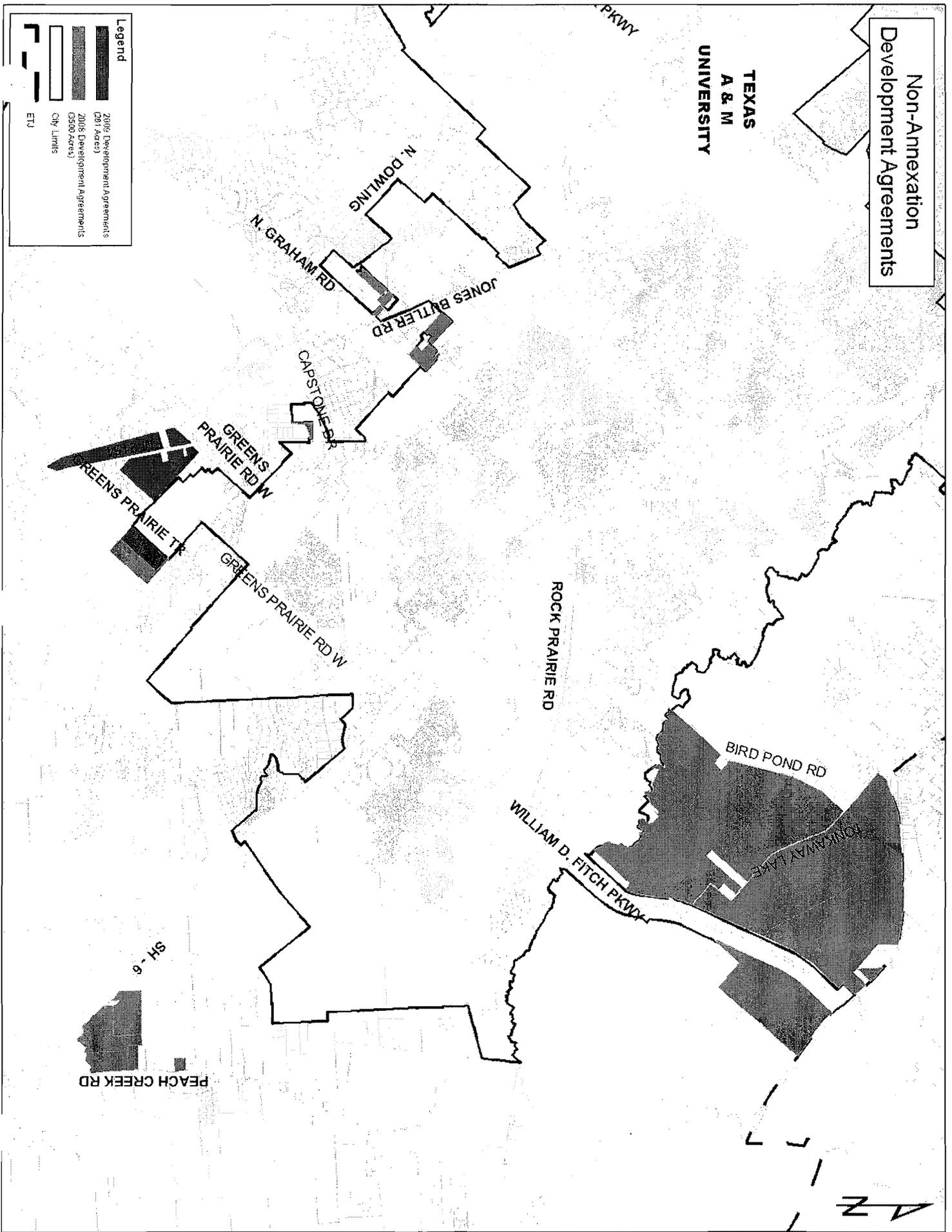


Non-Annexation
Development Agreements

TEXAS
A & M
UNIVERSITY

Legend

- 2005 Development Agreements (281 Acres)
- 2008 Development Agreements (3500 Acres)
- City Limits
- ETJ



Non-A Exaction Development Agreements

Owner First Name	Owner Last Name	OwnerCity	OwnerState	Acres	Development Agreement Signed
Francis W.	Nordenstrom	Houston	TX	8.62	No
Florine	Crouch	Pearland	TX	8.62	Yes
Douglas D.	Burkhalter, Jr.	Pearland	TX	16.7	Yes
SANTINA REVOCABLE TRUST		Pearland	TX	83.34	Yes
Keren H.	Eidson	Wellborn	TX	122.43	Yes
Susan Lee	Hargrave	Cedar Hill	TX	50	Yes
				289.71	

**CHAPTER 43 TEXAS LOCAL GOVERNMENT CODE
DEVELOPMENT AGREEMENT**

This Agreement is entered into pursuant to Sections 43.035 and 212.172 of the Texas Local Government Code by and between the City of College Station, Texas (the “City”) and the undersigned property owner(s) (the “Owner”). The term “Owner” includes all owners of the Property.

WHEREAS, the Owner owns a parcel of real property (the “Property”) in Brazos County, Texas, which is more particularly and separately described in the attached Exhibit “A”; and

WHEREAS, the Owner desires to have the Property remain in the City’s extraterritorial jurisdiction, in consideration for which the Owner agrees to enter into this Agreement; and

WHEREAS, this Agreement is entered into pursuant to Sections 43.035 and 212.172 of the Texas Local Government Code, in order to address the desires of the Owner and the procedures of the City; and

WHEREAS, the Owner and the City acknowledge that this Agreement is binding upon the City and the Owner and their respective successors and assigns for the term (defined below) of this Agreement; and

WHEREAS, this Development Agreement is to be recorded in the Real Property Records of Brazos County.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

Section 1. The City guarantees the continuation of the extraterritorial status of the Owner’s Property, its immunity from annexation by the City, and its immunity from City property taxes, for the term of this Agreement, subject to the provisions of this Agreement. Except as provided in this Agreement, the City agrees not to annex the Property, agrees not to involuntarily institute proceedings to annex the Property, and further agrees not to include the Property in a statutory annexation plan for the Term of this Agreement. However, if the Property is annexed pursuant to the terms of this Agreement, then the City shall provide services to the Property pursuant to Chapter 43 of the Texas Local Government Code.

Section 2. The Owner covenants and agrees not to use the Property for any use other than for agriculture, wildlife management, and/or timber land consistent with Chapter 23 of the Texas Tax Code, except for existing single-family residential use of the property, without the prior written consent of the City. The Owner covenants and agrees that the Owner will not file any type of subdivision plat or related development document for the Property with Brazos County or the City until the Property has been annexed into, and

zoned by, the City. The Owner covenants and agrees not to construct, or allow to be constructed, any buildings on the Property that would require a building permit if the Property were in the city limits, until the Property has been annexed into, and zoned by, the City. The Owner also covenants and agrees that the City's A-O (Agricultural Open) District zoning requirements apply to the Property, and that the Property shall be used only for A-O (Agricultural Open) District zoning uses that exist on that Property at the time of the execution of this Agreement, unless otherwise provided in this Agreement. However, the Owner may construct an accessory structure to an existing single-family dwelling or an accessory structure for the benefit of agricultural uses in compliance with all applicable City ordinances and codes. The Owner acknowledges that each and every owner of the Property must sign this Agreement in order for the Agreement to take full effect, and the Owner who signs this Agreement covenants and agrees, jointly and severably, to indemnify, hold harmless, and defend the City against any and all legal claims, by any person claiming an ownership interest in the Property who has not signed the Agreement, arising in any way from the City's reliance on this Agreement.

Section 3. The Owner acknowledges that if any plat or related development document is filed in violation of this Agreement, or if the Owner commences development of the Property in violation of this Agreement, then in addition to the City's other remedies, such act will constitute a petition for voluntary annexation by the Owner, and the Property will be subject to annexation at the discretion of the City Council. The Owner agrees that such annexation shall be voluntary and the Owner hereby consents to such annexation as though a petition for such annexation had been tendered by the Owner. If annexation proceedings begin pursuant to this Section, the Owner acknowledges that this Agreement serves as an exception to Local Government Code Section 43.052, requiring a municipality to use certain statutory procedures under an annexation plan. Furthermore, the Owner hereby waives any and all vested rights and claims that they may have under Section 43.002(a)(2) and Chapter 245 of the Texas Local Government Code that would otherwise exist by virtue of any actions Owner has taken in violation of Section 2 herein.

Section 4. Pursuant to Sections 43.035(b)(1)(B) of the Texas Local Government Code, the City is authorized to enforce all of the City's regulations and planning authority that do not materially interfere with the use of the Property for agriculture, wildlife management, or timber, in the same manner the regulations are enforced within the City's boundaries. The City states and specifically reserves its authority pursuant to Chapter 251 of the Texas Local Government Code to exercise eminent domain over property that is subject to a Chapter 43 and/or Chapter 212 development agreement.

Section 5. The term of this Agreement (the "Term") is ten (10) years from the date that the Mayor's signature to this Agreement is acknowledged by a public notary. The Owner, and all of the Owner's heirs, successors and assigns shall be deemed to have filed a petition for voluntary annexation before the end of the Term, for annexation of the Property to be completed on or after the end of the Term. Prior to the end of the Term, the City may commence the voluntary annexation of the Property. In connection with annexation pursuant to this section, the Owners hereby waive any vested rights they may

have under Section 43.002(a)(2) and Chapter 245 of the Texas Local Government Code that would otherwise exist by virtue of any plat or construction any of the owners may initiate during the time between the expiration of this Agreement and the institution of annexation proceedings by the City.

Section 6. Property annexed pursuant to this Agreement will initially be zoned A-O (Agricultural Open) pursuant to the City's Code of Ordinances, pending determination of the property's permanent zoning in accordance with the provisions of applicable law and the City's Code of Ordinances.

Section 7. Any person who sells or conveys any portion of the Property shall, prior to such sale or conveyance, give written notice of this Agreement to the prospective purchaser or grantee, and shall give written notice of the sale or conveyance to the City. Furthermore, the Owner and the Owner's heirs, successor, and assigns shall give the City written notice within 14 days of any change in the agricultural exemption status of the Property. A copy of either notice required by this section shall be forwarded to the City at the following address:

City of College Station
Attn: City Manager
P.O. Box 9960
College Station, Texas 77842

Section 8. This Agreement shall run with the Property and be recorded in the real property records of Brazos County, Texas.

Section 9. If a court of competent jurisdiction determines that any covenant of this Agreement is void or unenforceable, including the covenants regarding involuntary annexation, then the remainder of this Agreement shall remain in full force and effect.

Section 10. This Agreement may be enforced by any Owner or the City by any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Agreement thereafter.

Section 11. No subsequent change in the law regarding annexation shall affect the enforceability of this Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

Section 12. Venue for this Agreement shall be in Brazos County, Texas.

Section 13. This Agreement may be separately executed in individual counterparts and, upon execution, shall constitute one and same instrument.

Section 14. This Agreement shall survive its termination to the extent necessary for the implementation of the provisions of Sections 3, 4, and 5 herein.

Entered into this ____ day of _____, 2009.

Owner
Printed Name: _____

CITY OF COLLEGE STATION

Mayor

Date

ATTEST:

City Secretary

Date

APPROVED:

City Manager

Date

City Attorney

Date

Chief Financial Officer

Date

STATE OF _____)

ACKNOWLEDGMENT

COUNTY OF _____)

This instrument was acknowledged before me on the _____ day of _____, 2009,
by _____ in his/her capacity as owner of
_____.

Notary Public in and for
the State of _____

STATE OF TEXAS)

ACKNOWLEDGMENT

COUNTY OF BRAZOS)

This instrument was acknowledged before me on the _____ day of _____
_____, 2009, by Ben White, in the capacity as Mayor of the City of College Station, a
Texas home-rule municipality, on behalf of said municipality.

Notary Public in and for
the State of Texas

June 11, 2009
Consent Agenda Item No. 8b
Barron Road Capacity Improvements Phase 1 Change Order No. 2

To: Glenn Brown, City Manager

From: Chuck Gilman, Director of Capital Projects

Agenda Caption: Presentation, possible action, and discussion regarding Change Order No. 2 to the construction contract (Contract #09-032) for the Barron Road Capacity Improvements Phase I with Brazos Valley Services in the amount of \$64,470.00.

Recommendation(s): Staff recommends approval of this change order for the above contract with Brazos Valley Services.

Summary: This contract is for the capacity improvements of Barron Road from Decatur to State Highway 6. Improvements include the construction of a four-lane road with a raised center median, bike lanes, sidewalks, and street lighting. Additional conduit will be needed for utility installation as part of the project. A total of 2120 linear feet of 4-inch, PVC (schedule 40) conduit is to be installed by bore in order to minimize the impact to the root zones of several mature trees. Additionally, 520 linear feet of 4-inch, PVC (schedule 40) conduit will be installed by open cut methods.

Budget & Financial Summary: Funds in the amount of \$3,000,000 are budgeted in the Streets Capital Improvement Projects Fund for the Barron Road Design and Capacity Improvements. These funds are part of the 2003 General Obligation Bond funds. In addition, funds in the amount of \$100,000 are budgeted in the Water Capital Improvement Projects Fund and funds in the amount of \$100,000 are budgeted in the Wastewater Capital Improvement Projects Fund for the water and wastewater components of this project. Funds in the amount of \$2,554,985.65 have been expended or committed to date, leaving a balance of \$445,014.35, which will cover this change order and any future expenses.

Attachments:

1. Change Order No. 1
2. Project Location Map

CHANGE ORDER NO. 2 Contract No. 09-032 DATE: 18 May 2009
P.O.# 090375 PROJECT: Barron Road Capacity Improvements, Phase I Project No.: ST0409

OWNER:
City of College Station
P.O. Box 9960
College Station, Texas 77842

CONTRACTOR:
Brazos Valley Services
6988 Raymond Stotzer Pkwy
College Station, TX 77845

Ph: (979) 846-3136
Fax: (979) 846-3159

PURPOSE OF THIS CHANGE ORDER:

A. Addition Conduit: Additional conduit will need to be installed as part of the utility work for the Barron Road Capacity Improvements project. A total of 2120 linear feet of 4-inch PVC (schedule 40) conduit will be installed by bore and 520 linear feet of 4-inch PVC (schedule 40) conduit will also be installed by open cut. The need to bore the 4-inch PVC conduit is due to the presence of mature trees located in the path of the conduit. Boring will minimize impact to the roots of these trees that would either need to be taken down or would have their root zones adversely impacted by using open cut construction methods.

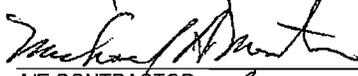
ITEM NO	UNIT	DESCRIPTION	UNIT PRICE	ORIGINAL QUANTITY	REVISED QUANTITY	ADDED COST
1	LF	4" PVC Conduit (schedule 40) Bore complete and in place	\$29.00	12004	14124	\$61,480.00
2	LF	4" PVC Conduit (schedule 40), complete with bends, caps and fittings in place	\$5.75	2322	2842	\$2,990.00
					TOTAL	\$64,470.00

THE NET AFFECT OF THIS CHANGE ORDER IS 3.49% INCREASE.

ORIGINAL CONTRACT AMOUNT	\$1,847,972.66		
Change Order No. 1	(\$1,566.65)	-0.08%	CHANGE
Change Order No. 2	\$64,470.00	3.49%	CHANGE
REVISED CONTRACT AMOUNT	\$1,910,876.01	3.41%	TOTAL CHANGE

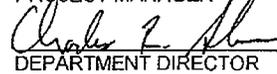
ORIGINAL CONTRACT TIME 360 Days
Substantial Completion Date 23-Oct-09

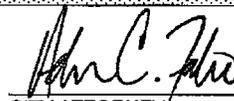
APPROVED

 5/19/09
AVE CONTRACTOR Date

 5/26/09
CONTRACTOR Date

 5/18/09
PROJECT MANAGER Date

 19-May-09
DEPARTMENT DIRECTOR Date

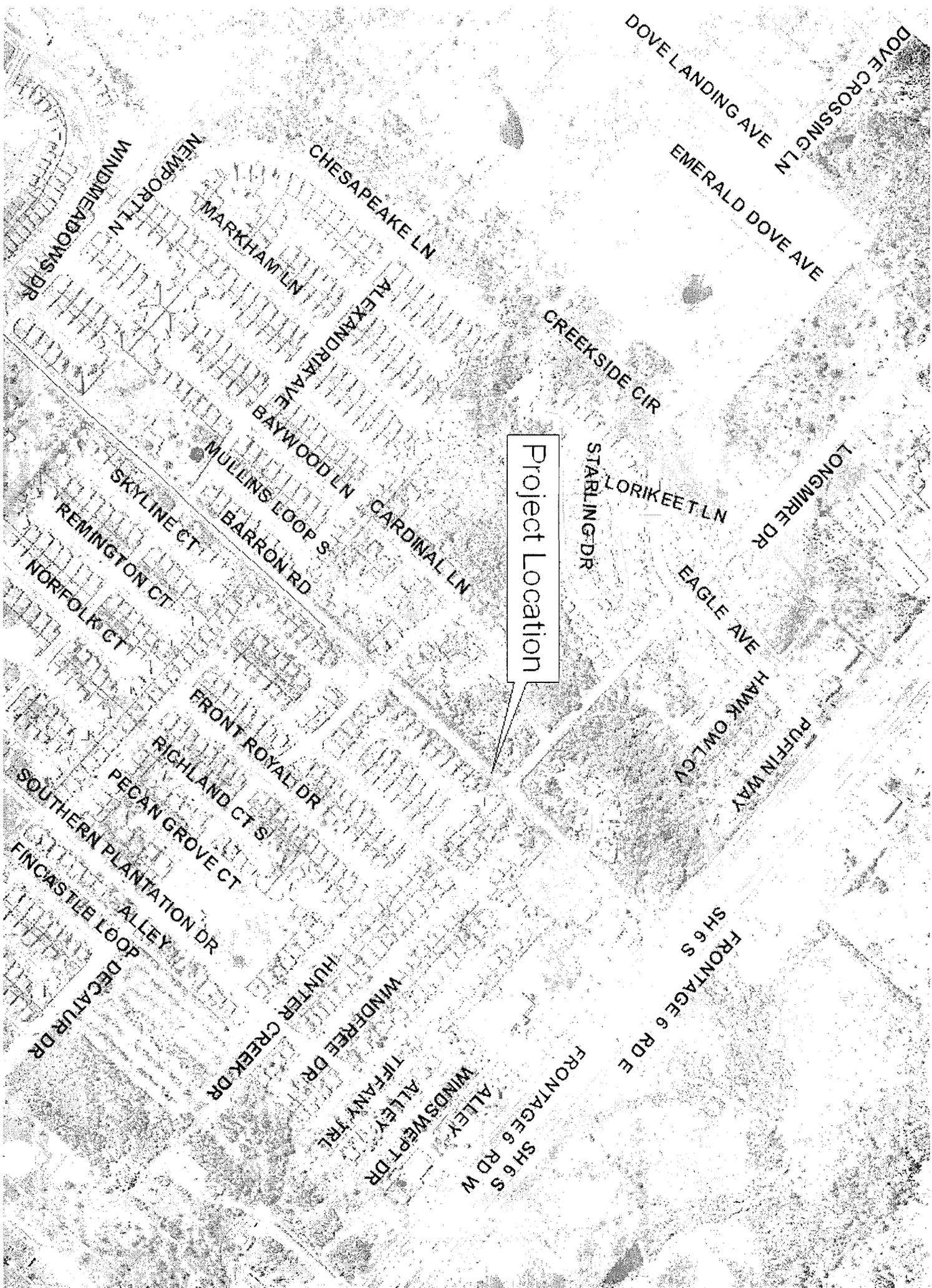

CITY ATTORNEY Date

DIRECTOR OF FISCAL SERVICES Date

MAYOR Date

CITY SECRETARY Date

CITY MANAGER Date



Project Location

DOVE CROSSING LN
DOVE LANDING AVE
EMERALD DOVE AVE

CHESAPEAKE LN

CREEKSIDE CIR

LONGMIRE DR

WINDMEADOWS BR

NEWPORT LN

MARKHAM LN

ALEXANDRIA AVE

BAYWOOD LN

STARLING DR

LORIKEET LN

SKYLINE CT

MULLINS LOOP S

CARDINAL LN

EAGLE AVE

REMINGTON CT

BARRON RD

HAWK OWL CV

NORFOLK CT

FRONT ROYAL DR

RIGHLAND CT S

PECAN GROVE CT

SH 6 S

FRONTAGE 6 RD E

FRONT ROYAL DR

RIGHLAND CT S

PECAN GROVE CT

SOUTHERN PLANTATION DR

ALLEY

DECATUR DR

FINCASTLE LOOP

HUNTER CREEK DR

WINDFREE DR

TIFFANY TRL

WINDSWEEP DR

SH 6 S

FRONTAGE 6 RD W

June 11, 2009
Consent Agenda Item No. 8c
Project Number PK0911
College Station Skate Park Project Professional Services Contract and a
Resolution Declaring Intention to Reimburse Certain
Expenditures with Proceeds From Debt

To: Glenn Brown, City Manager

From: Chuck Gilman, Director of Capital Projects

Agenda Caption: Presentation, possible action, and discussion on a Professional Services Contract with Bleyl & Associates, in the amount of \$179,037.50, for the design of the College Station Skate Park Project and approval of a resolution declaring intention to reimburse certain expenditures with proceeds from debt.

Recommendation(s): Staff recommends approval of the professional services contract and recommends approval of the resolution declaring intention to reimburse certain expenditures with proceeds from debt.

Summary: The College Station Skate Park Project was approved by the voters in the 2008 Bond Election. Proposed to be located at the Southwood Athletic Complex, the Skate Park is proposed to be located along the eastern edge of the complex. Features and amenities to be included in the Skate Park will be determined during the conceptual design phase which will include an extensive public engagement process.

Budget & Financial Summary: Funds in the amount of \$920,000 are budgeted for this project in the General Government Capital Improvement Projects Fund. These funds were approved as part of the 2008 General Obligation Bond authorization. Funds in the amount of \$1,396.15 have been expended or committed to date, leaving a balance of \$918,603.85. The "Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt" is necessary for this item because the long term debt has not been issued for the project. The debt for the project is scheduled to be issued later this fiscal year and next fiscal year.

Attachments:

- 1.) Resolution
- 2.) Project Location Map
- 3.) Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS, SELECTING A PROFESSIONAL CONTRACTOR, APPROVING A PROFESSIONAL SERVICES CONTRACT AND AUTHORIZING THE EXPENDITURE OF FUNDS FOR THE SKATE PARK PROJECT.

WHEREAS, the City of College Station, Texas, solicited proposals for the Skate Park Design (eg. design, engineering, etc.); and

WHEREAS, the selection of BLEYL & ASSOCIATES is being recommended as the most highly qualified provider of the design services; now, therefore,

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

PART 1: That the City Council hereby finds that BLEYL & ASSOCIATES is the most highly qualified provider of the services for the Skate Park Project on the basis of demonstrated competence and qualifications.

PART 2: That the City Council hereby approves the contract with BLEYL & ASSOCIATES for an amount not to exceed \$179,037.50 for the design services related to the Skate Park Project.

PART 3: That the funding for this Contract shall be as budgeted from the 2008 Bond Fund in the amount of \$179,037.50.

PART 4: That this resolution shall take effect immediately from and after its passage.

ADOPTED this _____ day of _____, A.D. 2007.

