



Meeting Agenda City Council Regular

Thursday, March 27, 2014

7:00 PM

City Hall Council Chambers

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

Presentation:

Presentation proclaiming March 27, 2014, as HEART GALLERY OF CENTRAL TEXAS DAY.

Hear Visitors: A citizen may address the City Council on any item which does not appear on the posted Agenda. Registration forms are available in the lobby and at the desk of the City Secretary. This form should be completed and delivered to the City Secretary by 5:30 pm. Please limit remarks to three minutes. A timer alarm will sound after 2 1/2 minutes to signal thirty seconds remaining to conclude your remarks. The City Council will receive the information, ask staff to look into the matter, or place the issue on a future agenda. Topics of operational concerns shall be directed to the City Manager. Comments should not personally attack other speakers, Council or staff.

Consent Agenda

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

2. Presentation, 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.

- 2a. **14-329** Presentation, possible action, and discussion of minutes for:
 - March 13, 2014 Workshop
 - March 13, 2014 Regular Council Meeting

Attachments: [WKSHP031314 DRAFT Minutes](#)
[RM031314 DRAFT Minutes](#)

- 2b. **14-304** Presentation, possible action, and discussion regarding a three year professional services contract with McCord Engineering, Inc. for \$1,800,000 for electrical engineering services and approval of a resolution declaring intention to reimburse certain expenditures with proceeds from debt.

Attachments: [Engineering Services Retainer Contract.pdf](#)
[reimb reso 032714.pdf](#)

- 2c. 14-309** Presentation, possible action and discussion on the second reading of an ordinance granting a non-exclusive natural gas franchise to Atmos Energy Corporation Mid-Tex Division.
- Attachments:** [Atmos Franchise 3 13 14.pdf](#)
- 2d. 14-312** Presentation, possible action and discussion on a bid award for the annual price agreement for various electrical items and electric meters to be stored in inventory as follows: Hill Country Electric, \$66,685.00; Stuart C. Irby, \$14,887.85; Wesco, \$10,852.50; Texas Electric Cooperatives, \$8,707.50; Trayer, \$159,632.00; Beckwith Electric, \$109,410.00; Techline, \$508,658.25; KBS Electric Distributors, \$46,710.00; Priester-Mell & Nicholson, \$148,787.68. Total estimated annual expenditure is \$1,074,330.78.
- Attachments:** [Tabulation 14-038 3-3.pdf](#)
- 2e. 14-316** Presentation, possible action and discussion regarding renewal approval of annual contracts for Landscape Maintenance and Mowing of City Sites to Green Teams, Inc, Contract 13-189 for \$650,545.00 and Roots Landscaping, LLC., Contract 13-259 for \$17,500.00 for a total amount of \$668,045.00
- Attachments:** [Contract 13-189 Signed Green Teams - Landscape Mgmt.pdf](#)
[Contract 13-259 Signed Roots Landscaping - Landscape Mgmt.pdf](#)
- 2f. 14-317** Presentation, possible action and discussion of an ordinance amending Chapter 10 "Traffic Code", to remove parking along Toni Court and Keefer Loop in the Buena Vida Subdivision.
- Attachments:** [Toni Court Exhibit.pdf](#)
[ordinance standard.pdf](#)
- 2g. 14-315** Presentation, possible action, and discussion regarding the ratification to renew the Stop Loss policy for the City's self-funded health plan with Blue Cross and Blue Shield of Texas (BCBS) for the period of January 1, 2014 through December 31, 2014. The estimated annual premiums are \$570,648.
- Attachments:** [SL Recommendation.pdf](#)
[TX Stop Loss Policy STD.pdf](#)
- 2h. 14-318** Presentation, possible action, and discussion regarding approval for the Amendment to the Administrative Services Agreement with Blue Cross and Blue Shield of Texas for medical, dental and prescription drug plan for calendar year 2014, in the amount of \$432,271.
- Attachments:** [80897 Amendment to ASA 11.13 .pdf](#)
[13-233 Final Executed ASA.pdf](#)
- 2i. 14-319** Presentation, possible action, and discussion on approving projected City expenditures for employee life, accidental death & dismemberment

(AD&D) insurance for all benefit-eligible employees. Projected annual City cost for January 1, 2014 through December 31, 2014 is \$93,000.

Attachments: [13-125 - Mutual of Omaha.pdf](#)

- 2j. 14-332 Presentation, possible action, and discussion to purchase and install a new motor control center for high service pump #1 at the Dowling Road Pump Station, for a total cost not to exceed \$120,000, and approval of a contingency transfer.

Attachments: [Reynolds Quote](#)

- 2k. 14-322 Presentation, possible action, and discussion on an ordinance amending Chapter 4, Section 1, "Business Regulations," "Solicitors, Charitable Solicitors, Itinerant Vendors, Handbill Distributors" by establishing a registry for Home Solicitation, and Section 18, formerly repealed "Solicitation by Coercion," of the Code of Ordinances, City of College Station, Texas, as set out below; providing a severability clause; declaring a penalty; and providing for an effective date.

Attachments: [Ordinance, with attached A & B](#)
[Exhibit A \(which will be amending section 4-1\)](#)
[Exhibit B \(which will be amending 4-18\)](#)

Regular Agenda

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

Individuals who wish to address the City Council on an item posted as a public hearing shall register with the City Secretary prior to the Mayor's announcement to open the public hearing. The Mayor will recognize individuals who wish to come forward to speak for or against the item. The speaker will state their name and address for the record and allowed three minutes. A timer alarm will sound at 2 1/2 minutes to signal thirty seconds remaining to conclude remarks. After a public hearing is closed, there shall be no additional public comments. If Council needs additional information from the general public, some limited comments may be allowed at the discretion of the Mayor.

If an individual does not wish to address the City Council, but still wishes to be recorded in the official minutes as being in support or opposition to an agenda item, the individual may complete the registration form provided in the lobby by providing the name, address, and comments about a city related subject. These comments will be referred to the City Council and City Manager.

1. **14-295** Public Hearing, presentation, possible action, and discussion regarding a Resolution granting conditional consent to the creation of Brazos County Municipal Utility District No. 1, consisting of approximately 553 acres and located at 17529 State Highway South, in the City's extraterritorial jurisdiction.

Attachments: [Vicinity Map](#)
[Concept Plan](#)
[Application](#)
[Resolution](#)
[Exhibit A](#)

2. **14-334** Public Hearing, presentation, possible action, and discussion on Budget Amendment #2 amending Ordinance No. 3523 which will amend the budget for the 2013-2014 Fiscal Year in the amount of \$565,396; and presentation, possible action and discussion on a contingency transfer in the amount of \$35,000 and interfund transfers totaling \$871,455.

Attachments: [Ordinance-FY14-Budget Amendment #2.pdf](#)
[Exhibit A-FY 14 Budget Amendment 2.pdf](#)

3. Adjourn.

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

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 27th day of March, 2014 at 7:00PM at the City Hall Council Chambers, 1101 Texas Avenue, College Station, Texas. The following subjects will be discussed, to wit: See Agenda.

Posted this 21st day of March, 2014 at 5:00 p.m.



City Secretary Deputy

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 March 21, 2014 at 5:00 p.m. 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 posting board at the College Station City Hall on the following date and time: _____ by _____.

Dated this ___ day _____, 2014 By _____

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.



Legislation Details (With Text)

File #: 14-329 **Version:** 1 **Name:** Minutes
Type: Minutes **Status:** Consent Agenda
File created: 3/14/2014 **In control:** City Council Regular
On agenda: 3/27/2014 **Final action:**
Title: Presentation, possible action, and discussion of minutes for:
· March 13, 2014 Workshop
· March 13, 2014 Regular Council Meeting
Sponsors:
Indexes:
Code sections:
Attachments: [WKSHP031314 DRAFT Minutes](#)
[RM031314 DRAFT Minutes](#)

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

- March 13, 2014 Workshop
- March 13, 2014 Regular Council Meeting

- Relationship to Strategic Goals: Good Governance

Recommendation(s): Approval

Summary: N/A

Budget & Financial Summary: N/A

Attachments:

MINUTES OF THE CITY COUNCIL WORKSHOP
CITY OF COLLEGE STATION
MARCH 13, 2014

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Nancy Berry, Mayor

Council:

Blanche Brick
Steve Aldrich
Karl Mooney, arrived after roll call
John Nichols
Julie Schultz
James Benham, absent

City Staff:

Kelly Templin, City Manager
Carla Robinson, City Attorney
Chuck Gilman, Deputy City Manager
Sherry Mashburn, City Secretary
Ian Whittenton, Records Management Coordinator

1. Call to Order and Announce a Quorum is Present

With a quorum present, the Workshop of the College Station City Council was called to order by Mayor Berry at 4:30 p.m. on Thursday, March 13, 2014 in the Council Chambers of the City of College Station City Hall, 1101 Texas Avenue, College Station, Texas 77840.

2. Executive Session

In accordance with the Texas Government Code §551.071-Consultation with Attorney, and §551.087-Economic Incentive Negotiations, the College Station City Council convened into Executive Session at 4:30 p.m. on Thursday, March 13, 2014 in order to continue discussing matters pertaining to:

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

- College Station v. Star Insurance Co., Civil Action No. 4:11-CV-02023.

- Patricia Kahlden, individ. and as rep. of the Estate of Lillie May Williams Bayless v. Laura Sue Streigler, City of College Station and James Steven Elkins, No. 11-003172-CV-272, in the 272nd District Court of Brazos County, TX
- Cause No. 13-002978-CV-361, Deluxe Burger Bar of College Station, Inc. D/B/A Café Eccell v. Asset Plus Realty Corporation, City of College Station, Texas and the Research Valley Partnership, Inc., In the 361st Judicial District Court, Brazos County, Texas

B. Consultation with Attorney to seek legal advice; to wit:

- Legal advice regarding proposed changes to Chapter 4, Section 1 of the Code of Ordinances

C. Deliberation on an offer of financial or other incentives for a business prospect the City Council seeks to have locate, stay, or expand in or near the City; to wit:

- Economic incentives for a proposed development located in the Biocorridor.

The Executive Session adjourned at 5:40 p.m.

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

No action was required from Executive Session.

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

2d: Carla Robinson, City Attorney, clarified that the original franchise expired in December, and this is not backdated. Both parties agreed to this.

2b: Mayor Berry clarified that the Historic Preservation Committee is returning to the Parks Department because there are already budgeted funds for historic preservation within that department, and the remaining donated funds from the 75th Anniversary event will be allocated to that budget item.

5. Presentation, possible action and discussion regarding the Scott & White BCS Marathon.

Chris Field, founder of the Scott & White Marathon and race director, thanked City staff for their support and assistance in making this event a success. He reported that the race was started in 2011 as a fundraiser for the Mercy Project. It increased from 1,731 runners in 2011 to 4,165 registered runners in 2013. In 2012, a kid's marathon was added the day before the big race involving more than 1,000 young people. Over three year's time, the race has brought in more than \$370,000 for Bryan/College Station based children's charities. After this year's race, runners were surveyed to get a better idea of what they thought about the race and what kind of real dollars they were spending on race weekend. The results were startling. 92% said organization of the race was excellent; 81% said the value of the race was excellent, and 70% plan to return next year. After just three years, the BCS Marathon is the highest rated marathon in the state of Texas by runner review with five out of five stars in all three rating categories.

6. Presentation, possible action and discussion regarding the implementation of bike lanes in school zones.

Troy Rother, Assistant City Engineer, reported that concern has been expressed regarding school children's safety and the impact on schools. Schools were evaluated, and the process involved observing traffic and gathering input from school principals to possibly develop a plan. After Pebble Creek was evaluated, three striping alternatives were developed. Southwood Valley was also evaluated, and one striping alternative was developed. The next schools to be evaluated will be Rock Prairie Elementary, Oak Wood, and College Hills. They plan to use the same process. He recommends going forward with putting in the sharrows for Pebble Creek, but Southwood Valley is fine the way it is currently. Council expressed their support of his recommendations.

7. Council Calendar

- **March 17** **IGC Meeting at BVCOG, 12:00 p.m.**
- **March 17** **Budget and Finance Committee Meeting in City Hall Administrative Conference Room, 2:00 p.m.**
- **March 19** **RVP Board Meeting at RVP, 3:00 p.m.**
- **March 20** **Business After Hours - Allen Honda at 2450 Earl Rudder Frwy (CS), 5:30 p.m.**
- **March 20** **P&Z Workshop/Regular Meeting, 5:00/7:00 p.m. (Liaison: Steve Aldrich)**
- **March 21** **Chamber of Commerce 16th Annual Crawfish Boil at Brazos County Expo Complex, 5:30 p.m.**
- **March 25** **Audit Committee Meeting in City Hall Administrative Conference Room, 3:30 p.m.**
- **March 27** **Executive Session/Workshop/Regular Meeting at 4:30, 6:00 & 7:00 p.m.**

Council reviewed the calendar.

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

Councilmember Brick wants to discuss at the use of E-cigarettes and what other cities are doing.

9. Discussion, review and possible action regarding the following meetings: Animal Shelter Board, Arts Council of Brazos Valley, Arts Council Sub-committee, Audit Committee, Bicycle, Pedestrian, and Greenways Advisory Board, Bio-Corridor Board of Adjustments, Blinn College Brazos Valley Advisory Committee, Brazos County Health Dept., Brazos Valley Council of Governments, Bryan/College Station Chamber of Commerce, Budget and Finance Committee, BVSWMA, BWACS, Compensation and Benefits Committee, Convention & Visitors Bureau, Design Review Board, Economic Development Committee,

Gigabit Broadband Initiative, Historic Preservation Committee, Interfaith Dialogue Association, Intergovernmental Committee, Joint Relief Funding Review Committee, Landmark Commission, Library Board, Metropolitan Planning Organization, Parks and Recreation Board, Planning and Zoning Commission, Research Valley Partnership, Research Valley Technology Council, Regional Transportation Committee for Council of Governments, Transportation and Mobility Committee, TAMU Student Senate, Texas Municipal League, Twin City Endowment, Youth Advisory Council, Zoning Board of Adjustments.

Councilmember Mooney reported on the CVB panel reviewing HOT fund requests.

Councilmember Brick reported on the Bicycle, Pedestrian, and Greenways Committee.

Councilmember Aldrich reported on the Arts Council.

10. Adjournment

MOTION: There being no further business, Mayor Berry adjourned the workshop of the College Station City Council at 6:58 p.m. on Thursday, March 13, 2014.

Nancy Berry, Mayor

ATTEST:

Sherry Mashburn, City Secretary

MINUTES OF THE REGULAR CITY COUNCIL MEETING
CITY OF COLLEGE STATION
MARCH 13, 2014

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Nancy Berry, Mayor

Council:

Blanche Brick
Steve Aldrich
Karl Mooney
John Nichols
Julie Schultz
James Benham, arrived after roll call

City Staff:

Kelly Templin, City Manager
Carla Robinson, City Attorney
Chuck Gilman, Deputy City Manager
Sherry Mashburn, City Secretary
Ian Whittenton, Records Management Coordinator

Call to Order and Announce a Quorum is Present

With a quorum present, the Regular Meeting of the College Station City Council was called to order by Mayor Berry at 7:06 p.m. on Thursday, March 13, 2014 in the Council Chambers of the City of College Station City Hall, 1101 Texas Avenue, College Station, Texas 77840.

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

Citizen Comments

Ben Roper, 5449 Prairie Dawn Court, honored the life and sacrifice of Specialist Rodrigo Gonzalez, Jr., who died in the service of his country.

CONSENT AGENDA

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

- **February 27, 2014 Workshop**
- **February 27, 2014 Regular Council Meeting**

2b. Presentation, possible action, and discussion on Ordinance 2014-3557, amending Chapter 1, Section 1-23, "Creation of a Historic Preservation Committee", of the Code of Ordinances of the City of College Station, Texas, by amending certain sections as set out below; providing a severability clause; declaring a penalty; and providing an effective date.

2c. Presentation, possible action and discussion on the cancellation of award with Stuart C. Irby; re-award of the annual purchase of various transformers and ratification of purchase of emergency transformers. The revised total recommended for re-award is \$546,504.03.

2d. Presentation, possible action and discussion on the first reading of an ordinance granting a non-exclusive natural gas franchise to Atmos Energy Corporation Mid-Tex Division.

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

REGULAR AGENDA

1. Public hearing, presentation, possible action, and discussion regarding Resolution 03-13-14-1, granting conditional consent to the creation of Brazos County Municipal Utility District No. 1, consisting of approximately 553 acres and located at 17529 State Highway 6 South, in the City's extraterritorial jurisdiction.

This item was pulled from the agenda.

2. Public hearing, presentation, possible action, and discussion, regarding Ordinance 2014-3558, amending Chapter 12, "Unified Development Ordinance," Section 12-4.2, "Official Zoning Map," of the Code of Ordinances of the City of College Station, Texas, by changing the zoning district boundaries from R Rural to SC Suburban Commercial for approximately 1.3 acres in the Robert Stevenson League, Abstract No. 54 as described by a deed to Akaal Holdings, LLC recorded in Volume 10876, Page 89 of the office of public records of Brazos County Texas, located at 13913 Wellborn Road.

Morgan Hester, Planning and Development Services, provided a brief background on this item. The Planning and Zoning Commission heard this item at their February 20 meeting and approved the re-zoning six (6) to one (1).

At approximately 7:17 p.m., Mayor Berry opened the Public Hearing.

There being no comments, the Public Hearing was closed at 7:17 p.m.

MOTION: Upon a motion made by Councilmember Benham and a second by Councilmember Schultz, the City Council voted six (6) for and one (1) opposed, with Councilmember Nichols voting against, to adopt Ordinance 2014-3558, amending Chapter 12, "Unified Development Ordinance," Section 12-4.2, "Official Zoning Map," of the Code of Ordinances of the City of College Station, Texas, by changing the zoning district boundaries from R Rural to SC Suburban Commercial for approximately 1.3 acres in the Robert Stevenson League, Abstract No. 54 as

described by a deed to Akaal Holdings, LLC recorded in Volume 10876, Page 89 of the office of public records of Brazos County Texas, located at 13913 Wellborn Road. The motion carried.

3. Adjournment.

MOTION: There being no further business, Mayor Berry adjourned the Regular Meeting of the City Council at 7:19 p.m. on Thursday, March 13, 2014.

Nancy Berry, Mayor

ATTEST:

Sherry Mashburn, City Secretary



Legislation Details (With Text)

File #: 14-304 **Version:** 1 **Name:** Professional Services contract with McCord Engineering, Inc.
Type: Contract **Status:** Consent Agenda
File created: 3/4/2014 **In control:** City Council Regular
On agenda: 3/27/2014 **Final action:**
Title: Presentation, possible action, and discussion regarding a three year professional services contract with McCord Engineering, Inc. for \$1,800,000 for electrical engineering services and approval of a resolution declaring intention to reimburse certain expenditures with proceeds from debt.

Sponsors:

Indexes:

Code sections:

Attachments: [Engineering Services Retainer Contract.pdf](#)
[reimb reso 032714.pdf](#)

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion regarding a three year professional services contract with McCord Engineering, Inc. for \$1,800,000 for electrical engineering services and approval of a resolution declaring intention to reimburse certain expenditures with proceeds from debt.

Relationship to Strategic Goals: (Select all that apply)

- Core Services and Infrastructure

Recommendation(s):

Staff recommends Council approve the contract with McCord Engineering, Inc and recommends approval of the resolution declaring intention to reimburse certain expenditures with proceeds from debt.

Summary:

This contract will be for an original term of three (3) years at \$600,000 per year for a total of \$1,800,000 for a three (3) year period. The City of College Station Electric Utilities Department has utilized McCord Engineering, Inc. for many years for electric engineering services. McCord Engineering is a highly-qualified local business and is very responsive to the needs of the City. Based on McCord’s unique familiarity with the City’s electric system it is in the City’s best interest to continue to contract with McCord to provide these services. As such this contract is exempt from the City’s Request for Qualifications process. It is anticipated over the three year contract that McCord Engineering will provide engineering and design services as needed for new and existing electric systems facilities additions and improvements.

Budget & Financial Summary:

Funds are available as budgeted and approved in the Electric Utility’s annual budget and in the Electric Utility Capital Improvement Projects Fund for professional services related electric capital improvement projects. It is anticipated that long term debt will be used for the capital items covered by this contract. 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 capital costs anticipated to be incurred as part of this contract. This debt is scheduled to be issued later this fiscal year and in future

fiscal years.