ATTEST:

APPROVED:

City Secretary

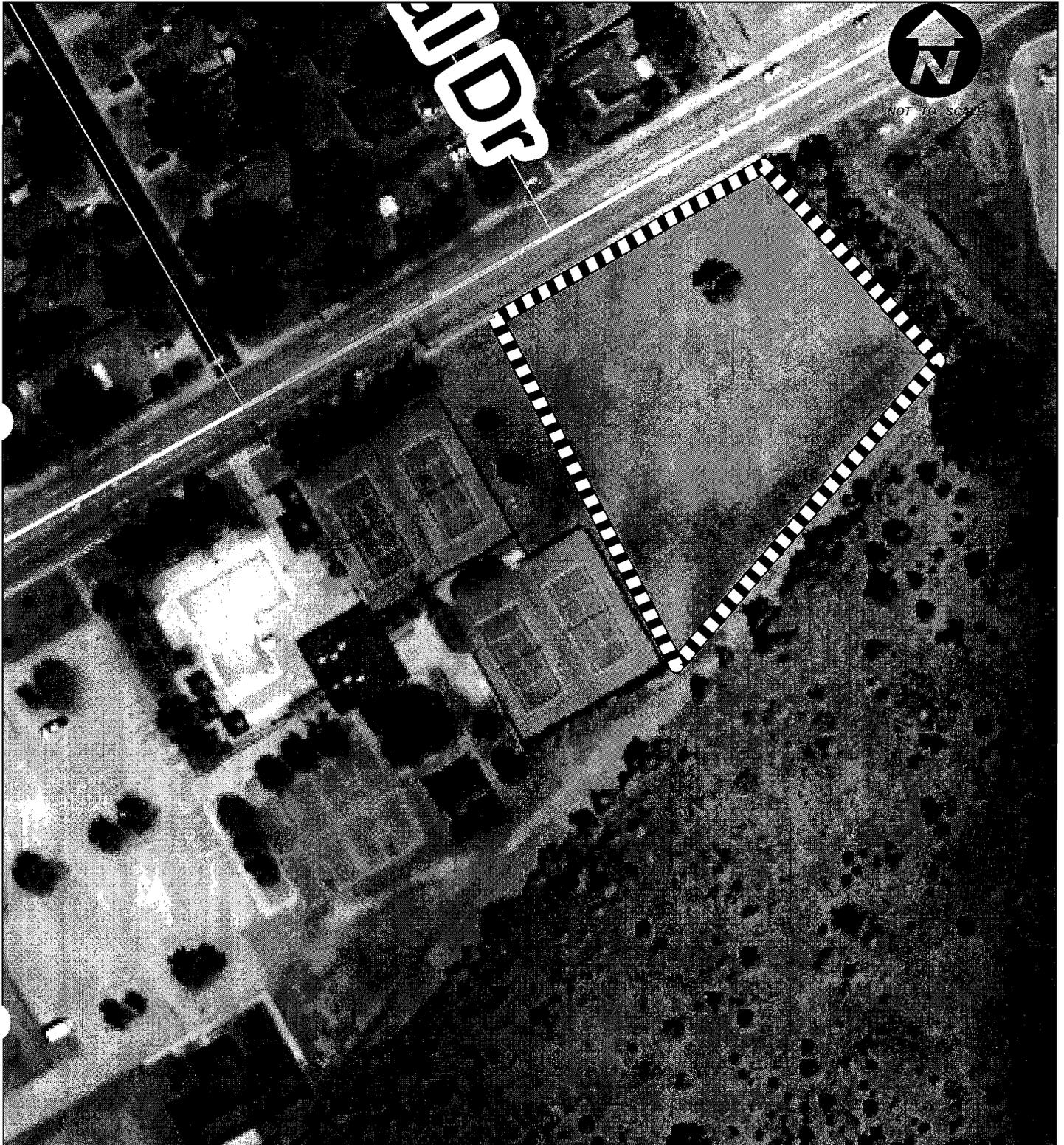
MAYOR

APPROVED:

Carla A. Robinson

City Attorney

Skate Park Project Location Map
Southwood Athletic Complex
South Side of Rock Prairie Road



RESOLUTION NO. _____

RESOLUTION DECLARING INTENTION TO REIMBURSE CERTAIN EXPENDITURES WITH
PROCEEDS FROM DEBT

WHEREAS, the City of College Station, Texas (the "City") is a home-rule municipality and political subdivision of the State of Texas;

WHEREAS, the City expects to pay expenditures in connection with the design, planning, acquisition and construction of the projects described on Exhibit "A" hereto (collectively, the "Project") prior to the issuance of obligations by the City in connection with the financing of the Project from available funds;

WHEREAS, the City finds, considers, and declares that the reimbursement of the City for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the City and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues obligations to finance the Project;

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

Section 1. The City reasonably expects it will incur debt, as one or more series of obligations, with an aggregate maximum principal amount not to exceed \$920,000, for the purpose of paying the aggregate costs of the Project.

Section 2. All costs to be reimbursed pursuant hereto will be capital expenditures. No tax-exempt obligations will be issued by the City in furtherance of this Statement after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.

Section 3. The foregoing notwithstanding, no tax-exempt obligation will be issued pursuant to this Statement more than three years after the date any expenditure which is to be reimbursed is paid.

PASSED AND APPROVED THIS 11th DAY OF JUNE, 2009.

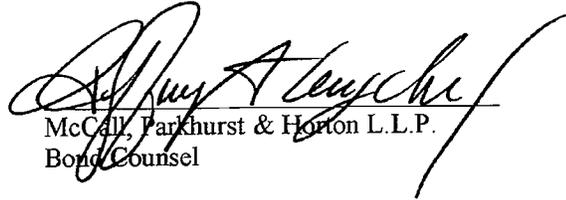
Ben White, Mayor

ATTEST:

Connie Hooks, City Secretary

(Seal)

APPROVED:



Amy A. Leysche

McCull, Parkhurst & Horton L.L.P.
Bond Counsel

Exhibit "A"

The projects to be financed that are the subject of this Statement are:

College Station Skate Park

June 11, 2009
Consent Agenda Item No. 8d
Texas High Speed Rail & Transportation
Corporation Articles and By-Laws

To: Glenn Brown, City Manager

From: City Manager's Office

Agenda Caption: Presentation, possible action and discussion regarding the approval of a resolution approving the articles and by-laws of the South Central High Speed Rail and Transportation Authority.

Recommendation(s): Staff recommends approval of the local government corporation articles and by-laws.

Summary: The City Council approved the City of College Station participating in the formation of the local government corporation called South Central High Speed Rail and Transportation Authority on April 23 and has been an active member of the Texas High Speed Rail and Transportation Corporation (THSRTC) for many years. College Station is strategically positioned between the Gulf Coast High-Speed Rail Corridor and the South Central High-Speed Rail Corridor.

The local government corporation will allow the region to provide a united front, have better access to federal funds, and better communication with the state.

Budget & Financial Summary: N/A

Attachments:

1. Resolution
2. High Speed Rail Authority Articles of Incorporation
3. Bylaws of South Central High-Speed Rail and Transportation Authority

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS, APPROVING ARTICLES OF INCORPORATION AND BYLAWS FOR A LOCAL GOVERNMENT CORPORATION TO AID AND ASSIST THE DEVELOPMENT OF HIGH SPEED PASSENGER RAIL SERVICE WITHIN THE SOUTH CENTRAL AND GULF COAST CORRIDOR AND APPOINTING DIRECTORS.

WHEREAS, the City of College Station, Texas (the "*Sponsor*") has received a written application (the "*application*") for approval of the articles of incorporation and bylaws for a local government corporation (the "*corporation*"), to be named the South Central High-Speed Rail and Transportation Authority, Inc., under authority of Chapter 431, Subchapter D, Texas Transportation Code, to act on behalf of the Sponsor and other Texas local governments described in the application; the application has been signed by at least three (3) residents of each local government (including the Sponsor) who are citizens of the State of Texas and at least 18 years of age; and each such director is a resident of the local governments, including the Sponsor; and,

WHEREAS, the City Council of the City of College Station, Texas, the Sponsor, has considered the application and determined that the Sponsor and its residents will benefit from high-speed rail service proposed to be developed with the assistance of the corporation along the South Central and Gulf Coast High-Speed Rail Corridors; now, therefore,

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

- PART 1: The City Council hereby approves the articles of incorporation and bylaws of the corporation as presented with the application.
- PART 2: The City Council appoints the persons specified as initial directors in the articles of incorporation as the initial directors of the corporation for the respective terms specified in the articles of incorporation.
- PART 3: The City Council hereby provides that if one or more local governments specified in the articles of incorporation fail to adopt a resolution, order or ordinance approving the articles of incorporation and appointing the initial directors specified in the articles of incorporation, but at least five (5) local governments (including the Sponsor) take such action, then the local governments that fail to take such action (and the names and number of the initial directors resident within their boundaries) shall be deleted from the articles of incorporation and bylaws of the corporation. If deletions are made, the deletions are hereby approved and the non-deleted directors are hereby appointed as are the articles of incorporation and bylaws with the

deletions that are appropriate. If fewer than five (5) such local governments (including the Sponsor) adopt such an order, resolution or ordinance, the approvals and appointments made by this resolution shall be null and void.

PART 4: The approvals and appointments made hereby are solely for the purposes of satisfying the conditions of filing the articles of incorporation of the corporation with the Secretary of State of Texas and shall not be construed as a representation, warranty, guarantee or other undertaking of any kind of the City Council of the City of College Station or the City of College Station.

No obligations of the corporation shall constitute an obligation the City of College Station or be a pledge of faith or credit of the City of College Station.

PART 5: If any provision of this resolution or the application shall be held to be invalid, the remaining provisions and applications shall be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provisions.

PART 6: It is hereby officially found and determined that the meeting at which this resolution was passed and approved was open to the public as required and that public notice of the time, place and purpose of said meeting was given as required by the Open Meeting Act, Chapter 551, Texas Government Code.

PASSED, ADOPTED AND APPROVED this _____ day of _____
A.D. 2009.

ATTEST:

APPROVED:

City Secretary

Mayor

APPROVED:


City Attorney

RESOLUTION NO. _____

Page 3

**ARTICLES OF INCORPORATION
OF
SOUTH CENTRAL HIGH-SPEED RAIL AND TRANSPORTATION AUTHORITY,
INC.**

We, the undersigned natural persons, all being residents of the State of Texas and above the age of 18 years, acting as incorporators of a corporation under Subchapter D, Texas Transportation Corporation Act, TEX TRANSP. CODE ANN. §431.101 *et seq.* (the “*Act*”) and with the approval of the governing bodies of the local governments specified herein (the “*Sponsors*”), adopt the following articles of incorporation for such corporation:

**ARTICLE ONE
NAME**

The name of the corporation is the South Central High-Speed Rail and Transportation Authority, Inc.

**ARTICLE TWO
CHARACTER**

The corporation is a public, nonprofit corporation.

**ARTICLE THREE
DURATION**

The period of duration of the corporation is perpetual.

**ARTICLE FOUR
PURPOSE**

The corporation is organized to aid and act on behalf of the Sponsors to accomplish their governmental transportation purposes by planning, acquiring, developing, managing, operating, and maintaining high-speed rail and transportation facilities accommodating the operation of high-speed passenger trains, including related stations and developments, including by developing and implementing plans to link, with an efficient transportation system comprised of high-speed rail and other transportation means, the Sponsors with each other and future sponsors and other municipalities and transportation systems and with other local governments, military installations, seaports, and airports generally along the routes of the federally-designated South Central High-Speed Rail Corridor and Gulf Coast High-Speed Rail Corridor (as expanded by the Passenger Rail Investment and Improvement Act of 2008) and other corridors that may be designated by the corporation in the future.

**ARTICLE FIVE
MEMBERS**

The corporation shall have no members.

**ARTICLE SIX
INITIAL REGISTERED OFFICE AND AGENT**

The street address of the initial registered office of the corporation is 8080 Park Lane, Suite 600, Dallas, Texas, 75231. The name of the initial registered agent of the corporation at that address is David Dean.

**ARTICLE SEVEN
DIRECTORS**

The number of directors on the initial board of directors of the corporation shall be fifteen. The names and addresses of the persons who are to serve as the initial directors, each of whom resides in the Sponsor specified opposite his or her name, are as follows:

<u>Name</u>	<u>Address</u>	<u>Expiration of Term</u>	<u>Sponsor</u>
Maurine Dickey	2311 Joe Field Road Dallas, Texas 75229	12/31/2014	Dallas County
Ed Emmett	1001 Preston St, Suite 911 Houston TX 77002	12/31/2014	Harris County
John Erwin, MD	214 E. Elm Street Hillsboro, TX 76645	12/31/2012	City of Hillsboro
Gary Fickes	100 E. Weatherford Street Room 502A Fort Worth, Texas 76196	12/31/2014	Tarrant County
William A Jones III	2 North Main Street Temple, TX 76501	12/31/2014	City of Temple
Kenny Mallard	300 E. 26th Street Bryan, TX 77803	12/31/2014	Brazos County
Sam Smith	825 W. Irving Blvd. Irving, TX 75060	12/31/2012	City of Irving
William Tate	200 S. Main St Grapevine, TX 76051	12/31/2012	City of Grapevine
John Terrell	1400 Main Street, Suite 270 Southlake, Texas 76092	12/31/2012	City of Southlake
Timothy Welch	7301 N.E. Loop 820 North Richland Hills, TX 76180	12/31/2012	City of North Richland Hills
Ben White	1101 Texas Avenue College Station, Texas 77840	12/31/2014	City of College Station
Sam Young	PO Box 68	12/31/2012	Franklin County

	Mount Vernon , TX 75457-0068		
James Edmonds	111 East Loop North	12/31/2010	“At Large”
	Houston, Texas USA 77029		
Robert Eckels	2001 Kirby Dr, Suite 800	12/31/2010	“At Large”
	Houston TX 77019		
Paul Lovier	641 Church Street	12/31/2010	“At Large”
	Sulphur Springs, TX 75482		

**ARTICLE EIGHT
INCORPORATORS**

The name and street address of each incorporator is:

<u>Name</u>	<u>Address</u>
Robert Eckels	2001 Kirby Dr, Suite 800, Houston TX 77019
Maureen Dickey	2311 Joe Field Road, Dallas, Texas 75229
William A Jones III	2 North Main Street, Temple, TX 76501

**ARTICLE NINE
INDEMNIFICATION AND RELEASE**

To the maximum extent authorized by applicable law, the corporation shall indemnify each director, officer, former director, and former officer of the corporation for expenses and costs, including attorney’s fees, actually and necessarily incurred by the director or officer in connection with, and each such person is released by the corporation from, a claim asserted against the director or officer, by action in court or other forum, because of the person’s being or having been a director or officer.

**ARTICLE TEN
NOT FOR PROFIT**

No part of the corporation’s net earnings shall inure to the benefit of, or be distributable to, any director, officer, or other private person, but the corporation may pay reasonable compensation for services rendered or property provided. No part of the corporation’s net earnings remaining after payment of its liabilities and expenses in accomplishing its public purpose may benefit any person other than the Sponsors.

No substantial part of the corporation's activities shall be carrying on propaganda or otherwise attempting to influence legislation. The corporation shall not participate in, or intervene (including by publishing or distributing of statements) in, any political campaign on behalf of or in opposition to any candidate for public office.

**ARTICLE ELEVEN
ADOPTION OF RESOLUTIONS**

Resolutions approving the form of these articles of incorporation have been adopted by the governing bodies of the Sponsors on the respective dates specified below:

Sponsor

Date of Adoption

Brazos County, Texas
City of College Station, Texas
Dallas County, Texas
Franklin County, Texas
City of Grapevine, Texas
Harris County, Texas
City of Hillsboro, Texas
City of Irving, Texas
City of North Richland Hills, Texas
City of Southlake, Texas
Tarrant County, Texas
City of Temple, Texas

IN WITNESS WHEREOF, we have hereunto set our hands as of this ____ day of _____ 2009.

[Name]

[Name]

[Name]

The State of Texas §

County of _____ §

Before me, the undersigned authority, on this day personally appeared _____, _____ and _____ whose names are subscribed to the foregoing instrument and, being by me first duly sworn, declared that the statements therein contained are true and correct.

Given under my hand and seal of office this the _____ day of _____, 2009

Name: _____
Notary Public in and for the State of Texas

**BYLAWS
OF
SOUTH CENTRAL HIGH-SPEED RAIL AND TRANSPORTATION AUTHORITY,
INC.**

**ARTICLE 1
GENERAL**

1.1. Name. The name of the corporation is South Central High-Speed Rail and Transportation Authority, Inc.

1.2. Sponsors. The local governments that have approved the creation of the corporation (the “*Sponsors*”) pursuant to Subchapter D of the Texas Transportation Corporation Act, Texas Transportation Code §431.101 *et seq.* (the “*Act*”), are the following:

- (a) Brazos County, Texas;
- (b) City of College Station, Texas;
- (c) Dallas County, Texas;
- (d) Franklin County, Texas;
- (e) City of Grapevine, Texas;
- (f) Harris County, Texas;
- (g) City of Hillsboro, Texas;
- (h) City of Irving, Texas;
- (i) City of North Richland Hills, Texas;
- (j) City of Southlake, Texas;
- (k) Tarrant County, Texas; and
- (l) City of Temple, Texas;

1.3. Purpose. The corporation is organized pursuant to the Act to aid and act on behalf of the Sponsors to accomplish their governmental transportation purposes by planning, acquiring, developing, managing, operating, and maintaining high-speed rail and transportation facilities accommodating the operation of high-speed passenger trains, including related stations and developments, including by developing and implementing plans to link, with an efficient transportation system comprised of high-speed rail and other transportation means, the Sponsors and future sponsors and other municipalities and transportation systems with each other and with other local governments, military installations, seaports, and airports generally along the routes of the federally-designated South Central High-Speed Rail Corridor and Gulf Coast High-Speed Rail Corridor (as expanded by the Passenger Rail Investment and Improvement Act of 2008) and other corridors that may be designated by the corporation in the future.

1.4. Nonprofit Corporation. No part of the corporation's net earnings shall inure to the benefit of, or be distributable to, any director, officer, or other private person, but the corporation may pay reasonable compensation for services rendered or property provided. No part of the net earnings of the corporation remaining after payment of its bonds and expenses in accomplishing its public purpose may benefit any person other than the corporation's sponsor.

No substantial part of the corporation's activities shall be carrying on propaganda or otherwise attempting to influence legislation. The corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE 2 BOARD OF DIRECTORS

2.1. Authority, Number, Term, Removal, and Vacancy.

(a) **Authority.** The corporation's affairs shall be governed by a board of directors.

(b) **Number.** The board of directors shall comprise fifteen directors.

(c) **Terms.** Members of the initial board of directors shall hold office for the initial terms specified in the articles of incorporation. After the initial term, all directors shall serve a term of six years. A term (other than the initial terms) shall end on the sixth anniversary of the beginning of the term, regardless of the date of the actual appointment to the board.

(d) **Removal.** A director may be removed at any time, with or without cause, by written order or resolution of the governing body of the Sponsor which appointed the director or, in the case of the initial directors (except those described in the following sentence), the Sponsor within which the director resided as shown in the articles of incorporation on the date of filing of the articles of incorporation of the corporation. A director appointed by act of the governing bodies of a majority of the Sponsors and an initial director shown to be "At Large" in the articles of incorporation of the corporation may be removed at any time, with or without cause, by written order or resolution of a majority of the Sponsors of the corporation.

(e) **Vacancies.** Any seat on the board of directors shall be vacant when the incumbent of such seat has resigned, died, or been removed or the board of directors has determined that the incumbent has become so disabled that he or she will be incapable of participating in the governance of the corporation for a continuous period of six months or more.

(f) **Appointment.** Each successor to a director whose term shall have expired or who shall have died, resigned, been removed, or become incapacitated, shall be appointed by the Sponsor which appointed the director or, in the case of the initial directors (except those described in the following sentence), the Sponsor within which the director resided as shown in the articles of incorporation on the date of filing of the articles of incorporation of the corporation. Each new director whose seat has been created by increase in the number of directors, and each director appointed to succeed (directly or indirectly) an initial director shown to be "At Large" in the articles of incorporation of the corporation, shall be appointed by written order or resolution of the governing bodies of a majority of the Sponsors of the corporation.

(g) **Succession.** Any director whose term of office has expired may succeed himself or herself.

2.2. **Meetings of Directors.**

(a) **Place.** Meetings of the board of directors may be held at such place or places in the State of Texas as the board of directors may from time to time determine. In the absence of any such determination, meetings of the board of directors shall be held at 8080 Park Lane, Suite 600, Dallas, Texas 75231. Subject to paragraph (e) of this section, meetings of the board of directors may be held by telephone conference.

(b) **Regular Meetings.** Regular meetings of the board of directors shall be held annually or more frequently on such dates and at such times as the board of directors may determine. Regular meetings of the board of directors may be held without notice to directors. Subject to applicable law, any matter may be considered and acted upon at a regular meeting.

(c) **Special Meetings.** Special meetings of the board of directors shall be held whenever called by or at the request of the president of the corporation or any two directors. Except in the event of an emergency, at least three days notice of the date, time, and place of each special meeting of the board of directors shall be given to each director. At least two hours notice of each emergency meeting of the board of directors shall be given to each director. Unless otherwise indicated in the notice thereof and subject to applicable law, any matter may be considered and acted upon at a special meeting. At any meeting at which every director shall be present, any matter may be considered and acted upon consistent with applicable law.

(d) **Notices.** Whenever any notice is required to be given to a director, such notice shall be deemed to be given when deposited in a post office box in a sealed postpaid wrapper addressed to the director at his or her post office address as it appears on the books of the corporation or when successfully transmitted by facsimile to the facsimile number of the director as it appears on the books of the corporation or by email to the most recent email address provided by the director. Notice may also be delivered in person or by delivery service or orally by telephone. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, *except* attendance of a director at a meeting for the express purpose of objecting to the

transaction of any business on the grounds that the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any regular or special meeting of the board of directors need be specified in the notice to directors or waiver of notice of such meeting, unless required by the board of directors. A waiver of notice in writing, signed by the person or persons entitled to the notice, whether before or after the time that would have been stated therein, shall be deemed equivalent to the giving of notice.

(e) **Open Meetings Act.** All meetings and deliberations of the board of directors shall be called, convened, held, and conducted, and notice thereof shall be given to the public, in accordance with chapter 551, Texas Government Code, as amended.

2.3. **Quorum.**

(a) **General.** A majority of the number of appointed directors shall constitute a quorum to transact business at all meetings convened in accordance with these bylaws. The act of a majority of the directors present at a meeting at which a quorum is present shall constitute the act of the board of directors, *except* as provided in paragraph (b) of this section.

(b) **Weighted Voting.** The following actions shall be authorized by, and only by, the act of directors appointed by the governing bodies of Sponsors with resident populations totaling at least a majority of the total resident populations of all Sponsors, as determined by the then most recent federal decennial census, and no such action may be authorized by a committee:

(A) **Budget:** adoption or amendment of the budget of the corporation, and authorization of any unbudgeted expenditure or transfer of funds or property;

(B) **Debt:** incurrence of indebtedness, leases, or other monetary obligations of the corporation;

(C) **Mergers, etc.:** mergers, consolidations, or transfers substantially as an entirety of assets of the corporation; and

(D) **Dissolution:** dissolution, liquidation, or receivership of the corporation.

2.4. **Conduct of Business.**

(a) **Procedures.** At meetings of the board of directors, matters pertaining to the business of the corporation shall be considered in accordance with rules of procedure as from time to time prescribed by the board of directors.

(b) **Presiding Officer.** At all meetings of the board of directors, the president of the corporation shall preside. In the absence of the president, the vice president of the corporation shall preside. In the absence of both the president and vice president, a director selected by the board of directors shall preside.

(c) **Chair Votes.** The presiding officer or director shall be entitled to vote on all matters before the board of directors.

(d) **Minutes.** The secretary of the corporation shall act as secretary of all meetings of the board of directors. In the absence of the secretary, the presiding officer may

appoint any person to act as secretary of the meeting. The secretary of the meeting or his or her designee shall keep minutes of the meetings of the board of directors.

2.5. Committees of the Board of Directors.

(a) **Executive Committees.** By resolution adopted by a majority of the number of directors fixed by these bylaws, the board of directors may designate one or more committees consisting of two or more directors to exercise the authority of the board in the management of the corporation to the extent provided by the resolution, *subject* to Section 2.4(b).

(b) **Other Committees.** The president or the board of directors may appoint other committees without power to exercise the authority of the board of directors. Such committees need not be limited to directors.

(c) **Committee Meetings.** Each committee of the corporation shall keep minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the principal office of the corporation. Any such meetings shall be called, convened, held, and conducted, and notice thereof shall be given to the public, in accordance with chapter 551, Texas Government Code, as amended.

2.6. Compensation of Directors. Directors shall not receive any salary or compensation for their services as directors, but shall be reimbursed for actual expenses incurred by them in the performance of their duties as directors.

ARTICLE 3 OFFICERS

3.1. Offices Generally.

(a) **Offices.** The officers of the Corporation shall be a president, a vice president, a secretary, a treasurer, an executive director, and such other officers as the board of directors may from time to time determine to be necessary. A person may simultaneously hold more than one office, *except* that the same person may not simultaneously hold the offices of president and secretary.

(b) **Term.** Each officer shall serve for a term of two years ending simultaneously with the term of one or more directors. At the expiration of their terms, officers may be reappointed or re-elected to the same or different offices.

(c) **Qualifications.** Officers must be a resident of the State of Texas. A director, a member of the governing body or officer or employee of a Sponsor who serves as a director of the corporation may serve as an officer of the corporation.

(d) **Election.** All officers shall be elected by the board of directors.

(e) **Removal.** Officers may be removed from office at any time by the board of directors if it believes that the best interests of the corporation will be served by the removal.

3.2. President. The president shall be the chief executive officer of the corporation and, subject to the authority of the board of directors, shall have general charge of the properties

and affairs of the corporation. The president shall see that all orders and resolutions of the board of directors are given effect. The president shall execute all legal documents and instruments in the name of the corporation when authorized to do so by the board of directors and shall perform such other duties as may be prescribed from time to time by the board of directors or these bylaws.

3.3. Vice President. The vice president shall have such powers and duties as may be prescribed from time to time by the board of directors and shall perform the duties of the president during the president's absence or disability. Any action taken by the vice president in the performance of the duties of the president shall be conclusive evidence of the absence or disability of the president at the time such action is taken.

3.4. Secretary. The secretary shall give and serve all notices required by these bylaws, may attest to the signature and office of other officers signing any legal document or instrument, shall have charge of the corporate books, records, legal documents, and instruments of the corporation, and shall discharge such other duties as shall be prescribed from time to time by the board of directors or these bylaws. The board of directors or the president may appoint an assistant secretary to perform the duties of the secretary during the absence or disability of the secretary.

3.5. Treasurer. The treasurer shall have charge of the financial records, accounts, and investments of the corporation, shall see that all the revenues of the corporation are deposited, invested, and disbursed as prescribed from time to time by the board of directors, and shall discharge such other duties as shall be prescribed from time to time by the board of directors. The board of directors or the president may appoint an assistant treasurer to perform the duties of the treasurer during the absence or disability of the treasurer.

3.6. Executive Director. The executive director of the corporation shall provide administrative support services to the corporation and shall perform such other duties as shall be prescribed from time to time by the board of directors.

ARTICLE 4 MISCELLANEOUS

4.1. Principal Office. The principal office and registered office of the corporation shall be 8080 Park Lane, Suite 600, Dallas, Texas 75231 or another office designated by the board of directors.

4.2. Fiscal Year. The fiscal year of the corporation shall be each 12-month period ending December 31.

4.3. Resignations. Any director or officer may resign at any time by written notice to the president or the secretary of the corporation. The resignation shall take effect at the time specified therein or, if no time is specified, at the time of its receipt by the president or secretary. Acceptance of the resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

4.4. Indemnification/Release. The corporation shall indemnify and release each director, officer, former director, and former officer of the corporation and each member of the governing body and each officer of each Sponsor to the fullest extent provided in the articles of incorporation of the corporation or otherwise authorized by law.

4.5. Dissolution. In the event of the dissolution of the corporation, its assets shall be applied and distributed as follows:

(a) **Discharge of Liabilities.** All liabilities and obligations of the corporation shall be paid, satisfied and discharged, as set forth in the Texas Non-Profit Corporation Act, Chapter 22, Texas Business Organization Code.

(b) **Residual Interests.** Assets held by the corporation upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with those requirements.

(c) **Distribution to Sponsors.** The remaining assets shall be distributed to the Sponsors or to the State of Texas as agreed by the Sponsors. If there is no agreement, the assets shall be distributed to the State of Texas, to the extent accepted by it, and, if there are remaining assets, as follows: For physical assets, including real estate and personal property, first to the Sponsor in which the asset is located and if the asset is located in more than one Sponsor, to the Sponsor with the largest total population with an elected governing body; and for assets not located in a Sponsor, to the nearest Sponsor with connecting physical assets or, if there are no connecting physical assets, to the nearest Sponsor. All remaining assets shall be distributed to the Sponsors in proportion to the value of the physical assets distributed to the Sponsor or, if there are no physical assets, in proportion to the populations of the Sponsors according to the most recent federal decennial census.

4.6. Amendments. These bylaws may be amended by the board of directors with the approval of each Sponsor.

Adopted: _____, 2009

June 11, 2009
Consent Agenda Item No. 8e
T-Shirts, Caps and Polos

To: Glenn Brown, City Manager

From: Jeff Kersten, Chief Financial Officer

Agenda Caption: Presentation, possible action, and discussion authorizing the renewal agreements for the purchase of T-shirts, caps and polos by all City Departments with C C Creations and Monograms and More for an annual estimated expenditure of \$80,000. The renewal period is June 1, 2009 thru May 31, 2010.

Recommendation(s): Staff recommends approval to purchase T-shirts, caps, and polos through the cooperative purchasing agreements between College Station I.S.D. for C C Creations and the City of Bryan for Monograms and More.

Summary: Our Interlocal Purchasing Agreements with the City of Bryan and College Station I.S.D. allows the City to utilize contracts that they have competitively solicited. Estimated annual expenditures for Tshirts, caps and polos with CC Creations are estimated at \$40,000 and Monograms and More for \$40,000. Total annual expenditure is estimated at \$80,000.

Budget & Financial Summary: Funds are budgeted and available in various departmental operating budgets.

Attachments: Renewal Agreements (2)

RENEWAL ACCEPTANCE

By signing herewith, I acknowledge and agree to renew College Station I.S.D.'s Bid No. 8-020, for T-Shirts in accordance with all terms and conditions previously agreed to and accepted pursuant to our Interlocal Agreement with the College Station I.S.D. for an annual estimated amount of Forty Thousand and no/100 dollars (\$40,000.00). This is the City of College Station's first renewal of the contract.

I understand this renewal term will be for the period beginning June 1, 2009 through May 31, 2010.

C. C. CREATIONS, LTD.



AUTHORIZED REPRESENTATIVE

5-12-09

DATE

CITY OF COLLEGE STATION

Mayor

DATE

ATTEST:

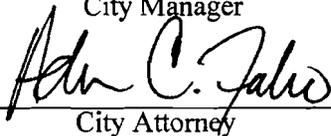
City Secretary

DATE

APPROVED:

City Manager

DATE



City Attorney

DATE

Chief Financial Officer

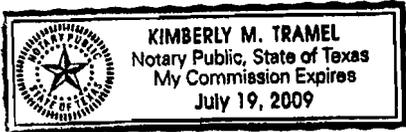
DATE

STATE OF TEXAS

CORPORATE ACKNOWLEDGMENT

COUNTY OF Brazos

This instrument was acknowledged on the 12th day of May, 2009,
by Andy O'Bannon in his/her capacity as Sales Manager of
C. C. Creations, Ltd., a TEXAS Corporation, on behalf of said corporation.



Kimberly M. Tramel
Notary Public in and for the
State of Texas

STATE OF TEXAS

ACKNOWLEDGMENT

COUNTY OF BRAZOS

This instrument was acknowledged on the _____ day of _____, 2009,
by _____, in the capacity as Mayor of the City of College Station, a Texas
home-rule municipality, on behalf of said municipality.

Notary Public in and for the
State of Texas

COLLEGE STATION I.S.D.
1812 WELSH, COLLEGE STATION, TX. 77840
(979) 764-5408 * FAX (979) 694-5636

PURCHASING OFFICE

April 22, 2009

C.C. Creations, Ltd.
Mr. Andy O'Bannon
1311 Wellborn Road
College Station, Texas 77840

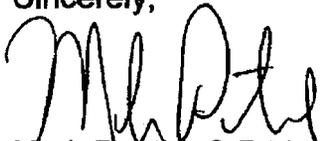
Dear Mr. O'Bannon,

College Station I.S.D has renewed Request for Bid (RFB) # 8-020 for T-shirt Bid. All terms, conditions, pricing, and quantities shall remain the same per the original bid for the remainder of the agreement through July 31, 2010.

A reminder that no orders should be processed without a valid purchase order number issued by College Station I.S.D. All invoices should be sent to the College Station I.S.D. Business Office, 1812 Welsh Ave., College Station, TX 77840.

If you have any questions, please contact me at (979) 764-5408 or email mpantel@csisd.org.

Sincerely,

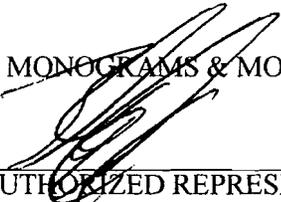


Mark Pantel, C.P.M., CTSBS
Director of Purchasing

RENEWAL ACCEPTANCE

By signing herewith, I acknowledge and agree to renew City of Bryan's Bid No. 07-074, for T-Shirts, Caps, and Polos, in accordance with all terms and conditions previously agreed to and accepted pursuant to our Interlocal Agreement with the City of Bryan for an annual estimated amount of Forty Thousand and no/100 dollars (\$40,000.00) This is the City of College Station's first renewal of the contract.

I understand this renewal term will be for the period beginning June 1, 2009 through May 31, 2010.


MONOGRAMS & MORE

AUTHORIZED REPRESENTATIVE

5-13-09

DATE

CITY OF COLLEGE STATION

Mayor

DATE

ATTEST:

City Secretary

DATE

APPROVED:

City Manager

DATE



City Attorney

DATE

Chief Financial Officer

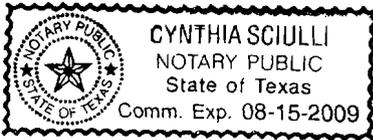
DATE

STATE OF TEXAS

CORPORATE ACKNOWLEDGMENT

COUNTY OF Brazos

This instrument was acknowledged on the 13th day of May, 2009,
by Brian Pendersuff in his/her capacity as Owner of
Monogram + More, a TEXAS Corporation, on behalf of said corporation.



Cynthia Sciulli
Notary Public in and for the
State of Texas

STATE OF TEXAS

ACKNOWLEDGMENT

COUNTY OF BRAZOS

This instrument was acknowledged on the _____ day of _____, 2009,
by _____, in the capacity as Mayor of the City of College Station, a Texas
home-rule municipality, on behalf of said municipality.

Notary Public in and for the
State of Texas



CITY OF BRYAN
The Good Life, Texas Style.

February 2, 2009

Monograms & More
Brian Pendergraff
1806 Welsh Ave Stre. G
College Station, TX 77840

RE: 2nd Extension of Contract No. 07-074 "Annual Contract for T-Shirts, Caps & Polo's"

Dear Mr. Pendergraff;

Please be advised that the above referenced contract will expire on April 11, 2009 and it is our intent to recommend to the City Manager to extend said contract for one (1) additional period of one (1) year, beginning the day following the expiration date of said contract.

If your company is willing and able to extend Contract No. 07-074 under the same prices, terms, conditions and provisions as those contained in the original contract, please complete the following information and return this original within five (5) days from the date of this notification.

I, Brian Pendergraff Owner
Name Title
OF Monograms & More
Company Name

agree to extend Contract No. 07-074 with the City of Bryan, under the same prices, terms, conditions and provisions as those contained in the original contract, for a period of one (1) year beginning April 12, 2009 and expiring April 11, 2010 upon approval of the City Manager.

Signed By: _____

Date 2-5-09

Karen Sonley
Karen Sonley, Buyer
City of Bryan - Purchasing Department

RECEIVED
FEB 5 AM
ACCOUNTING

June 11, 2009
Consent Agenda Item No. 8f
Resolution to Approve Preliminary Official Statements

To: Glenn Brown, City Manager

From: Jeff Kersten, Chief Financial Officer

Agenda Caption: Presentation, possible action, and discussion on a resolution approving Notices of Sale, Preliminary Official Statements and related materials for the sale of "City of College Station, Texas General Obligation Improvement Bonds, Series 2009" and "City of College Station, Texas Certificates of Obligation, Series 2009" including selection of a date for opening bids.

Recommendation(s): Council's approval of the attached resolution accepting the Preliminary Official Statements, with the Official Statements to be approved at the time of the actual sale of the GOs, and COs on July 9, 2009.

Summary: This is the next step in the process for the City to issue long term debt for capital projects. The City Council is authorized to approve the issuance of Certificates of Obligation (COs) after approving a resolution directing notices to be published of the intent to issue the COs and General Obligation Bonds as approved by voters in an election held for that purpose.

The bond sales will occur on July 9, 2009 and at that time the City Council will consider the ordinances authorizing the issuance of the General Obligation Bonds, and Certificates of Obligation.

The City of College Station typically issues debt to fund various capital projects identified and approved as a part of the annual budget. The City primarily uses three types of debt instruments to fulfill those requirements:

1. General Obligation Bonds (GOBs) are based on the full faith and credit of the City and are paid primarily through the debt service portion of the ad valorem tax rate. GOBs are authorized by the voters and therefore the notice is provided in the election process.
2. Utility Revenue Bonds (URBs) are backed by the revenues of the City's various utilities and are issued as a business activity. These are typically only issued for utility capital projects.
3. Certificates of Obligation (COs) normally include at least one additional revenue stream such as utility revenues, but are considered to be much like GOBs and therefore normally receive a rating similar to GOBs. Our policy for issuing CO's allows more flexibility in their issue than GOBs, particularly when other revenues are anticipated to assist in debt service.

The General Obligation debt issue is planned to provide resources for street and traffic signal projects, sidewalk improvements, hike and bike trails, parks and park facilities improvements and design of fire station #6 totaling \$3,335,000.

The Certificates of Obligation debt issue is planned to provide resources for technology projects, cemetery development projects, master planning and design of the convention

center and a portion of the land acquisition, Twin Oaks landfill project, electric and water improvements and debt issuance costs totaling \$31,315,000.

Budget & Financial Summary: Staff reviewed the impact of these debt issues on the City's ability to meet debt service requirements and the effect they may have either on ad valorem tax or utility rates. The recommendation to move forward with this issue will not impact the ad valorem rate or the utility rates.

Attachments:

1. Resolution Approving Notices of Sale, Preliminary Official Statements and related materials for the Sale of "City of College Station, Texas General Obligation Improvements Bonds, Series 2009", and "City of College Station, Texas Certificates of Obligation, Series 2009" including selection of a date for opening bids.
2. Preliminary Official Statement dated July 2009, General Obligation bonds, Series 2009 and Certificates of Obligation, Series 2009. **(Available in City Secretary's Office)**
3. Notice of Sale and Bidding Instructions, General Obligation Bonds, Series 2009.
4. Notice of Sale and Bidding Instructions, Certificates of Obligation, Series 2009.

RESOLUTION APPROVING NOTICES OF SALE, PRELIMINARY OFFICIAL STATEMENTS, AND RELATED MATERIALS FOR THE SALE OF "CITY OF COLLEGE STATION, TEXAS GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2009" AND "CITY OF COLLEGE STATION, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2009", INCLUDING SELECTION OF A DATE FOR OPENING BIDS

WHEREAS, the City Council of the City of College Station, Texas (the "Council") has determined that it is in the best interest of the City of College Station, Texas (the "City") to issue its General Obligation Improvement Bonds, Series 2009 in the principal amount of \$3,335,000, and its Certificates of Obligation, Series 2009 in the principal amount of \$31,315,000 (collectively, the "Obligations") for purposes described in the below described documents as soon as possible;

WHEREAS, the City's Chief Financial Officer, the City's Financial Advisor, and the City's Bond Counsel are prepared to distribute necessary documents for such sale on a competitive bid basis;

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

1. The Official Notices of Sale, including the Official Bid Forms, and the Preliminary Official Statements for each series of Obligations, substantially in the forms attached hereto are hereby approved, and the Chief Financial Officer of the City and the Financial Advisor are authorized to distribute same among entities which would be interested in bidding on the Obligations and other interested persons.

2. The Chief Financial Officer of the City and the Financial Advisor are authorized to apply to rating agencies for ratings on the Obligations and to bond insurance companies for possible insurance of the payment of the Obligations and to make presentations to them and provide to such entities the information reasonably requested by them.

3. The Council hereby deems the Preliminary Official Statements to be final in compliance with Rule 15c2-12 of the Securities and Exchange Commission.

4. The Council hereby authorizes its advisors, the Chief Financial Officer of the City, and its members to do all things necessary to sell the Obligations on July 9, 2009.

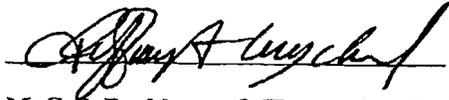
PASSED AND APPROVED THIS 11TH DAY OF JUNE, 2009.

Ben White, Mayor

Connie Hooks, City Secretary

(SEAL)

APPROVED:

A handwritten signature in cursive script, appearing to read "Jeffrey A. Lynch", written over a horizontal line.

McCall, Parkhurst & Horton L.L.P., Bond Counsel

* * *

EXHIBIT A
OFFICIAL NOTICES OF SALE

EXHIBIT B
PRELIMINARY OFFICIAL STATEMENTS

NOTICE OF SALE
AND
BIDDING INSTRUCTIONS

ON

\$3,335,000
CITY OF COLLEGE STATION, TEXAS
(a Home Rule City located in Brazos County, Texas)
GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2009

SEALED BIDS DUE THURSDAY, JULY 9, 2009, AT 11:00 A.M., CDST

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS"
FOR FINANCIAL INSTITUTIONS.

THE SALE

BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING

The City of College Station, Texas (the "City") is offering for sale its \$3,335,000 General Obligation Improvement Bonds, Series 2009 (the "Bonds"). Bidders may submit bids for the Bonds by any of the following methods:

- (1) Deliver bids directly to the City as described below in "Bids Delivered to the City;"
- (2) Submit bids electronically as described below in "Electronic Bidding Procedures;" or
- (3) Submit bids by telephone or facsimile as described below in "Bids by Telephone or Facsimile."

BIDS DELIVERED TO THE CITY

Sealed bids, plainly marked "Bid for Bonds," should be addressed to "Mayor and City Council, City of College Station, Texas," and delivered in care of Drew Masterson, First Southwest Company, 1021 Main Street, Suite 2200, Houston, Texas 77002, prior to 11:00 A.M., CDST, on the date of the bid opening. All bids must be submitted on the Official Bid Form, without alteration or interlineation.

ELECTRONIC BIDDING PROCEDURES

Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of the Parity Electronic Bid Submission System ("PARITY"). Subscription to the i-Deal LLC's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. **Bidders submitting an electronic bid shall not be required to submit Official Bid Forms in the form attached to this Notice of Sale.**

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice of Sale shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about BIDCOMP/PARITY, including any fee charged, may be obtained from BIDCOMP/PARITY Customer Support, 40 W. 23rd Street, 5th Floor, New York, New York 10010, telephone: (212) 404-4102.

For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by i-Deal shall constitute the official time. **For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the City, as described under "Basis of Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and the Official Bid Form.**

BIDS BY TELEPHONE OR FACSIMILE

Bidders must submit, on or before Thursday, July 9, 2009, two signed Official Bid Forms plus an envelope marked as described above to Drew Masterson, First Southwest Company, 1021 Main Street, Suite 2200, Houston, Texas 77002, and submit their bid by telephone or facsimile on the date of the sale.

Telephone bids will be accepted at (713) 654-8654, between 10:00 A.M. and 10:45 A.M., CDST.

Facsimile bids must be received between 10:00 A.M. and 11:00 A.M., CDST on the date of the sale at (713) 654-8658, attention Drew Masterson.

The City and First Southwest Company are not responsible if such telephone or facsimile numbers are busy which prevents a bid or bids from being submitted on a timely basis. **First Southwest Company will not be responsible for submitting any bids received after the above deadlines.** The City and First Southwest Company assume no responsibility or liability with respect to any irregularities associated with the submission of bids if telephone or facsimile options are exercised.

PLACE AND TIME OF BID OPENING

The bids for the Bonds will be publicly opened and read in the office of First Southwest Company, Financial Advisor to the City, 1021 Main Street, Suite 2200, Houston, Texas 77002, at 11:00 A.M. CDST, Thursday, July 9, 2009.

AWARD OF THE BONDS

The City Council will take action to award the Bonds (or reject all bids) at a meeting scheduled to convene at 7:00 P.M., CDST, on the date of the bid opening, and adopt an ordinance authorizing the Bonds and approving the Official Statement (the "Ordinance").

THE BONDS

DESCRIPTION . . . The Bonds will be dated July 15, 2009 (the "Dated Date"). Interest will accrue from the Dated Date and will be due on February 15, 2010, and each August 15 and February 15 and thereafter until the earlier of maturity or prior redemption. The Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity. The Bonds will mature on February 15 in each year as follows:

MATURITY SCHEDULE

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2010	\$ 95,000	2020	\$ 160,000
2011	105,000	2021	175,000
2012	110,000	2022	180,000
2013	120,000	2023	195,000
2014	120,000	2024	200,000
2015	130,000	2025	210,000
2016	130,000	2026	220,000
2017	140,000	2027	225,000
2018	155,000	2028	250,000
2019	155,000	2029	260,000

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2020, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2019, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption.

SERIAL BONDS AND/OR TERM BONDS . . . Bidders may provide that all of the Bonds be issued as serial bonds or may provide that any two or more consecutive annual principal amounts be combined into one or more term bonds.

MANDATORY SINKING FUND REDEMPTION . . . If the successful bidder elects to alter the Maturity Schedule reflected above and convert principal amounts of the Serial Bonds into "Term Bonds," such "Term Bonds" shall be subject to mandatory redemption on the first February 15 next following the last maturity for Serial Bonds, and annually thereafter on each February 15 until the stated maturity for the Term Bonds at the redemption price of par plus accrued interest to the date of redemption. The principal amounts of the Term Bonds to be redeemed on each mandatory redemption date shall be the principal amounts that would have been due and payable in the Maturity Schedule shown above had no designation of such maturities as Term Bonds occurred. At least thirty (30) days prior to each mandatory redemption date, the Paying Agent/Registrar shall select by lot the Term Bonds to be redeemed and cause a notice of redemption to be given in the manner provided in the Official Statement.