Attachments:

1. Contract
2. Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt

ENGINEERING SERVICES RETAINER CONTRACT

between

THE CITY OF COLLEGE STATION

and

McCORD ENGINEERING, INC.

March, 2014

ENGINEERING SERVICE CONTRACT
RETAINER FOR CONSULTATION SERVICES

AGREEMENT made between the **City of College Station, a Texas Home-Rule Municipal Corporation** (hereinafter called the "CITY") and **McCord Engineering, Inc.**, (hereinafter called the "ENGINEER" or the "CONTRACTOR").

WHEREAS, the CITY owns and operates an electric transmission, substation and distribution system and desires to obtain engineering services to assist in planning and operating said system; and

WHEREAS, the ENGINEER represents that he has sufficient experienced personnel and equipment to perform, and the CITY desires the ENGINEER to perform the engineering services herein described in respect of the System; and

WHEREAS, the CITY owns and operates water and wastewater utility systems, drainage ways, and streets and roadways within its municipal boundaries and desires to obtain right-of-way acquisition services to assist in obtaining utility easements, right-of-ways, etc. for such CITY facilities; and

WHEREAS, the ENGINEER represents that he has sufficient experienced personnel and equipment to perform the desired right-of-way and easement acquisition services, and the CITY desires the ENGINEER to perform these services herein described in respect to the stated CITY facilities;

NOW, THEREFORE, in consideration of the mutual undertakings herein contained the CITY and the ENGINEER agree as follows:

ARTICLE I
GENERAL

The ENGINEER shall render diligently and competently the engineering and right-of-way acquisition services herein described.

ARTICLE II
OPERATION AND MAINTENANCE CONSULTATION SERVICES

Section 1. SERVICE BY TELEPHONE OR CORRESPONDENCE. The ENGINEER shall advise the CITY by telephone or correspondence at such times and with respect to such engineering problems as the CITY may request, provided advice on such problems can reasonably be given on the basis of the ENGINEER'S knowledge of the System and copies of engineering studies and maps or other data furnished by the CITY to the ENGINEER and retained in the office of the ENGINEER during the term of this Agreement as provided in Article V hereof.

Section 2. VISITS. The ENGINEER shall upon request of the CITY and on a date to be agreed upon by the CITY and the ENGINEER, visit the System to confer with management and maintenance personnel on matters pertaining to operation and maintenance of the System and perform such engineering and right-of-way acquisition services in respect of the System as can reasonably be performed during the visit.

Section 3. REPETITIVE SERVICES. The ENGINEER shall perform the following services at the times specified below and shall cooperate with the CITY in scheduling any required visits to coincide, to the extent practicable, with other visits required by this Agreement:

- (a) The ENGINEER shall, upon request, provide all engineering services requested by the CITY that are services offered by the ENGINEER in the normal course of his business.
- (b) The ENGINEER shall, upon request, provide all right-of-way and easement acquisition services requested by the CITY for Utility System additions, drainage ways, and streets and roadways that are services offered by the ENGINEER in the normal course of his business.

ARTICLE III
INSPECTION AND CERTIFICATION OF WORK ORDER CONSTRUCTION

The ENGINEER shall from time to time, upon request of the CITY, visit the System and perform such engineering services as shall be required to inspect construction. Such services shall include, but not be limited to the following:

- (a) Determination that construction conforms to the CITY'S specifications and standards and to the requirements of the National Electrical Safety Code or State codes if they are more stringent.
- (b) A review of the construction staking sheets, to determine that these records represent the construction completed and inspected.
- (c) Preparation of a list of construction clean-up notes and staking sheet discrepancies to be furnished to the CITY to permit correction of construction, staking sheets, other records, and work order inventories.
- (d) Re-inspections of construction corrected as a result of the ENGINEER'S report.
- (e) Certification of work order inventories in accordance with the CITY'S requirements.

ARTICLE IV
SERVICES

During the term of this Agreement, the ENGINEER shall provide, upon request of the CITY and agreement of the ENGINEER, engineering and right-of-way acquisition consultation services that are not furnished in the normal course of his business. In each such case, the services to be performed and compensation to be paid in these instances shall be mutually agreed upon by the parties to this Agreement and reduced to writing before any work is started, except in the case of an emergency. In case of an emergency, the details of engineering and right-of-way acquisition services to be performed and the compensation to be paid shall be mutually agreed upon and reduced to writing as soon as practical after the work is started.

ARTICLE V
BASIC DATA FURNISHED BY CITY

The CITY shall furnish to the ENGINEER and the ENGINEER shall retain in his office, during the term of this Agreement, copies of engineering studies, maps, right-of-way acquisition materials and other pertinent data in respect of the System. The ENGINEER shall deliver to the CITY, if requested, a written itemized receipt for such material, and shall be responsible for its safe keeping and shall return it to the CITY, upon request, in as good condition as when received, normal wear and tear excepted.

ARTICLE VI
CITY FURNISH LINEMEN

The CITY shall furnish the services of a qualified lineman or linemen whenever such services are required to obtain any information or perform any tests that will require working on a pole or structure that supports an energized conductor.

ARTICLE VII
COMPENSATION

Section 1. The CITY shall pay the ENGINEER for services performed hereunder as follows:

- a. In consideration of the ENGINEER maintaining personnel ready to perform engineering services, whether such services are requested or not, a monthly retainer fee in the amount of no dollars.
- b. For the services of engineering personnel, technicians, draftsmen, field party personnel, right-of-way agents etc. devoted to the obligations of the ENGINEER hereunder, the ENGINEER shall invoice the CITY in accordance with his current Standard Cost-Plus Fee Schedule. A copy of the current (**January 1, 2014**) schedule is included herewith as **Exhibit A**. Any proposed revisions of said Standard Cost-Plus Fee Schedule during the term of this agreement will be submitted to the CITY. No changes to said Standard Cost-Plus Fee Schedule during the term or any renewal

of this agreement shall be effective unless approved in writing by both parties.

- c. Except in the event of a duly authorized written change order, approved by the CITY as provided in this Contract, the total cost of all professional services provided under this Contract for each one-year period may not exceed six hundred thousand and 00/100 Dollars (\$600,000.00). Accordingly, except in the event of a duly authorized change order, approved by the CITY as provided in this Contract, the total compensation to ENGINEER under this agreement, excluding any renewal periods, shall not exceed one million eight hundred thousand and 00/100 Dollars (\$1,800,000.00).

Section 2. The ENGINEER shall maintain accurate records of all expenditures with respect to the services performed under this Agreement and in sufficient detail to serve as a basis for his preparation of Statements of ENGINEER'S fee's and as a basis for the CITY'S approval of such Statements. The ENGINEER'S Statements shall list separately the cost for each project for which work was performed during the applicable billing period. The ENGINEER shall submit a Statement to the CITY each month for all compensation due hereunder for the preceding month. Unless otherwise specified, the CITY shall pay the ENGINEER within thirty (30) days after receipt and approval of such Statements by the CITY.

Section 3. The foregoing compensation shall include the use of the following instruments: All drafting instruments; surveyor's transit, chain or tape and ordinary surveying instruments, and ordinary office equipment. The use of additional equipment, which may be required, shall be compensated for at rates to be agreed upon by the CITY and the ENGINEER.

ARTICLE VIII **INSURANCE AND INDEMNIFICATION**

Section 1. INDEPENDENT ENGINEER. The parties agree the ENGINEER shall be deemed to be an independent ENGINEER and not an agent or employee of the CITY with respect to its acts or omissions hereunder. The parties agree the services and activities performed under this Agreement are not and shall not be construed as a joint venture between the parties.

Section 2. INDEMNITY. The Engineer agrees to indemnify, defend, and hold harmless the CITY, its officers, agents, employees, and volunteers (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 Engineer, any of its subcontractors of any tier, or of any employee or invitee of Engineer 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 Engineer or by any such subcontractors of any tier, under this Contract.

Section 3. LEGAL LIMITATIONS INCORPORATED. 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 Section 2. of this Article VIII, 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.

Section 4. RELEASE. The Engineer releases, relinquishes, and discharges the CITY, its officers, agents, employees and volunteers 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 Engineer or its employees and any loss of or damage to any property of the Engineer or its employees that is caused by or alleged to be caused by, arises out of, or is in connection with the Engineer's work to be performed hereunder. Both the CITY and the Engineer 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 Engineer 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 Engineer, or any third party.

Section 5. INSURANCE. The ENGINEER 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 ENGINEER, its officers, agents, representatives, volunteers, employees or subcontractors. The policies, limits and endorsements required are as set forth on **Exhibit B**. 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 C**, and approved by the CITY *before* work commences.

ARTICLE IX MISCELLANEOUS

Section 1. LICENSE. The ENGINEER shall comply with all applicable statutes pertaining to engineering.

The ENGINEER warrants that McCord Engineering, Inc. possesses Texas Board of Professional Engineers Firm Registration Number F-2664 and that all Engineers performing work under this Agreement are properly licensed and in good standing with the State of Texas and the Texas Board of Professional Engineers.

Section 2. TERM. This Agreement shall become effective as of the date the last party executes this Agreement, and shall remain in effect for a period of three years. Thereafter, this Agreement may be renewed on an annual basis not to exceed two such renewals upon the written approval of both parties. This Agreement may be terminated at any time during the term hereof by either party

giving thirty (30) days notice in writing to the other of its intention to terminate. Upon such termination, the CITY shall pay the ENGINEER for such services as may have been performed up to the date of termination.

Section 3. RETURN OF DATA. The ENGINEER shall immediately upon expiration or termination of the Agreement return to the CITY all of the engineering studies, maps, right-of-way acquisition materials and other data furnished to the ENGINEER by the CITY pursuant to this Agreement.

Section 4. QUALIFIED PERSONNEL. The obligation and duties to be performed by the ENGINEER under this Agreement shall be performed by persons qualified to perform such duties efficiently. The ENGINEER, if the CITY shall so direct, shall replace any ENGINEER or other person employed by the ENGINEER in connection with the work. The ENGINEER shall file with the CITY, statements, signed by the ENGINEER, of the qualifications, including specific experience, of each ENGINEER and inspector assigned to the System.

Section 5. COPIES OF AGREEMENT. This Agreement may be executed simultaneously and delivered in two or more counterparts, each of which so executed and delivered shall be deemed to be an original, and all shall constitute but one and the same instrument.

Section 6. ASSIGNMENT. The obligations of the ENGINEER under this Agreement shall not be assigned without the approval in writing of the CITY.

Section 7. WARRANTY. ENGINEER warrants the design preparation of drawings, his designation of materials and equipment, and the performance of other services pursuant to this Contract.

Section 8. CHANGE ORDERS. Written change orders may be approved by the City Manager or his delegate provided the change order does not increase the total annual or aggregate amounts set forth in ARTICLE VII, Section 1, paragraph c, of this Contract. **Any request by the ENGINEER for an increase in said amounts 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.**

Section 9. REQUIRED DISCLOSURE AND CONFIDENTIALITY. All materials and information provided by the CITY or acquired by the ENGINEER on behalf of the CITY shall be regarded as confidential information in accordance with Federal and State laws, National Electric Regulatory Council and ethical standards. The ENGINEER must ensure the confidentiality of such materials and/or information.

Section 10. SECURITY CLEARANCES.

- a. The ENGINEER must supply and maintain a current list of all employees used on the contract. Said list must include the employee's full name, date of birth, drivers license and social security number. When new personnel are assigned, this information must be clearly identified as an update to the initial list and given to

the CITY representative immediately. All workers are subject to security clearances as may be required by the CITY. All workers who require access to critical infrastructure or information as defined by College Station Electric Utilities must have a current seven-year background check. It is the responsibility of the consultant to produce this documentation upon request. All workers must submit to a State computerized criminal history check conducted by the CITY. Background checks will be completed and employees cleared for work before any work commences. Additional background checks may be made at any time thereafter during the term of the contract.

- b. No employee of the ENGINEER who has a felony criminal history, is under indictment for a felony offense, or has felony criminal charges pending shall work on CITY projects.
- c. The CITY reserves the right to exclude ENGINEER personnel from working on project sites should a security concern arise, or to terminate the contract with the ENGINEER at any time due to breaches in security caused by ENGINEER personnel.
- d. Under no circumstances will the ENGINEER or his / her personnel represent themselves as employees of the CITY.
- e. Workers shall wear ENGINEER-furnished ID badges at all times while on CITY premises or property.

Section 11. ENFORCEABILITY. 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.

Section 12. VENUE. This Contract has been made under and shall be governed by the laws of the State of Texas. The parties agree that performance and all matters related thereto shall be in Brazos County, Texas.

Section 13. NOTICES. 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:

Notice to CITY:

City of College Station
Attn: Timothy Crabb, Director of Electric Utilities
P.O. Box 9960
College Station, Texas 77842
Phone: (979) 764-3439
Fax: (979) 764-3452

Notice to ENGINEER:

McCord Engineering, Inc.
Attn: Jimmy D. McCord, President/Owner
P.O. Box 10047
College Station, Texas 77842
Phone: (979) 764-8356
Fax: (979) 764-9644

Section 14. NO WAIVER. 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.

Section 15. APPLICABLE LAWS. The Engineer, its agents, employees, and subcontractors must comply with all applicable federal and state laws, the charter and ordinances of the City of College Station, and with all applicable rules and regulations promulgated by local, state, and national boards, bureaus, and agencies. The Engineer must obtain all necessary permits and licenses required in completing the work and providing the services required by this Contract.

Section 16. ACKNOWLEDGEMENT. The parties acknowledge that they have read, understood, and intend to be bound by the terms and conditions of this Contract.

Section 17. EFFECTIVE DATE. This Contract will be effective when signed by the last party whose signing makes the Contract fully executed.

AGREED:

McCORD ENGINEERING INC.

CITY OF COLLEGE STATION

By: *Jimmy D. McCord*
Printed Name: Jimmy D. McCord
Title: President / Owner
Date: 2/26/14

By: _____
City Manager
Date: _____

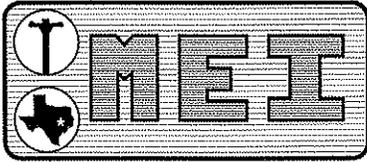
APPROVED:

City Attorney
Date: _____

Assistant City Manager / CFO
Date: _____

EXHIBIT A

COST-PLUS FEE SCHEDULE



McCORD ENGINEERING, INC.

916 Southwest Parkway East
College Station, Texas 77840 (979) 764-8356
Fax (979) 764-9644
Toll Free (888) 764-8356

CONFIDENTIAL

TO: City of College Station

January 01, 2014

FEE SCHEDULE

A. Engineering Services Rendered

1. Salaries and Wages at cost plus a maximum of 160% (Current rate is 140%).
2. Mileage in accordance with the current IRS rate.
3. Out of pocket expenses (Meals, Motel, Postage, Printing, etc.) - at cost.

Below is our current range of rates by position title for MEI personnel. These rates are subject to change as required for the firm to maintain qualified personnel. Amounts are dollars per hour.

Registered Professional Senior Engineers/Managers.....	\$45.00-\$160.00
Registered Professional Staff Engineers/Project Managers.....	\$30.00-\$85.00
Senior Engineering Assistants/Superintendents.....	\$20.00-\$65.00
Computer Programmers.....	\$15.00-\$40.00
Field Services Representatives.....	\$15.00-\$50.00
Administrative.....	\$15.00-\$65.00
Draftsmen.....	\$15.00-\$45.00
Engineering Assistants/Clerical.....	\$ 8.00-\$35.00

Our services are billed on a monthly basis with payment due net 30 days.

EXHIBIT B

Insurance Requirements

- I. Standard Insurance Policies Required:
 - A. Commercial General Liability
 - B. Business Automobile Liability
 - C. Workers' Compensation
 - D. Professional Liability

- II. For each policy, the Contractor's insurance coverage shall be primary insurance with respect to the City, its officials, agents, employees and volunteers. Any self-insurance or insurance policy maintained by the City, its officials, agents, 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 liability 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 any letter of authorization to commence planning is issued or any work on the Project commences.

- III. General Requirements Applicable to All Policies:
 - A. Only insurance carriers licensed and authorized to do business in the State of Texas will be accepted.
 - B. Deductibles shall be listed on the Certificate of Insurance and are acceptable only on an occurrence basis.
 - C. "Claims made" policies are accepted only for Professional Liability insurance.
 - D. Coverage shall not be suspended, canceled, non-renewed 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.
 - E. Certificates of Liability Insurance shall be prepared and executed by the insurance company or its authorized agent on the most current State of Texas Department of Insurance-approved forms.
 - F. Policies shall be endorsed to list the City of College Station, its officials, agents, employees, and volunteers as Additional Insureds on the Commercial General Liability and Business Automobile Liability Policies. The coverage shall contain no special limitations on the scope of protection afforded the City, its officials, agents, employees, and volunteers.
 - G. Policies shall be endorsed with "primary and non-contributory" language.
 - H. Policies shall include an endorsement for a waiver of subrogation in favor of the City.

IV. Commercial General Liability requirements:

- A. Coverage shall be written by a carrier rated "A:VIII" or better in accordance with the current A. M. Best Key Rating Guide.
- B. Minimum limit of liability of \$1,000,000 per occurrence for bodily injury and property damage with a \$2,000,000 annual aggregate.
- C. No coverage shall be excluded from the standard policy without notification of individual exclusions being attached for the City's review and acceptance.
- D. The coverage shall include but not be limited to: premises/operations, independent contracts, products/completed operations, host liquor liability, contractual liability (insuring the indemnity provided herein), and where exposures exist, Explosion Collapse and Underground coverage.

VI. Business Automobile Liability requirements:

- A. Coverage shall be written by a carrier rated "A:VIII" or better in accordance with the current A. M. Best Key Rating Guide.
- B. Minimum 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 any autos, owned autos, leased or rented autos, non-owned autos, and hired autos.

VII. Workers' Compensation Insurance requirements:

- 1. Employer's Liability limits of \$1,000,000 for each accident, each employee 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 Workers' Compensation coverage or Item 3C must contain the following: "All States except those listed in Item 3A and the States of NV, ND, OH, WA, WV, and WY".

VIII. Professional Liability requirements:

- A. Coverage shall be written by a carrier rated "A:VIII" or better in accordance with the current A. M. Best Key Rating Guide.
- B. Minimum of \$1,000,000 per occurrence and \$2,000,000 aggregate, with a maximum deductible of \$100,000. If requested by the City, financial statements shall be furnished to the City of College Station.
- C. "Claims made" policies must have a 24-month extended reporting period available and the retroactive date must be shown on the certificate.

EXHIBIT C
Certificates of Insurance



CERTIFICATE OF LIABILITY INSURANCE

MCCOR-1 OP ID: DH

DATE (MM/DD/YYYY)

02/20/2014

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

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

PRODUCER Anco Insurance B/CS P. O. Box 3889 Bryan, TX 77805 Don Smith, CPCU, ARM	Phone: 979-776-2626 Fax: 979-774-5372	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS:	FAX (A/C, No):													
	INSURED McCord Engineering Inc. P.O. Box 10047 College Station, TX 77842		<table border="1"> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A : Texas Mutual Ins. Co.</td> <td>22945</td> </tr> <tr> <td>INSURER B : Ohio Security Ins Co.</td> <td></td> </tr> <tr> <td>INSURER C : Ohio Casualty Ins. Co.</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Texas Mutual Ins. Co.	22945	INSURER B : Ohio Security Ins Co.		INSURER C : Ohio Casualty Ins. Co.		INSURER D :		INSURER E :		INSURER F :
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INSURER D :																
INSURER E :																
INSURER F :																

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

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
B	GENERAL LIABILITY		BZS55860360	01/02/2014	01/02/2015	EACH OCCURRENCE	\$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person)	\$ 15,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY
	<input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					GENERAL AGGREGATE	\$ 2,000,000
						PRODUCTS - COMP/OP AGG	\$ 2,000,000
							\$
B	AUTOMOBILE LIABILITY		BAS55860360	01/02/2014	01/02/2015	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO					BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident)	\$
							\$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB	<input checked="" type="checkbox"/> OCCUR	USO55860360	01/02/2014	01/02/2015	EACH OCCURRENCE	\$ 1,000,000
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				AGGREGATE	\$ 1,000,000
	DED <input checked="" type="checkbox"/>	RETENTION \$ 10000					\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		TSF0001262414	01/02/2014	01/02/2015	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS	OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N <input type="checkbox"/>				E.L. EACH ACCIDENT	\$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below	N/A				E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
						E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
B	Property Coverage		BZS55860360	01/02/2014	01/02/2015	Building	1,700,000
						Contents	406,644

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

CERTIFICATE HOLDER**CANCELLATION**

CITY034 City of College Station P. O. Box 9960 College Station, TX 77842-9960	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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TEXAS NOTICE OF MATERIAL CHANGE ENDORSEMENT

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

In the event of cancellation or other material change of the policy, we will mail advance notice to the person or organization named in the Schedule. The number of days advance notice is shown in the Schedule.