The principal amount of the Term Bonds required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the City, by the principal amount of the Term Bonds of the same maturity which at least fifty (50) days prior to a mandatory redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase and delivered to the Paying Agent/Registrar for cancellation or (ii) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

BOOK-ENTRY-ONLY SYSTEM . . . The City intends to utilize the Book-Entry-Only System of The Depository Trust Company ("DTC"). See "THE OBLIGATIONS - BOOK-ENTRY-ONLY SYSTEM" in the Official Statement.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar shall be The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. See "THE OBLIGATIONS - PAYING AGENT/REGISTRAR" in the Official Statement.

SOURCE OF PAYMENT . . . The Bonds constitute direct obligations of the City, payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City.

Further details regarding the Bonds are set forth in the Official Statement.

CONDITIONS OF THE SALE

TYPE OF BIDS AND INTEREST RATES . . . The Bonds will be sold in one block on an "All or None" basis, and at a price of not less than their par value plus accrued interest from date of the Bonds to the date of delivery of the Bonds. A premium bid in excess of 0.5% of the par amount of the Bonds will not be accepted. Bidders are invited to name the rate(s) of interest to be borne by the Bonds, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/100 of 1% and the net effective interest rate must not exceed 15%. The highest rate bid may not exceed the lowest rate bid by more than 2% in rate. Using the interest rate established for the February 15, 2019 maturity as the base year, interest rates for successive maturities shall be structured in ascending order such that for each succeeding maturity, rates shall be equal to or greater than the interest rate for the maturity of the preceding year. All Bonds of one maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered. Each bidder shall state in the bid the true interest cost which shall be considered informative only and not as a part of the bid.

BASIS FOR AWARD . . . The sale of the Bonds will be awarded to the bidder making a bid that conforms to the specifications herein and which produces the lowest True Interest Cost rate to the City. The True Interest Cost rate is that rate which, when used to compute the total present value as of the Dated Date of all debt service payments on the Bonds on the basis of semi-annual compounding, produces an amount equal to the sum of the par value of the Bonds plus any premium bid, if any (but not interest accrued from the Dated Date to the date of their delivery). In the event of a bidder's error in interest cost rate calculations, the interest rates, and premium, if any, set forth in the Official Bid Form or electronically submitted bid form will be considered as the intended bid.

GOOD FAITH DEPOSIT . . . A Good Faith Deposit, payable to the "City of College Station, Texas," in the amount of \$66,700.00 is required. Such Good Faith Deposit shall be a bank cashier's check or certified check, which is to be retained uncashed by the City pending the Initial Purchaser's compliance with the terms of the bid and the Notice of Sale and Bidding Instructions. The Good Faith Deposit may accompany the Official Bid Form or electronically submitted bid form, or it may be submitted separately. If submitted separately, it shall be made available to the City prior to the opening of the bids, and shall be accompanied by instructions from the bank on which drawn which authorize its use as a Good Faith Deposit by the Initial Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Initial Purchaser will be returned to the Initial Purchaser upon payment for the Bonds.** No interest will be allowed on the Good Faith Deposit. In the event the Initial Purchaser should fail or refuse to take up and pay for the Bonds in accordance with the bid, then said check shall be cashed and accepted by the City as full and complete liquidated damages. The checks accompanying bids other than the winning bid will be returned immediately after the bids are opened, and an award of the Bonds has been made.

DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

CUSIP NUMBERS . . . It is anticipated that CUSIP identification numbers will appear on the Bonds, but neither the failure to print or type such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale and Bidding Instructions and the terms of the Official Bid Form. All expenses in relation to the printing or typing of CUSIP numbers on the Bonds shall be paid by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the Initial Purchaser.

DELIVERY OF BONDS . . . Initial delivery will be accomplished by the issuance of one bond for each maturity (also called the "Initial Bonds"), either in typed or printed form, in the aggregate principal amount of \$3,335,000, payable to the Initial Purchaser, signed by the Mayor and City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts. Upon delivery of the Initial Bonds, they shall be immediately cancelled and one definitive Bond for each maturity will be registered and delivered only to Cede & Co., and deposited with DTC in connection with DTC's Book-Entry-Only System. Delivery will be at the principal office of the Paying Agent/Registrar. Payment for the Bonds must be made in immediately available funds for unconditional credit to the City, or as otherwise directed by the City. The Initial Purchaser will be given six business days' notice of the time fixed for delivery of the Bonds. It is anticipated that delivery of the Bonds can be made on or about August 6, 2009 and it is understood and agreed that the Initial Purchaser will accept delivery and make payment for the Bonds by 11:00 A.M., CDST, on August 6, 2009, or thereafter on the date the Bonds are tendered for delivery, up to and including September 3, 2009. If for any reason the City is unable to make delivery on or before September 3, 2009, the City shall immediately contact the Initial Purchaser

and offer to allow the Initial Purchaser to extend its offer for an additional thirty days. If the Initial Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the City and the Initial Purchaser shall be relieved of any further obligation. In no event shall the City be liable for any damages by reason of its failure to deliver the Bonds, provided such failure is due to circumstances beyond the City's reasonable control.

CONDITIONS TO DELIVERY . . . The obligation of the Initial Purchaser to take up and pay for the Bonds is subject to the Initial Purchaser's receipt of (a) the legal opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, Dallas, Texas, Bond Counsel for the City ("Bond Counsel"), (b) the no-litigation certificate, and (c) the certification as to the Official Statement, all as further described in the Official Statement.

In order to provide the City with information required to enable it to comply with certain conditions of the Internal Revenue Code of 1986 relating to the exemption of interest on the Bonds from the gross income of their owners, the Initial Purchaser will be required to complete, execute, and deliver to the City (on or before the 6th business day prior to the delivery of the Bonds) a certification as to their "issue price" substantially in the form and to the effect attached hereto or accompanying this Notice of Sale and Bidding Instructions. In the event the successful bidder will not reoffer the Bonds for sale, such bond may be modified in a manner approved by the City. **In no event will the City fail to deliver the Bonds as a result of the Initial Purchaser's inability to sell a substantial amount of the Bonds at a particular price prior to delivery.** Each bidder, by submitting its bid, agrees to complete, execute, and deliver such a certificate by the date of delivery of the Bonds, if its bid is accepted by the City. It will be the responsibility of the Initial Purchaser to institute such syndicate reporting requirements to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel.

LEGAL OPINIONS . . . The Bonds are offered when, as and if issued, subject to the approval of the Attorney General of the State of Texas. Delivery of and payment for the Bonds is subject to the receipt by the Initial Purchaser of opinions of Bond Counsel, to the effect that the Bonds are valid and binding obligations of the City and that the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS" in the Official Statement, including the alternative minimum tax on corporations. With respect to the transactions described in the Official Statement, Bond Counsel represents only the City.

CHANGE IN TAX EXEMPT STATUS . . . At any time before the Bonds are tendered for delivery, the Initial Purchaser may withdraw its bid if the interest received by private holders on obligations of the same type and character shall be declared to be includable in gross income under present federal income tax laws, either by ruling of the Internal Revenue Service or by a decision of any Federal court, or shall be declared taxable or be required to be taken into account in computing any federal income taxes, by the terms of any federal income tax law enacted subsequent to the date of this Notice of Sale and Bidding Instructions.

GENERAL

FINANCIAL ADVISOR . . . First Southwest Company is employed as Financial Advisor to the City in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. First Southwest Company has agreed, in its Financial Advisory contract, not to bid for the Bonds, either independently or as a member of a syndicate organized to submit a bid for the Bonds. First Southwest Company, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

BLUE SKY LAWS . . . By submission of its bid, the Initial Purchaser represents that the sale of the Bonds in states other than Texas will be made only pursuant to exemptions from registration or, where necessary, the Initial Purchaser will register the Bonds in accordance with the securities law of the states in which the Bonds are offered or sold. The City agrees to cooperate with the Initial Purchaser, at the Initial Purchaser's written request and expense, in registering the Bonds or obtaining an exemption from registration in any state where such action is necessary, provided, however, that the City shall not be obligated to execute a general or special consent to service of process in any such jurisdiction.

NOT AN OFFER TO SELL . . . This Notice of Sale and Bidding Instructions does not alone constitute an offer to sell the Bonds, but is merely notice of the sale of the Bonds. The offer to sell the Bonds is being made by means of the Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement. Prospective purchasers are urged to carefully examine the Official Statement to determine the investment quality of the Bonds.

ISSUANCE OF ADDITIONAL DEBT . . . Concurrently with the sale of the Bonds, the City is offering for sale its \$26,295,000 Certificates of Obligation, Series 2009, which are secured in part by a pledge of ad valorem taxes. Thereafter, the City does not anticipate the issuance of additional obligations payable from ad valorem taxes within the next 12 months.

RATINGS . . . The presently outstanding tax supported debt of the City is rated "Aa3" by Moody's Investors Service ("Moody's") and "AA" by Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc. ("S&P"), without regard to credit enhancement. Applications for contract ratings on this issue have been made to Moody's and S&P.

MUNICIPAL BOND INSURANCE . . . In the event the Bonds are qualified for municipal bond insurance, and the Purchaser desires to purchase such insurance, the cost therefore **will be paid by the Initial Purchaser**. Any fees to be paid to the rating agencies as a result of said insurance **will be paid by the City**. It will be the responsibility of the Initial Purchaser to disclose the existence of insurance, its terms and the effect thereof with respect to the reoffering of the Bonds. Any rating downgrade by Moody's, S&P, or Fitch Ratings, respectively, of the bond insurance provider after the Bid Opening shall not relieve the Initial Purchaser of its obligation under the heading "DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS".

THE OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15c2-12 . . The City has prepared the accompanying Official Statement and, for the limited purpose of complying with SEC Rule 15c2-12, deems such Official Statement to be final as of its date within the meaning of such Rule for the purpose of review prior to bidding. To the best knowledge and belief of the City, the Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the Bonds. Representations made and to be made by the City concerning the absence of material misstatements and omissions in the Official Statement are addressed elsewhere in this Notice of Sale and Bidding Instructions and in the Official Statement.

The City will furnish to the Initial Purchaser, or Initial Purchasers, acting through a designated senior representative, in accordance with instructions received from the Initial Purchaser(s), within seven (7) business days from the sale date an aggregate of 150 copies of the Official Statement reflecting interest rates and other terms relating to the initial reoffering of the Bonds. The cost of a reprinted Official Statement, if the Initial Purchaser(s) shall so elect, and the cost of any Official Statement in excess of the number specified shall be prepared and distributed at the cost of the Initial Purchaser(s). The Initial Purchaser(s) shall be responsible for providing in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award. Except as noted above, the City assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the Bonds.

CONTINUING DISCLOSURE AGREEMENT . . . The City will agree in the Ordinance to provide certain periodic information and notices of material events in accordance with SEC Rule 15c2-12, as described in the Official Statement under "Continuing Disclosure of Information". The Initial Purchaser(s)' obligation to accept and pay for the Bonds is conditioned upon delivery to the Initial Purchaser(s) or (their) agent of a certified copy of the Ordinance containing the agreement described under such heading.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12.

ADDITIONAL COPIES OF NOTICE OF SALE, BID FORM AND OFFICIAL STATEMENT . . . A limited number of additional copies of this Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement, as available over and above the normal mailing, may be obtained at the offices of First Southwest Company, 1021 Main Street, Suite 2200, Houston, Texas 77002, Financial Advisor to the City.

The City Council has approved the form and content of the Notice of Sale and Bidding Instructions, the Official Bid Form and Official Statement, and authorized the use thereof in its initial offering of the Bonds. On the date of the sale, the City Council will, in the Ordinance authorizing the issuance of the Bonds, confirm its approval of the form and content of the Official Statement, and any addenda, supplement or amendment thereto, and authorize its use in the reoffering of the Bonds by the Initial Purchaser.

Mayor
City of College Station, Texas

ATTEST:

City Secretary

OFFICIAL BID FORM

Honorable Mayor and City Council
City of College Station, Texas

July 1, 2009

Members of the City Council:

Reference is made to your Official Statement and Notice of Sale and Bidding Instructions, dated July 1, 2009 of \$3,335,000 CITY OF COLLEGE STATION, TEXAS GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2009 (the "Bonds"), both of which constitute a part hereof.

For your legally issued Bonds, as described in said Notice of Sale and Bidding Instructions and Official Statement, we will pay you par and accrued interest from date of issue to date of delivery to us, plus a cash premium of \$_____ for Bonds maturing and bearing interest as follows:

Maturity	Principal	Interest	Maturity	Principal	Interest
Feb 15		Rate	Feb 15		Rate
2010	\$ 95,000	_____ %	2020	\$ 160,000	_____ %
2011	105,000	_____	2021	175,000	_____
2012	110,000	_____	2022	180,000	_____
2013	120,000	_____	2023	195,000	_____
2014	120,000	_____	2024	200,000	_____
2015	130,000	_____	2025	210,000	_____
2016	130,000	_____	2026	220,000	_____
2017	140,000	_____	2027	225,000	_____
2018	155,000	_____	2028	250,000	_____
2019	155,000	_____	2029	260,000	_____

Of the principal maturities set forth in the table above, term bonds have been created as indicated in the following table (which may include multiple term bonds, one term bond or no term bond if none is indicated). For those years which have been combined into a term bond, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term bond maturity date shall mature in such year. The term bonds created are as follows:

Term Bond Maturity Date	Year of First Mandatory Redemption	Principal Amount of Term Bond	Interest Rate
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %

Our calculation (which is not a part of this bid) of the interest cost from the above is:

TRUE INTEREST COST _____ %

We are having the Bonds of the following maturities _____ insured by _____ at a premium of \$ _____. **said premium to be paid by the Initial Purchaser.** Any fees to be paid to the rating agencies as a result of said insurance **will be paid by the City.**

The Initial Bonds shall be registered in the name of _____, which will, upon payment for the Bonds, be cancelled by the Paying Agent/Registrar. The Bonds will then be registered in the name of Cede & Co. (DTC's partnership nominee), under the Book-Entry-Only System.

A bank cashier's check or certified check of the _____ Bank, _____ in the amount of \$66,700.00, which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Official Statement and Notice of Sale and Bidding Instructions.

We agree to accept delivery of the Bonds utilizing the Book-Entry-Only System through DTC and make payment for the Initial Bonds in immediately available funds at The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, not later than 11:00 A.M., CDST, on Thursday, August 6, 2009 or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions. It will be the obligation of the Initial Purchaser of the Bonds to complete the DTC Eligibility Questionnaire.

The undersigned agrees to complete, execute, and deliver to the City, at least six business days prior to delivery of the Bonds, a certificate relating to the "issue price" of the Bonds in the form and to the effect accompanying the Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to the City.

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award.

Respectfully submitted,

Syndicate Members:

Name of Underwriter or Manager

Authorized Representative

Phone Number

Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the City of College Station, Texas, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the ____ day of _____, 2009.

ATTEST:

Mayor
City of College Station, Texas

City Secretary

ISSUE PRICE CERTIFICATE

The undersigned hereby certifies with respect to the sale of CITY OF COLLEGE STATION, TEXAS GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2009 (the "Bonds"), issued in aggregate principal amount of \$3,335,000, as follows:

1. The undersigned is the underwriter or the manager of the syndicate of underwriters which has purchased the Bonds from the City of College Station, Texas (the "Issuer") at competitive sale.
2. The undersigned and/or one or more other members of the underwriting syndicate, if any, have made a bona fide offering to the public of the Bonds of each maturity at the respective prices set forth below.
3. The initial offering price (expressed as a percentage of principal amount or yield and exclusive of accrued interest) for the Bonds of each maturity at which a substantial amount of the Bonds of such maturity was sold to the public is as set forth below:

<u>Principal</u>	<u>Due Feb 15</u>	<u>Initial Offering Price</u>	%	<u>Principal</u>	<u>Due Feb 15</u>	<u>Initial Offering Price</u>	%
\$ 95,000	2010	_____	%	\$ 160,000	2020	_____	%
105,000	2011	_____		175,000	2021	_____	
110,000	2012	_____		180,000	2022	_____	
120,000	2013	_____		195,000	2023	_____	
120,000	2014	_____		200,000	2024	_____	
130,000	2015	_____		210,000	2025	_____	
130,000	2016	_____		220,000	2026	_____	
140,000	2017	_____		225,000	2027	_____	
155,000	2018	_____		250,000	2028	_____	
155,000	2019	_____		260,000	2029	_____	

4. The term "public," as used herein, means persons other than bondhouses, brokers, dealers, and similar persons or organizations acting in the capacity of underwriters or wholesalers.
5. The offering prices described above reflect current market prices at the time of such sales.
6. The undersigned and/or one or more other members of the underwriting syndicate, as the case may be, (have)(have not) purchased bond insurance for the Bonds. The bond insurance, if any, has been purchased from _____ (the "Insurer") for a premium cost of \$_____ (net of any nonguarantee cost, e.g., rating agency fees). The amount of such cost is set forth in the Insurer's commitment and is separately stated from all other fees or charges payable to the Insurer. The premium does not exceed a reasonable charge for the transfer of credit risk taking into account payments charged by guarantors in comparable transactions (including transactions in which a guarantor has no involvement other than as a guarantor). The present value of the debt service savings expected to be realized as a result of such insurance, discounted at a rate equal to the yield on the Bonds which results after recovery of the insurance premium, exceeds the present value of the bond insurance premium.
7. The undersigned understands that the statements made herein will be relied upon by the Issuer in its effort to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended, on the excludability of interest on the Bonds from the gross income of their owners.

EXECUTED and DELIVERED this _____ day of _____, 2009.

(Name of Underwriter or Manager)

By _____

(Title)

NOTICE OF SALE
AND
BIDDING INSTRUCTIONS

ON

\$31,315,000
CITY OF COLLEGE STATION, TEXAS
(a Home Rule City located in Brazos County, Texas)
CERTIFICATES OF OBLIGATION, SERIES 2009

SEALED BIDS DUE THURSDAY, JULY 9, 2009, AT 11:00 A.M., CDST

THE CERTIFICATES WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS"
FOR FINANCIAL INSTITUTIONS.

THE SALE

CERTIFICATES OFFERED FOR SALE AT COMPETITIVE BIDDING

The City of College Station, Texas (the "City") is offering for sale its \$31,315,000 Certificates of Obligation, Series 2009 (the "Certificates"). Bidders may submit bids for the Certificates by any of the following methods:

- (1) Deliver bids directly to the City as described below in "Bids Delivered to the City;"
- (2) Submit bids electronically as described below in "Electronic Bidding Procedures;" or
- (3) Submit bids by telephone or facsimile as described below in "Bids by Telephone or Facsimile."

BIDS DELIVERED TO THE CITY

Sealed bids, plainly marked "Bid for Certificates," should be addressed to "Mayor and City Council, City of College Station, Texas," and delivered in care of Drew Masterson, First Southwest Company, 1021 Main Street, Suite 2200, Houston, Texas 77002, prior to 11:00 A.M., CDST, on the date of the bid opening. All bids must be submitted on the Official Bid Form, without alteration or interlineation.

ELECTRONIC BIDDING PROCEDURES

Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of the Parity Electronic Bid Submission System ("PARITY"). Subscription to the i-Deal LLC's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. **Bidders submitting an electronic bid shall not be required to submit Official Bid Forms in the form attached to this Notice of Sale.**

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Certificates on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice of Sale shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about BIDCOMP/PARITY, including any fee charged, may be obtained from BIDCOMP/PARITY Customer Support, 40 W. 23rd Street, 5th Floor, New York, New York 10010, telephone: (212) 404-4102.

For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by i-Deal shall constitute the official time. **For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the City, as described under "Basis of Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and the Official Bid Form.**

BIDS BY TELEPHONE OR FACSIMILE

Bidders must submit, on or before Thursday, July 9, 2009, two signed Official Bid Forms plus an envelope marked as described above to Drew Masterson, First Southwest Company, 1021 Main Street, Suite 2200, Houston, Texas 77002, and submit their bid by telephone or facsimile on the date of the sale.

Telephone bids will be accepted at (713) 654-8654, between 10:00 A.M. and 10:45 A.M., CDST.

Facsimile bids must be received between 10:00 A.M. and 11:00 A.M., CDST on the date of the sale at (713) 654-8658, attention Drew Masterson.

The City and First Southwest Company are not responsible if such telephone or facsimile numbers are busy which prevents a bid or bids from being submitted on a timely basis. **First Southwest Company will not be responsible for submitting any bids received after the above deadlines.** The City and First Southwest Company assume no responsibility or liability with respect to any irregularities associated with the submission of bids if telephone or facsimile options are exercised.

PLACE AND TIME OF BID OPENING

The bids for the Certificates will be publicly opened and read in the office of First Southwest Company, Financial Advisor to the City, 1021 Main Street, Suite 2200, Houston, Texas 77002, at 11:00 A.M. CDST, Thursday, July 9, 2009.

AWARD OF THE CERTIFICATES

The City Council will take action to award the Certificates (or reject all bids) at a meeting scheduled to convene at 7:00 P.M., CDST, on the date of the bid opening, and adopt an ordinance authorizing the Certificates and approving the Official Statement (the "Ordinance").

THE CERTIFICATES

DESCRIPTION . . . The Certificates will be dated July 15, 2009 (the "Dated Date"). Interest will accrue from the Dated Date and will be due on February 15, 2010, and each August 15 and February 15 and thereafter until the earlier of maturity or prior redemption. The Certificates will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity. The Certificates will mature on February 15 in each year as follows:

MATURITY SCHEDULE

Year	Principal Amount	Year	Principal Amount
2010	\$ 2,650,000	2020	\$ 1,330,000
2011	1,195,000	2021	1,405,000
2012	1,265,000	2022	1,470,000
2013	1,325,000	2023	1,545,000
2014	1,390,000	2024	1,625,000
2015	1,470,000	2025	1,715,000
2016	1,545,000	2026	1,795,000
2017	1,145,000	2027	1,890,000
2018	1,210,000	2028	1,985,000
2019	1,270,000	2029	2,090,000

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2020, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2019, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption.

SERIAL CERTIFICATES AND/OR TERM CERTIFICATES . . . Bidders may provide that all of the Certificates be issued as serial certificates or may provide that any two or more consecutive annual principal amounts be combined into one or more term certificates.

MANDATORY SINKING FUND REDEMPTION . . . If the successful bidder elects to alter the Maturity Schedule reflected above and convert principal amounts of the Serial Certificates into "Term Certificates," such "Term Certificates" shall be subject to mandatory redemption on the first February 15 next following the last maturity for Serial Certificates, and annually thereafter on each February 15 until the stated maturity for the Term Certificates at the redemption price of par plus accrued interest to the date of redemption. The principal amounts of the Term Certificates to be redeemed on each mandatory redemption date shall be the principal amounts that would have been due and payable in the Maturity Schedule shown above had no designation of such maturities as Term Certificates occurred. At least thirty (30) days prior to each mandatory redemption date, the Paying Agent/Registrar shall select by lot the Term Certificates to be redeemed and cause a notice of redemption to be given in the manner provided in the Official Statement.

The principal amount of the Term Certificates required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the City, by the principal amount of the Term Certificates of the same maturity which at least fifty (50) days prior to a mandatory redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase and delivered to the Paying Agent/Registrar for cancellation or (ii) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

BOOK-ENTRY-ONLY SYSTEM . . . The City intends to utilize the Book-Entry-Only System of The Depository Trust Company ("DTC"). See "THE OBLIGATIONS - BOOK-ENTRY-ONLY SYSTEM" in the Official Statement.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar shall be The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. See "THE OBLIGATIONS - PAYING AGENT/REGISTRAR" in the Official Statement.

SOURCE OF PAYMENT . . . The Certificates constitute direct obligations of the City, payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City, and (ii) a subordinate lien on and pledge of \$1,000 of the surplus revenues derived from the City's combined utility system.

Further details regarding the Certificates are set forth in the Official Statement.

CONDITIONS OF THE SALE

TYPE OF BIDS AND INTEREST RATES . . . The Certificates will be sold in one block on an "All or None" basis, and at a price of not less than their par value plus accrued interest from date of the Certificates to the date of delivery of the Certificates. A premium bid in excess of 0.5% of the par amount of the Certificates will not be accepted. Bidders are invited to name the rate(s) of interest to be borne by the Certificates, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/100 of 1% and the net effective interest rate must not exceed 15%. The highest rate bid may not exceed the lowest rate bid by more than 2% in rate. Using the interest rate established for the February 15, 2019 maturity as the base year, interest rates for successive maturities shall be structured in ascending order such that for each succeeding maturity, rates shall be equal to or greater than the interest rate for the maturity of the preceding year. All Certificates of one maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered. Each bidder shall state in the bid the true interest cost which shall be considered informative only and not as a part of the bid.

BASIS FOR AWARD . . . The sale of the Certificates will be awarded to the bidder making a bid that conforms to the specifications herein and which produces the lowest True Interest Cost rate to the City. The True Interest Cost rate is that rate which, when used to compute the total present value as of the Dated Date of all debt service payments on the Certificates on the basis of semi-annual compounding, produces an amount equal to the sum of the par value of the Certificates plus any premium bid, if any (but not interest accrued from the Dated Date to the date of their delivery). In the event of a bidder's error in interest cost rate calculations, the interest rates, and premium, if any, set forth in the Official Bid Form or electronically submitted bid will be considered as the intended bid.

GOOD FAITH DEPOSIT . . . A Good Faith Deposit, payable to the "City of College Station, Texas," in the amount of \$626,300.00 is required. Such Good Faith Deposit shall be a bank cashier's check or certified check, which is to be retained uncashed by the City pending the Initial Purchaser's compliance with the terms of the bid and the Notice of Sale and Bidding Instructions. The Good Faith Deposit may accompany the Official Bid Form or electronically submitted bid, or it may be submitted separately. If submitted separately, it shall be made available to the City prior to the opening of the bids, and shall be accompanied by instructions from the bank on which drawn which authorize its use as a Good Faith Deposit by the Initial Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Initial Purchaser will be returned to the Initial Purchaser upon payment for the Certificates.** No interest will be allowed on the Good Faith Deposit. In the event the Initial Purchaser should fail or refuse to take up and pay for the Certificates in accordance with the bid, then said check shall be cashed and accepted by the City as full and complete liquidated damages. The checks accompanying bids other than the winning bid will be returned immediately after the bids are opened, and an award of the Certificates has been made.

DELIVERY OF THE CERTIFICATES AND ACCOMPANYING DOCUMENTS

CUSIP NUMBERS . . . It is anticipated that CUSIP identification numbers will appear on the Certificates, but neither the failure to print or type such number on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Certificates in accordance with the terms of this Notice of Sale and Bidding Instructions and the terms of the Official Bid Form. All expenses in relation to the printing or typing of CUSIP numbers on the Certificates shall be paid by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the Initial Purchaser.

DELIVERY OF CERTIFICATES . . . Initial delivery will be accomplished by the issuance of one certificate for each maturity (also called the "Initial Certificates"), either in typed or printed form, in the aggregate principal amount of \$31,315,000, payable to the Initial Purchaser, signed by the Mayor and City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts. Upon delivery of the Initial Certificates, they shall be immediately cancelled and one definitive Certificate for each maturity will be registered and delivered only to Cede & Co., and deposited with DTC in connection with DTC's Book-Entry-Only System. Delivery will be at the principal office of the Paying Agent/Registrar. Payment for the Certificates must be made in immediately available funds for unconditional credit to the City, or as otherwise directed by the City. The Initial Purchaser will be given six business days' notice of the time fixed for delivery of the Certificates. It is anticipated that delivery of the Certificates can be made on or about August 6, 2009 and it is understood and agreed that the Initial Purchaser will accept delivery and make payment for the Certificates by 11:00 A.M., CDST, on August 6, 2009, or thereafter on the date the Certificates are tendered for delivery, up to and including September 3, 2009. If for any reason the City is unable to make delivery on or before September 3, 2009, the City shall immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional thirty days. If the Initial Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the City and the Initial Purchaser shall be relieved of any further obligation. In no event shall the City be liable for any damages by reason of its failure to deliver the Certificates, provided such failure is due to circumstances beyond the City's reasonable control.

CONDITIONS TO DELIVERY . . . The obligation of the Initial Purchaser to take up and pay for the Certificates is subject to the Initial Purchaser's receipt of (a) the legal opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, Dallas, Texas, Bond Counsel for the City ("Bond Counsel"), (b) the no-litigation certificate, and (c) the certification as to the Official Statement, all as further described in the Official Statement.

In order to provide the City with information required to enable it to comply with certain conditions of the Internal Revenue Code of 1986 relating to the exemption of interest on the Certificates from the gross income of their owners, the Initial Purchaser will be required to complete, execute, and deliver to the City (on or before the 6th business day prior to the delivery of the Certificates) a certification as to their "issue price" substantially in the form and to the effect attached hereto or accompanying this Notice of Sale and Bidding Instructions. In the event the successful bidder will not reoffer the Certificates for sale, such certificate may be modified in a manner approved by the City. **In no event will the City fail to deliver the Certificates as a result of the Initial Purchaser's inability to sell a substantial amount of the Certificates at a particular price prior to delivery.** Each bidder, by submitting its bid, agrees to complete, execute, and deliver such a certificate by the date of delivery of the Certificates, if its bid is accepted by the City. It will be the responsibility of the Initial Purchaser to institute such syndicate reporting requirements to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel.

LEGAL OPINIONS . . . The Certificates are offered when, as and if issued, subject to the approval of the Attorney General of the State of Texas. Delivery of and payment for the Certificates is subject to the receipt by the Initial Purchaser of opinions of Bond Counsel, to the effect that the Certificates are valid and binding obligations of the City and that the interest on the Certificates will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS" in the Official Statement, including the alternative minimum tax on corporations. With respect to the transactions described in the Official Statement, Bond Counsel represents only the City.

CHANGE IN TAX EXEMPT STATUS . . . At any time before the Certificates are tendered for delivery, the Initial Purchaser may withdraw its bid if the interest received by private holders on obligations of the same type and character shall be declared to be includable in gross income under present federal income tax laws, either by ruling of the Internal Revenue Service or by a decision of any Federal court, or shall be declared taxable or be required to be taken into account in computing any federal income taxes, by the terms of any federal income tax law enacted subsequent to the date of this Notice of Sale and Bidding Instructions.

GENERAL

FINANCIAL ADVISOR . . . First Southwest Company is employed as Financial Advisor to the City in connection with the issuance of the Certificates. The Financial Advisor's fee for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. First Southwest Company has agreed, in its Financial Advisory contract, not to bid for the Certificates, either independently or as a member of a syndicate organized to submit a bid for the Certificates. First Southwest Company, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Certificates, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

BLUE SKY LAWS . . . By submission of its bid, the Initial Purchaser represents that the sale of the Certificates in states other than Texas will be made only pursuant to exemptions from registration or, where necessary, the Initial Purchaser will register the Certificates in accordance with the securities law of the states in which the Certificates are offered or sold. The City agrees to cooperate with the Initial Purchaser, at the Initial Purchaser's written request and expense, in registering the Certificates or obtaining an exemption from registration in any state where such action is necessary, provided, however, that the City shall not be obligated to execute a general or special consent to service of process in any such jurisdiction.

NOT AN OFFER TO SELL . . . This Notice of Sale and Bidding Instructions does not alone constitute an offer to sell the Certificates, but is merely notice of the sale of the Certificates. The offer to sell the Certificates is being made by means of the Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement. Prospective purchasers are urged to carefully examine the Official Statement to determine the investment quality of the Certificates.

ISSUANCE OF ADDITIONAL DEBT . . . Concurrently with the sale of the Certificates, the City is offering for sale its \$3,335,000 General Obligation Improvement Bonds, Series 2009, which are secured by a pledge of ad valorem taxes. Thereafter, the City does not anticipate the issuance of additional obligations payable from ad valorem taxes within the next 12 months.

RATINGS . . . The presently outstanding tax supported debt of the City is rated "Aa3" by Moody's Investors Service ("Moody's") and "AA" by Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc. ("S&P"), without regard to credit enhancement. Applications for contract ratings on this issue have been made to Moody's and S&P.

MUNICIPAL BOND INSURANCE . . . In the event the Certificates are qualified for municipal bond insurance, and the Purchaser desires to purchase such insurance, the cost therefore **will be paid by the Initial Purchaser**. Any fees to be paid to the rating agencies as a result of said insurance **will be paid by the City**. It will be the responsibility of the Initial Purchaser to disclose the existence of insurance, its terms and the effect thereof with respect to the reoffering of the Certificates. Any rating downgrade by Moody's, S&P, or Fitch Ratings, respectively, of the bond insurance provider after the Bid Opening shall not relieve the Initial Purchaser of its obligation under the heading "DELIVERY OF THE CERTIFICATES AND ACCOMPANYING DOCUMENTS".

THE OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15c2-12 . . . The City has prepared the accompanying Official Statement and, for the limited purpose of complying with SEC Rule 15c2-12, deems such Official Statement to be final as of its date within the meaning of such Rule for the purpose of review prior to bidding. To the best knowledge and belief of the City, the Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the Certificates. Representations made and to be made by the City concerning the absence of material misstatements and omissions in the Official Statement are addressed elsewhere in this Notice of Sale and Bidding Instructions and in the Official Statement.

The City will furnish to the Initial Purchaser, or Initial Purchasers, acting through a designated senior representative, in accordance with instructions received from the Initial Purchaser(s), within seven (7) business days from the sale date an aggregate of 150 copies of the Official Statement reflecting interest rates and other terms relating to the initial reoffering of the Certificates. The cost of a reprinted Official Statement, if the Initial Purchaser(s) shall so elect, and the cost of any Official Statement in excess of the number specified shall be prepared and distributed at the cost of the Initial Purchaser(s). The Initial Purchaser(s) shall be responsible for providing in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award. Except as noted above, the City assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the Certificates.

CONTINUING DISCLOSURE AGREEMENT . . . The City will agree in the Ordinance to provide certain periodic information and notices of material events in accordance with SEC Rule 15c2-12, as described in the Official Statement under "Continuing Disclosure of Information." The Initial Purchaser(s)' obligation to accept and pay for the Certificates is conditioned upon delivery to the Initial Purchaser(s) or (their) agent of a certified copy of the Ordinance containing the agreement described under such heading.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12.

ADDITIONAL COPIES OF NOTICE OF SALE, BID FORM AND OFFICIAL STATEMENT . . . A limited number of additional copies of this Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement, as available over and above the normal mailing, may be obtained at the offices of First Southwest Company, 1021 Main Street, Suite 2200, Houston, Texas 77002, Financial Advisor to the City.

The City Council has approved the form and content of the Notice of Sale and Bidding Instructions, the Official Bid Form and Official Statement, and authorized the use thereof in its initial offering of the Certificates. On the date of the sale, the City Council will, in the Ordinance authorizing the issuance of the Certificates, confirm its approval of the form and content of the Official Statement, and any addenda, supplement or amendment thereto, and authorize its use in the reoffering of the Certificates by the Initial Purchaser.

Mayor
City of College Station, Texas

ATTEST:

City Secretary

OFFICIAL BID FORM

Honorable Mayor and City Council
City of College Station, Texas

July 1, 2009

Members of the City Council:

Reference is made to your Official Statement and Notice of Sale and Bidding Instructions, dated July 1, 2009 of \$31,315,000 CITY OF COLLEGE STATION, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2009 (the "Certificates"), both of which constitute a part hereof.

For your legally issued Certificates, as described in said Notice of Sale and Bidding Instructions and Official Statement, we will pay you par and accrued interest from date of issue to date of delivery to us, plus a cash premium of \$ _____ for Certificates maturing and bearing interest as follows:

Maturity		Interest	Maturity		Interest
Feb 15	Principal	Rate	Feb 15	Principal	Rate
2010	\$ 2,650,000	_____ %	2020	\$ 1,330,000	_____ %
2011	1,195,000	_____	2021	1,405,000	_____
2012	1,265,000	_____	2022	1,470,000	_____
2013	1,325,000	_____	2023	1,545,000	_____
2014	1,390,000	_____	2024	1,625,000	_____
2015	1,470,000	_____	2025	1,715,000	_____
2016	1,545,000	_____	2026	1,795,000	_____
2017	1,145,000	_____	2027	1,890,000	_____
2018	1,210,000	_____	2028	1,985,000	_____
2019	1,270,000	_____	2029	2,090,000	_____

Of the principal maturities set forth in the table above, term certificates have been created as indicated in the following table (which may include multiple term certificates, one term certificate or no term certificate if none is indicated). For those years which have been combined into a term certificate, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term certificate maturity date shall mature in such year. The term certificates created are as follows:

Term Certificate Maturity Date	Year of First Mandatory Redemption	Principal Amount of Term Certificate	Interest Rate
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %

Our calculation (which is not a part of this bid) of the interest cost from the above is:

TRUE INTEREST COST _____ %

We are having the Certificates of the following maturities _____ insured by _____ at a premium of \$ _____, **said premium to be paid by the Initial Purchaser.** Any fees to be paid to the rating agencies as a result of said insurance **will be paid by the City.**

The Initial Certificates shall be registered in the name of _____, which will, upon payment for the Certificates, be cancelled by the Paying Agent/Registrar. The Certificates will then be registered in the name of Cede & Co. (DTC's partnership nominee), under the Book-Entry-Only System.

A bank cashier's check or certified check of the _____ Bank, _____, in the amount of \$626,300.00, which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Official Statement and Notice of Sale and Bidding Instructions.

We agree to accept delivery of the Certificates utilizing the Book-Entry-Only System through DTC and make payment for the Initial Certificates in immediately available funds at The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, not later than 11:00 A.M., CDST, on Thursday, August 6, 2009 or thereafter on the date the Certificates are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions. It will be the obligation of the Initial Purchaser of the Certificates to complete the DTC Eligibility Questionnaire.

The undersigned agrees to complete, execute, and deliver to the City, at least six business days prior to delivery of the Certificates, a certificate relating to the "issue price" of the Certificates in the form and to the effect accompanying the Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to the City.

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award.

Respectfully submitted,

Syndicate Members:

Name of Underwriter or Manager

Authorized Representative

Phone Number

Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the City of College Station, Texas, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the ____ day of _____, 2009.

ATTEST:

Mayor
City of College Station, Texas

City Secretary

ISSUE PRICE CERTIFICATE

The undersigned hereby certifies with respect to the sale of CITY OF COLLEGE STATION, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2009 (the "Certificates"), issued in aggregate principal amount of \$31,315,000, as follows:

1. The undersigned is the underwriter or the manager of the syndicate of underwriters which has purchased the Certificates from the City of College Station, Texas (the "Issuer") at competitive sale.
2. The undersigned and/or one or more other members of the underwriting syndicate, if any, have made a bona fide offering to the public of the Certificates of each maturity at the respective prices set forth below.
3. The initial offering price (expressed as a percentage of principal amount or yield and exclusive of accrued interest) for the Certificates of each maturity at which a substantial amount of the Certificates of such maturity was sold to the public is as set forth below:

<u>Principal</u>	<u>Due Feb 15</u>	<u>Initial Offering Price</u>	<u>Principal</u>	<u>Due Feb 15</u>	<u>Initial Offering Price</u>
\$ 2,650,000	2010	_____ %	\$ 1,330,000	2020	_____ %
1,195,000	2011	_____	1,405,000	2021	_____
1,265,000	2012	_____	1,470,000	2022	_____
1,325,000	2013	_____	1,545,000	2023	_____
1,390,000	2014	_____	1,625,000	2024	_____
1,470,000	2015	_____	1,715,000	2025	_____
1,545,000	2016	_____	1,795,000	2026	_____
1,145,000	2017	_____	1,890,000	2027	_____
1,210,000	2018	_____	1,985,000	2028	_____
1,270,000	2019	_____	2,090,000	2029	_____

4. The term "public," as used herein, means persons other than bondhouses, brokers, dealers, and similar persons or organizations acting in the capacity of underwriters or wholesalers.
5. The offering prices described above reflect current market prices at the time of such sales.
6. The undersigned and/or one or more other members of the underwriting syndicate, as the case may be, (have)(have not) purchased bond insurance for the Certificates. The bond insurance, if any, has been purchased from _____ (the "Insurer") for a premium cost of \$ _____ (net of any nonguarantee cost, e.g., rating agency fees). The amount of such cost is set forth in the Insurer's commitment and is separately stated from all other fees or charges payable to the Insurer. The premium does not exceed a reasonable charge for the transfer of credit risk taking into account payments charged by guarantors in comparable transactions (including transactions in which a guarantor has no involvement other than as a guarantor). The present value of the debt service savings expected to be realized as a result of such insurance, discounted at a rate equal to the yield on the Certificates which results after recovery of the insurance premium, exceeds the present value of the bond insurance premium.
7. The undersigned understands that the statements made herein will be relied upon by the Issuer in its effort to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended, on the excludability of interest on the Certificates from the gross income of their owners.

EXECUTED and DELIVERED this _____ day of _____, 2009.

(Name of Underwriter or Manager)

By _____

(Title)

June 11, 2009
Consent Agenda Item No. 8g
Construction Contract #09-182 for Construction Improvements in
Southern Oaks Park

To: Glenn Brown, City Manager

From: Marco A. Cisneros, Director, Parks and Recreation

Agenda Caption: Presentation, possible action, and discussion regarding a resolution awarding the bid and approval of a construction contract (Contract Number #09-182) with South Construction, Inc. in the amount of \$126,900.00, for construction improvements in Southern Oaks Park, PK 0905.

Recommendation(s): Staff recommends approval of the resolution and award of the construction contract with South Construction, Inc., for construction improvements in Southern Oaks Park, in the amount of \$126,900.00 and sixty (60) construction days.

Summary: The proposed improvements in Southern Oaks Park include concrete trails work, area lights and disc golf landscape improvements.

Budget & Financial Summary: Six (6) sealed, competitive bids were received and opened on April 22, 2009. The bid summary is attached. Funds are available and budgeted in the Zone 6 Park Land Dedication Fund.

Attachments:

- 1) Resolution
- 2) Bid Number 09-48 Tabulation
- 3) Landscaping Site Plan
- 4) Lighting Site Plan

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS, APPROVING A CONSTRUCTION CONTRACT, #09-182, FOR THE SOUTHERN OAKS TRAILS AND LIGHTS PROJECT NUMBER PK 0905 AND AUTHORIZING THE EXPENDITURE OF FUNDS.

WHEREAS, the City of College Station, Texas, solicited bids for the construction phase of the Southern Oaks Trails and Lights Project; and

WHEREAS, the selection of South Construction, Inc. is being recommended as the lowest responsible bidder for the construction services related to the Southern Oaks Trails and Lights Project; now therefore,

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

- PART 1: That the City Council hereby finds that South Construction, Inc., is the lowest responsible bidder.
- PART 2: That the City Council hereby approves the contract with South Construction, Inc., in the amount of \$126,900.00 for the labor, materials, and equipment required for the improvements related to the Southern Oaks Trails and Lights Project.
- PART 3: That the funding for this Contract shall be as budgeted from the Zone 6 Park Land Dedication Fund in the amount of \$126,900.00.
- PART 4: That this resolution shall take effect immediately from and after its passage.

ADOPTED this the 11th day of June 2009.

ATTEST:

APPROVED:

CITY SECRETARY

MAYOR

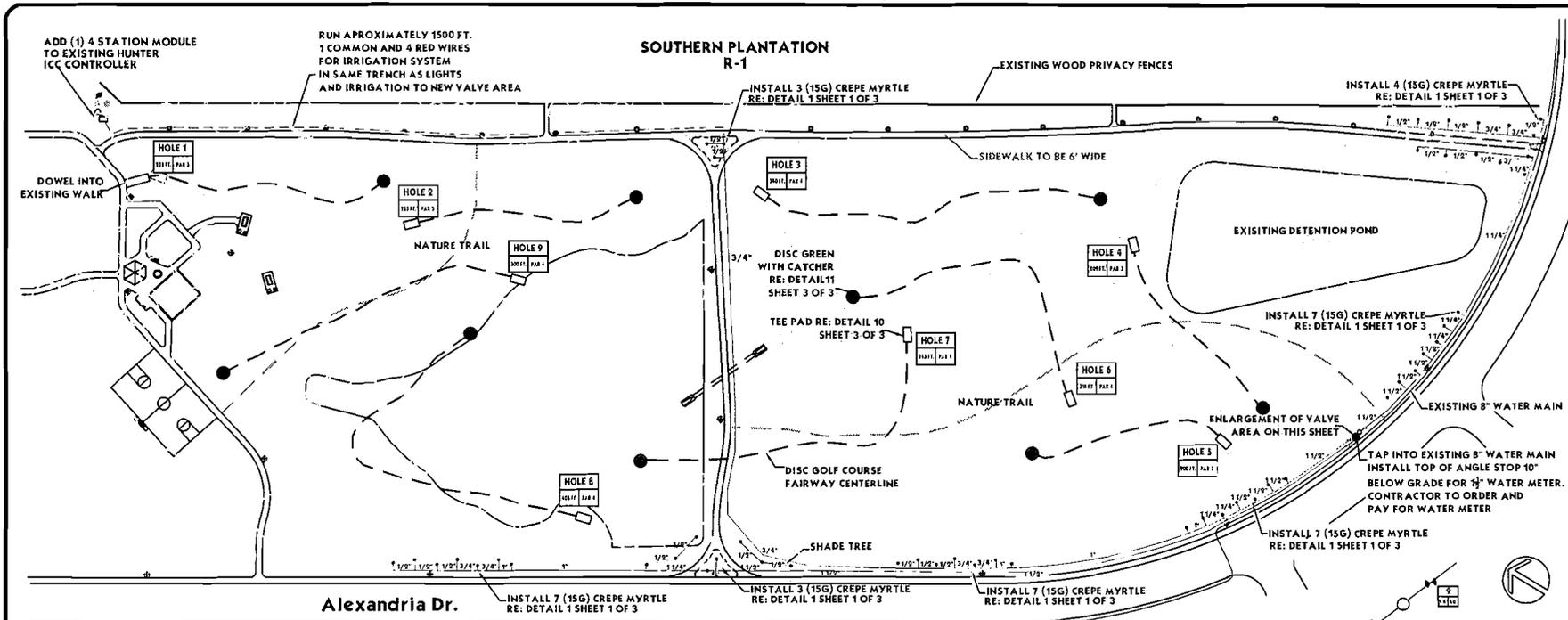
APPROVED:

Carla A. Robinson
CITY ATTORNEY

City of Colleyville Station - Purchasing Department
 Lead Tabulation for #09-48
 "Southern Oaks Park Trails and Lights"
 Open Date: Wednesday, April 22, 2009 @ 2:00 p.m.