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

Schedule

1. Number of days advance notice: 30
2. Notice will be mailed to:

CITY OF COLLEGE STATION
PO BOX 9960
COLLEGE STATION, TX 77842-9960

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on

at 12:01 A.M. standard time, forms a part of

Policy No. TSF-0001262414 20140102 of the Texas Mutual Insurance Company

Issued to MCCORD ENGINEERING INC

Premium \$

Endorsement No.



Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
BUSINESS AUTO COVERAGE ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage afforded by this endorsement, the provisions of the policy apply unless modified by the endorsement.

COVERAGE INDEX

<u>SUBJECT</u>	<u>PROVISION NUMBER</u>
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SECTION II - LIABILITY COVERAGE is amended as follows:

1. BROAD FORM INSURED

SECTION II - LIABILITY COVERAGE, paragraph A.1. - WHO IS AN INSURED is amended to include the following as an insured:

d. Any legally incorporated entity of which you own more than 50 percent of the voting stock during the policy period. However, "insured" does not include any organization that:

- (1) Is a partnership or joint venture; or
- (2) Is an insured under any other automobile policy; or
- (3) Has exhausted its Limit of Insurance under any other automobile policy.

Paragraph d. (2) of this provision does not apply to a policy written to apply specifically in excess of this policy.

e. Any organization you newly acquire or form, other than a partnership or joint venture, of which you own more than 50 percent of the voting stock. This automatic coverage is afforded only for 180 days from the date of acquisition or formation. However, coverage under this provision does not apply:

- (1) If there is similar insurance or a self-insured retention plan available to that organization;

- (2) If the Limits of Insurance of any other insurance policy have been exhausted; or
- (3) To "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

2. EMPLOYEES AS INSURED

SECTION II - LIABILITY COVERAGE, paragraph A.1. - WHO IS AN INSURED is amended to include the following as an insured:

- f. Any "employee" of yours while using a covered "auto" you do not own, hire or borrow but only for acts within the scope of their employment by you. Insurance provided by this endorsement is excess over any other insurance available to any "employee".
- g. An "employee" of yours while operating an "auto" hired or borrowed under a written contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business and within the scope of their employment. Insurance provided by this endorsement is excess over any other insurance available to the "employee".

3. ADDITIONAL INSURED BY CONTRACT, AGREEMENT OR PERMIT

SECTION II - LIABILITY COVERAGE, paragraph A.1. - WHO IS AN INSURED is amended to include the following as an insured:

- h. Any person or organization with respect to the operation, maintenance or use of a covered "auto", provided that you and such person or organization have agreed in a written contract, agreement, or permit issued to you by governmental or public authority, to add such person, or organization, or governmental or public authority to this policy as an "insured".

However, such person or organization is an "insured":

- (1) Only with respect to the operation, maintenance or use of a covered "auto";
- (2) Only for "bodily injury" or "property damage" caused by an "accident" which takes place after you executed the written contract or agreement, or the permit has been issued to you; and
- (3) Only for the duration of that contract, agreement or permit

4. SUPPLEMENTARY PAYMENTS

SECTION II - LIABILITY COVERAGE, Coverage Extensions, 2.a. Supplementary Payments, paragraphs (2) and (4) are replaced by the following:

- (2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (4) All reasonable expenses incurred by the insured at our request, including actual loss of earnings up to \$500 a day because of time off from work.

5. AMENDED FELLOW EMPLOYEE EXCLUSION

In those jurisdictions where, by law, fellow employees are not entitled to the protection afforded to the employer by the workers compensation exclusivity rule, or similar protection, the following provision is added:

SECTION II - LIABILITY, exclusion B.5. FELLOW EMPLOYEE does not apply if the "bodily injury" results from the use of a covered "auto" you own or hire.

SECTION III - PHYSICAL DAMAGE COVERAGE is amended as follows:

6. HIRED AUTO PHYSICAL DAMAGE

Paragraph A.4. Coverage Extensions of SECTION III - PHYSICAL DAMAGE COVERAGE, is amended by adding the following:

If hired "autos" are covered "autos" for Liability Coverage, and if Comprehensive, Specified Causes of Loss or Collision coverage are provided under the Business Auto Coverage Form for any "auto" you own, then the Physical Damage coverages provided are extended to "autos":

- a. You hire, rent or borrow; or

of 54

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- b. Your "employee" hires or rents under a written contract or agreement in that "employee's" name, but only if the damage occurs while the vehicle is being used in the conduct of your business,

subject to the following limit and deductible:

- A. The most we will pay for "loss" in any one "accident" or "loss" is the smallest of:

- (1) \$50,000; or
- (2) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
- (3) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality, minus a deductible.

- B. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage.

- C. Subject to the limit, deductible and excess provisions described in this provision, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

- D. Subject to a maximum of \$750 per "accident", we will also cover the actual loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss.

- E. This coverage extension does not apply to:

- (1) Any "auto" that is hired, rented or borrowed with a driver; or
- (2) Any "auto" that is hired, rented or borrowed from your "employee".

For the purposes of this provision, SECTION V - DEFINITIONS is amended by adding the following:

"Total loss" means a "loss" in which the cost of repairs plus the salvage value exceeds the actual cash value.

7. TOWING AND LABOR

SECTION III - PHYSICAL DAMAGE COVERAGE, paragraph A.2. Towing, is amended by the addition of the following:

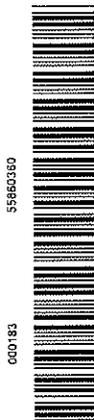
We will pay towing and labor costs incurred, up to the limits shown below, each time a covered "auto" classified and rated as a private passenger type, "light truck" or "medium truck" is disabled:

- a. For private passenger type vehicles, we will pay up to \$50 per disablement.
- b. For "light trucks", we will pay up to \$50 per disablement. "Light trucks" are trucks that have a gross vehicle weight (GVW) of 10,000 pounds or less.
- c. For "medium trucks", we will pay up to \$150 per disablement. "Medium trucks" are trucks that have a gross vehicle weight (GVW) of 10,001 - 20,000 pounds.

However, the labor must be performed at the place of disablement.

8. PHYSICAL DAMAGE- ADDITIONAL TRANSPORTATION EXPENSE COVERAGE

Paragraph A.4.a., Coverage Extension of SECTION III - PHYSICAL DAMAGE COVERAGE, is amended to provide a limit of \$50 per day and a maximum limit of \$1,500



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9. RENTAL REIMBURSEMENT

SECTION III - PHYSICAL DAMAGE COVERAGE, A. COVERAGE, is amended by adding the following:

- a. We will pay up to \$75 per day for rental reimbursement expenses incurred by you for the rental of an "auto" because of "accident" or "loss", to an "auto" for which we also pay a "loss" under Comprehensive, Specified Causes of Loss or Collision Coverages. We will pay only for those expenses incurred after the first 24 hours following the "accident" or "loss" to the covered "auto."
- b. Rental Reimbursement will be based on the rental of a comparable vehicle, which in many cases may be substantially less than \$75 per day, and will only be allowed for the period of time it should take to repair or replace the vehicle with reasonable speed and similar quality, up to a maximum of 30 days.
- c. We will also pay up to \$500 for reasonable and necessary expenses incurred by you to remove and replace your tools and equipment from the covered "auto".
- d. This coverage does not apply unless you have a business necessity that other "autos" available for your use and operation cannot fill.
- e. If "loss" results from the total theft of a covered "auto" of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided under Paragraph 4. Coverage Extension.
- f. No deductible applies to this coverage.

For the purposes of this endorsement provision, materials and equipment do not include "personal effects" as defined in provision 11.

10. EXTRA EXPENSE - BROADENED COVERAGE

Under SECTION III - PHYSICAL DAMAGE COVERAGE, A. COVERAGE, we will pay for the expense of returning a stolen covered "auto" to you. The maximum amount we will pay is \$1,000.

11. PERSONAL EFFECTS COVERAGE

A. SECTION III - PHYSICAL DAMAGE COVERAGE, A. COVERAGE, is amended by adding the following:

If you have purchased Comprehensive Coverage on this policy for an "auto" you own and that "auto" is stolen, we will pay, without application of a deductible, up to \$600 for "personal effects" stolen with the "auto."

The insurance provided under this provision is excess over any other collectible insurance.

B. SECTION V - DEFINITIONS is amended by adding the following:

For the purposes of this provision, "personal effects" mean tangible property that is worn or carried by an insured." "Personal effects" does not include tools, equipment, jewelry, money or securities.

12. ACCIDENTAL AIRBAG DEPLOYMENT

SECTION III - PHYSICAL DAMAGE COVERAGE, B. EXCLUSIONS is amended by adding the following:

If you have purchased Comprehensive or Collision Coverage under this policy, the exclusion for "loss" relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

Any insurance we provide shall be excess over any other collectible insurance or reimbursement by manufacturer's warranty. However, we agree to pay any deductible applicable to the other coverage or warranty.

13. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE

SECTION III - PHYSICAL DAMAGE COVERAGE, B. EXCLUSIONS, exception paragraph a. to exclusions 4.c. and 4.d. is deleted and replaced with the following:

Exclusion 4.c. and 4.d. do not apply to:

- a. Electronic equipment that receives or transmits audio, visual or data signals, whether or not designed solely for the reproduction of sound, if the equipment is permanently installed in the covered "auto" at the time of the "loss" and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto" and physical damage coverages are provided for the covered "auto"; or

If the "loss" occurs solely to audio, visual or data electronic equipment or accessories used with this equipment, then our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by a \$100 deductible.

14. LOAN / LEASE GAP COVERAGE

- A. Paragraph C., LIMIT OF INSURANCE of SECTION III - PHYSICAL DAMAGE COVERAGE is amended by adding the following:

The most we will pay for a "total loss" to a covered "auto" owned by or leased to you in any one "accident" is the greater of the:

1. Balance due under the terms of the loan or lease to which the damaged covered "auto" is subject at the time of the "loss" less the amount of:
 - a. Overdue payments and financial penalties associated with those payments as of the date of the "loss",
 - b. Financial penalties imposed under a lease due to high mileage, excessive use or abnormal wear and tear,
 - c. Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease,
 - d. Transfer or rollover balances from previous loans or leases,
 - e. Final payment due under a "Balloon Loan",
 - f. The dollar amount of any unrepaired damage which occurred prior to the "total loss" of a covered "auto",
 - g. Security deposits not refunded by a lessor,
 - h. All refunds payable or paid to you as a result of the early termination of a lease agreement or as a result of the early termination of any warranty or extended service agreement on a covered "auto",
 - i. Any amount representing taxes,
 - j. Loan or lease termination fees; or

2. The actual cash value of the damage or stolen property as of the time of the "loss".

An adjustment for depreciation and physical condition will be made in determining the actual cash value at the time of the "loss". This adjustment is not applicable in Texas.

B. ADDITIONAL CONDITIONS

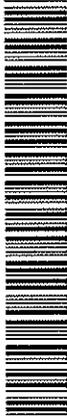
This coverage applies only to the original loan for which the covered "auto" that incurred the loss serves as collateral, or lease written on the covered "auto" that incurred the loss.

- C. SECTION V - DEFINITIONS is changed by adding the following:

As used in this endorsement provision, the following definitions apply:

"Total loss" means a "loss" in which the cost of repairs plus the salvage value exceeds the actual cash value.

A "balloon loan" is one with periodic payments that are insufficient to repay the balance over the term of the loan, thereby requiring a large final payment.



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15. GLASS REPAIR - WAIVER OF DEDUCTIBLE

Paragraph **D. Deductible** of SECTION III - PHYSICAL DAMAGE COVERAGE is amended by the addition of the following:

No deductible applies to glass damage if the glass is repaired rather than replaced.

16. PARKED AUTO COLLISION COVERAGE (WAIVER OF DEDUCTIBLE)

Paragraph **D. Deductible** of SECTION III - PHYSICAL DAMAGE COVERAGE is amended by the addition of the following:

The deductible does not apply to "loss" caused by collision to such covered "auto" of the private passenger type or light weight truck with a gross vehicle weight of 10,000 lbs. or less as defined by the manufacturer as maximum loaded weight the "auto" is designed to carry while it is:

- a. In the charge of an "insured";
- b. Legally parked; and
- c. Unoccupied.

The "loss" must be reported to the police authorities within 24 hours of known damage.

The total amount of the damage to the covered "auto" must exceed the deductible shown in the Declarations.

This provision does not apply to any "loss" if the covered "auto" is in the charge of any person or organization engaged in the automobile business.

SECTION IV - BUSINESS AUTO CONDITIONS is amended as follows:

17. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

SECTION IV- BUSINESS AUTO CONDITIONS, Paragraph **B.2.** is amended by adding the following:

If you unintentionally fail to disclose any hazards, exposures or material facts existing as of the inception date or renewal date of the Business Auto Coverage Form, the coverage afforded by this policy will not be prejudiced.

However, you must report the undisclosed hazard of exposure as soon as practicable after its discovery, and we have the right to collect additional premium for any such hazard or exposure.

18. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT, OR LOSS

SECTION IV - BUSINESS AUTO CONDITIONS, paragraph **A.2.a.** is replaced in its entirety by the following:

- a. In the event of "accident", claim, "suit" or "loss", you must promptly notify us when it is known to:
 - 1. You, if you are an individual;
 - 2. A partner, if you are a partnership;
 - 3. Member, if you are a limited liability company;
 - 4. An executive officer or the "employee" designated by the Named Insured to give such notice, if you are a corporation.

To the extent possible, notice to us should include:

- (1) How, when and where the "accident" or "loss" took place;
- (2) The "insureds" name and address; and
- (3) The names and addresses of any injured persons and witnesses.

19. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

SECTION IV - BUSINESS AUTO CONDITIONS, paragraph **A.5.**, Transfer of Rights of Recovery Against Others to Us, is amended by the addition of the following:

If the person or organization has waived those rights before an "accident" or "loss", our rights are waived also.

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20. HIRED AUTO COVERAGE TERRITORY

SECTION IV - BUSINESS AUTO CONDITIONS, paragraph B.7., Policy Period, Coverage Territory, is amended by the addition of the following:

f. For "autos" hired 30 days or less, the coverage territory is anywhere in the world, provided that the insured's responsibility to pay for damages is determined in a "suit", on the merits, in the United States, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

This extension of coverage does not apply to an "auto" hired, leased, rented or borrowed with a driver.

SECTION V - DEFINITIONS is amended as follows:

21. BODILY INJURY REDEFINED

Under SECTION V - DEFINITIONS, definition C. is replaced by the following:

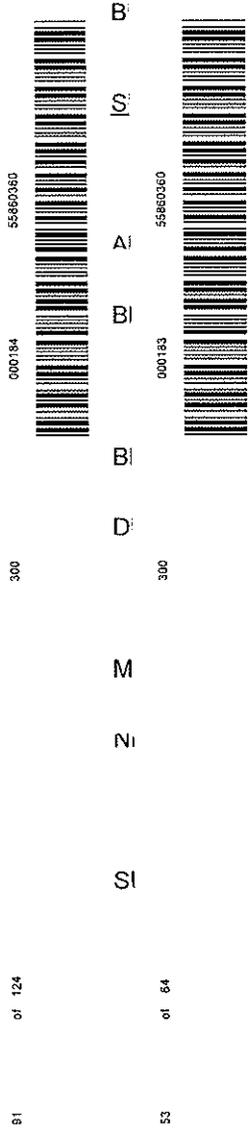
"Bodily injury" means physical injury, sickness or disease sustained by a person, including mental anguish, mental injury, shock, fright or death resulting from any of these at any time.

COMMON POLICY CONDITIONS

22. EXTENDED CANCELLATION CONDITION

COMMON POLICY CONDITIONS, paragraph A. - CANCELLATION condition applies except as follows:

If we cancel for any reason other than nonpayment of premium, we will mail to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation. This provision does not apply in those states which require more than 60 days prior notice of cancellation.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS LIABILITY EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

<u>SUBJECT</u>	<u>PAGE</u>
AGGREGATE LIMITS OF INSURANCE	3
AMENDMENT OF INSURED CONTRACT DEFINITION	4
BLANKET ADDITIONAL INSURED (OWNERS, CONTRACTORS OR LESSORS)	2
BODILY INJURY	4
BROADENED COVERAGE FOR DAMAGE TO PREMISES RENTED TO YOU	2
DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT	4
INCIDENTAL MEDICAL MALPRACTICE	2
MOBILE EQUIPMENT	2
NEWLY FORMED OR ACQUIRED ORGANIZATIONS	3
PERSONAL AND ADVERTISING INJURY	4
SUPPLEMENTARY PAYMENTS	2
Bail Bonds	
Loss Of Earnings	

Section II - Liability is amended as follows:

I. SUPPLEMENTARY PAYMENTS

Paragraph f.(1)(b) of A Coverages is replaced by the following;

- (b) Up to \$3000 for cost of bail bond required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish the bonds.

Paragraph 1.f.(1)(d) of A Coverages is replaced by the following;

- (d) All reasonable expenses incurred by the insured at our request to assist us in the Investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.

II. BROADENED COVERAGE FOR DAMAGE TO PREMISES RENTED TO YOU

With respect to the coverage provided under this endorsement, **Section II - Liability** is amended as follows:

- 1. The final paragraph of **B.1. Exclusions - Applicable To Business Liability Coverage** is deleted and replaced by the following:

With respect to the premises which are rented to you or temporarily occupied by you with the permission of the owner, Exclusions **c., d., e., g., h., k., l., m., n.** and **o.** do not apply to "property damage".

- 2. Paragraph **D.2. Liability And Medical Expenses Limits Of Insurance** is deleted and replaced by the following:

The most we will pay under this endorsement for the sum of all damages because of all "property damage" to premises while rented to you or temporarily occupied by you with the permission of the owner is the Limit of Insurance shown in the Declaration.

- 3. Paragraph **D.3. Liability And Medical Expenses Limits Of Insurance** is deleted.

III. INCIDENTAL MEDICAL MALPRACTICE

Exclusion **1.j.(4)** does not apply to Incidental Medical Malpractice Injury coverage.

The following is added to **F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS**:

- 23. "**Incidental Medical Malpractice Injury**" means bodily injury arising out of the rendering of or failure to render, during the policy period, the following services:

- a. medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or
- b. the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to:

- 1. expenses incurred by the insured for first-aid to others at the time of an accident and the **Duties in the Event of Occurrence, Claim or Suit Condition** is amended accordingly;
- 2. any insured engaged in the business or occupation of providing any of the services described under **a.** and **b.** above;
- 3. injury caused by any indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under **a.** and **b.** above.

IV. MOBILE EQUIPMENT

- 1. Section **C. Who is An Insured** is amended to include any person driving "mobile equipment" with your permission.

BLANKET ADDITIONAL INSURED (OWNERS, CONTRACTORS OR LESSORS)

- 1. Section **C. Who Is An Insured** is amended to include as an insured any person or organization whom you are required to name as an additional insured on this policy under a written contract or written agreement. The written contract or agreement must be:
 - a. currently in effect or becoming effective during the term of this policy; and
 - b. executed prior to the "bodily injury", "property damage", "personal and advertising injury".

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2. The insurance provided the additional insured is limited as follows:
- a. The person or organization is only an additional insured with respect to liability arising out of
 - (1) Real property, as described in a written contract or written agreement, you own, rent, lease, maintain or occupy;
 - (2) Caused in whole or in part by your ongoing operations performed for that insured.
 - b. The limits of insurance applicable to the additional insured are those specified in the written contract or written agreement or the limits available under this policy, as stated in the Declarations, whichever are less. These limits are inclusive of and not in addition to the limits of insurance available under this policy.
 - c. The insurance provided the additional insured does not apply to:
 - (1) Liability arising out of the sole negligence of the additional insured;
 - (2) "Bodily injury", "property damage", "personal and advertising injury"; or defense coverage under the Supplementary Payments section of the policy arising out of an architect's, engineer's or surveyor's rendering of or failure to render any professional services including:
 - (a) The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
 - (b) Supervisory, inspection, architectural or engineering activities.
 - (3) Any "occurrence" that takes place after you cease to be a tenant in the premises described in the Declarations; or
 - (4) Structural alterations, new construction or demolition operations performed by or for the person or organization designated in the Declarations.
3. Any coverage provided hereunder shall be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis unless a contract specifically requires that this insurance be primary or you request that it apply on a primary basis.