ITEM	QTY	UNIT	DESCRIPTION	South Construction, Inc. Bryan, TX		The Ground Crew Bryan, TX		JaCody, Inc. College Station, TX	
				UNIT COST	TOTAL PRICE	UNIT COST	TOTAL PRICE	UNIT COST	TOTAL PRICE
1	1	Lump Sum	Sidewalk	\$32,000.00	\$32,000.00	\$36,910.64	\$36,910.64	\$42,000.00	\$42,000.00
2	1	Lump Sum	Light Poles, Fixtures, Wiring, Conduit, & Boxes	\$55,300.00	\$55,300.00	\$60,092.14	\$60,092.14	\$63,125.00	\$63,125.00
3	1	Lump Sum	Disc Golf Course	\$12,400.00	\$12,400.00	\$21,947.28	\$21,947.28	\$16,421.00	\$16,421.00
4	1	Lump Sum	Irrigation	\$10,650.00	\$10,650.00	\$5,000.00	\$5,000.00	\$1,062.00	\$1,062.00
5	1	Lump Sum	Trees	\$14,900.00	\$14,900.00	\$9,187.68	\$9,187.68	\$12,348.00	\$12,348.00
6	1	Lump Sum	Grading & Seeding	\$ 1,650.00	\$ 1,650.00	\$4,297.20	\$4,297.20	\$4,938.00	\$4,938.00
GRAND TOTAL				\$126,900.00	\$126,900.00	\$137,434.94	\$137,434.94	\$139,894.00	\$139,894.00
Certification from bid package				9	9	9	9	9	9
Bid Bond				9	9	9	9	9	9
Delivery Date (calendar days)				60	60	60	60	75	75
Addendum No. 1 Acknowledged				9	9	9	9	9	9

ITEM	QTY	UNIT	DESCRIPTION	Marek Brothers Const. College Station, TX		Dudley Construction, Ltd College Station, TX		Quad-Tex Construction Bryan, TX	
				UNIT COST	TOTAL PRICE	UNIT COST	TOTAL PRICE	UNIT COST	TOTAL PRICE
1	1	Lump Sum	Sidewalk	\$42,779.00	\$42,779.00	\$33,977.00	\$33,977.00	\$53,000.00	\$53,000.00
2	1	Lump Sum	Light Poles, Fixtures, Wiring, Conduit, & Boxes	\$59,616.00	\$59,616.00	\$67,849.00	\$67,849.00	\$67,100.00	\$67,100.00
3	1	Lump Sum	Disc Golf Course	\$12,194.00	\$12,194.00	\$14,494.00	\$14,494.00	\$28,000.00	\$28,000.00
4	1	Lump Sum	Irrigation	\$9,775.00	\$9,775.00	\$14,235.00	\$14,235.00	\$15,250.00	\$15,250.00
5	1	Lump Sum	Trees	\$11,166.00	\$11,166.00	\$16,648.00	\$16,648.00	\$15,250.00	\$15,200.00
6	1	Lump Sum	Grading & Seeding	\$8,292.00	\$8,292.00	\$8,665.00	\$8,665.00	\$3,050.00	\$3,050.00
GRAND TOTAL				\$143,822.00		\$155,868.00		\$181,600.00	
Certification from bid package				9		9		9	
Bid Bond				9		9		9	
Delivery Date (calendar days)				90		45		90	
Addendum No. 1 Acknowledged				9		9		9	



**CITY OF COLLEGE STATION
PARKS AND RECREATION DEPARTMENT**
POST OFFICE BOX 9950
COLLEGE STATION, TX 77842
WWW.CSTX.GOV

**SOUTHERN OAKS PARK
D-GOLF, LANDSCAPE & IRRIGATION
SITE CONSTRUCTION PLAN**

DATE: MARCH, 2009
PROJECT MANAGER:
DAVID WOOD
(979) 764-3888

REVISIONS:
MAY 05, 2009

SHEET:
1
OF 3

LANDSCAPE LEGEND

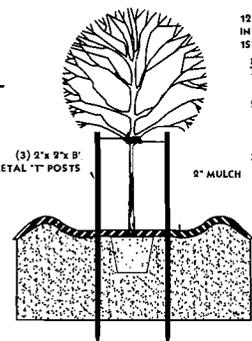
- 8 45 GALLON MONTEZUMA CYPRESS
- 7 45 GALLON LIVE OAK (HIGH RISE)
- 38 15 GALLON CREPE MYRTLE (CATAWBA)

GENERAL NOTES:

- 1.) BUBBLERS TO BE 1' ABOVE MULCH IN TREE WELLS
- 2.) PLACE 2" SLEEVES UNDER ALL CONCRETE TO RUN IRRIGATION PIPE THROUGH
- 3.) ALL PIPE NOT SIZED ON PLAN IS 1/2" IN SIZE
- 4.) IRRIGATION AND LAND. CONTRS. TO COORDINATE TREE AND BUBBLER LOCATIONS
- 5.) RE: DETAIL 12 FOR MARKING SLEEVE LOCATIONS IN CONC.
- 6.) REMOVE UNDERBRUSH WITHIN 5' OF BOTH SIDES OF DISC GOLF FAIRWAY AND NATURE TRAIL CENTERLINE.
- 7.) REMOVE UNDERBRUSH WITHIN AN 8' RADIUS OF THE DISC GOLF TEE AND CATCHER.
- 8.) SEED ALL DISTURBED AREAS 2 LBS. OF HULLED BERMUDA PER 1000SF
- 9.) IRRIGATION SYSTEM WILL BE PROTECTED BY A DOUBLE CHECK VALVE AND INSTALLED AS PER CITY ORDINANCE #2394
- 10.) ALL BACKFLOW DEVICES MUST BE INSTALLED AND TESTED UPON INSTALLATION AS PER CITY ORDINANCE #2394

IRRIGATION LEGEND

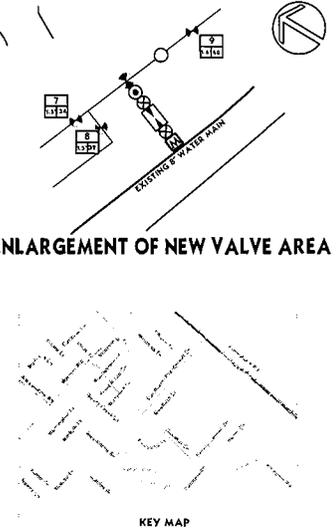
- FLOOD BUBLER (TORO 514-20)
- ⚡ ELEC. VALVE (RAINBIRD PEB)
- ⊕ MASTER VALVE
- ⊖ 1 1/2" DOUBLECHECK VALVE
- ⊕ ADJUSTABLE PRESSURE REGULATOR VALVE
- ⊕ BALL VALVE
- ⊕ METER
- QUICK COUPLING IN A 10" VALVE BOX ON SWING JOINT POURED IN CONC.



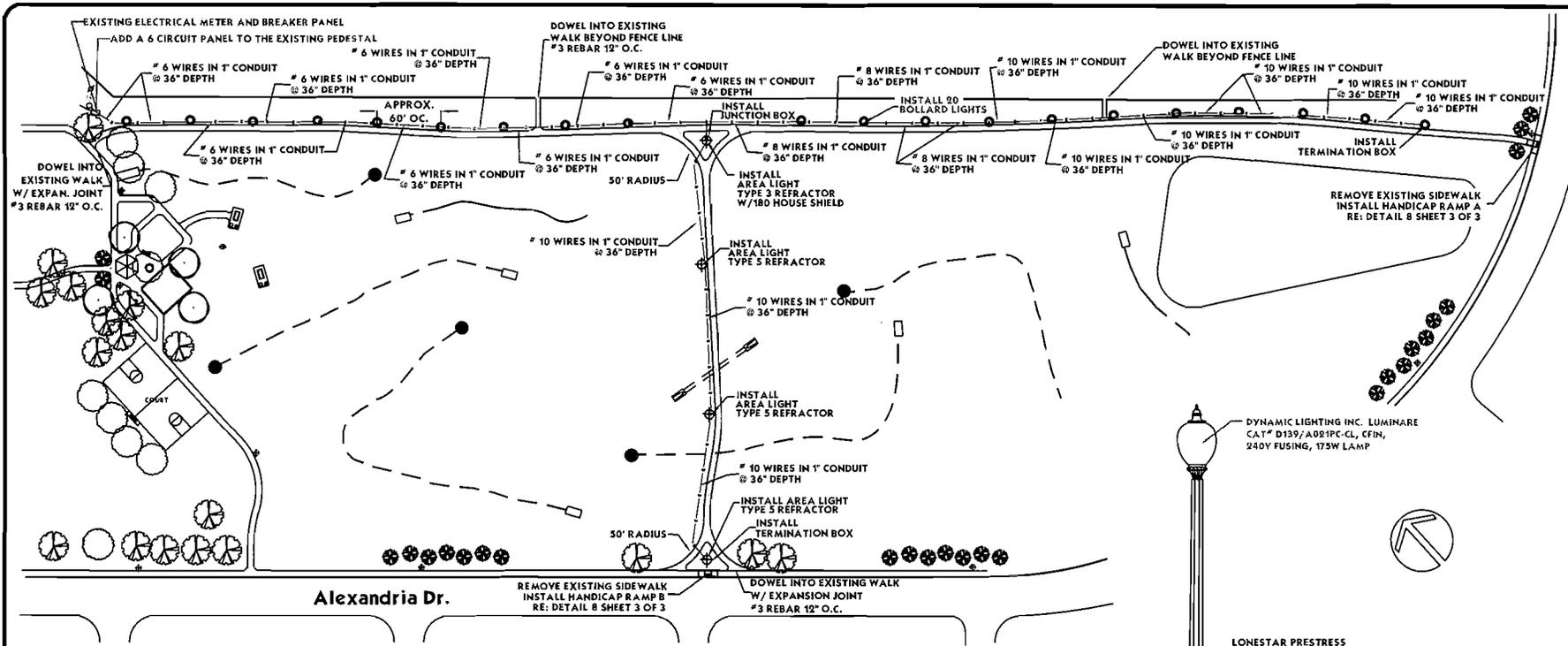
1 TREE PLANTING SECTION
NOT TO SCALE

- 12 GAUGE GAL WIRE ENCASED IN 1" DIA. RUBBER HOSE WRAPPED ABOVE 1ST BRANCH TO KEEP FROM SLIPPING
- NOTES**
- 1.) PLANT SO THAT TOP OF ROOT BALL IS 1-2" ABOVE FINISHED GRADE.
 - 2.) ADD NEW TOPSOIL MIX MIN. OF 30" DEPTH @ TREE, 5'x5' AREA COMPACT ALL NEW SOIL SLIGHTLY.
 - 3.) 45 GALLON TREES TO HAVE HOLE DUG @ 5X5 DIAM X 30" DEPTH. 30 GALLON TREES TO HAVE HOLE DUG @ 4X4 DIAM X 24" DEPTH. 15 GALLON PLANTS TO HAVE HOLE DUG @ 3X3 DIAM X 22" DEPTH
- FINISH GRADE
FERTILIZER TABLETS (20-10-5, 10 GRAM, 2 YR. FORMULA)
REFER TO NOTES FOR DIAM. & DEPTH TOPSOIL MIX (1/3 TOPSOIL, 1/3 COMPOST, 1/3 DECOMPOSED PINE BARK MULCH). WATER & TAMP TO REMOVE AIR POCKETS

ENLARGEMENT OF NEW VALVE AREA



KEY MAP



**CITY OF COLLEGE STATION
PARKS AND RECREATION DEPARTMENT**

POST OFFICE BOX 9960
COLLEGE STATION, TX. 77842
WWW.CSTX.GOV

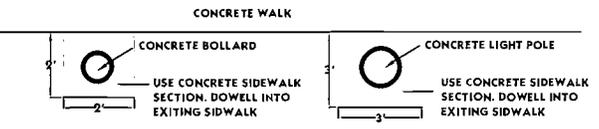
**SOUTHERN OAKS PARK
TRAILS AND LIGHTS
SITE CONSTRUCTION PLAN**

DATE: MARCH 2009
PROJECT MANAGER:
DAVID WOOD
(979) 764-3888

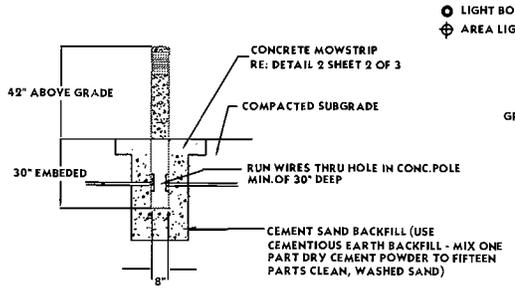
REVISIONS:
MAY 20 2009

SHEET:
2
OF 3

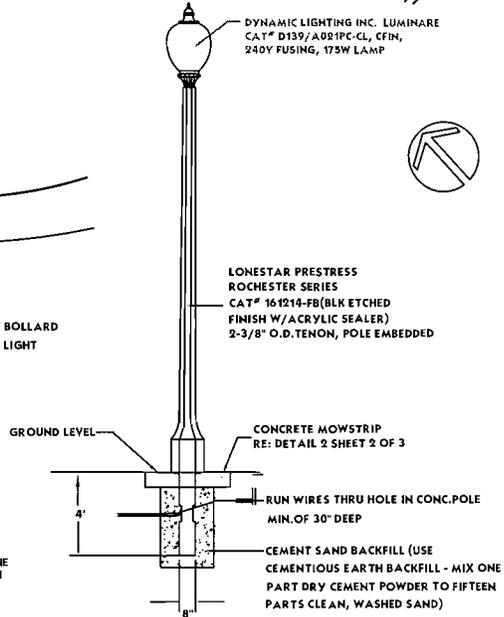
- NOTES:**
- 1.) TRENCH IN CONDUIT, 48" BELOW FINISHED GRADE FOR ELECTRICAL
 - 2.) INSTALL "CAUTION" TAPE 18" ABOVE CONDUITS FOR ELECTRICAL
 - 3.) SMOOTH OUT/CROWN ALL TRENCHES AND HAUL OFF ROCK OR DEBRIS OTHER THAN SOIL.
 - 4.) KEEP TRENCHES OUT OF TREE DRIPLINES AS MUCH AS POSSIBLE
 - 5.) MAKE WIRE SPLICES/CONNECTIONS AT HAND HOLES AT EACH POLE
 - 6.) INSTALL 2" SLEEVES UNDER CONCRETE WHERE ELECTRIC LINES CROSS UNDER
 - 7.) JUNCTION BOXES ARE TO BE CONCRETE



**2 CONCRETE BOLLARD/LIGHT
FIXTURE MOW STRIPS**
NOT TO SCALE



3 LIGHT BOLLARD
NOT TO SCALE



4 AREA LIGHT FIXTURE
NOT TO SCALE

○ LIGHT BOLLARD
⊕ AREA LIGHT

June 11, 2009
Consent Agenda Item No. 8h
Participation Agreement for Castle Rock Park

To: Glenn Brown, City Manager

From: Marco A. Cisneros, Director of Parks and Recreation Department

Agenda Caption: Presentation, possible action, and discussion regarding an ordinance for a participation agreement with Greens Prairie Investors, L.L.C., for construction of Castle Rock Park.

Recommendation(s): The Parks and Recreation Advisory Board and staff recommend approval of the agreement for construction of Castle Rock Park by the developer, Greens Prairie Investors, L.L.C. The park construction will meet or exceed city standards for a neighborhood park.

Summary: The Park Land Dedication Ordinance provides the option of a private developer building a neighborhood park in lieu of paying neighborhood park development fees for their particular development. The Parks and Recreation Advisory Board reviewed the conceptual plan for the proposed park at their May 12, 2009 meeting. They approved the site plan with a unanimous vote. Greens Prairie Investors, L.L.C., will be constructing the Castle Rock Park instead of paying more Park Land Dedication fees for future development in Castle Rock, Spring Creek Gardens, and Spring Creek Townhomes subdivisions. The company has already paid \$45,000 in Park Zone 10 Park Land Dedication fees. They will owe \$121,362 for future development in the three subdivisions. The total for construction of the park is \$240,727. The city will reimburse Greens Prairie Investors, L.L.C. the \$45,000 in fees paid to date and the city's share of construction (\$72,222) for a total of \$117,222, after the park is constructed.

Budget & Financial Summary: The source of funding is from the Park Zone 10 Park Land Dedication funds. Currently \$404,713 is available in that zone fund. The city's share of the costs associated with the park construction will be \$60,038.

Attachments:

1. Castle Rock Park Participation Agreement
2. Castle Rock Park Site Plan
3. Castle Rock Ordinance
4. May 12, 2009 PARD Advisory Board Minutes

CITY PARTICIPATION AGREEMENT

This Agreement is entered into this 26th day of May, 2009, by and between the **City of College Station**, a Texas home rule municipal corporation (hereinafter "CITY"), and **Greens Prairie Investors**, a Texas LLC (hereinafter "DEVELOPER").

WHEREAS, DEVELOPER is developing property within the City of College Station, more particularly described as Castle Rock Park College Station, Brazos County, Texas (hereinafter "Property") a description of which is attached hereto as **Exhibit A**; and

WHEREAS, DEVELOPER is required to construct certain public infrastructure, such as roadways, utilities, sidewalks, drainage facilities, water and sewer facilities, etc. that relate to DEVELOPER'S proposed development; and

WHEREAS, CITY is required or desirous of assuming some or all responsibility for construction of certain public infrastructure affecting DEVELOPER'S development; and

WHEREAS, because of this and in order to comply with CITY's overall development scheme both DEVELOPER and CITY agree that it is in the best interests of the public to jointly construct certain identified public infrastructure; and

WHEREAS, the City Engineer has reviewed the data, reports and analysis, including that provided by DEVELOPER's engineers, and determined that such public improvement qualifies for joint CITY-DEVELOPER participation; and

WHEREAS, both parties agree as to the nature and proportion of joint participation as further recited herein and as may be required in accordance with section 212.071 et seq and Chapter 252 Texas Local Government Code;

NOW, THEREFORE, for and in consideration of the recitations above and the promises and covenants herein expressed, the parties hereby agree as follows:

I.

DEFINITIONS

1.1 Approved Plans means the plans and specifications that meet the requirements of this Participation Agreement, the City of College Station Codes and Ordinances and any other applicable laws and that have been submitted to, reviewed and approved by the City of College Station Development Services Department, the City Engineer.

1.2 **CITY or College Station** means the City of College Station, a Texas home rule municipal corporation located at 1101 Texas Avenue, College Station, Texas 77840.

1.3 **DEVELOPER** means Greens Prairie Investors, a Texas LLC whose principal office is located at 4490 Castlegate Drive, College Station, Texas 77845.

1.4 **Effective Date.** The date on which this Agreement is signed by the last party whose signing makes the Agreement fully executed.

1.5 **Final Completion.** The term "Final Completion" means that all the work on the Project has been completed, a written guarantee of performance for a one year maintenance period has been provided, all final punch list items have been inspected and satisfactorily completed, all payments to materialmen and subcontractors have been made, all documentation, and all closeout documents have been executed and approved by the DEVELOPER as required, all Letters of Completion and other CITY documentation have been issued for the Project, all reports have been submitted and reporting requirements have been met, and DEVELOPER has fully performed any other requirements contained herein.

1.6 **Letter of Completion :** A letter issued by the City Engineer stating that the construction of public improvements conforms to the plans, specifications and standards contained in or referred to in CHAPTER 9 of the CITY OF COLLEGE STATION CODE OF ORDINANCES.

1.7 **Property** means that one certain tract of land Castle Rock Park, in the Castle Rock subdivision *(describe by ref. to plat, subdivision, etc. as appropriate)* and as further described in **Exhibit A** attached hereto and incorporated herein made a part hereof.

1.8 **Project** means the construction of Castle Rock Park improvements as detailed in **Exhibit B** attached hereto and incorporated herein by reference.

II. CITY COST PARTICIATION

2.1 **Agree to Participate.** CITY agrees to cost participate in the Project in the maximum amount estimated as set forth in **Exhibit C**, which is attached hereto and incorporated herein by reference. CITY'S actual rate of participation will be based upon the final actual cost of the Project as reflected by the breakdown of costs required pursuant to this Agreement but in no event shall exceed the maximum amount estimated in **Exhibit C**.

2.2 **Public Bidding.** The total estimated cost of the Project is as set forth in **Exhibit C**. If CITY's cost participation exceeds 30% of the total cost of the Project or is located within

the extraterritorial jurisdiction of the CITY, then the Project must be competitively bid pursuant to Chapter 252 Texas Local Government Code, as amended. If CITY participation exceeds 30% of the total cost of the Project, CITY shall be responsible for advertising and obtaining bids or negotiating proposals for the construction of the Project. DEVELOPER shall pay for all costs associated with advertising, printing, and distributing plans and specifications for the Project.

If CITY's cost participation is 30% or less of the total cost of the Project and is located within the boundaries of the CITY, the Project need not be competitively bid.

2.3 Cost of Project. DEVELOPER's engineer's detailed cost estimate of the Project is attached hereto and incorporated herein as **Exhibit C**.

2.4 Application for Payment. Application for payment by the DEVELOPER to the CITY for payment to the DEVELOPER pursuant to the terms of this Agreement must include the following in a form acceptable to CITY:

- (1) Final Completion of the Project in accordance with the Approved Plans;
- (2) issuance of all Letters of Completion relating to the Project;
- (3) DEVELOPER's compliance with all CITY Codes, Ordinances and standards relating to the Project, the Property and its subdivision and development;
- (4) dedication of the land for the right-of-way either by plat or by deed relating to the Project;
- (5) a current title report as of the date of such land dedication and updated within sixty (60) days of the date of this Agreement;
- (6) lien releases or subordinations from all lenders as required by CITY;
- (7) Proof that all guarantees of performance and payment as set forth in this Agreement have been met, including all bond requirements when applicable; and
- (8) A breakdown of actual costs of the Project with supporting documentation, including all payment receipts.

2.5 City Participation Payment. DEVELOPER shall submit the written application for CITY participation payment within thirty (30) days after issuance of all Letters of Completion relating to the Project or DEVELOPER shall be ineligible to receive the CITY participation payment specified in this Agreement and CITY's obligation to cost participate shall terminate without any liability. Applications may not be submitted prior to Final Completion. CITY will pay its participation funds in one payment within thirty (30) days after receipt of a complete written application for participation payment from DEVELOPER.

2.6 Reports, books and other records. DEVELOPER shall make its books and other records related to the project available for inspection by CITY. DEVELOPER shall

submit to CITY any and all information or reports requested to verify the expenditures submitted for CITY participation eligibility including but not limited to bid documents, payment applications, including any supporting information, cancelled checks, copies of construction and engineering documents, as determined by the City Engineer in his sole discretion, for the verification of the cost of the Project detailed in **Exhibit B and C** of this Agreement. The submission of these reports and information shall be the responsibility of DEVELOPER and shall be certified by DEVELOPER's Licensed Professional Engineer at DEVELOPER's expense and signed by an authorized official of the entity.

III. GOVERNMENTAL IMMUNITY, INDEMNIFICATION AND RELEASE

CITY is a political subdivision of the state and enjoys governmental immunity. By entering into this Agreement, CITY does not consent to suit, waive its governmental immunity, or the limitations as to damages under the Texas Tort Claims Act.

DEVELOPER agrees to and shall indemnify, hold harmless, and defend CITY and its officers, agents, and employees from and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, expert fees and attorney's fees, for injury to or death of any person, or for damage to any property, or for breach of contract, arising out of or in connection with the work done by DEVELOPER under this Agreement, regardless of whether such injuries, death, damages or breach are caused in whole or in part by the negligence of CITY, any other party indemnified hereunder, or the DEVELOPER.

DEVELOPER shall indemnify and hold CITY harmless from any claims of suppliers or subcontractors of DEVELOPER for improvements constructed or caused to be constructed by DEVELOPER.

DEVELOPER shall indemnify and hold CITY harmless from any and all injuries to or claims of adjacent property developers resulting from or relating to their performance under this Agreement.