VI. NEWLY FORMED OR ACQUIRED ORGANIZATIONS

The following is added to C. Who Is An Insured:

- 3. Any business entity acquired by you or incorporated or organized by you under the laws of any individual state of the United States of America over which you maintain majority ownership interest exceeding fifty percent. Such acquired or newly formed organization will qualify as a Named Insured if there is no similar insurance available to that entity. However,
 - a. Coverage under this provision is afforded only until the 180th day after the entity was acquired or incorporated or organized by you or the end of the policy period, whichever is earlier;
 - b. Coverages A. Paragraph 1. Business Liability, does not apply to:
 - (1) "Bodily injury" or "property damage" that occurred before the entity was acquired or incorporated or organized by you; and
 - (2) "Personal and advertising injury" arising out of an offense committed before the entity was acquired or incorporated or organized by you; and
 - c. Records and descriptions of operations must be maintained by the first Named Insured.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

VII. AGGREGATE LIMITS

The following is added to Aggregate Limits Paragraph 4. of D. Liability and Medical Expenses Limits of Insurance:

The Aggregate Limits apply separately to each of "locations" owned by or rented to you or temporarily occupied by you with the permission of the owner.

The Aggregate Limits also apply separately to each of your projects away from premises owned by or rented to you.

For the purpose of this endorsement only, "location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.



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VIII. DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT

1. The requirement in E. Liability And Medical Expenses General Conditions paragraph 2.a. that you must see to it that we are notified of an "occurrence" or offense which may result in a claim applies only when the "occurrence" is known to any insured listed in Paragraph C.1. Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim.
2. The requirements in E. Liability And Medical Expenses General Conditions paragraph 2.b. that you must see to it that we receive notice of a claim or "suit" will not be considered breached unless the breach occurs after such claim or "suit" is known to any insured listed under Paragraph C.1. Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim.

IX. BODILY INJURY

Paragraph 3. of F. Liability And Medical Expenses Definitions is replaced by the following:

3. "Bodily Injury" means:
 - a. Bodily injury, sickness, disease, or incidental medical malpractice injury sustained by a person, including death resulting from any of these at any time.

X. AMENDMENT OF INSURED CONTRACT DEFINITION

Paragraph 9. of F. Liability And Medical Expenses Definitions is replaced by the following:

9. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

XI. PERSONAL AND ADVERTISING INJURY

Paragraph 14. b. of F. Liability And Medical Expenses Definitions is replaced by the following:

- b. Malicious prosecution or abuse of process.

TEXAS WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

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

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

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

The premium for this endorsement is shown in the Schedule.

Schedule

1. () Specific Waiver
Name of person or organization

(X) Blanket Waiver
Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

2. Operations: ALL TEXAS OPERATIONS

3. Premium

The premium charge for this endorsement shall be 2.00 percent of the premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.

4. Advance Premium INCLUDED, SEE INFORMATION PAGE.

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on

at 12:01 A.M. standard time, forms a part of

Policy No. TSF-0001262414 20140102 of the Texas Mutual Insurance Company

Issued to MCCORD ENGINEERING INC

Premium \$

Endorsement No.



Authorized Representative

WC420304A (ED. 1-01-2000)

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 \$1,800,000, 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 27th DAY OF MARCH, 2014.

Nancy Berry, Mayor

ATTEST:

Sherry Mashburn, City Secretary

(Seal)

APPROVED:



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

Exhibit "A"

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

Electric Utility Engineering services to provide engineering and design services as needed for new and existing electric systems, facilities additions and improvements.



Legislation Details (With Text)

File #:	14-309	Version:	1	Name:	Atmos Franchise - 2nd Reading
Type:	Franchises	Status:		Status:	Consent Agenda
File created:	3/6/2014	In control:		In control:	City Council Regular
On agenda:	3/27/2014	Final action:		Final action:	
Title:	Presentation, possible action and discussion on the second reading of an ordinance granting a non-exclusive natural gas franchise to Atmos Energy Corporation Mid-Tex Division.				
Sponsors:					
Indexes:	Atmos, Franchise				
Code sections:					
Attachments:	Atmos Franchise 3 13 14.pdf				

Date	Ver.	Action By	Action	Result
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Presentation, possible action and discussion on the second reading of an ordinance granting a non-exclusive natural gas franchise to Atmos Energy Corporation Mid-Tex Division.

Relationship to Strategic Goals: (Select all that apply)

- Financially Sustainable City
- Core Services and Infrastructure

Recommendation(s): Approve the second reading of the franchise ordinance.

Summary: On March 25, 2004 Council passed ordinance 2705 granting a non-exclusive natural gas franchise to TXU Gas Company which was set to expire on December 31, 2013. In the summer of 2004, Atmos Energy acquired the distribution and transmission assets of TXU Gas Company and assumed its franchise with the city. This new franchise agreement with Atmos is active until December 31, 2023 and per section 10 of the ordinance cannot be assigned without the approval of the City Council.

This is the second reading of the franchise ordinance. The first reading occurred on March 13, 2014. This franchise becomes effective after sixty (60) days following its second and final passage by the City Council.

Budget & Financial Summary: The city will receive a franchise fee of five percent (5%).

Attachments: Franchise Ordinance

ORDINANCE NO: _____

AN ORDINANCE GRANTING TO ATMOS ENERGY CORPORATION, A TEXAS AND VIRGINIA CORPORATION, ITS SUCCESSORS AND ASSIGNS, A FRANCHISE TO CONSTRUCT, MAINTAIN, AND OPERATE PIPELINES AND EQUIPMENT IN THE CITY OF COLLEGE STATION, BRAZOS COUNTY, TEXAS, FOR THE TRANSPORTATION, DELIVERY, SALE, AND DISTRIBUTION OF GAS IN, OUT OF, AND THROUGH SAID CITY FOR ALL PURPOSES; RESERVING MUNICIPAL AUTHORITY; PROVIDING FOR INDEMNITY TO THE MUNICIPALITY AND INSURANCE BY ATMOS ENERGY CORPORATION; REQUIRING BOOK AND RECORD KEEPING; PROVIDING FOR THE PAYMENT OF A FEE OR CHARGE FOR THE USE OF THE PUBLIC RIGHTS-OF-WAYS; AND PROVIDING THAT SUCH FEE SHALL BE IN LIEU OF OTHER FEES AND CHARGES, EXCEPTING AD VALOREM TAXES; PROVIDING AN EFFECTIVE DATE AND TERM; AND REPEALING ALL PREVIOUS GAS FRANCHISE ORDINANCES.

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

SECTION 1. DEFINITIONS:

- 1.1 “City” shall mean the City of College Station, Texas, a Home-Rule Municipal Corporation operating under the laws of the State of Texas.
- 1.2 “City Council” shall mean the governing body of the City.
- 1.3 “City Manager” shall mean the City Manager of the City, or his or her duly authorized representative.
- 1.4 “Company” shall mean the Mid-Tex Division of the Atmos Energy Corporation, a corporation organized and existing under and by virtue of the laws of the State of Texas and Virginia, authorized to transact and actually transacting business in the State of Texas, acting by and through its duly authorized legal representatives.
- 1.5 “Customer” shall mean any person or organization being billed for gas services, including transportation, whether used by him or her, or by others.

- 1.6 “Emergency” is defined as sudden and unforeseeable damage or malfunction of a portion of the Company’s System that creates a threat to life, health, or property.
- 1.7 “Franchise” shall mean this Ordinance, and all rights and obligations established herein.
- 1.8 “Gas” shall mean natural gas and any synthetic gas distributed by the Company through its System.
- 1.9 “Gross Revenues” shall mean:
- (a) All revenues billed by the Company from the sale of gas to all classes of customers (excluding gas sold to another non-affiliate gas utility in the City for resale to its customers within the City) within the City including base rate revenues and revenues from the Company’s purchased gas adjustment tariff;
 - (b) All revenues received by the Company from the transportation of gas through the System to customers located within the City (excluding gas transported to another non-affiliate gas utility in the City for resale to its customers within the City);
 - (c) The value of gas transported by the Company for Transport Customers through the System (excluding gas sold to another non-affiliate gas utility in the City for resale to its customers within the City), with the value of such gas to be established by utilizing the Company’s monthly Weighted Average Cost of Gas charged to industrial customers in the Mid-Tex division as reasonably near the time as the transportation services is performed;
 - (d) Contributions in aid of construction; and
 - (e) “Gross Revenues” shall also include state gross receipts tax and the following “miscellaneous charges”: to connect, disconnect or reconnect gas and charges to handle returned checks from consumers within the City.

(f) “Gross Revenues” shall not include:

- i. revenues billed but not ultimately collected or received by the Company;
- ii. the revenue of any affiliate or subsidiary of the Company;
- iii. sales tax and franchise fees paid to the City;
- iv. interest or investment income earned by the Company; and
- v. monies received from the lease or sale of real or personal property, provided, however, that this exclusion does not apply to the lease of facilities within the Public Rights-of-Way.

1.10 “Public Rights-of-Way” shall mean the area on, below, or above a public roadway, highway, street, sidewalk, alley, waterway, or utility easement of the City, as they now exist or may hereafter be constructed, opened, laid out, or extended within the present limits of the City, or in such territory as may hereafter be added to, consolidated or annexed to the City.

1.11 “System” shall mean all the Company’s pipes, pipelines, gas mains, laterals, feeders, regulators, meters, fixtures, connections and any other equipment or instrumentalities used in or incident to providing delivery, transportation, distribution, supply and sales of natural gas for heating, lighting, power, and any other purpose for which natural gas may now or hereafter be used, located within the corporate limits of the City.

1.12 “Transport Customer” shall mean any person or entity for which the Company transports gas through the System to Customers for delivery or consumption within the City.

SECTION 2. GRANT OF AUTHORITY:

2.1 The City hereby grants to the Company, its successors and assigns, consent to use and occupy the Public Rights-of-Way, for the purpose of laying, maintaining, constructing, protecting, operating, and replacing therein and thereon all or any portion of the System to deliver, transport, and distribute gas in, out of, and through the City for persons, firms, and corporations, including all the general public, and to sell gas to persons, firms, and corporations, including all the general public, within the City corporate limits, as such limits may be amended from time to time during the term of this franchise, said consent being granted for a term ending December 31, 2023.

2.2 The provisions set forth in this Ordinance represent the terms and conditions under which the Company shall construct, operate, and maintain the System. In granting this franchise, the City does not in any manner surrender or waive its regulatory or other rights and powers under and by virtue of the Constitution and statutes of the State of Texas as the same may be amended, nor any of its rights and powers under and by virtue of present or future ordinances of the City. The Company, by its acceptance of this Franchise, agrees that all such lawful regulatory powers and rights as the same may be from time to time vested in the City shall be in full force and effect and subject to the exercise thereof by the City at any time.

SECTION 3. CONSTRUCTION, MAINTENANCE, OPERATION & RELOCATION OF COMPANY FACILITIES:

3.1 The Company is hereby authorized to lay, maintain, construct, operate, and replace its pipes, mains, laterals, and other equipment to minimize interference with traffic, place or cause to be placed appropriate barriers to mark excavations or obstructions, and restore to as good a condition as before commencement of work all Public Rights-of-Way that it may disturb. Before any work is commenced, the Company must obtain any permits required by the City for construction within the Public Rights-of-Way in accordance with the ordinances or process in place at the time the work is performed. Under no circumstances shall the Company be required

to pay for any permit. It shall not be necessary for the Company to obtain permits for the laying of service lines from the mainline pipes of the Company to its Customers if no work will take place in Public Rights-of-Way. It shall not be necessary for the Company to obtain a permit in advance of resolving an Emergency. In the event of an Emergency, the Company shall notify the City Manager no later than ten (10) days after the last day of the Emergency, along with information that describes the circumstances of the Emergency.

3.2 In determining the location of the facilities of the City and other users of Public Rights-of-Way, the City shall minimize interference with then existing System facilities and shall instruct other users of Public Rights-of-Way to minimize interference with existing System facilities. The placement of all System facilities shall be subject to the City's approval. In the event of a conflict between the location of the Company's proposed facilities and the location of the existing facilities of the City or other users of Public Rights-of-Way within Public Rights-of-Way that cannot otherwise be resolved, the City or an authorized agent of the City shall resolve the conflict and determine the location of the respective facilities within the Public Rights-of-Way.

3.3 The Company or contractors working on behalf of the Company shall not be required to pay fees for permits that must be obtained from the City for street cutting, street excavation or other work in Public Rights-of-Way in connection with the Company's operations. A copy of the City's annual capital improvements plan ("CIP") shall be made available on the City's website or upon request. The City should notify the Company's local representative of any major change to the CIP. When required by City to remove or relocate its mains, laterals, and/or other facilities lying within Public Rights-of-Way, the Company shall do so as soon as practically possible with respect to the scope of the project. In no event shall the Company be required to remove or relocate its facilities in less than thirty (30) days from the time notice is given to the Company by the City.

3.4 If the City, constructs or alters its sewers, drainage, water lines, other utilities, or the grade or alignment of the Public Rights-of-Way, so as to conflict with System facilities, the Company shall remove or relocate its mains, laterals, and other facilities lying within Public

Rights-of-Way that are in conflict, at its own expense, unless such work is for the primary purpose of beautification.. However, if such work is being performed because of a private development project, the private developer shall be required to reimburse the Company for the cost of removal or relocation of its facilities. Schedules for this work shall be developed by the designated representatives of the Company and the City. If such representatives cannot agree on the schedule, the City Manager, after consultation with the Company, shall establish a schedule. This schedule shall provide for a minimum of thirty (30) days between the time the schedule is furnished to the Company and the time that any specific work to be done by the Company covered in the schedule is to begin. When the Company is required by the City to relocate its facilities, the City shall work with the Company to obtain a safe and suitable alternative location. The Company shall not be required to relocate facilities to a depth of greater than four (4) feet unless prior agreement is obtained from the Company.

3.5 When the Company is required by the City to remove or relocate its mains, laterals, and other facilities lying within Public Rights-of-Way to accommodate a request by City, and costs of utility removals or relocations are eligible under federal, state, county, local or other programs for reimbursement of costs and expenses incurred by the Company as a result of such removal or relocation, and such reimbursement is required to be handled through the City, the Company costs and expenses shall be included in any application by the City for reimbursement if the Company submits its cost and expense documentation to the City prior to the filing of the application. The City shall provide reasonable written notice to the Company of the deadline for the Company to submit documentation of the costs and expenses of such relocation to the City. In the event that the City does not provide sufficient written notice to Atmos Energy as set forth in this paragraph, the City shall be responsible for fifty percent (50%) of the cost of the removal or relocation of Atmos Energy's facilities.

3.6 When the Company is required to remove or relocate its mains, laterals or other facilities to accommodate construction by the City without reimbursement from the City, the Company shall have the right to seek recovery of relocation costs as provided for in applicable state and/or federal law. Nothing herein shall be construed to prohibit, alter, or modify in any way the right of the Company to seek or recover a surcharge from Customers for the cost of relocation

pursuant to applicable state and/or federal law. The City shall not oppose recovery of relocation costs when the Company is required by the City to perform relocation. The City shall not require that the Company document request for reimbursement as a pre-condition to recovery of such relocation costs. Notwithstanding any provision of this Franchise, the City shall have the right to participate and challenge any other capital costs or expenses of the Company and request full documentation to the full extent provided by state law.

3.7 If the City abandons any Public Rights-of-Way in which the Company has facilities, such abandonment shall be conditioned on the Company's right to maintain its use of the former Public Right-of-Way and on the obligation of the party to whom the Public Right-of-Way is abandoned to reimburse the Company for all removal or relocation expenses if the Company agrees to the removal or relocation of its facilities following abandonment of the Public Right-of-Way. If the party to whom the Public Right-of-Way is abandoned requests the Company to remove or relocate its facilities and the Company agrees to such removal or relocation, such removal or relocation shall be done within a reasonable time at the expense of the party requesting the removal or relocation. If relocation cannot practically be made to another Public Right-of-Way, the expense of any right-of-way acquisition shall be considered a relocation expense to be reimbursed by the party requesting the relocation.

3.8 If a meter is installed in or near the Public Rights-of-Way, the Company agrees to discuss with the City Engineer or his delegate the aesthetics of the meter placement. If agreement cannot be reached, the Company may install standard equipment.

3.9 The Company shall be required to extend distribution mains in any street up to one hundred (100) feet for any one residential customer, provided, however, if the Company determines the anticipated connected load will prohibit the Company a reasonable return on its investment as may be allowed by statute, law, or regulation and the provision of service is not economically feasible, the cost of such extension shall be borne by the customer. The Company shall not be required to extend transmission mains in any Public Rights-of-Way or to make a tap on any transmission main within the City unless the Company agrees to such extension by a written agreement between the Company and a customer.

3.10 The Company hereby agrees that it will not arbitrarily refuse to provide service to any Customer that it is economically feasible for the Company to serve if the Customer to be benefitted will pay the cost thereof or if it can be shown that the revenue resulting from such extension will, within a reasonable time after same is made, pay a reasonable return on the Company's investment, after making the customary allowance for depreciation.

3.11 The Company shall furnish reasonably adequate service to Customers as reasonable rates and charges therefor, and the Company shall maintain its System in good order and condition. Such rates shall be established in accordance with all applicable statutes and ordinances. The Company shall maintain on file with the City copies of its current tariffs, schedules or rates and charges and service rules and regulations applicable to the City. The rates and charges collected from Customers shall be subject to revision and change by either the City or the Company in the manner provided by law.

SECTION 4. INDEMNITY & INSURANCE:

4.1 IN CONSIDERATION OF THE GRANTING OF THIS FRANCHISE, THE COMPANY AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS, EMPLOYEES, BOARDS AND COMMISSIONS (THE "INDEMNITEES") FROM AND AGAINST ALL SUITS, ACTIONS OR CLAIMS OF INJURY TO ANY PERSON OR PERSONS, OR DAMAGES TO ANY PROPERTY BROUGHT OR MADE FOR OR ON ACCOUNT OF ANY DEATH, INJURIES TO, OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR FOR DAMAGE TO OR LOSS OF PROPERTY ARISING OUT OF, OR OCCASIONED BY THE COMPANY'S INTENTIONAL AND/OR NEGLIGENT ACTS OR OMISSIONS IN CONNECTION WITH THE COMPANY'S OPERATIONS, EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY DETERMINED BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM THE SOLE NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS OF THE CITY, ITS OFFICERS, AGENTS OR EMPLOYEES. IN THE

EVENT OF JOINT AND CONCURRENT NEGLIGENCE OR FAULT OF BOTH THE CITY AND THE COMPANY, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT, HOWEVER, WAIVING ANY NECESSARY CONSENT TO SUIT OR GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY OF THE DEFENSES OF THE PARTIES UNDER TEXAS LAW. FURTHER, IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OR FAULT OF BOTH THE CITY AND THE COMPANY, RESPONSIBILITY FOR ALL COSTS OF DEFENSE SHALL BE APPORTIONED BETWEEN THE CITY AND THE COMPANY BASED UPON THE COMPARATIVE FAULT OF BOTH.

4.2 The Company's insurance of its obligations and risks undertaken pursuant to this franchise may be in the form of self-insurance to the extent permitted by applicable law, under a Company plan of self-insurance maintained in accordance with sound accounting and risk-management practices.

SECTION 5. NON-EXCLUSIVE FRANCHISE: The rights, privileges, and franchises granted by this ordinance are not to be considered exclusive, and the City hereby expressly reserves the right to grant, at any time, like privileges, rights, and franchises as it may see fit to any other person or corporation for the purpose of transporting, delivering, distributing, or selling gas to and for the City and the inhabitants thereof.

SECTION 6. PAYMENTS TO CITY:

6.1 Except as provided in Section 6.3 below, the Company, its successors and assigns, agrees to pay and the City agrees to accept, on or before the 15th day of May, August, November, 2014 and February, 2015, and on or before the same days of each succeeding year during the term of this Franchise the last payment of the initial term being made on the 15th day of February, 2024, a sum of money which shall be equivalent to five percent (5%) of the Gross Revenues received by the Company during the preceding calendar quarter.

6.2 The initial payment for the rights and privileges herein provided shall be for the privilege period January 1 through March 31, 2014, and each succeeding payment shall be for the privilege period of the calendar quarter preceding the quarter in which the payment is made.

6.3 The franchise fee amounts based on CIAC shall be calculated on an annual calendar year basis, i.e. from January 1 through December 31 of each calendar year. The franchise fee amounts that are due based on CIAC shall be paid at least once annually on or before April 30 each year based on the total CIAC recorded within the corporate limits of the City during the preceding calendar year. The final payment of franchise fee amounts based on CIAC will be April 30, 2024.

6.4 Payments received after the due date shall be subject to interest charged at the rate for Customer deposits under the Texas Utilities Code Section 183.003 in effect for the time period involved, from such due date until payment is received by the City.

6.5 The Company shall provide a report with each payment which sets forth the total, in dollars and cents, of the Gross Revenues. At a minimum, the report will show, by Customer class, Gross Revenues and resulting franchise fee attributable to the sale of gas and other miscellaneous charges. In addition, the report will show the amount of franchise fee collected from transportation customers attributable to the value of gas transported for the customers.

6.6 It is also expressly agreed that the aforesaid payments shall be in lieu of any and all other and additional occupation taxes, easement, franchise taxes or charges (whether levied as an ad valorem, special, or other character of tax or charge), municipal license, permit, and inspection fees, bonds, street taxes, and street or alley rentals or charges, and all other and additional municipal taxes, charges, levies, fees, and rentals of whatsoever kind and character that the City may now impose or hereafter levy and collect from the Company or the Company's agents, excepting only the usual general or special ad valorem taxes that the City is authorized to levy and impose upon real and personal property. If the City does not have the legal power to agree that the payment of the foregoing sums of money shall be in lieu of taxes, licenses, fees, street or alley rentals or charges, easement or franchise taxes or charges aforesaid, then the City agrees

that it will apply so much of said sums of money paid as may be necessary to satisfy the Company's obligations, if any, to pay any such taxes, licenses, charges, fees, rentals, easement or franchise taxes or charges aforesaid.

6.7 If the Company should at any time after the effective date of this Ordinance agree to a new municipal franchise ordinance, or renew an existing municipal franchise ordinance, with another municipality in the Company's Mid-Tex Division, which municipal franchise ordinance determines the franchise fee owed to that municipality for the use of its public rights-of-way in a manner that, if applied to the City, would result in a franchise fee greater than the amount otherwise due the City under this Ordinance, then the franchise fee to be paid by the Company to the City pursuant to this Ordinance may, at the election of the City, be increased so that the amount due and to be paid is equal to the amount that would be due and payable to City were the franchise fee provisions of that other franchise ordinance applied to City. The City acknowledges that the exercise of this right is conditioned upon the City's acceptance of all terms and conditions of the other municipal franchise *in toto*. The City may request waiver of certain terms and Company may grant, in its sole reasonable discretion, such waiver.

6.8 The Company may file with the City a tariff or tariff amendment(s) to provide for the recovery of the franchise fees under this agreement.

6.9 The City agrees that (i) as regulatory authority, it will adopt and approve the ordinance, rates or tariff which provide for 100% recovery of such franchise fees as part of the Company's rates; (ii) if the City intervenes in any regulatory proceeding before a federal or state agency in which the recovery of the Company's franchise fees is an issue, the City will take an affirmative position supporting 100% recovery of such franchise fees by the Company and; (iii) in the event of an appeal of any such regulatory proceeding in which the City has intervened, the City will take an affirmative position in any such appeals in support of the 100% recovery of such franchise fees by the Company.

6.10 The City agrees that it will take no action, nor cause any other person or entity to take any action, to prohibit the recovery of such franchise fees by the Company.

SECTION 7. BOOKS AND RECORDS:

7.1 The Company shall keep complete and accurate books of accounts and records of its business and operations under and in connection with this Franchise. All such books of accounts and records shall be kept at the Company's principal office. Upon request of the City, the Company shall present any and all records, accounts and books for inspection relative to the Gross Revenues of the Company within the corporate limits of the City. The City may, if it sees fit, upon reasonable notice to the Company, have the books and records of the Company examined by a representative of the City to ascertain the correctness of the reports agreed to be filed herein. The Company shall make available to the auditor such personnel and records as the City may request in order to complete such audit, and shall make no charge to the City therefore. The Company shall assist the City in its review by providing all requested information no later than fifteen (15) days after receipt of a request.

7.2 The City may conduct an audit or other inquiry or may pursue a cause of action in relation to the payment of the franchise fee only if such audit, inquiry or pursuit of a cause of action concerns a payment made less than two (2) years before the commencement of such audit, inquiry or pursuit of a cause of action. Each party shall bear its own costs of any audit or inquiry, unless, if after receiving written notice from the City of the City's intent to perform an audit, the Company fails to provide data, documents, reports, or information required to be furnished or fails to reasonably cooperate with the City during an audit properly performed, the Company shall be liable for payment of the City's reasonable and necessary expenses (including reasonable attorney's fees) incurred in obtaining such data, documents, reports or information.

7.3 In the event that a dispute arises regarding an audit performed on the Company's books and records, the Company agrees to participate in mediation in an attempt to resolve the dispute. The Company agrees that it will consult with the City and the parties will mutually agree on a mediator to preside over the mediation.

7.4 The Company shall keep and maintain complete books, records, accounts, documents and papers pertaining to the Company's System and all the underlying books, records and working

papers on which the Gross Revenue calculations were based in accordance with the Company's record retention policy or for a period of four (4) years, whichever is greater.

SECTION 8. TERMINATION:

8.1 Right to Terminate: In addition to any rights set out elsewhere in this Franchise, the City reserves the right to terminate the Franchise and all rights and privileges pertaining thereto, in the event that the Company violates any material provision of the Franchise.

8.2 Procedures for Termination: The City may, at any time, terminate this Franchise for a continuing material violation by the Company of any of the substantial terms hereof. In such event, the City shall give to the Company written notice, specifying all grounds on which termination or forfeiture is claimed, by registered mail, addressed and delivered to the Company at the address set forth herein. The Company shall have sixty (60) days after the receipt of such notice within which to cease such violation and comply with the terms and provisions hereof. In the event the Company fails to cease such violation or otherwise comply with the terms hereof, then the Company's Franchise is subject to termination under the following provisions; provided, however, that, if the Company commences work or other efforts to cure such violations within thirty (30) days after receipt of written notice and shall thereafter prosecute such curative work with reasonable diligence until such curative work is completed, then such violations shall cease to exist, and the Franchise will not be terminated.

8.3 Termination shall be declared only by written decision of the City Council after a public proceeding whereby the Company is afforded the full opportunity to be heard and to respond to any such notice of violation or failure to comply. The Company shall be provided at least fifteen (15) business days' prior written notice of any public hearing concerning the termination of the Franchise. In addition, ten (10) days notice by one time publication shall be given of the date, time and place of any public hearing to interested members of the public, which notice shall be paid for by the Company.

8.4 The City, after full public hearing, and upon finding material violation or failure to comply, may terminate the Franchise or excuse the violation or failure to comply, upon a showing by the Company of mitigating circumstances or upon a showing of good cause of said violation or failure to comply as may be determined by the City Council.

8.5 Nothing herein stated shall preclude the Company from appealing the final decision of the City Council to a court or regulatory authority having jurisdiction. The effective date of such termination shall be either when the appeal is dismissed, withdrawn or when a court order upholding the termination becomes final and unappealable. Until the termination becomes effective the provisions of this Franchise shall remain in effect for all purposes.

8.6 Nothing herein stated shall prevent the City from seeking to compel compliance by suit in any court of competent jurisdiction if the Company fails to comply with the terms of this franchise after due notice and the providing of adequate time for the Company to comply with said terms.

SECTION 9. NO THIRD PARTY BENEFICIARIES: The Franchise is made for the exclusive benefit of the City and the Company, and nothing herein is intended to or shall confer any right, claim or benefit in favor of any third party.

SECTION 10. SUCCESSORS AND ASSIGNS: No assignment or transfer shall be made in whole or in part except in the case of assignment or transfer to an affiliate, parent, or subsidiary of the Company without approval of the City Council. Notice of said transfer or assignment shall be provided to the City. City shall grant approval unless the assignee is materially weaker than Company. For the purpose of this Section, “materially weaker” means that the long term unsecured debt rating of the assignee is less than investment grade as rated by both S&P and Moody’s. If the assignee is materially weaker, the City may request additional documents and information reasonably related to the transaction and the legal, financial, and technical qualifications of the assignee. City agrees that said approval shall not be unreasonably withheld or delayed. Upon approval, the rights, privileges and franchise herein granted to the Company shall extend to and include all successors and assigns. The terms, conditions, provisions,

requirements and agreements contained in this Franchise shall be binding upon the successors and assigns of the Company.

SECTION 11. SEVERABILITY: This Ordinance and every provision hereof shall be considered severable, and the invalidity and unconstitutionality of any other portion of this Ordinance shall not affect the validity or constitutionality of any other portion of this Ordinance. If any term or provision of this ordinance is held to be illegal, invalid or unenforceable, the legality, validity or unenforceability of the remaining terms or provisions of this Ordinance shall not be affected thereby.

SECTION 12. ACCEPTANCE OF FRANCHISE: In order to accept this Franchise, the Company must file with the City Secretary its written acceptance of this Franchise within sixty (60) days after its final passage and approval by City. If such written acceptance of this Franchise is not filed by the Company, the franchise ordinance shall be rendered null and void.

SECTION 13. REPEAL: When this Franchise becomes effective, all previous ordinances of City granting franchises for gas delivery purposes that were held by the Company shall be automatically canceled and annulled, and shall be of no further force and effect.

SECTION 14. PARAGRAPH HEADINGS. CONSTRUCTION: The paragraph headings contained in this Ordinance are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the preparation of this Ordinance and this Ordinance shall not be construed either more or less strongly against or for either party.

SECTION 15. NOTICES: Any notices required to be sent to the parties under this Franchise shall be sent to the following:

CITY

City Manager

P.O. Box 9960

College Station, Texas 77842

COMPANY

Public Affairs Manager

297 N. Earl Rudder Freeway

Bryan, Texas 77802

SECTION 16. EFFECTIVE DATE: If the Company accepts this Ordinance, it becomes effective after sixty (60) days following its second and final passage by the City Council pursuant to Section 105 of the College Station City Charter.

PRESENTED AND GIVEN first reading on the 13th day of March, 2014, at a regular meeting of the City Council of the City of College Station, Texas; and given a second reading and PASSED AND APPROVED on this the 27th day of March, 2014.

ATTEST:

City Secretary

Nancy Berry, Mayor
City of College Station, Texas

STATE OF TEXAS §
COUNTY OF BRAZOS §
CITY OF COLLEGE STATION §

I, SHERRY MASHBURN, City Secretary of the City of College Station, Brazos County, Texas, do hereby certify that the above and foregoing is a true and correct copy of an ordinance passed by the City Council of the City of COLLEGE STATION, Texas, at a regular session, held on the 27th day of March, 2014, as it appears of record in the Minutes in Book _____, page _____.

WITNESS MY HAND AND SEAL OF SAID CITY, this the ____ day of _____, 2014.

City Secretary
City of College Station, Texas



Legislation Details (With Text)

File #: 14-312 **Version:** 1 **Name:** Annual Price Agreement for Various Electrical Items
Type: Bid Award **Status:** Consent Agenda
File created: 3/7/2014 **In control:** City Council Regular
On agenda: 3/27/2014 **Final action:**

Title: Presentation, possible action and discussion on a bid award for the annual price agreement for various electrical items and electric meters to be stored in inventory as follows: Hill Country Electric, \$66,685.00; Stuart C. Irby, \$14,887.85; Wesco, \$10,852.50; Texas Electric Cooperatives, \$8,707.50; Trayer, \$159,632.00; Beckwith Electric, \$109,410.00; Techline, \$508,658.25; KBS Electric Distributors, \$46,710.00; Priester-Mell & Nicholson, \$148,787.68. Total estimated annual expenditure is \$1,074,330.78.

Sponsors:

Indexes:

Code sections:

Attachments: [Tabulation 14-038 3-3.pdf](#)

Date	Ver.	Action By	Action	Result
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Presentation, possible action and discussion on a bid award for the annual price agreement for various electrical items and electric meters to be stored in inventory as follows: Hill Country Electric, \$66,685.00; Stuart C. Irby, \$14,887.85; Wesco, \$10,852.50; Texas Electric Cooperatives, \$8,707.50; Trayer, \$159,632.00; Beckwith Electric, \$109,410.00; Techline, \$508,658.25; KBS Electric Distributors, \$46,710.00; Priester-Mell & Nicholson, \$148,787.68. Total estimated annual expenditure is \$1,074,330.78.

Relationship to Strategic Goals:

1. Financially Sustainable City
2. Core Services and Infrastructure

Recommendation(s): Staff recommends awards to the lowest responsible bidder meeting specifications for annual estimated expenditures totaling \$1,074,330.78.

I.	Hill Country Electric	\$66,685.00
II.	Stuart C. Irby	\$14,887.85
III.	Wesco	\$10,852.50
IV.	Texas Electric Cooperatives	\$8,707.50
V.	Trayer	\$159,632.00
VI.	Beckwith Electric	\$109,410.00
VII.	Techline	\$508,658.25
VIII.	KBS Electric Distributors	\$46,710.00
IX.	Priester-Mell & Nicholson	\$148,787.68

Summary: These purchases will be made as needed during the term of the agreement. The various electrical items and electric meters are maintained in Electrical Inventory in an inventory account and expensed as necessary during the agreement period. The purchasing agreement period shall be for one (1) year with the option to renew for two additional two (2) years.

Budget & Financial Summary: Twelve (12) sealed, competitive bids were received and opened on February 13, 2014. Funds are budgeted and available in the Electrical Fund. Various projects may be expensed as supplies are pulled from inventory and issued.

Reviewed and Approved by Legal: Yes

Attachments: Bid Tabulation #14-038

City of College Station
 Annual Price Agreement for Various Electrical Items
 ITB #14-038
 Opened February 13, 2014 @ 2:00 PM

Bid total was corrected using the unit price
Recommended Award
Low Bid not acceptable or did not meet specifications
Exceptions as listed below

Elliot Electric Supply				HD Supply				Hill Country Electric			
Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery

Group "A" Materials 15KV Underground Cable Accessories

Item No.	Est. Qty	Description	Inv No.	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery
A-1	40	ea	Deadbreak T-OPII Connector	285-022-00036		\$0.00				\$0.00				\$0.00	
A-2	75	ea	Protective Cap	285-095-00004		\$0.00				\$0.00				\$0.00	
A-3	300	ea	Loadbreak Elbow	285-082-00001		\$0.00				\$0.00				\$0.00	
A-4	350	ea	Loadbreak Bushing Insert	285-095-00006		\$0.00				\$0.00				\$0.00	
A-5	15	ea	Rotatable Two-Way Bushing Insert	285-095-00007		\$0.00				\$0.00				\$0.00	
A-6	200	ea	Elbow Cable Seal	285-082-00019		\$0.00				\$0.00				\$0.00	
A-7	75	ea	Elbow Arrester	285-082-00005		\$0.00				\$0.00				\$0.00	
A-8	30	ea	Parking Stand Arrester	285-082-00022		\$0.00				\$0.00				\$0.00	
A-9	50	ea	Cable Terminator Cold Shrink Type	285-082-00010		\$0.00		3M	\$88.42	\$4,421.00	4 wks			\$0.00	
A-10	100	ea	Cable Terminator	285-082-00003		\$0.00				\$0.00				\$0.00	
A-11	250	ea	Disconnectable Secondary Transformer Connector	285-008-00007		\$0.00				\$0.00				\$0.00	
A-12	100	ea	Disconnectable Secondary Transformer Connector	285-008-00008		\$0.00				\$0.00				\$0.00	
A-13	250	ea	Gelpport Insulated Secondary Connector	285-008-00012		\$0.00				\$0.00				\$0.00	
A-14	40	ea	Inline Splice	285-076-00002		\$0.00				\$0.00				\$0.00	
A-15	30	ea	Inline Splice	285-076-00007		\$0.00				\$0.00				\$0.00	
A-16	50	ea	Splice Re-jacketing Kit, cold shrink type	285-076-00005		\$0.00				\$0.00				\$0.00	
A-17	50	ea	Underground Faulted Circuit Indicator	285-111-00002		\$0.00				\$0.00				\$0.00	

Group A Recommended Award Total

\$0.00

\$0.00

\$0.00

Group "B" Materials - Pad-mount Enclosure Junction Boxes & Pull Boxes

Item No.	Est. Qty	Description	Inv No.	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery
B-1	15	ea	Pull Box, 36x60x48	285-045-00007	Quazite	\$2,676.50	\$40,147.50	5 wks		\$0.00				\$0.00	
B-2	20	ea	Pull Box, 48x96x48	285-045-00008	Quazite	\$5,900.00	\$118,000.00	5 wks		\$0.00				\$0.00	
B-3	12	ea	Pull Box Extension 24" for 48x96x48	285-045-00012	Quazite	\$1,990.00	\$23,880.00	5 wks	Hubbell	\$1,121.91	\$13,462.92	stk		\$0.00	
B-4	80	ea	Secondary Pedestal	285-045-00009	Quazite	\$141.80	\$11,344.00	5 wks		\$0.00				\$0.00	
B-5	5	ea	Torsion Assist Lids	285-045-00013		\$0.00				\$0.00				\$0.00	

Group B Recommended Award Total

\$0.00

\$0.00

\$0.00

Group "C" Materials - 15 kV Pad-mounted Switchgear

Item No.	Est. Qty	Description	Inv No.	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery
C-1	2	ea	Pad-Mounted Switchgear Front/Back Access	285-109-00003		\$0.00				\$0.00				\$0.00	
C-1 Alt	2	ea	Pad-Mounted Switchgear Front/Back Access			\$0.00				\$0.00				\$0.00	
C-2	1	ea	Pad-Mounted Switchgear Front/Back Access	285-109-00004		\$0.00				\$0.00				\$0.00	
C-2 Alt	1	ea	Installation of Voltage Sensing Bushing & Panel			\$0.00				\$0.00				\$0.00	
C-3	1	ea	Pad-Mounted Switchgear Front/Back Access	285-109-00005		\$0.00				\$0.00				\$0.00	
C-3 Alt	1	ea	Pad-Mounted Switchgear Front/Back Access			\$0.00				\$0.00				\$0.00	
C-4	1	ea	Pad-Mounted Switchgear Front/Back Access	285-109-		\$0.00				\$0.00				\$0.00	
C-4 Alt	1	ea	Installation of Voltage Sensing Bushing & Panel			\$0.00				\$0.00				\$0.00	

Group C Recommended Award Total

\$0.00

\$0.00

\$0.00

Group C Alt Recommended Award Total

\$0.00

\$0.00

\$0.00

Group "C-5 to C-8" Materials - 15 kV Pad-mounted Switchgear

Item No.	Est. Qty	Description	Inv No.	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery
C-5	2	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-00008		\$0.00				\$0.00				\$0.00	
C-6	2	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-00009		\$0.00				\$0.00				\$0.00	
C-7	2	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-00010		\$0.00				\$0.00				\$0.00	
C-8	1	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-		\$0.00				\$0.00				\$0.00	

Group C5-C8 Recommended Award Total

\$0.00

\$0.00

\$0.00

City of College Station
 Annual Price Agreement for Various Electrical Items
 ITB #14-038
 Opened February 13, 2014 @ 2:00 PM

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Recommended Award
Low Bid not acceptable or did not meet specifications
Exceptions as listed below

Elliot Electric Supply				HD Supply				Hill Country Electric			
Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery

Group D - Lamps & Light Fixtures

D-1	100	ea	Light Fixture, 100 watt	285-056-00011	Holophane	\$101.85	\$10,185.00	5-6 wks			\$0.00				\$0.00	
D-2	100	ea	Light Fixture, 200 watt	285-056-00006	Holophane	\$107.75	\$10,775.00	5-6 wks			\$0.00				\$0.00	
D-4	100	ea	Light Fixture, 400 watt	285-056-00007	Holophane	\$171.70	\$17,170.00	5-6 wks			\$0.00				\$0.00	
D-4	40	ea	Decorative Light Fixture, 100 w	285-056-00008	Hadco	\$985.00	\$39,400.00	6-8 wks			\$0.00		Hadco	\$908.15	\$36,326.00	10-12 wks
D-5	20	ea	Decorative Light Fixture, LED	285-056-00016	Hadco	\$1,640.00	\$32,800.00	6-8 wks			\$0.00		Hadco	\$1,517.95	\$30,359.00	10-12 wks