DEVELOPER assumes full responsibility for the work to be performed hereunder, and releases, relinquishes and discharges CITY, its officers, agents and employees, from all claims, demands, and causes of action of every kind and character, including the cost of defense therefore, for any injury to or death of any persons and any loss of or damage to any property that is caused by, alleged to be caused by, arising out of, or in connection with, DEVELOPER's work to be performed hereunder. This release shall apply whether or not said claims, demands, and causes or action are covered in whole or in part by insurance and regardless of whether or not said claims, demands, and causes of action were caused in whole or in part by the negligence of CITY, any other party released hereunder, or DEVELOPER.

IV.
PROJECT AND CONSTRUCTION

4.1 Right to Inspect the Work. CITY may inspect the improvements for compliance with the Approved Plans during construction. In the event that it is determined by CITY that any of the work or materials furnished is not in strict accordance with the Approved Plans, CITY may withhold funds until the nonconforming work conforms to the Approved Plans or terminate this Agreement at CITY's election without any further liability.

4.2 Independent Contractor. DEVELOPER shall be solely responsible for selecting, supervising, and paying the construction contractor(s) or subcontractors and for complying with all applicable laws, including but not limited to all requirements concerning workers compensation and construction retainage.

The parties to this Agreement agree and understand that all employees, volunteers, personnel and materials furnished or used by DEVELOPER in the installation of the specified improvements shall be the responsibility of DEVELOPER and shall not be deemed employees or agents of CITY for any purpose.

4.3 Payment for materials and labor. DEVELOPER shall be solely and exclusively responsible for compensating any of its contractors, employees, subcontractors, materialmen and/or suppliers of any type or nature whatsoever and insuring that no claims or liens of any type will be filed against any property owned by CITY arising out of or incidental to the performance of any service performed pursuant to this Agreement. In the event a statutory lien notice is sent to CITY, DEVELOPER shall, where no payment bond covers the work, upon written notice from the CITY, immediately obtain a bond at its expense and hold CITY harmless from any losses that may result from the filing or enforcement of any said lien notice.

4.4 Affidavit of bills paid. Prior to the issuance of a Letter of Completion of the improvements, DEVELOPER shall provide CITY a notarized affidavit stating that all bills for labor, materials, and incidentals incurred have been paid in full, that any claims from manufacturers, materialmen, and subcontractors have been released, and that there are no claims pending of which DEVELOPER has been notified. Such affidavit shall be in a form as substantially set forth in **Exhibit D** which is attached hereto and incorporated by reference.

4.5 Requirements of Applicable rules remain. This Agreement does not alter, amend modify or replace any other requirements contained in the Code of Ordinances, Unified Development Code, or other applicable law.

V.
GUARANTEE OF PERFORMANCE AND PAYMENT

5.1 Bonding Requirements of Developer. Where CITY participation is 30% or less of the total value of the Project, DEVELOPER shall execute a performance bond to ensure construction of the Project and shall ensure that its contractor performing the Project executes a payment bond to ensure payment to subcontractors, if any. The bonds must be executed by a corporate surety in accordance with CHAPTER 2253, TEXAS GOVERNMENT CODE. The bonds shall be in the total amount of the contract price as approved by CITY.

5.2 Bonding Requirements of City. Where CITY participation is greater than 30% of the total value of the Project or when the Project is located within the extraterritorial jurisdiction of the CITY, the CITY shall ensure that the prime contractor of the Project execute to the CITY a performance bond and/or a payment bond as may be required pursuant to chapter 2253 Texas Government Code.

VI. GENERAL PROVISIONS

6.1 Amendments. No amendment to this Agreement shall be effective and binding unless and until it is reduced to writing and signed by duly authorized representatives of both parties.

6.2 Choice of law and Venue. This Agreement has been made under and shall be governed by the laws of the State of Texas. Performance and all matters related thereto shall be in Brazos County, Texas, United States of America.

6.3 Authority to enter into Agreement. Each party represents that it has the full power and authority to enter into and perform this Agreement. The person executing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. The person executing this Agreement on behalf of DEVELOPER represents that he or she is authorized to sign on behalf of DEVELOPER and agrees to provide proof of such authorization to the CITY upon request.

6.4 Agreement read. The parties acknowledge that they have read, understand and intend to be bound by the terms and conditions of this Agreement.

6.5 Notice. All notices and documents required herein shall be sent and provided to the parties at the addresses and telephone numbers listed below:

Green Prairie Investors
4490 Castlegate Drive
College Station, Texas 77845

City of College Station
City Engineer
P.O. Box 9960
College Station, TX 77842

With copies to:
City Attorney and City Manager
1101 Texas Avenue

College Station, TX 77842

All notices and documents shall be deemed received when mailed with sufficient postage and deposited in a regular mailbox of the United States Post Office. The parties may change addresses upon thirty (30) days' written notice sent certified mail, return receipt requested.

6.6 Assignment. This Agreement and the rights and obligations contained herein may not be assigned by DEVELOPER without the prior written approval of the CITY.

6.7 Default. In the event of a breach of this Agreement by DEVELOPER, CITY may terminate this Agreement and exercise any and all legal remedies available to it.

Executed this 26th day of May, 2009.

List of Exhibits:

- A A description of the Property
- B A description of the Project
- C Engineer's estimate of the costs of the Project
- D Affidavit of All Bills Paid form

GREENS PRAIRIE INVESTORS

CITY OF COLLEGE STATION



Printed Name: Wallace Phillips

Title: President

BY:

Mayor

ATTEST:

*Signature notarized
See Pg. 8.*

City Secretary

THE STATE OF TEXAS)
)
COUNTY OF BRAZOS) ACKNOWLEDGMENT

Before me, the undersigned authority, on this day personally appeared _____ as Mayor of the City of College Station, a Texas home-rule municipal corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the ____ day of _____, 200__.

Notary Public in and for the State of
Texas

EXHIBIT A

PROPERTY DESCRIPTION

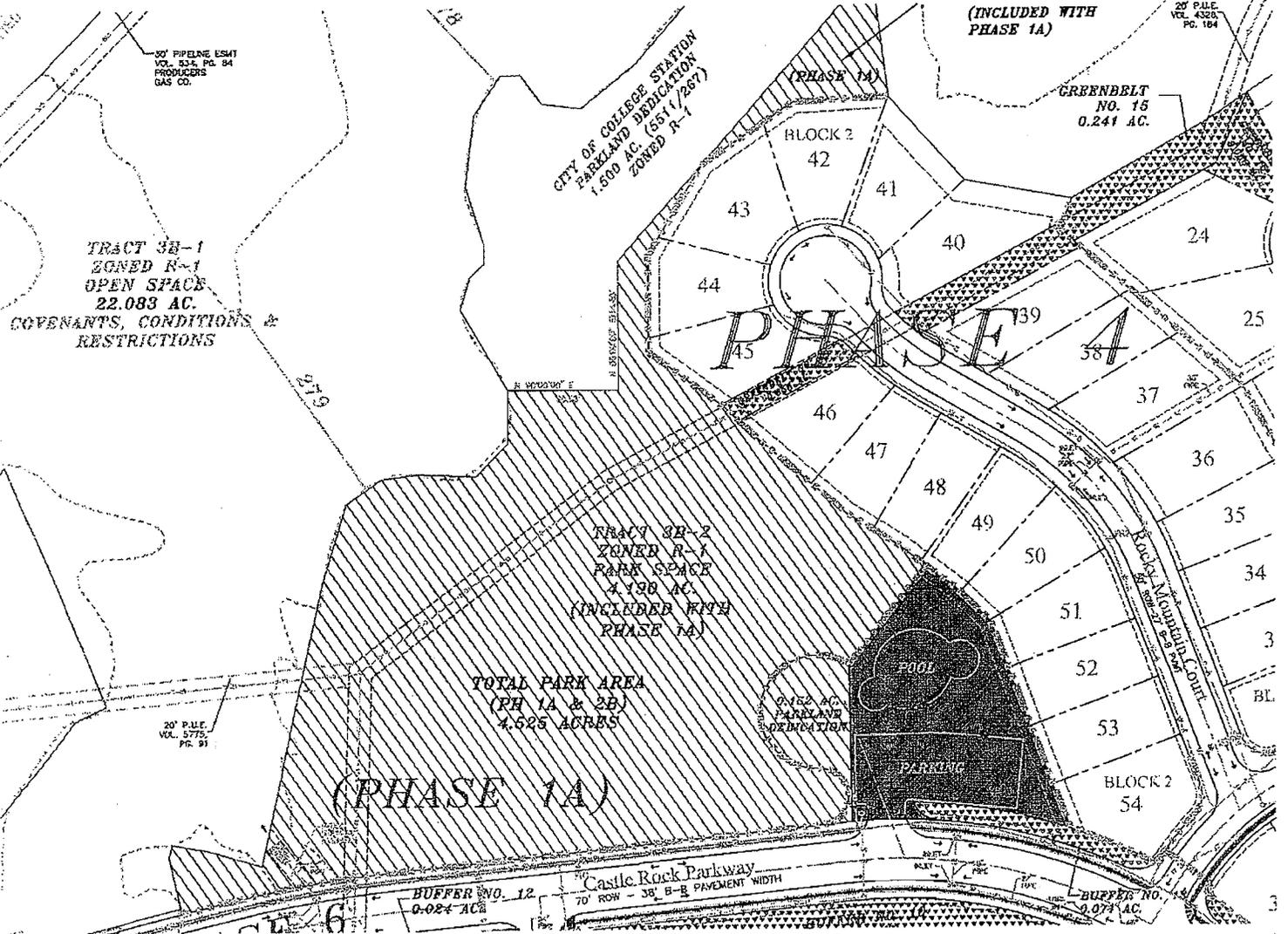
CASTLE ROCK PARK

Castlerock park is a tract of land consisting of 6.187 acres on the north side of Castle Rock Parkway in the Castle Rock subdivision. It includes 3 tracts of land, tract 3B-2, a 1.5 acre tract of land and a .162 acre tract of land.

EXHIBIT B

PROJECT DESCRIPTION

Castle Rock park will be constructed by Greens Praire Investors. The items to be constructed includes a picnic shelter, playground with rubber cushioning and shade cover, swings with pea gravel surfacing, concrete sidewalks, 2 practice fields including 2 soccer goals and a ball backstop, trees, irrigation, drinking fountain, water meter, drain pipes, topsoil and site grading, and hydromulching, electrical conduit , 12 area lights, picnic tables, bbq grill, and a trash can.



(INCLUDED WITH PHASE 1A)

20' P.U.E. VOL. 4323 PG. 164

20' P.U.E. VOL. 534 PG. 84 PRODUCERS GAS CO.

CITY OF COLLEGE STATION
PARKLAND DEDICATION
1.500 AC. (SST 1/287)
ZONED R-1

GREENBELT
NO. 15
0.241 AC.

TRACT 3B-1
ZONED R-1
OPEN SPACE
22.083 AC.
COVENANTS, CONDITIONS &
RESTRICTIONS

TRACT 3B-2
ZONED R-1
PARK SPACE
4.799 AC.
(INCLUDED WITH
PHASE 1A)

TOTAL PARK AREA
(PH 1A & 2B)
4.625 ACRES

(PHASE 1A)

20' P.U.E. VOL. 5775 PG. 91

Castle Rock Parkway
70' ROW - 38' B-E PAVEMENT WIDTH

BUFFER NO. 12
0.024 AC.

BUFFER NO. 13
0.074 AC.

BUFFER NO. 14

BL

BLOCK 2
54

BUFFER NO. 15

Greens Prairie Investors, LTD.

4490 Castlegate Drive
College Station, TX 77845
Phone: (979) 690-7250 Fax: (979) 690-1041

May 26, 2009

City of College Station
Parks & Recreation Department
1000 Krenek Tap Road
College Station, TX 77840

RE: Completion of Castle Rock Park

Please accept this as an acceptance letter that Greens Prairie Investors will complete the construction of the Castle Rock City Park. Construction cost will be \$240,727.00.

Construction started on the preliminary site work on April 27, 2009.

Respectfully,

Wallace Phillips

Exhibit C

GREENS PRAIRIE INVESTORS, LTD
Castle Rock Park
Cost Estimate
May 26, 2009

Item	Description	Unit	Estimate	Unit Price	Total
Sitework & Pavement					
1	Play Ground (+ shade cover + rubber poured in place Fall zone w/concrete under pad	LS	1	\$64,962.00	\$64,962.00
2	Baseball Back Stop	EA	1	1,500.00	1,500.00
3	Soccer Goals	EA	2	1,000.00	2,000.00
4	Swing Set (Gravel/ Concrete curb)	LS	1	12,000.00	12,000.00
5	Shelter (slab, tables, Grill, trashcan)	LS	1	22,500.00	22,500.00
6	LED Area Lights, wiring not Included	LS	12	3,000.00	36,000.00
7	Electrical Conduit	LS	1	18,000.00	18,000.00
8	Drinking Fountain & Water Line	LS	1	4,600.00	4,600.00
9	Concrete Jogging Trail	SF	10,160	3.50	35,560.00
10	Trees	EA	14	250.00	3,500.00
11	Irrigation System Along Castle Rock Parkway Only	LS	1	4,000.00	4,000.00
12	Water Meter	EA	1	500.00	500.00
13	Drainage Pipes	EA	8	100.00	800.00
14	2" Topsoil Placement	LS	1	7,500.00	7,500.00
15	Site Grading	LS	1	5,540.00	5,540.00
16	Hydromulch Seeding (practice fields - 100,000 SF)	LS	1	7,000.00	7,000.00
17	Design	LS	1	7,500.00	7,500.00
18	Performance Bond			6,400.00	6,400.00
19	Accessibility Inspection & Review			865.00	865.00

TOTAL \$240,727.00

Payment Breakdown

Greens Prairie Investors already paid in. The City will be refunded upon starting.
 Greens Prairie Investors to pay as construction progress.
 City of College Station to pay Greens Prairie Investors upon completion of Park.

45,000.00
 123,509.00
 72,218.00
 \$240,727.00

W.S. PTH

Exhibit D

THE STATE OF TEXAS }
COUNTY OF BRAZOS }

AFFIDAVIT OF BILLS PAID

Before me, the undersigned authority, personally appeared _____ (“Affiant”), _____ of _____ (“Contractor”), who being first duly sworn, deposed and state the following:

“My name is _____. I am over 18 years of age, of sound mind, capable of making this affidavit, and personally acquainted with the facts stated in it, which facts are true and correct.

Pursuant to that certain _____ contract, dated as of _____, 200__ (the “Contract”) by and between the City of College Station, Texas, and _____, Contractor furnished labor and materials to construct _____ on the real property known as _____ (more particularly described in the Contract) the “Project”.

To the extent that Contractor constructed or contracted for the construction of such _____, Contractor has paid each of its sub-contractors, laborers and materialmen in full (except for statutory retainage) for all labor and/or materials provided to Contractor on the Project.

To the best of Affiant’s knowledge, Contractor has not received notice of any claims pending against the Project in connection with the _____ described in the Contract.

Further, Affiant saith not.

Executed this _____ day of _____, 200__.

AFFIANT:

Printed Name: _____

SUBSCRIBED AND SWORN TO before me on this _____ day of _____, 200__.

Notary Public, State of Texas

MANAGER'S CERTIFICATE

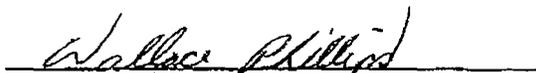
I the undersigned, Manager of **GREENS PRAIRIE ASSOCIATES LLC**, a Texas limited liability company (the "Company") do hereby certify that: (i) that the Company is duly organized and existing under the laws of the State of Texas and is authorized to do business in the State of Texas; that all franchise and other taxes required to maintain its company existence have been paid when due and that no such taxes are delinquent; that no proceedings are pending for the forfeiture of its Certificate of Organization or for its dissolution, voluntarily or involuntarily; that it is fully qualified and in good standing to do business in all jurisdictions in which the nature of its business requires it to be qualified; that there is no provision of the Articles of Organization or Regulations of the Company limiting the power of the Members to pass the Resolutions set forth below; (ii) that **GREENS PRAIRIE ASSOCIATES LLC**, is the sole general partner of **GREENS PRAIRIE INVESTORS, LTD.** (the "Partnership"), and that **GREENS PRAIRIE INVESTORS, LTD.**, is a limited partnership duly organized and existing under the laws of the State of Texas and is authorized to do business in the State of Texas; and (iii) that on the ____ day of March, 2002, by written consent of the Manager of the Company, the following resolutions were unanimously adopted and recorded in the minutes of the books of said Company kept by the Company and are in accord with and pursuant to the Articles of Organization and Limited Liability Company Agreement of the Company and are now in full force and effect, to-wit

RESOLVED, that **WALLACE PHILLIPS**, Manager, is authorized in the name of the Company, as its own act to sell the Company's real property located in Brazos County, Texas, described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"), to **CASTLEGATE HOMEOWNER'S ASSOCIATION, INC.** pursuant to a Real Estate Contract dated effective February 14, 2002;

FURTHER RESOLVED, that **WALLACE PHILLIPS**, Manager, acting individually, be, and is hereby authorized, empowered, and directed to execute, acknowledge, and deliver on behalf of the Company, as the general partner of the Partnership, such contracts, assignments, affidavits, deeds of trust, financing statements, security agreements, and other instruments, containing any terms and conditions that he may, in his sole discretion, deem necessary or desirable in connection with the sale of the Property and the attestation by the Secretary of the Company and the affixation of the seal of the Company shall not be necessary; and

RESOLVED FURTHER, that the Manager of the Company is directed to certify the Minutes of this meeting and the contents of these resolutions and to deliver such certification in support of the authority of the above officer to act on behalf of the Company.

I further certify that the following are the duly elected and incumbent manager and officer of the Company and that the true and correct signatures of the individuals authorized to act on behalf of the Company are as set forth beside his or her name:

<u>PRINT NAME</u>	<u>TITLE</u>	<u>SIGNATURE</u>
Wallace Phillips	Manager	

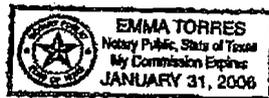
IN WITNESS WHEREOF, I have hereunto subscribed my hand on this the 1st day of March, 2002.

Wallace Phillips
WALLACE PHILLIPS, Manager of
GREENS PRAIRIE ASSOCIATES LLC,
a Texas limited liability company

THE STATE OF TEXAS §

COUNTY OF BRAZOS §

This instrument was acknowledged before me on this the 1st day of March, 2002, by WALLACE PHILLIPS, Manager of GREENS PRAIRIE ASSOCIATES LLC, a Texas limited liability company, on behalf of said company.



Emma Torres
Notary Public, State of Texas

CITY OF
COLLEGE STATION
22.083 AC.

Castle Rock Park



NORTH

AREA LIGHTS
LED TYPE, 12' HT.

PARK PROPERTY LINES

6' WIDE
CONCRETE WALKS

PRACTICE
SOCCER
FIELD

PRACTICE
BALL FIELD

ADD NEW TREES

EXISTING
TREES

EXISTING
TREES

8' WOODEN
FENCE

CASTLE ROCK
AMENITIES
CENTER

10'
PUE

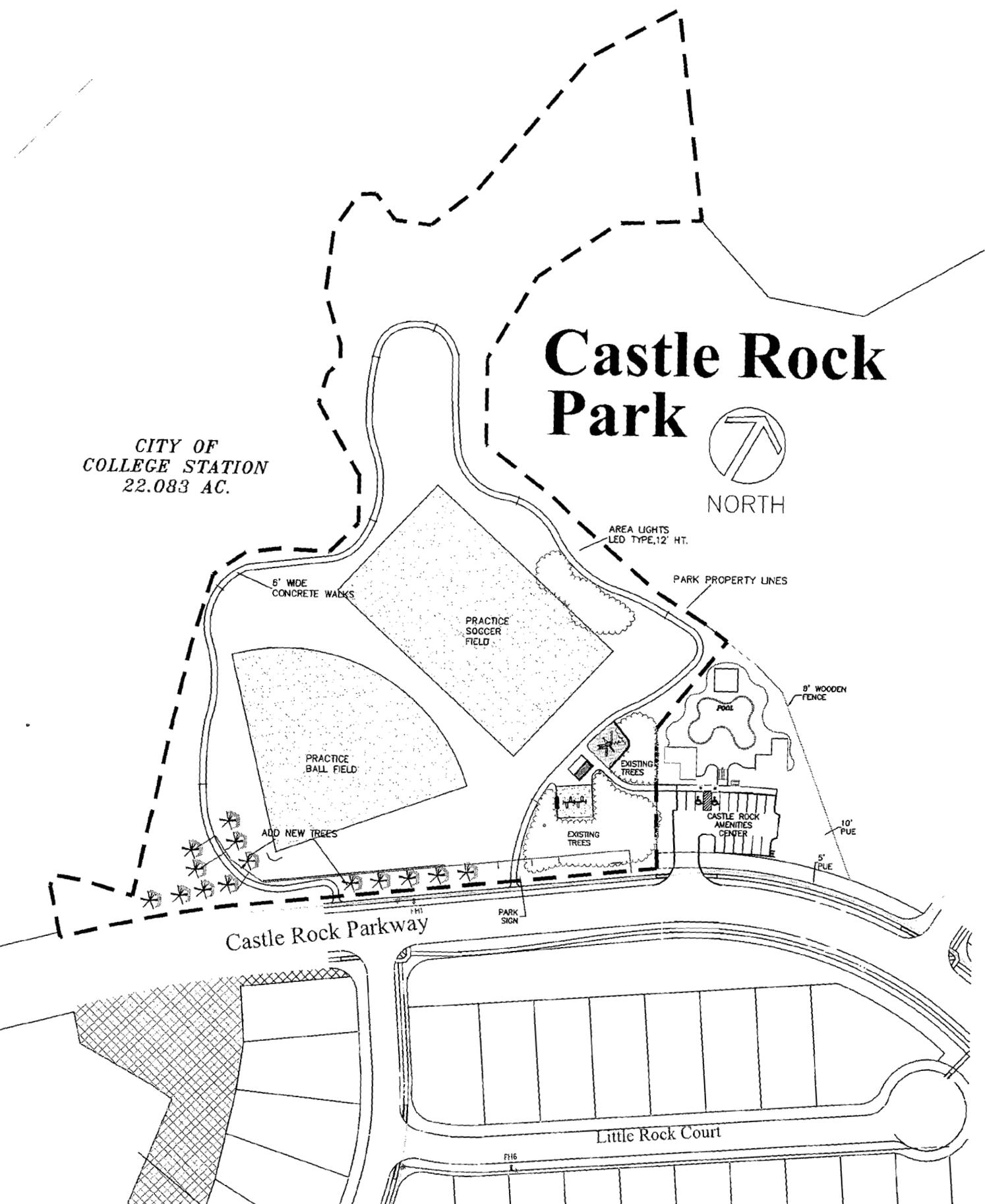
5'
PUE

PARK
SIGN

Castle Rock Parkway

Little Rock Court

FH16



ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS, APPROVING A PARTICIPATION AGREEMENT BY AND BETWEEN THE CITY AND GREENS PRAIRIE INVESTORS, LLC., FOR THE DEVELOPMENT OF CASTLE ROCK SUBDIVISION PROJECT AND AUTHORIZING THE EXPENDITURE OF FUNDS.

WHEREAS, Greens Prairie Investors, LLC. is a developer developing Castle Rock Park; and

WHEREAS, as part of said development, the construction of certain public infrastructure is required; and

WHEREAS, pursuant to Section 212.071 et seq. Texas Local Government Code the City of College Station and the developer have agreed to jointly participate in the construction of certain public infrastructure to wit: Castle Rock Park Project ("Project") as further set forth in a Participation Agreement ; now, therefore,

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

- PART 1: That the City Council hereby finds it to be in the best interests of its citizens to enter into that one certain Participation Agreement with Greens Prairie Investors, LLC for the construction of Castle Rock Park Project. A copy of said Participation Agreement is attached as Exhibit "A" and incorporated herein by reference.
- PART 2: That the City Council hereby approves the contract with Greens Prairie Investors, LLC obligating the CITY to pay a maximum of \$72,218.00 out of the estimated amount of \$240,727.00 total cost for the labor, materials and equipment required for the improvements related to the Castle Rock Park Project.
- PART 3: That the funding for this Contract shall be as budgeted from the Parkland Dedication Zone 10 Fund, in the amount of \$72,218.00.
- PART 4: That this ordinance shall take effect immediately from and after its passage.

ADOPTED this 11th day of June, A.D. 2009.

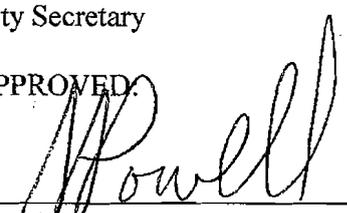
ATTEST:

APPROVED:

City Secretary

MAYOR

APPROVED:



City Attorney

- Return to Stephen C. Beachy Central Park, 1000 Krenek Tap, College Station, TX

THE MEETING CONTINUED AFTER THE TOUR ENDED AT 7:35 PM

- ☆ {
4. **Consideration, possible approval, and discussion regarding the Castle Rock Park Development Plan:** Pete Vanecek, Senior Parks Planner, presented a conceptual site plan for the development of Castle Rock Park. Discussion followed. Jody Ford made a motion to approve the Castle Rock Park development plan as submitted, and Glenn Schroeder seconded the motion. The vote was called. All were in favor, and the motion passed unanimously. }
 5. **Adjourn:** George Jessup made a motion to adjourn the meeting and David Scott seconded the motion. The vote was called. All were in favor, and the meeting adjourned at 7:55 p.m.

June 11, 2009
Consent Agenda Item No. 8i
Financial Advisory Consulting Services

To: Glenn Brown, City Manager

From: Jeff Kersten, Chief Financial Officer

Agenda Caption: Presentation, discussion, and possible action to approve the renewal of a consulting contract with First Southwest Company in an amount not to exceed \$250,000 for financial advisory services.

Recommendation(s): Staff recommends approval of the contract.

Summary: The City has utilized First Southwest Company since 1996 for financial advisor services.

First Southwest Company will assist the City in issuing debt, assisting in establishing timelines for issuance of debt, perform necessary analysis regarding the financial resources of the City, coordinate the assembly and transmittal of appropriate information to Bond Counsel, coordinate the preparation and submission of Notice of Sale, the Preliminary Official Statement and Official Statement and other marketing documents that may be required, advise financial publication of a forthcoming sale, coordinate the preparation of information for presentation to rating agencies, coordinate the receipt of bids and advising the city of best bid, coordinate the expeditious delivery of the bonds, deliver to the city a schedule of annual debt service requirements delivered to the purchaser and coordinate the selection of a paying agent registrar.

Budget & Financial Summary: Funds for this expenditure are budgeted and available in the various capital project funds where debt will be issued this year.

Attachments:

1. Contract 09-217

CONSULTANT CONTRACT

This Contract is by and between the **City of College Station**, a Texas Municipal Home-Rule Corporation (the "City") and **First Southwest Company**, a Texas Corporation (the "Contractor"), whereby Contractor agrees to perform and the City agrees to pay for the work described herein.

ARTICLE I

1.01 This Contract is for financial advisory services associated with the management and issuance of debt (the "Project"). The scope and details of the work to be provided to the City by Contractor are set forth in **Exhibit "A"** to this Contract and are incorporated as though fully set forth herein by reference. Contractor agrees to perform or cause the performance of all the work described in **Exhibit "A."**

1.02 Contractor agrees to perform the work described in **Exhibit "A"** hereto and the City agrees to pay Contractor a fee based on the rates set forth in **Exhibit "B"** to this Contract for the services performed by Contractor. The invoices shall be submitted to the City following the 15th day and the last day of each month. The payment terms are net payable within thirty (30) calendar days of the City's receipt of the invoice. Upon termination of this Contract, payments under this paragraph shall cease, provided, however, that Contractor shall be entitled to payments for work performed in accordance with this Contract before the date of termination and for which Contractor has not yet been paid.

1.03 The total amount of payment, including reimbursements, by the City to Contractor for all services to be performed under this Contract may not, under any circumstances, exceed **Two Hundred Fifty Thousand Dollars and no/100 (\$250,000.00)**.

1.04 The City may from time to time request changes in the scope and focus of the activities, investigations, and studies conducted or to be conducted by Contractor pursuant to this Contract, provided, however, that any such change that in the opinion of Contractor, the City Manager, or the City's Project Manager varies significantly from the scope of the work set out herein and would entail an increase in cost or expense to the City shall be mutually agreed upon in advance in writing by Contractor and the City's Project Manager.

1.05 Written change orders may be approved by the City Manager or his delegate provided that the change order does not increase the amount set forth in paragraph 1.03 of this Contract by more than **five percent (5%)**. Changes in excess of this amount must be approved by the City Council prior to commencement of the services or work. **Any request by the Contractor for an increase in the Scope of Services and an increase in the amount listed in paragraph two of this Contract shall be made and approved by the City prior to the Contractor providing such services or the right to payment for such additional services shall be waived.** If there is a dispute between the Contractor and the City respecting any service provided or to be provided hereunder by the Contractor, including a dispute as to whether such

service is additional to the Scope of Services included in this Contract, the Contractor agrees to continue providing on a timely basis all services to be provided by the Contractor hereunder, including any service as to which there is a dispute.

1.06 Except as provided in Article VI hereinbelow, the term of this Contract shall be for one (1) year from the effective date of this Contract. Thereafter, upon the mutual consent of both parties, including budget approval by the City, this Contract may be renewed on an annual basis, under the same terms and conditions, for up to two (2) additional years (three (3) years total). If, for any reason, funds are not appropriated to continue the contract, the contract shall become null and void and shall terminate.

1.07 **Time is of the essence of this Contract.** The Contractor shall be prepared to provide the professional services in the most expedient and efficient manner possible in order to complete the work by the times specified.

1.08 Contractor promises to work closely with the City Manager or his designee (the "Project Manager") or other appropriate City officials. Contractor agrees to perform any and all Project-related tasks reasonably required of it by the City in order to fulfill the purposes of the work to be performed. The work of Contractor under this Contract may be authorized by the Project Manager in various phases as set forth in **Exhibit "A."**

1.09 In all activities or services performed hereunder, the Contractor is an independent contractor and not an agent or employee of the City. The Contractor, as an independent contractor, shall be responsible for the final product contemplated under this Agreement. Except for materials furnished by the City, the Contractor shall supply all materials, equipment and labor required for the execution of the work on the Project. The Contractor shall have ultimate control over the execution of the work under this Contract. The Contractor shall have the sole obligation to employ, direct, control, supervise, manage, discharge, and compensate all of its employees and subcontractors, and the City shall have no control of or supervision over the employees of the Contractor or any of the Contractor's subcontractors except to the limited extent provided for in this Contract. Contractor shall be liable for any misrepresentations. Any negotiations by the Contractor on the City's behalf are binding on the City only when within the scope of work contained herein and approved by the City.

ARTICLE II

2.01 The City shall direct Contractor to commence work on the Project by sending Contractor a "letter of authorization" to begin work on the Project.

2.02 Upon receipt of the letter of authorization to begin work on the implementation of the Project, Contractor shall meet with the City for the purpose of determining the nature of the Project, including but not limited to the following: meeting with the City's staff to coordinate Project goals, schedules, and deadlines; coordinating data collection; briefing the City's management staff; documenting study assumptions and methodologies; devising the format for any interim reports and the final report to the City.

2.03 Contractor shall consult with the City and may, in some limited circumstances, act as the City's representative, but it is understood and agreed by the parties that for all purposes related to this Contract, Contractor shall be an independent contractor at all times and is not to be considered either an agent or an employee of the City.

ARTICLE III

3.01 As an experienced and qualified professional, Contractor warrants that the information provided by Contractor reflects high professional and industry standards, procedures, and performances. Contractor warrants the design, preparation of drawings, the designation or selection of materials and equipment, the selection and supervision of personnel, the fitness and operation of its recommendations, and the performance of other services under this Contract, pursuant to a high standard of performance in the profession. Contractor warrants that it will exercise diligence and due care and perform in a good and workmanlike manner all of the services pursuant to this Contract. Approval or acceptance by the City of any of Contractor's work product under this Contract shall not constitute, or be deemed, a release of the responsibility and liability of Contractor, its employees, agents, or associates for the exercise of skill and diligence necessary to fulfill Contractor's responsibilities under this Contract. Nor shall the City's approval or acceptance be deemed to be the assumption of responsibility by the City for any defect or error in the Project's work products prepared by Contractor, its employees, associates, agents, or subcontractors.

3.02 Contractor shall keep the City informed of the progress of the work and shall guard against any defects or deficiencies in its work.

3.03 Contractor shall be responsible for using due diligence to correct errors, deficiencies or unacceptable work product. Contractor shall, at no cost to the City, remedy any errors, deficiencies or any work product found unacceptable, in the City's sole discretion, as soon as possible, but no longer than fifteen (15) calendar days after receiving notice of said errors, deficiencies or unacceptable work product.

3.04 Contractor's work product shall be the exclusive property of the City. Upon completion or termination of this Contract, Contractor shall promptly deliver to the City all records, notes, data, memorandum, models, and equipment of any nature that are within Contractor's possession or control and that are the City's property or relate to the City or its business.

ARTICLE IV

4.01 Indemnity. The Contractor agrees to indemnify, defend, and hold harmless the City, its officers, employees, and agents (separately and collectively referred to in this paragraph as "Indemnitee"), from and against any and all claims, losses, damages, causes of action, suits, judgments, settlements made by Indemnitee, and liability of every kind,

including all expenses of litigation, court costs, attorney's fees, and other reasonable costs for damage to or loss of use of any property, for injuries to, or sickness or death of any person, including but not limited to Contractor, any of its subcontractors of any tier, or of any employee or invitee of Contractor or of any such subcontractors, that is caused by, arises out of, related to, or in connection with, the negligence of and/or negligent performance of this Contract by Contractor or by any such subcontractors of any tier, under this Contract.

4.02 It is agreed with respect to any legal limitations now or hereafter in effect and affecting the validity or enforceability of the indemnification obligation under Paragraph 4.01, such legal limitations are made a part of the indemnification obligation and shall operate to amend the indemnification obligation to the minimum extent necessary to bring the provision into conformity with the requirements of such limitations, and as so modified, the indemnification obligation shall continue in full force and effect.

4.03 Release. The Contractor releases, relinquishes, and discharges the City, its officers, agents, and employees from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to, sickness or death of the Contractor or its employees and any loss of or damage to any property of the Contractor or its employees that is caused by or alleged to be caused by, arises out of, or is in connection with the Contractor's work to be performed hereunder. Both the City and the Contractor expressly intend that this release shall apply regardless of whether said claims, demands, and causes of action are covered, in whole or in part, by insurance and in the event of injury, sickness, death, loss, or damage suffered by the Contractor or its employees, but not otherwise, this release shall apply regardless of whether such loss, damage, injury, or death was caused in whole or in part by the City, any other party released hereunder, the Contractor, or any third party.

ARTICLE V Insurance

5.00 The Contractor shall procure and maintain at its sole cost and expense for the duration of this Agreement insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, volunteers, employees or subcontractors. The policies, limits and endorsements required are as set forth on Exhibit "C".

ARTICLE VI

6.01 At any time, the City may terminate the Project for convenience, in writing. At such time, the City shall notify Contractor, in writing, who shall cease work immediately. Contractor shall be compensated for the services performed. In the event that the City terminates this Contract for convenience, the City shall pay Contractor for the services performed and expenses incurred prior to the date of termination.

6.02 No term or provision of this Contract shall be construed to relieve the Contractor of liability to the City for damages sustained by the City or because of any breach of contract by the Contractor. The City may withhold payments to the Contractor for the purpose of setoff until the exact amount of damages due the City from the Contractor is determined and paid.

ARTICLE VII

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

7.02 Notices shall be mailed to the addresses designated herein or as may be designated in writing by the parties from time to time and shall be deemed received when sent postage prepaid U.S. Mail to the following addresses:

City:
City of College Station
Attn: Jeff Kersten, CFO
P.O. Box 9960
College Station, Texas 77842

Contractor:
First Southwest Company
Attn: Drew Masterson
333 Clay Street, Suite 4000
Houston, TX 77002

7.03. Contractor, its employees, associates or subcontractors shall perform all the work hereunder. Contractor agrees that all of its associates, employees, or subcontractors who work on this Project shall be fully qualified and competent to do the work described hereunder. Contractor shall undertake the work and complete it in a timely manner.

7.04 The Contractor shall comply with all applicable federal, state, and local statutes, regulations, ordinances, and other laws, including but not limited to the Immigration Reform and Control Act (IRCA). The Contractor may not knowingly obtain the labor or services of an

unauthorized alien. The Contractor, not the City, must verify eligibility for employment as required by IRCA.

7.05 No waiver by either party hereto of any term or condition of this Contract shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

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

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

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

7.09 The parties acknowledge that they have read, understood, and intend to be bound by the terms and conditions of this Contract.

7.10 This Contract will be effective when signed by the last party whose signing makes the Contract fully executed.

FIRST SOUTHWEST COMPANY

By: 
Printed Name: Drew Masterson
Title: Managing Director
Date: 5-22-09

CITY OF COLLEGE STATION

By: _____
Mayor

Date: _____

ATTEST:

City Secretary
Date: _____

APPROVED:

City Manager

Date: _____

Carla A Robinson

City Attorney

Date: _____

Chief Financial Officer

Date: _____

Exhibit A

Scope of Services

1. Meet with the Chief Financial Officer (Project Manager) and the City staff to initiate the Project.
2. Establish timeline for issuance of debt.
3. Perform necessary analysis regarding the financial resources of the City to determine the extent of its borrowing capacity.
4. Coordinate the assembly and transmittal of appropriate information to Bond Counsel.
5. Coordinate the preparation and submission of the Notice of Sale, the Official Statement and other marketing documents that may be required.
6. Advise financial publication of the forthcoming sale.
7. Coordinate the preparation of information for presentation to rating agencies including coordinating personal presentation if appropriate.
8. Coordinate the receipt of bids and advising the City of the best bid.
9. Coordinate the expeditious delivery of the bonds.
10. Deliver to the City a schedule of annual debt service requirements on the obligations delivered to the purchaser.
11. Coordinate the selection of a Paying Agent Registrar for the bonds.

Exhibit B

Payment Terms

The fees are conditioned and payable after closing of each series of bonds. The following fee schedule applies to each series of bonds issued under this contract:

\$9,000	for the first	\$ 1,000,000 of bonds issued
plus \$4.00 per \$1,000	for the next	\$ 4,000,000 of bonds issued
plus \$2.00 per \$1,000	for the next	\$ 5,000,000 of bonds issued
plus \$1.00 per \$1,000	for the next	\$40,000,000 of bonds issued

The City shall be responsible for the following expenses, whether they are charged to the City directly as expenses or charged the City by First Southwest Company:

- ❖ Bond Counsel
- ❖ Computer structuring
- ❖ Credit enhancement
- ❖ Paying agent/registrar/trustee
- ❖ Underwriter(s) and underwriters counsel
- ❖ Printing and distribution of Official Statements and accompanying documents (both competitive and negotiated sales)
- ❖ Reports of independent consultants
- ❖ Rating fees
- ❖ Travel to rating meetings
- ❖ Verification of calculations
- ❖ Printing of debt instruments
- ❖ Delivery of debt instruments
- ❖ Other incidental expenses expressly approved in advance by the City

Exhibit C

Insurance Requirements

I. The Contractor agrees to maintain the types and amounts of insurance required in this Contract throughout the term of the Contract. The following insurance policies shall be required:

- A. Commercial General Liability
- B. Business Automobile Liability
- C. Workers' Compensation
- D. Professional Liability

II. For each of these policies, the Contractor's insurance coverage shall be primary with respect to the City, its officials, employees and volunteers. Any insurance or self-insurance carried or obtained by the City, its officials, employees or volunteers, shall be considered in excess of the Contractor's insurance and shall not contribute to it. No term or provision of the indemnification provided by the Contractor to the City pursuant to this Contract shall be construed or interpreted as limiting or otherwise affecting the terms of the insurance coverage. All Certificates of Insurance and endorsements shall be furnished to the City's Representative at the time of execution of this Agreement, attached hereto as Exhibit D, and approved by the City *before* work commences.

III. The Contractor shall include all subcontractors as Additional Insureds under its policies, or shall furnish separate certificates and endorsements for each subcontractor. Coverages for subcontractors shall be subject to all requirements stated herein.

IV. General Requirements Applicable to All Policies.

- A. Only insurance carriers licensed and admitted to do business in the State of Texas shall be accepted.
- B. Deductibles shall be listed on the certificate of insurance and are acceptable only on an "occurrence" basis for property damage only.
- C. "Claims made" policies are not accepted, except for Professional Liability insurance.
- D. Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) calendar days prior written notice has been given to the City of College Station by certified mail, return receipt requested.
- E. Upon request, certified copies of all insurance policies shall be furnished to the City.
- F. The Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent. Each certificate shall contain the following provisions and warranties:
 - 1. The insurance company is licensed and admitted to do business in the State of Texas

2. The insurance policy is underwritten on forms provided by the Texas State Board of Insurance or ISO
 3. All endorsements and coverages are included according to the requirements of this Contract
 4. The form of notice of cancellation, termination, or change in coverage provisions is specified in this attachment
- G. The City of College Station, its officials, employees, and volunteers are to be named Additional Insureds on the Commercial General Liability and Business Automobile Liability Policies. The coverages shall contain no special limitations on the scope of protection afforded the City, its officials, employees, and volunteers.

V. Commercial General Liability requirements:

- A. Coverage shall be written by a carrier with an "A: VIII" or better rating in accordance with the current Best Key Rating Guide.
- B. Minimum Combined Single Limit of \$1,000,000 per occurrence per project for bodily injury and property damage with a \$2,000,000 annual aggregate limit.
- C. Coverage shall be at least as broad as Insurance Service's Office Number CG 00 01.
- D. No coverage shall be excluded from the standard policy without notification of individual exclusions being attached for review and acceptance.
- E. The coverage shall include but not be limited to premises/operations; independent contracts; products/completed operations; contractual liability (insuring the indemnity provided herein); and where exposures exist, Explosion, Collapse and Underground coverage.
- F. The City shall be named as Additional Insured, and the policy shall be endorsed to waive rights of subrogation, to be primary and non-contributory with regard to any self-insurance or insurance policy held by the City.

VI. Business Automobile Liability requirements:

- A. Coverage shall be written by a carrier with an "A:VIII" or better rating in accordance with the current Best Key Rating Guide.
- B. Minimum Combined Single Limit of \$1,000,000 per occurrence for bodily injury and property damage.
- C. The Business Auto Policy must show Symbol 1 in the Covered Autos portion of the liability section in Item 2 of the declarations page.
- D. The coverage shall include owned, leased or rented autos, non-owned autos, any autos and hired autos.

VII. Workers Compensation Insurance requirements:

- A. Pursuant to the requirements set forth in Title 28, Section 110.110 of the Texas Administrative Code, *all* employees of the Contractor, the Contractor, *all*

employees of any and all subcontractors, and all other persons providing services on the Project must be covered by a workers compensation insurance policy, either directly through their employer's policy (the Contractor's, or subcontractor's policy) or through an executed coverage agreement on an approved DWC form. Accordingly, if a subcontractor does not have his or her own policy and a coverage agreement is used, Contractors and subcontractors *must* use that portion of the form whereby the hiring contractor agrees to provide coverage to the employees of the subcontractor. The portion of the form that would otherwise allow them not to provide coverage for the employees of an independent contractor may not be used.

B. The workers compensation insurance shall include the following terms:

1. Employer's Liability limits of \$1,000,000 for each accident is required.
2. "Texas Waiver of Our Right to Recover From Others Endorsement, WC 42 03 04" shall be included in this policy.
3. Texas must appear in Item 3A of the Worker's Compensation coverage or Item 3C must contain the following: All States except those listed in Item 3A and the States of NV, ND, OH, WA, WV, and WY.

C. Pursuant to the explicit terms of Title 28, Section 110.110(c)(7) of the Texas Administrative Code, this Agreement, the bid specifications, and all subcontracts on this Project must include the terms and conditions set forth below, without any additional words or changes, except those required to accommodate the specific document in which they are contained or to impose stricter standards of documentation:

"A. Definitions:

Certificate of coverage ("certificate") - A copy of a certificate of insurance, a certificate of authority to self-insure issued by the Texas Workers' Compensation Commission, or a coverage agreement (TWCC-81, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

Duration of the project - includes the time from the beginning of the work on the project until the Contractor's/person's work on the project has been completed and accepted by the governmental entity.

Persons providing services on the project ("subcontractors" in § 406.096 [of the Texas Labor Code]) - includes all persons or entities performing all or part of the services the Contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the Contractor and regardless of whether that person has employees. This includes, without limitation, independent Contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which

furnishes persons to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

B. The Contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the Contractor providing services on the project, for the duration of the project.

C. The Contractor must provide a certificate of coverage to the governmental entity **prior** to being awarded the contract.

D. If the coverage period shown on the Contractor's current certificate of coverage ends during the duration of the project, the Contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.

E. The Contractor shall obtain from each person providing services on a project, and provide to the governmental entity:

(1) a certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and

(2) no later than seven calendar days after receipt by the Contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.

F. The Contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.

G. The Contractor shall notify the governmental entity in writing by certified mail or personal delivery, within 10 calendar days after the Contractor knew or should have known, or any change that materially affects the provision of coverage of any person providing services on the project.

H. The Contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.

I. The Contractor shall contractually require each person with whom it contracts to provide services on a project, to:

(1) provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project;

(2) provide to the Contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project;

(3) provide the Contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

(4) obtain from each other person with whom it contracts, and provide to the Contractor:

(a) a certificate of coverage, prior to the other person beginning work on the project; and

(b) a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

(5) retain all required certificates of coverage on file for the duration of the project and for one year thereafter;

(6) notify the governmental entity in writing by certified mail or personal delivery, within 10 calendar days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and

(7) contractually require each person with whom it contracts, to perform as required by paragraphs (a) - (g), with the certificates of coverage to be provided to the person for whom they are providing services.

J. By signing this contract, or providing, or causing to be provided a certificate of coverage, the Contractor is representing to the governmental entity that all employees of the Contractor who will provide services on the project will be

covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the Commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

K. The Contractor's failure to comply with any of these provisions is a breach of contract by the Contractor that entitles the governmental entity to declare the contract void if the Contractor does not remedy the breach within ten calendar days after receipt of notice of breach from the governmental entity."

VIII. Professional Liability requirements:

- A. Coverage shall be written by a carrier with a "A:VIII" or better rating in accordance with the current Best Key Rating Guide.
- B. Minimum of \$1,000,000 per occurrence and \$2,000,000 aggregate, with a maximum deductible of \$100,000.00. Financial statements shall be furnished to the City upon request.
- C. For "claims made" policies, a 24-month extended reporting period shall be required.