Group D Recommended Award Total

\$0.00

\$0.00

\$66,685.00

Group E - Crossarm Braces

E-1	60	ea	HD Dead End 8'	285-047-00088			\$0.00				\$0.00				\$0.00
E-2	150	ea	Standard Duty Crossarm 8'	285-047-00093			\$0.00				\$0.00				\$0.00
E-3	100	ea	Standard Duty Crossarm 10'	285-047-00094			\$0.00				\$0.00				\$0.00
E-4	20	ea	HD Deadend 10'	285-047-00099			\$0.00				\$0.00				\$0.00

Group E Recommended Award Total

\$0.00

\$0.00

\$0.00

Group F - Meter Sockets

F-1	60	ea	Meter Socket, Overhead, 200 amp	285-063-00003	Eaton	\$34.65	\$2,079.00	1 wk			\$0.00				\$0.00
F-2	400	ea	Meter Socket, Underground, 200 amp	285-063-00004	Eaton	\$41.15	\$16,460.00	1 wk			\$0.00				\$0.00
F-3	25	ea	Meter Socket, URD or O/H, 320 amp	285-063-00006	Eaton	\$184.00	\$4,600.00	2-3 wks			\$0.00				\$0.00
F-4	25	ea	Meter Socket, Underground, 200 amp	285-063-00008	Eaton	\$142.30	\$3,557.50	1 wk			\$0.00				\$0.00
F-5	25	ea	Meter Socket Bases, 13 Terminal	285-063-00011	Eaton	\$125.60	\$3,140.00	1 wk			\$0.00				\$0.00
F-6	10	ea	Meter Socket, Duplex Type	285-063-00013	Eaton	\$125.60	\$1,256.00	1 wk			\$0.00				\$0.00

Group F Recommended Award Total

\$0.00

\$0.00

\$0.00

Group G - Miscellaneous Materials

G-1	216	ea	Pole Setting Foam	285-065-00019			\$0.00				\$0.00				\$0.00
G-2	100	ea	S&C Wildlife Guards	285-102-00003			\$0.00				\$0.00				\$0.00
G-3	12	ea	600/1200 amp Air Switch with S-2 Option	285-077-00004			\$0.00		S&C	\$181.05	\$2,172.60	4-5 wks			\$0.00
G-4	30	ea	Digital Capacitor Control Assembly	285-011-00006			\$0.00				\$0.00				\$0.00

Group G Recommended Award Total

\$0.00

\$0.00

\$0.00

Group H - Meters

H-1	1000	ea	Electric Meter, Class 200 no Demand	285-061-00064			\$0.00		GE	\$27.25	\$27,250.00	5 eng/ 6			\$0.00
H-2	100	ea	Electric Meter, Class 200 w Demand	285-061-00058			\$0.00				\$0.00				\$0.00
H-3	20	ea	Electric Meter, Class 20 w Demand	285-061-00008			\$0.00		GE	\$76.66	\$1,533.20	5 eng/ 6			\$0.00
H-4	40	ea	Electric Meter, Class 320 w Demand	285-061-00005			\$0.00		GE	\$76.66	\$3,066.40	5 eng/ 6			\$0.00
H-5	40	ea	Electric Meter, Class 20 w Demand	285-061-00050			\$0.00		GE	\$154.50	\$6,180.00	5 eng/ 6			\$0.00
H-6	40	ea	Electric Meter, Class 200 w Demand	285-061-00052			\$0.00		GE	\$154.50	\$6,180.00	5 eng/ 6			\$0.00
H-7	12	ea	Electric Meter, Class 320 w Demand	285-061-00060			\$0.00		GE	\$191.10	\$2,293.20	5 eng/ 6			\$0.00
H-8	500	ea	Electric Meter, Class 200 w Demand	285-061-00056			\$0.00		GE	\$99.99	\$49,995.00	5 eng/ 6			\$0.00

Group H Recommended Award Total

\$0.00

\$0.00

\$0.00

Total Recommended Award Amount	\$0.00	\$0.00	\$66,685.00
Certification of Bid	Y	Y	Y
Exceptions	.5% discount for EFT payment		

City of College Station
Annual Price Agreement for Various Electrical Items
ITB #14-038
Opened February 13, 2014 @ 2:00 PM

Bid total was corrected using the unit price
Recommended Award
Low Bid not acceptable or did not meet specifications
Exceptions as listed below

Stuart C. Irby				Wesco (1)				Wesco (2)			
Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery

Group "A" Materials 15kV Underground Cable Accessories

Item No.	Est. Qty	Description	Inv. No.	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery
A-1	40	ea	Deadbreak T-OPII Connector	285-022-00036	Cooper	\$245.84	\$9,833.60	6-8 wks	Richards	\$155.91	\$6,236.40	2-4 wks		\$0.00	
A-2	75	ea	Protective Cap	285-095-00004	Cooper	\$19.15	\$1,436.25	6-8 wks	Hubbell	\$21.00	\$1,575.00	5 wks		\$0.00	
A-3	300	ea	Loadbreak Elbow	285-082-00001	Cooper	\$28.34	\$8,502.00	4-6 wks	Richards	\$22.50	\$6,750.00	1-2 wks		\$0.00	
A-4	350	ea	Loadbreak Bushing Insert	285-095-00006	Cooper	\$19.55	\$6,842.50	2-4 wks	Hubbell	\$24.00	\$8,400.00	6 wks		\$0.00	
A-5	15	ea	Rotatable Two-Way Bushing Insert	285-095-00007	Cooper	\$108.95	\$1,634.25	4-6 wks	Hubbell	\$139.00	\$2,085.00	6 wks		\$0.00	
A-6	200	ea	Elbow Cable Seal	285-082-00019	Elastimold	\$7.84	\$1,568.00	2-4 wks	Richards	\$15.05	\$3,010.00	2-4 wks		\$0.00	
A-7	75	ea	Elbow Arrester	285-082-00005	Cooper	\$58.47	\$4,385.25	2-4 wks		\$0.00	\$0.00			\$0.00	
A-8	30	ea	Parking Stand Arrester	285-082-00022	Cooper	\$141.92	\$4,257.60	4-6 wks	Hubbell	\$131.00	\$3,930.00	6 wks		\$0.00	
A-9	50	ea	Cable Terminator Cold Shrink Type	285-082-00010	3M	\$108.40	\$5,420.00	2-4 wks	3M	\$114.00	\$5,700.00	1-2 wks		\$0.00	
A-10	100	ea	Cable Terminator	285-082-00003	Elastimold	\$42.17	\$4,217.00	12-14 wks		\$0.00	\$0.00			\$0.00	
A-11	250	ea	Disconnectable Secondary Transformer Connector	285-008-00007	CMC	\$9.79	\$2,447.50	4-6 wks	Utilil	\$13.15	\$3,287.50	3 wks		\$0.00	
A-12	100	ea	Disconnectable Secondary Transformer Connector	285-008-00008		\$0.00	\$0.00			\$0.00	\$0.00			\$0.00	
A-13	250	ea	Gelport Insulated Secondary Connector	285-008-00012	Tyco	\$38.75	\$9,687.50	2-4 wks	Tyco	\$27.69	\$6,922.50	4 wks		\$0.00	
A-14	40	ea	Inline Splice	285-076-00002	3M	\$24.29	\$971.60	2-4 wks	3M	\$25.04	\$1,001.60	1-2 wks		\$0.00	
A-15	30	ea	Inline Splice	285-076-00007	3M	\$522.92	\$15,687.60	2-4 wks	3M	\$543.00	\$16,290.00	2-3 wks		\$0.00	
A-16	50	ea	Splice Re-jacketing Kit, cold shrink type	285-076-00005	3M	\$47.02	\$2,351.00	2-4 wks	3M	\$48.32	\$2,416.00	1-2 wks		\$0.00	
A-17	50	ea	Underground Faulted Circuit Indicator	285-111-00002		\$0.00	\$0.00			\$0.00	\$0.00			\$0.00	

Group A Recommended Award Total

\$12,281.10

\$10,852.50

\$0.00

Group "B" Materials - Pad-mount Enclosure Junction Boxes & Pull Boxes

B-1	15	ea	Pull Box, 36x60x48	285-045-00007	Quazite	\$999.25	\$14,988.75	3-5 wks		\$0.00		Quazite	\$980.00	\$14,700.00	3 wks
B-2	20	ea	Pull Box, 48x96x48	285-045-00008	Quazite	\$2,664.44	\$53,288.80	3-5 wks		\$0.00		Quazite	\$2,621.50	\$52,430.00	3 wks
B-3	12	ea	Pull Box Extension 24" for 48x96x48	285-045-00012	Quazite	\$1,166.22	\$13,994.64	3-5 wks		\$0.00		Hubbell/Quazite	\$1,121.92	\$13,463.04	3 wks
B-4	80	ea	Secondary Pedestal	285-045-00009	Quazite	\$91.48	\$7,318.40	3-5 wks		\$0.00		Quazite	\$88.17	\$7,053.60	3 wks
B-5	5	ea	Torsion Assist Lids	285-045-00013	Quazite	\$5,271.00	\$26,355.00	3-5 wks		\$0.00		Hubbell/Quazite	\$5,072.65	\$25,363.25	3 wks

Group B Recommended Award Total

\$0.00

\$0.00

\$0.00

Group "C" Materials - 15 kV Pad-mounted Switchgear

C-1	2	ea	Pad-Mounted Switchgear Front/Back Access	285-109-00003	G&W	\$32,631.75	\$65,263.50	16-18 wks		\$0.00			\$0.00	
C-1 Alt	2	ea	Pad-Mounted Switchgear Front/Back Access			\$37,673.75	\$75,347.50			\$0.00			\$0.00	
C-2	1	ea	Pad-Mounted Switchgear Front/Back Access	285-109-00004	G&W	\$28,263.15	\$28,263.15	16-18 wks		\$0.00			\$0.00	
C-2 Alt	1	ea	Installation of Voltage Sensing Bushing & Panel			\$33,305.30	\$33,305.30			\$0.00			\$0.00	
C-3	1	ea	Pad-Mounted Switchgear Front/Back Access	285-109-00005	G&W	\$32,978.95	\$32,978.95	16-18 wks		\$0.00			\$0.00	
C-3 Alt	1	ea	Pad-Mounted Switchgear Front/Back Access			\$38,021.10	\$38,021.10			\$0.00			\$0.00	
C-4	1	ea	Pad-Mounted Switchgear Front/Back Access	285-109-	G&W	\$42,408.50	\$42,408.50	16-18 wks		\$0.00			\$0.00	
C-4 Alt	1	ea	Installation of Voltage Sensing Bushing & Panel			\$49,505.50	\$49,505.50			\$0.00			\$0.00	

Group C Recommended Award Total

\$0.00

\$0.00

\$0.00

Group C Alt Recommended Award Total

\$0.00

\$0.00

\$0.00

Group "C-5 to C-8" Materials - 15 kV Pad-mounted Switchgear

C-5	2	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-00008	G&W	\$46,637.97	\$93,275.94	12-14 wks		\$0.00			\$0.00	
C-6	2	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-00009	G&W	\$44,039.15	\$88,078.30	12-14 wks		\$0.00			\$0.00	
C-7	2	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-00010	G&W	\$46,637.97	\$93,275.94	12-14 wks		\$0.00			\$0.00	
C-8	1	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-	G&W	\$73,954.80	\$73,954.80	14-16 wks		\$0.00			\$0.00	

Group C5-C8 Recommended Award Total

\$0.00

\$0.00

\$0.00

City of College Station
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Exceptions as listed below

Stuart C. Irby				Wesco (1)				Wesco (2)			
Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery

Group D - Lamps & Light Fixtures

D-1	100	ea	Light Fixture, 100 watt	285-056-00011	Cooper	\$90.10	\$9,010.00	4-6 wks	Cooper	\$86.53	\$8,653.00	4-6 wks			\$0.00
D-2	100	ea	Light Fixture, 200 watt	285-056-00006	Cooper	\$104.39	\$10,439.00	4-6 wks	Cooper	\$99.66	\$9,966.00	6-8 wks			\$0.00
D-4	100	ea	Light Fixture, 400 watt	285-056-00007	Cooper	\$141.75	\$14,175.00	4-6 wks	Cooper	\$135.18	\$13,518.00	6-8 wks			\$0.00
D-4	40	ea	Decorative Light Fixture, 100 w	285-056-00008			\$0.00				\$0.00				\$0.00
D-5	20	ea	Decorative Light Fixture, LED	285-056-00016			\$0.00				\$0.00				\$0.00

Group D Recommended Award Total

\$0.00

\$0.00

\$0.00

Group E - Crossarm Braces

E-1	60	ea	HD Dead End 8'	285-047-00088	Aluma-Form	\$193.95	\$11,637.00	3-5 wks	Alum Form	\$185.00	\$11,100.00	3-4 wks			\$0.00
E-2	150	ea	Standard Duty Crossarm 8'	285-047-00093	Aluma-Form	\$101.66	\$15,249.00	3-5 wks	Alum Form	\$98.00	\$14,700.00	3-4 wks			\$0.00
E-3	100	ea	Standard Duty Crossarm 10'	285-047-00094	Aluma-Form	\$125.97	\$12,597.00	3-5 wks	Alum Form	\$120.00	\$12,000.00	3-4 wks			\$0.00
E-4	20	ea	HD Deadend 10'	285-047-00099	Aluma-Form	\$237.10	\$4,742.00	3-5 wks	Alum Form	\$209.00	\$4,180.00	3-4 wks			\$0.00

Group E Recommended Award Total

\$0.00

\$0.00

\$0.00

Group F - Meter Sockets

F-1	60	ea	Meter Socket, Overhead, 200 amp	285-063-00003	Milbank	\$35.95	\$2,157.00	2-4 wks	Durham	\$34.00	\$2,040.00	6-8 wks			\$0.00
F-2	400	ea	Meter Socket, Underground, 200 amp	285-063-00004	Milbank	\$40.37	\$16,148.00	2-4 wks	Durham	\$48.00	\$19,200.00	6-8 wks			\$0.00
F-3	25	ea	Meter Socket, URD or O/H, 320 amp	285-063-00006	Milbank	\$186.66	\$4,666.50	2-4 wks	Durham	\$168.00	\$4,200.00	6-8 wks			\$0.00
F-4	25	ea	Meter Socket, Underground, 200 amp	285-063-00008	Milbank	\$104.27	\$2,606.75	2-4 wks	Durham	\$115.00	\$2,875.00	6-8 wks			\$0.00
F-5	25	ea	Meter Socket Bases, 13 Terminal	285-063-00011	Milbank	\$222.42	\$5,560.50	2-4 wks	Durham	\$161.00	\$4,025.00	6-8 wks			\$0.00
F-6	10	ea	Meter Socket, Duplex Type	285-063-00013	Milbank	\$204.88	\$2,048.80	2-4 wks	Durham	\$125.00	\$1,250.00	6-8 wks			\$0.00

Group F Recommended Award Total

\$2,606.75

\$0.00

\$0.00

Group G - Miscellaneous Materials

G-1	216	ea	Pole Setting Foam	285-065-00019	Utility Structural	\$79.95	\$17,269.20	2-3 wks	Poly-Set	\$75.79	\$16,370.64	1-2 wks			\$0.00
G-2	100	ea	S&C Wildlife Guards	285-102-00003	S&C	\$239.00	\$23,900.00	10-12 wks			\$0.00				\$0.00
G-3	12	ea	600/1200 amp Air Switch with S-2 Option	285-077-00004	Cooper	\$4,650.00	\$55,800.00	10-12 wks			\$0.00				\$0.00
G-4	30	ea	Digital Capacitor Control Assembly	285-011-00006	Beckwith	\$4,144.70	\$124,341.00	4-6 wks			\$0.00				\$0.00

Group G Recommended Award Total

\$0.00

\$0.00

\$0.00

Group H - Meters

H-1	1000	ea	Electric Meter, Class 200 no Demand	285-061-00064					Elster	\$128.00	\$128,000.00	6-8 wks			\$0.00
H-2	100	ea	Electric Meter, Class 200 w Demand	285-061-00058					Elster	\$116.00	\$11,600.00	6-8 wks			\$0.00
H-3	20	ea	Electric Meter, Class 20 w Demand	285-061-00008					Elster	\$123.00	\$2,460.00	6-8 wks			\$0.00
H-4	40	ea	Electric Meter, Class 320 w Demand	285-061-00005					Elster	\$123.00	\$4,920.00	6-8 wks			\$0.00
H-5	40	ea	Electric Meter, Class 20 w Demand	285-061-00050					Elster	\$169.00	\$6,760.00	6-8 wks			\$0.00
H-6	40	ea	Electric Meter, Class 200 w Demand	285-061-00052					Elster	\$169.00	\$6,760.00	6-8 wks			\$0.00
H-7	12	ea	Electric Meter, Class 320 w Demand	285-061-00060							\$0.00				\$0.00
H-8	500	ea	Electric Meter, Class 200 w Demand	285-061-00056							\$0.00				\$0.00

Group H Recommended Award Total

\$0.00

\$0.00

\$0.00

Total Recommended Award Amount	\$14,887.85	\$10,852.50	\$0.00
Certification of Bid	Y	Y	
Exceptions	Vendor withdrew their bid for Section H		

City of College Station
 Annual Price Agreement for Various Electrical Items
 ITB #14-038
 Opened February 13, 2014 @ 2:00 PM

Bid total was corrected using the unit price
Recommended Award
Low Bid not acceptable or did not meet specifications
Exceptions as listed below

Texas Electric Cooperatives				Trayer				Beckwith Electric			
Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery

Group "A" Materials 15kV Underground Cable Accessories

Item No.	Est. Qty	Description	Inv No.	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery
A-1	40	ea	Deadbreak T-OPII Connector	285-022-00036		\$0.00				\$0.00				\$0.00	
A-2	75	ea	Protective Cap	285-095-00004		\$0.00				\$0.00				\$0.00	
A-3	300	ea	Loadbreak Elbow	285-082-00001		\$0.00				\$0.00				\$0.00	
A-4	350	ea	Loadbreak Bushing Insert	285-095-00006		\$0.00				\$0.00				\$0.00	
A-5	15	ea	Rotatable Two-Way Bushing Insert	285-095-00007		\$0.00				\$0.00				\$0.00	
A-6	200	ea	Elbow Cable Seal	285-082-00019		\$0.00				\$0.00				\$0.00	
A-7	75	ea	Elbow Arrester	285-082-00005		\$0.00				\$0.00				\$0.00	
A-8	30	ea	Parking Stand Arrester	285-082-00022		\$0.00				\$0.00				\$0.00	
A-9	50	ea	Cable Terminator Cold Shrink Type	285-082-00010	3M	\$116.00	\$5,800.00	4 wks		\$0.00				\$0.00	
A-10	100	ea	Cable Terminator	285-082-00003		\$0.00				\$0.00				\$0.00	
A-11	250	ea	Disconnectable Secondary Transformer Connector	285-008-00007	CMC	\$9.85	\$2,462.50	5 wks		\$0.00				\$0.00	
A-12	100	ea	Disconnectable Secondary Transformer Connector	285-008-00008	Polaris	\$17.14	\$1,714.00	6 wks		\$0.00				\$0.00	
A-13	250	ea	Gelport Insulated Secondary Connector	285-008-00012	Tyco	\$35.15	\$8,787.50	4 wks		\$0.00				\$0.00	
A-14	40	ea	Inline Splice	285-076-00002	3M	\$25.59	\$1,023.60	3 wks		\$0.00				\$0.00	
A-15	30	ea	Inline Splice	285-076-00007	3M	\$554.54	\$16,636.20	3 wks		\$0.00				\$0.00	
A-16	50	ea	Splice Re-jacketing Kit, cold shrink type	285-076-00005	3M	\$49.38	\$2,469.00	3 wks		\$0.00				\$0.00	
A-17	50	ea	Underground Faulted Circuit Indicator	285-111-00002	SEL	\$137.35	\$6,867.50	4-5 wks		\$0.00				\$0.00	

Group A Recommended Award Total

\$6,867.50

\$0.00

\$0.00

Group "B" Materials - Pad-mount Enclosure Junction Boxes & Pull Boxes

Item No.	Est. Qty	Description	Inv No.	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery
B-1	15	ea	Pull Box, 36x60x48	285-045-00007	CDR/Quazite	\$1,035.00	\$15,525.00	4 wks		\$0.00				\$0.00	
B-2	20	ea	Pull Box, 48x96x48	285-045-00008	CDR/Quazite	\$2,668.00	\$53,360.00	4 wks		\$0.00				\$0.00	
B-3	12	ea	Pull Box Extension 24" for 48x96x48	285-045-00012	CDR/Quazite	\$1,210.00	\$14,520.00	4 wks		\$0.00				\$0.00	
B-4	80	ea	Secondary Pedestal	285-045-00009	CDR/Quazite	\$96.50	\$7,720.00	4 wks		\$0.00				\$0.00	
B-5	5	ea	Torsion Assist Lids	285-045-00013		\$0.00				\$0.00				\$0.00	

Group B Recommended Award Total

\$0.00

\$0.00

\$0.00

Group "C" Materials - 15 kV Pad-mounted Switchgear

Item No.	Est. Qty	Description	Inv No.	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery
C-1	2	ea	Pad-Mounted Switchgear Front/Back Access	285-109-00003	G&W	\$32,979.00	\$65,958.00	15 wks	Trayer	\$30,791.00	\$61,582.00	16 wk del.		\$0.00	
C-1 Alt	2	ea	Pad-Mounted Switchgear Front/Back Access			\$5,042.00	\$10,084.00			\$0.00				\$0.00	
C-2	1	ea	Pad-Mounted Switchgear Front/Back Access	285-109-00004	G&W	\$28,564.00	\$28,564.00	15 wks	Trayer	\$26,471.00	\$26,471.00	16 wk del.		\$0.00	
C-2 Alt	1	ea	Installation of Voltage Sensing Bushing & Panel			\$5,042.00	\$5,042.00			\$0.00				\$0.00	
C-3	1	ea	Pad-Mounted Switchgear Front/Back Access	285-109-00005	G&W	\$33,329.00	\$33,329.00	15 wks	Trayer	\$31,191.00	\$31,191.00	16 wk del.		\$0.00	
C-3 Alt	1	ea	Pad-Mounted Switchgear Front/Back Access			\$5,042.00	\$5,042.00			\$0.00				\$0.00	
C-4	1	ea	Pad-Mounted Switchgear Front/Back Access	285-109-	G&W	\$42,859.00	\$42,859.00	15 wks	Trayer	\$40,388.00	\$40,388.00	16 wk del.		\$0.00	
C-4 Alt	1	ea	Installation of Voltage Sensing Bushing & Panel			\$7,095.00	\$7,095.00			\$0.00				\$0.00	

Group C Recommended Award Total

\$0.00

\$159,632.00

\$0.00

Group C Alt Recommended Award Total

\$0.00

\$0.00

\$0.00

Group "C-5 to C-8" Materials - 15 kV Pad-mounted Switchgear

Item No.	Est. Qty	Description	Inv No.	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery
C-5	2	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-00008	G&W	\$47,134.00	\$94,268.00	15 wks		\$0.00				\$0.00	
C-6	2	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-00009	G&W	\$44,507.00	\$89,014.00	15 wks		\$0.00				\$0.00	
C-7	2	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-00010	G&W	\$47,134.00	\$94,268.00	15 wks		\$0.00				\$0.00	
C-8	1	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-	G&W	\$74,740.00	\$74,740.00	15 wks		\$0.00				\$0.00	

Group C5-C8 Recommended Award Total

\$0.00

\$0.00

\$0.00

City of College Station
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Recommended Award
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Exceptions as listed below

Texas Electric Cooperatives				Trayer				Beckwith Electric			
Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery

Group D - Lamps & Light Fixtures

D-1	100	ea	Light Fixture, 100 watt	285-056-00011		\$0.00				\$0.00			\$0.00
D-2	100	ea	Light Fixture, 200 watt	285-056-00006		\$0.00				\$0.00			\$0.00
D-4	100	ea	Light Fixture, 400 watt	285-056-00007		\$0.00				\$0.00			\$0.00
D-4	40	ea	Decorative Light Fixture, 100 w	285-056-00008		\$0.00				\$0.00			\$0.00
D-5	20	ea	Decorative Light Fixture, LED	285-056-00016		\$0.00				\$0.00			\$0.00

Group D Recommended Award Total

\$0.00

\$0.00

\$0.00

Group E - Crossarm Braces

E-1	60	ea	HD Dead End 8'	285-047-00088	PUPI	\$198.90	\$11,934.00	2 wks		\$0.00			\$0.00
E-2	150	ea	Standard Duty Crossarm 8'	285-047-00093	PUPI	\$86.80	\$13,020.00	2 wks		\$0.00			\$0.00
E-3	100	ea	Standard Duty Crossarm 10'	285-047-00094	PUPI	\$100.00	\$10,000.00	5-6 wks		\$0.00			\$0.00
E-4	20	ea	HD Deadend 10'	285-047-00099	PUPI	\$220.85	\$4,417.00	5-6 wks		\$0.00			\$0.00

Group E Recommended Award Total

\$0.00

\$0.00

\$0.00

Group F - Meter Sockets

F-1	60	ea	Meter Socket, Overhead, 200 amp	285-063-00003	Milbank	\$37.20	\$2,232.00	2 wks		\$0.00			\$0.00
F-2	400	ea	Meter Socket, Underground, 200 amp	285-063-00004	Milbank	\$42.20	\$16,880.00	4 wks		\$0.00			\$0.00
F-3	25	ea	Meter Socket, URD or O/H, 320 amp	285-063-00006	Durham	\$179.90	\$4,497.50	8-9 wks		\$0.00			\$0.00
F-4	25	ea	Meter Socket, Underground, 200 amp	285-063-00008	Milbank	\$109.20	\$2,730.00	3 wks		\$0.00			\$0.00
F-5	25	ea	Meter Socket Bases, 13 Terminal	285-063-00011			\$0.00			\$0.00			\$0.00
F-6	10	ea	Meter Socket, Duplex Type	285-063-00013	Milbank	\$184.00	\$1,840.00	3 wks		\$0.00			\$0.00

Group F Recommended Award Total

\$1,840.00

\$0.00

\$0.00

Group G - Miscellaneous Materials

G-1	216	ea	Pole Setting Foam	285-065-00019			\$0.00			\$0.00			\$0.00	
G-2	100	ea	S&C Wildlife Guards	285-102-00003			\$0.00			\$0.00			\$0.00	
G-3	12	ea	600/1200 amp Air Switch with S-2 Option	285-077-00004	Inertia	\$4,229.00	\$50,748.00	10 wks		\$0.00			\$0.00	
G-4	30	ea	Digital Capacitor Control Assembly	285-011-00006	Beckwith	\$3,964.00	\$118,920.00	4-6 wks		\$0.00	Beckwith	\$3,647.00	\$109,410.00	4-6 wks

Group G Recommended Award Total

\$0.00

\$0.00

\$109,410.00

Group H - Meters

H-1	1000	ea	Electric Meter, Class 200 no Demand	285-061-00064	L+G	\$28.15	\$28,150.00	20 wks		\$0.00			\$0.00
H-2	100	ea	Electric Meter, Class 200 w Demand	285-061-00058	L+G	\$160.00	\$16,000.00	20 wks		\$0.00			\$0.00
H-3	20	ea	Electric Meter, Class 20 w Demand	285-061-00008	L+G	\$88.70	\$1,774.00	25 wks		\$0.00			\$0.00
H-4	40	ea	Electric Meter, Class 320 w Demand	285-061-00005	L+G	\$88.70	\$3,548.00	16 wks		\$0.00			\$0.00
H-5	40	ea	Electric Meter, Class 20 w Demand	285-061-00050	L+G	\$141.45	\$5,658.00	16 wks		\$0.00			\$0.00
H-6	40	ea	Electric Meter, Class 200 w Demand	285-061-00052	L+G	\$141.45	\$5,658.00	16 wks		\$0.00			\$0.00
H-7	12	ea	Electric Meter, Class 320 w Demand	285-061-00060	L+G	\$158.00	\$1,896.00	24 wks		\$0.00			\$0.00
H-8	500	ea	Electric Meter, Class 200 w Demand	285-061-00056	L+G	\$141.45	\$70,725.00	24 wks		\$0.00			\$0.00

Group H Recommended Award Total

\$0.00

\$0.00

\$0.00

Total Recommended Award Amount	\$8,707.50	\$159,632.00	\$109,410.00
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Certification of Bid	Y	Y	Y
Exceptions	A-11: Std qty 12		
	A-13: Std qty 12		

City of College Station
Annual Price Agreement for Various Electrical Items
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Recommended Award
Low Bid not acceptable or did not meet specifications
Exceptions as listed below

Techline				KBS Electrical Distributors				Priester-Mell & Nicholson			
Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery

Group "A" Materials 15kV Underground Cable Accessories

Item No.	Est. Qty	Description	Inv No.	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery
A-1	40	Deadbreak T-OPII Connector	285-022-00036		\$0.00		Cooper	\$255.00	\$10,200.00	4-6 wks			\$0.00	
A-2	75	Protective Cap	285-095-00004	Elastimold	\$18.75	\$1,406.25	2-4 wks	Cooper	\$18.79	\$1,409.25	4-6 wks		\$0.00	
A-3	300	Loadbreak Elbow	285-082-00001	Elastimold	\$28.90	\$8,670.00	2-4 wks	Cooper	\$28.10	\$8,430.00	4-6 wks		\$0.00	
A-4	350	Loadbreak Bushing Insert	285-095-00006	Elastimold	\$19.20	\$6,720.00	2-4 wks	Cooper	\$19.25	\$6,737.50	4-6 wks		\$0.00	
A-5	15	Rotatable Two-Way Bushing Insert	285-095-00007	Elastimold	\$132.00	\$1,980.00	4-6 wks	Cooper	\$105.00	\$1,575.00	4-6 wks		\$0.00	
A-6	200	Elbow Cable Seal	285-082-00019	3M or Elastimold	\$7.20	\$1,440.00	2 wks	CANUSA	\$7.49	\$1,498.00	4-6 wks		\$0.00	
A-7	75	Elbow Arrester	285-082-00005	Elastimold	\$58.20	\$4,365.00	2-4 wks	Cooper	\$59.00	\$4,425.00	4-6 wks		\$0.00	
A-8	30	Parking Stand Arrester	285-082-00022	Elastimold	\$139.00	\$4,170.00	2-4 wks	Cooper	\$140.50	\$4,215.00	4-6 wks		\$0.00	
A-9	50	Cable Terminator Cold Shrink Type	285-082-00010	3M	\$88.00	\$4,400.00	1-2 wks	3M	\$111.10	\$5,555.00	2 wks		\$0.00	
A-10	100	Cable Terminator	285-082-00003	Elastimold	\$39.00	\$3,900.00	8-10 wks			\$0.00			\$0.00	
A-11	250	Disconnectable Secondary Transformer Connector	285-008-00007	Homac	\$12.50	\$3,125.00	2 wks	Polaris	\$9.95	\$2,487.50	2-4 wks		\$0.00	
A-12	100	Disconnectable Secondary Transformer Connector	285-008-00008	Homac	\$16.60	\$1,660.00	2-4 wks	Polaris	\$16.55	\$1,655.00	2-4 wks		\$0.00	
A-13	250	Gelport Insulated Secondary Connector	285-008-00012	Tyco	\$41.75	\$10,437.50	2-3 wks	Tyco	\$36.79	\$9,197.50	4 wks		\$0.00	
A-14	40	Inline Splice	285-076-00002	3M	\$22.80	\$912.00	2 wks	3M	\$25.32	\$1,012.80	2 wks		\$0.00	
A-15	30	Inline Splice	285-076-00007	3M	\$493.00	\$14,790.00	2-3 wks	3M	\$529.00	\$15,870.00	2 wks		\$0.00	
A-16	50	Splice Re-jacketing Kit, cold shrink type	285-076-00005	3M	\$44.10	\$2,205.00	2 wks	3M	\$47.31	\$2,365.50	2 wks		\$0.00	
A-17	50	Underground Faulted Circuit Indicator	285-111-00002	SEL	\$138.00	\$6,900.00	3-4 wks			\$0.00			\$0.00	

Group A Recommended Award Total

\$40,138.25

\$11,660.00

\$0.00

Group "B" Materials - Pad-mount Enclosure Junction Boxes & Pull Boxes

B-1	15	ea	Pull Box, 36x60x48	285-045-00007	Armorcast	\$930.00	\$13,950.00	2-3 wks	CDR	\$965.00	\$14,475.00	4 wks		\$0.00
B-2	20	ea	Pull Box, 48x96x48	285-045-00008	Armorcast	\$2,450.00	\$49,000.00	2-3 wks	CDR	\$2,672.00	\$53,440.00	4 wks		\$0.00
B-3	12	ea	Pull Box Extension 24" for 48x96x48	285-045-00012	Armorcast	\$1,055.00	\$12,660.00	2-3 wks	CDR	\$1,110.00	\$13,320.00	4 wks		\$0.00
B-4	80	ea	Secondary Pedestal	285-045-00009	Quazite	\$85.00	\$6,800.00	3-4 wks	CDR	\$89.00	\$7,120.00	4 wks		\$0.00
B-5	5	ea	Torsion Assist Lids	285-045-00013	Armorcast	\$4,750.00	\$23,750.00	2-3 wks	CDR	\$4,965.00	\$24,825.00	4 wks		\$0.00

Group B Recommended Award Total

\$106,160.00

\$0.00

\$0.00

Group "C" Materials - 15 kV Pad-mounted Switchgear

C-1	2	ea	Pad-Mounted Switchgear Front/Back Access	285-109-00003	G&W	\$31,670.00	\$63,340.00	16-18 wks			\$0.00		\$0.00
C-1 Alt	2	ea	Pad-Mounted Switchgear Front/Back Access			\$36,560.00	\$73,120.00				\$0.00		\$0.00
C-2	1	ea	Pad-Mounted Switchgear Front/Back Access	285-109-00004	G&W	\$27,450.00	\$27,450.00	16-18 wks			\$0.00		\$0.00
C-2 Alt	1	ea	Installation of Voltage Sensing Bushing & Panel			\$32,320.00	\$32,320.00				\$0.00		\$0.00
C-3	1	ea	Pad-Mounted Switchgear Front/Back Access	285-109-00005	G&W	\$32,000.00	\$32,000.00	16-18 wks			\$0.00		\$0.00
C-3 Alt	1	ea	Pad-Mounted Switchgear Front/Back Access			\$36,900.00	\$36,900.00				\$0.00		\$0.00
C-4	1	ea	Pad-Mounted Switchgear Front/Back Access	285-109-	G&W	\$41,200.00	\$41,200.00	16-18 wks			\$0.00		\$0.00
C-4 Alt	1	ea	Installation of Voltage Sensing Bushing & Panel			\$48,100.00	\$48,100.00				\$0.00		\$0.00

Group C Recommended Award Total

\$0.00

\$0.00

\$0.00

Group C Alt Recommended Award Total

\$0.00

\$0.00

\$0.00

Group "C-5 to C-8" Materials - 15 kV Pad-mounted Switchgear

C-5	2	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-00008	Elastimold	\$32,500.00	\$65,000.00	14-16 wks			\$0.00		\$0.00
C-6	2	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-00009	Elastimold	\$29,450.00	\$58,900.00	14-16 wks			\$0.00		\$0.00
C-7	2	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-00010	Elastimold	\$32,500.00	\$65,000.00	14-16 wks			\$0.00		\$0.00
C-8	1	ea	Pad-Mounted Solid Dielectric/EPDM Rubber Insulated Switchgear	285-109-	Elastimold	\$60,000.00	\$60,000.00	14-16 wks			\$0.00		\$0.00

Group C5-C8 Recommended Award Total

\$248,900.00

\$0.00

\$0.00

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Exceptions as listed below

Techline				KBS Electrical Distributors				Priester-Mell & Nicholson			
Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery	Manufacturer	Unit Price	Total Price	Delivery

Group D - Lamps & Light Fixtures

D-1	100	ea	Light Fixture, 100 watt	285-056-00011	AEL	\$84.50	\$8,450.00	3-5 wks	Amer. Elect.	\$85.00	\$8,500.00	3-5 wks	GE	\$93.50	\$9,350.00	2-4 wks
D-2	100	ea	Light Fixture, 200 watt	285-056-00006	AEL	\$97.30	\$9,730.00	3-5 wks	Amer. Elect.	\$97.50	\$9,750.00	3-5 wks	GE	\$106.52	\$10,652.00	2-4 wks
D-4	100	ea	Light Fixture, 400 watt	285-056-00007	AEL	\$132.00	\$13,200.00	4-6 wks	Amer. Elect.	\$134.00	\$13,400.00	3-5 wks	GE	\$146.75	\$14,675.00	2-4 wks
D-4	40	ea	Decorative Light Fixture, 100 w	285-056-00008	Hadco	\$975.00	\$39,000.00	6-8 wks			\$0.00				\$0.00	
D-5	20	ea	Decorative Light Fixture, LED	285-056-00016	Hadco	\$1,625.00	\$32,500.00	6-8 wks			\$0.00				\$0.00	

Group D Recommended Award Total

\$31,380.00

\$0.00

\$0.00

Group E - Crossarm Braces

E-1	60	ea	HD Dead End 8'	285-047-00088	Shakespeare	\$185.00	\$11,100.00	4-6 wks	PUPI	\$190.55	\$11,433.00	4-6 wks	PUPI	\$190.53	\$11,431.80	3-4 wks
E-2	150	ea	Standard Duty Crossarm 8'	285-047-00093	Shakespeare	\$94.00	\$14,100.00	4-6 wks	PUPI	\$84.50	\$12,675.00	stk-6 wks	PUPI	\$83.16	\$12,474.00	3-4 wks
E-3	100	ea	Standard Duty Crossarm 10'	285-047-00094	Shakespeare	\$110.00	\$11,000.00	4-6 wks	PUPI	\$98.75	\$9,875.00	stk-6 wks	PUPI	\$96.32	\$9,632.00	3-4 wks
E-4	20	ea	HD Deadend 10'	285-047-00099	Shakespeare	\$209.00	\$4,180.00	4-6 wks	PUPI	\$211.00	\$4,220.00	4-6 wks	PUPI	\$211.58	\$4,231.60	3-4 wks

Group E Recommended Award Total

\$15,280.00

\$0.00

\$22,106.00

Group F - Meter Sockets

F-1	60	ea	Meter Socket, Overhead, 200 amp	285-063-00003	Durham	\$32.50	\$1,950.00	6-8 wks	Milbank	\$32.50	\$1,950.00	stock	Milbank	\$35.66	\$2,139.60	4-6 wks
F-2	400	ea	Meter Socket, Underground, 200 amp	285-063-00004	Durham	\$46.00	\$18,400.00	6-8 wks	Milbank	\$37.50	\$15,000.00	stock	Milbank	\$40.44	\$16,176.00	4-6 wks
F-3	25	ea	Meter Socket, URD or O/H, 320 amp	285-063-00006	Durham	\$164.00	\$4,100.00	6-8 wks	Milbank	\$173.00	\$4,325.00	4 wks	Milbank	\$174.83	\$4,370.75	4-6 wks
F-4	25	ea	Meter Socket, Underground, 200 amp	285-063-00008	Durham	\$105.00	\$2,625.00	6-8 wks	Milbank	\$104.61	\$2,615.25	4 wks	Milbank	\$104.62	\$2,615.50	4-6 wks
F-5	25	ea	Meter Socket Bases, 13 Terminal	285-063-00011	Durham	\$156.00	\$3,900.00	6-8 wks	Milbank	\$157.00	\$3,925.00	4 wks	Milbank	\$208.39	\$5,209.75	4-6 wks
F-6	10	ea	Meter Socket, Duplex Type	285-063-00013	Durham	\$120.00	\$1,200.00	6-8 wks	Milbank	\$194.00	\$1,940.00	4 wks	Milbank	\$189.79	\$1,897.90	4-6 wks

Group F Recommended Award Total

\$8,000.00

\$16,950.00

\$0.00

Group G - Miscellaneous Materials

G-1	216	ea	Pole Setting Foam	285-065-00019	BMK	\$75.50	\$16,308.00	stk	GRA Services	\$74.40	\$16,070.40	1-2 wks	Polyset	\$69.48	\$15,007.68	1-2 wks
G-2	100	ea	S&C Wildlife Guards	285-102-00003	S&C	\$250.00	\$25,000.00	8-10 wks	S&C	\$181.00	\$18,100.00	8-10 wks	S&C	\$181.90	\$18,190.00	8-10 wks
G-3	12	ea	600/1200 amp Air Switch with S-2 Option	285-077-00004	Inertia	\$4,900.00	\$58,800.00	8-12 wks	S&C	\$4,840.00	\$58,080.00	8-10 wks	S&C	\$4,987.70	\$59,852.40	8-10 wks
G-4	30	ea	Digital Capacitor Control Assembly	285-011-00006	Beckwith	\$3,950.00	\$118,500.00	4-6 wks	Beckwith	\$3,829.00	\$114,870.00	6-8 wks			\$0.00	

Group G Recommended Award Total

\$58,800.00

\$18,100.00

\$15,007.68

Group H - Meters

H-1	1000	ea	Electric Meter, Class 200 no Demand	285-061-00064		\$0.00				\$0.00			Itron	\$24.15	\$24,150.00	3-6 wks
H-2	100	ea	Electric Meter, Class 200 w Demand	285-061-00058		\$0.00				\$0.00			Itron	\$75.00	\$7,500.00	3-6 wks
H-3	20	ea	Electric Meter, Class 20 w Demand	285-061-00008		\$0.00				\$0.00			Itron	\$98.00	\$1,960.00	3-6 wks
H-4	40	ea	Electric Meter, Class 320 w Demand	285-061-00005		\$0.00				\$0.00			Itron	\$98.00	\$3,920.00	3-6 wks
H-5	40	ea	Electric Meter, Class 20 w Demand	285-061-00050		\$0.00				\$0.00			Itron	\$125.00	\$5,000.00	3-6 wks
H-6	40	ea	Electric Meter, Class 200 w Demand	285-061-00052		\$0.00				\$0.00			Itron	\$125.00	\$5,000.00	3-6 wks
H-7	12	ea	Electric Meter, Class 320 w Demand	285-061-00060		\$0.00				\$0.00			Itron	\$137.00	\$1,644.00	3-6 wks
H-8	500	ea	Electric Meter, Class 200 w Demand	285-061-00056		\$0.00				\$0.00			Itron	\$125.00	\$62,500.00	3-6 wks

Group H Recommended Award Total

\$0.00

\$0.00

\$111,674.00

Total Recommended Award Amount	\$508,658.25	\$46,710.00	\$148,787.68
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Certification of Bid	Y	Y	Y
Exceptions	Section B: Freight allowed on \$6,000 combined orders for Armorcast items G-3: includes wildlife protection	Section B: Freight allowed on \$6000.00 combined shipments. G-4: Minimum order 10 each due to freight. G-2: 1. Wildlife protection not available on switched with Silicone insulators (K suffix). So if wildlife protection is required, you would need to use either Cypox insulators (no suffix) or Porcelain insulators (SP suffix) 2. The SDA-495 wildlife kit is only applicable on R3 or earlier sintage switched. The wildlife kit for the current R4 switch 147443R4 is cat #SDA-5178. Price is the same as the SDA-4095.	



Legislation Details (With Text)

File #: 14-316 **Version:** 1 **Name:** Renewal of contracts for Landscape Maintenance and Mowing
Type: Contract **Status:** Consent Agenda
File created: 3/7/2014 **In control:** City Council Regular
On agenda: 3/27/2014 **Final action:**

Title: Presentation, possible action and discussion regarding renewal approval of annual contracts for Landscape Maintenance and Mowing of City Sites to Green Teams, Inc, Contract 13-189 for \$650,545.00 and Roots Landscaping, LLC., Contract 13-259 for \$17,500.00 for a total amount of \$668,045.00

Sponsors:

Indexes:

Code sections:

Attachments: [Contract 13-189 Signed Green Teams - Landscape Mgmt.pdf](#)
[Contract 13-259 Signed Roots Landscaping - Landscape Mgmt.pdf](#)

Date	Ver.	Action By	Action	Result
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Presentation, possible action and discussion regarding renewal approval of annual contracts for Landscape Maintenance and Mowing of City Sites to Green Teams, Inc, Contract 13-189 for \$650,545.00 and Roots Landscaping, LLC., Contract 13-259 for \$17,500.00 for a total amount of \$668,045.00

Relationship to Strategic Goals:

- Core Services and Infrastructure

Recommendation(s): Staff recommends approval of the contract and authorization for the City Manager to execute the contract.

Summary:

In 2013, Request for Proposals were solicited from contractors for the landscape maintenance of City properties. These properties were divided into six (6) categories:

- 1) Neighborhood Parks
- 2) City Facilities
- 3) Electric Sites
- 4) Water/Wastewater Sites
- 5) Economic Development, and
- 6) Finish Mowing of City Streets

Eight (8) sealed competitive proposals were received and opened on March 26, 2013. The proposals were evaluated by City staff, and were awarded based on the lowest responsible proposals received. Contracts 13-189 and 13-259 were presented to Council and approved on April 25, 2013, Item 2c.

Upon Council's approval of the contract renewals, purchase orders for the new term will be issued to the vendors. A summary of the recommended awards is as follows:

Category	Vendor	Amount
1) Neighborhood Parks	Green Teams, Inc	\$332,610.00
2) City Facilities	Green Teams, Inc	\$83,567.00
3) Electric Sites	Roots Landscaping, LLC	\$17,500.00
4) Water/ Wastewater Sites	Green Teams, Inc	\$68,914.00
5) Economic Development	Green Teams, Inc	\$2,110.00
6) Finish Mowing - Streets	Green Teams, Inc	\$163,344.00
	Total	\$668,045.00

Budget & Financial Summary: Funds are budgeted and available in Parks, Community Development, Economic Development, Water/Wastewater, Electrical Sites and Street Maintenance operating budgets.

Attachments:

1. Contract 13-189 Renewal
2. Contract 13-259 Renewal



February 11, 2014

ATTN:
Len Gallagher
Green Teams, Inc.
731 Industrial Blvd.
Bryan, TX 77803

RE: Renewal – RFP 13-052, Contract 13-189
Citywide Mowing and Landscape Maintenance

Dear Mr. Gallagher,

The City of College Station appreciates the services provided by Green Teams, Inc. this past year. We would like to exercise our option to renew the above referenced agreement for the term of May 1, 2014 through April 30, 2015, for an amount not to exceed Six Hundred Fifty Thousand Five Hundred Forty Five Dollars and 00/100 (\$650,545.00).

If this meets with your company's approval, please complete the following renewal agreement and return it via e-mail to hpavelka@cstx.gov or via fax (979-764-3899). ***Please follow up by mailing the original, no later than February 28, 2014, to my attention at the following address:***

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

Should you have any questions, please call me at (979) 764-3437.

Sincerely,

Heather Pavelka
Buyer

Attachment

PO Box 9960
1101 Texas Avenue
College Station, TX 77842

www.cstx.gov



RENEWAL ACCEPTANCE

By signing herewith, I acknowledge and agree to renew RFP 13-052, Contract 13-189 for Citywide Mowing and Landscape Maintenance and in accordance with all terms and conditions previously agreed to and accepted for an amount not to exceed Six Hundred Fifty Thousand Five Hundred Forty Five Dollars and 00/100 (\$650,545.00).

I understand this renewal term will be for the period beginning May 1, 2014 through April 30, 2015. This is the first renewal.

GREEN TEAMS, INC.

CITY OF COLLEGE STATION

By: Len Gallagher
Printed Name: Len Gallagher
Title: President
Date: 02-12-14

By: _____
City Manager
Date: _____

APPROVED:

City Attorney
Date: _____

Assistant City Manager/CFO
Date: _____

DESCRIPTIONS (Continued from Page 1)

Notice of Cancellation endorsement providing 30 days advance notice if policy is canceled by the company other than for nonpayment of premium, or direct cancellation by named insured as per policy provision.



February 11, 2014

ATTN:
Michael Stover
Roots Landscaping, LLC.
4105 Rocky Mountain Ct.
College Station, TX 77845

RE: Renewal – RFP 13-052, Contract 13-259
Electrical Site Mowing and Landscape Maintenance

Dear Mr. Stover,

The City of College Station appreciates the services provided by Roots Landscaping, LLC. this past year. We would like to exercise our option to renew the above referenced agreement for the term of May 1, 2014 through April 30, 2015, for an amount not to exceed Seventeen Thousand Five Hundred Dollars and 00/100 (\$17,500.00).

If this meets with your company's approval, please complete the following renewal agreement and return it via e-mail to hpavelka@cstx.gov or via fax (979-764-3899). ***Please follow up by mailing the original, no later than February 28, 2014, to my attention at the following address:***

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

Should you have any questions, please call me at (979) 764-3437.

Sincerely,

Heather Pavelka
Buyer

Attachment

PO Box 9960
1101 Texas Avenue
College Station, TX 77842

www.cstx.gov

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RENEWAL ACCEPTANCE

By signing herewith, I acknowledge and agree to renew RFP 13-052, Contract 13-259 for Electrical Site Mowing and Landscape Maintenance and in accordance with all terms and conditions previously agreed to and accepted for an amount not to exceed Seventeen Thousand Five Hundred Dollars and 00/100 (\$17,500.00).

I understand this renewal term will be for the period beginning May 1, 2014 through April 30, 2015. This is the first renewal.

ROOTS LANDSCAPING, LLC.

By: 
Printed Name: Michael Stover
Title: Member/owner
Date: 2/13/14

CITY OF COLLEGE STATION

By: _____
City Manager
Date: _____

APPROVED:

City Attorney
Date: _____

Assistant City Manager/CFO
Date: _____



CERTIFICATE OF LIABILITY INSURANCE

ROOTS-1 OP ID: MIEL

DATE (MM/DD/YYYY)
02/18/2014

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

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

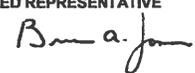
PRODUCER Jones & Associates, Inc. PO Box 4044 Bryan, TX 77805 Greg W Herwald (INSIDE)	CONTACT NAME: Eliana Milioto PHONE (A/C, No, Ext): 979-776-4740 E-MAIL ADDRESS: eliana@jonesinsurance.com	FAX (A/C, No): 979-776-4745
	INSURER(S) AFFORDING COVERAGE	
INSURED Roots Landscaping, LLC DBA: Jones Lawn Care 15720 Buffalo Creek Loop College Station, TX 77845	INSURER A: Travelers Insurance Company	
	INSURER B: Foremost Insurance Group	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
B	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X	X	SCP005049525	12/30/2013	12/30/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000		
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC								
	B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	X	X	SCI008218648	12/30/2013	12/30/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (PER ACCIDENT) \$	
		<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$	
		A	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	X	UB9A642150	12/30/2013	12/30/2014	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
			DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)						

Additional Insured Endorsements and Waivers of Subrogation included if marked above. 30 day notice of cancellation included.

CERTIFICATE HOLDER City of College Station Purchasing Services 1101 Texas Avenue College Station, TX 77842	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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Legislation Details (With Text)

File #:	14-317	Version:	1	Name:	Toni Court parking removal
Type:	Ordinance	Status:		Status:	Consent Agenda
File created:	3/7/2014	In control:		In control:	City Council Regular
On agenda:	3/27/2014	Final action:		Final action:	
Title:	Presentation, possible action and discussion of an ordinance amending Chapter 10 "Traffic Code", to remove parking along Toni Court and Keefer Loop in the Buena Vida Subdivision.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Toni Court Exhibit.pdf ordinance standard.pdf				

Date	Ver.	Action By	Action	Result
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Presentation, possible action and discussion of an ordinance amending Chapter 10 "Traffic Code", to remove parking along Toni Court and Keefer Loop in the Buena Vida Subdivision.

Relationship to Strategic Goals:

- Core Services and Infrastructure

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

Summary: In December 2012, the City Council approved an ordinance to remove parking along one side of Keefer Loop and Cullen Trail due to the high utilization of on-street parking along the streets in order to ensure emergency vehicle access. At that meeting, subdivision residents that lived on Toni Court requested that their street be included in the ordinance. At that time, Council directed staff to further evaluate the street for future parking restrictions.

The street has been monitored for emergency vehicle access issues and in January 2014, staff presented an update to the City Council recommending that parking be removed from one side of Toni Court. The City's Traffic Management Team agrees with the recommendation to remove parking along one side of the street. The recommendation removes parking from the cul-de-sac, the south side of Toni Court, and the west side of Keefer Loop (between Toni Court and Wellborn Road) in order to provide adequate sight distance for vehicles on Toni Court turning onto Keefer Loop.

Letters were mailed to the property owners displaying the recommended parking removal and explaining the need to improve safety. Additionally, stamped postcards were included asking for their input and a vote of support or opposition. Of the 12 properties, seven postcards were returned with five property owners supporting the recommended plan. Additionally, on March 5th, staff held a public meeting to discuss the plan and gather additional input. One property owner attended the meeting and is supportive of the plan.

Budget & Financial Summary: The "NO PARKING" signs are planned operation and maintenance expenses accounted for

in the Public Works Traffic Operation budget.

Attachments:

1. Ordinance
2. Location Map



Recommended NO PARKING Plan

Toni Court & Keefer Loop



ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 10, “TRAFFIC CODE”, SECTION 4 “ADMINISTRATIVE ADJUDICATION OF PARKING VIOLATIONS”, E “PARKING REGULATIONS OF CERTAIN DESCRIBED AREAS”, (1) “TRAFFIC SCHEDULE XIV - NO PARKING HERE TO CORNER OR NO PARKING ANYTIME”, OF THE CODE OF ORDINANCES OF THE CITY OF COLLEGE STATION, TEXAS, BY PROVIDING A SEVERABILITY CLAUSE; DECLARING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

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

PART 1: That Chapter 10, “Traffic Code”, Section 4 “Administrative Adjudication of Parking Violations”, E “Parking Regulations of Certain Described Areas”, (1) “Traffic Schedule XIV – No Parking Here to Corner or No Parking Anytime”, of the Code of Ordinances of the City of College Station, Texas, be amended as set out in **Exhibit “A”**, attached hereto and made a part of this ordinance for all purposes.

PART 2: That if any provisions of any section of this ordinance shall be held to be void or unconstitutional, such holding shall in no way effect the validity of the remaining provisions or sections of this ordinance, which shall remain in full force and effect.

PART 3: That any person, firm, or corporation violating any of the provisions of this chapter shall be deemed liable for a civil offense and/or guilty of a Class C misdemeanor, and, upon a finding of liability thereof, shall be punished by a civil penalty of not less than One Dollar (\$1.00) nor more than Two Thousand Dollars (\$2,000.00), or upon conviction thereof, shall be punished by a fine of not less than Twenty-five Dollars (\$25.00) nor more than Five Hundred Dollars (\$500.00). Said Ordinance becomes effective ten (10) days after date of passage by the City Council, as provided by Section 35 of the Charter of the City of College Station.

PASSED, ADOPTED and APPROVED this _____ day of _____, 2014.

APPROVED:

MAYOR

ATTEST:

City Secretary

APPROVED:

City Attorney

EXHIBIT "A"

That Chapter 10, "Traffic Code", Section 4 "Administrative Adjudication of Parking Violations", E "Parking Regulations of Certain Described Areas", (1) "Traffic Schedule XIV – No Parking Here to Corner or No Parking Anytime", is hereby amended to include the following:

Toni Court – No Parking in the cul-de-sac or on the south side of Toni Court.

Keefer Loop – No Parking on the west side of Keefer Loop between Rock Prairie Road and Toni Court.



Legislation Details (With Text)

File #:	14-315	Version:	1	Name:	BCBS Stop Loss Policy & Recommendation
Type:	Contract	Status:		Status:	Consent Agenda
File created:	3/7/2014	In control:		In control:	City Council Regular
On agenda:	3/27/2014	Final action:		Final action:	
Title:	Presentation, possible action, and discussion regarding the ratification to renew the Stop Loss policy for the City's self-funded health plan with Blue Cross and Blue Shield of Texas (BCBS) for the period of January 1, 2014 through December 31, 2014. The estimated annual premiums are \$570,648.				
Sponsors:	HR				
Indexes:					
Code sections:					
Attachments:	SL Recommendation.pdf TX Stop Loss Policy STD.pdf				

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion regarding the ratification to renew the Stop Loss policy for the City's self-funded health plan with Blue Cross and Blue Shield of Texas (BCBS) for the period of January 1, 2014 through December 31, 2014. The estimated annual premiums are \$570,648.

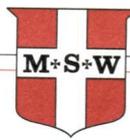
Relationship to Strategic Goals: Financially Sustainable City

Recommendation(s): Staff recommends approval of 2014 Stop Loss renewal.

Summary: Stop loss coverage is an insurance policy that protects the City from specific large medical or prescription drug claims and/or from an aggregate amount of overall high claims.

BlueCross Blue Shield has been the City's stop loss vendor for the past 9+ years. This is the second renewal of the original contract from plan year 2012. The renewal includes no increase to the premium from last year. The 2014 plan year projected costs are based on a monthly average of 806 employees, retirees and COBRA participants on the plan.

Budget and Financial Summary: Funds are available and budgeted in the employee benefits fund.



MEMORANDUM

McGRIFF, SEIBELS & WILLIAMS, INC.
5080 SPECTRUM DRIVE, SUITE 900E ADDISON, TX 75001
PHONE – (469) 232-2100 FAX – (469) 232-2105

Date: January 31, 2014

To: City of College Station

From: Scott Gibbs/Sandy Brown, McGriff, Seibels & Williams

Re: Medical Stop-Loss Renewal

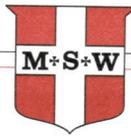
Recommendation of Stop-Loss Coverage -- Blue Cross Blue Shield

The purpose of this memorandum is to provide the Stop-Loss renewal recommendation for the City of College Station. Blue Cross Blue Shield is the current Stop-Loss carrier and the proceeding medical administrator. BlueCross BlueShield has been the City of College Station’s stop loss vendor for the past 9+ years.

BlueCross BlueShield provided a proposed renewal with no increase to the specific stop loss premium and no increase to the aggregate premium. Please see the Spreadsheet below for a breakdown and illustration of premium.

	Current	Renewal	\$ Increase	% Increase
Stop-Loss	PEPM	PEPM	PEPM	PEPM
Specific Premium	\$53.48	\$53.48	\$0.00	0%
Aggregate Premium	\$5.52	\$5.52	\$0.00	0%
Total	\$59.00	\$59.00	\$0.00	0%
Stop-Loss	Monthly	Monthly	Monthly	PEPM
Specific Premium	\$43,104.88	\$43,104.88	\$0.00	0%
Aggregate Premium	\$4,449.12	\$4,449.12	\$0.00	0%
Total	\$47,554.00	\$47,554.00	\$0.00	0%
Stop-Loss	Annual	Annual	Annual	PEPM
Specific Premium	\$517,258.56	\$517,258.56	\$0.00	0%
Aggregate Premium	\$53,389.44	\$53,389.44	\$0.00	0%
Total	\$570,648.00	\$570,648.00	\$0.00	0%

<Figures are based on 806 Employees>



The Aggregate Factors decreased from \$768.95 to \$703.98 per employee per month, equaling an annual aggregate attachment point of \$6,808,894.56. The Aggregate Factors are excess limits that are based on claims incurred up to the Specific Deductible of \$150,000. Therefore, if claims are in excess of the annual aggregate attachment point the City of College Station would be due a reimbursement equaling the excess amount of claims.

McGriff, Seibels & Williams recommends accepting the proposed BCBS renewal. BCBS has proved to be competitively prices in the stop loss market and is proposing no increase to the premiums for 2014. The City of College Station has had a long standing relationship with BCBS and the integration of claims administration and stop loss reimbursement within the same vendor makes for a seamless reimbursement of claims to the City.

We appreciate the opportunity to work with the City and its employees. Should the City desire further clarification and/or need any supporting documentation related to this marketing analysis, please feel free to contact me at 469-232-2174 or Scott Gibbs at 469-232-2188.

Sincerely,

Sandy Brown
Assistant Vice President



BlueCross BlueShield of Texas

STOP LOSS COVERAGE POLICY

between

**BLUE CROSS AND BLUE SHIELD OF TEXAS
A DIVISION OF HEALTH CARE SERVICE CORPORATION,
a Mutual Legal Reserve Company**

Herein called “the Company”

and

The Policyholder

The Application for Stop Loss Coverage (herein called the “Application”) attached hereto and made a part of this Policy shall establish the Policyholder’s Employer Group Name, Employer Group Number, the Effective Date of Policy, and the Policy Period.

In consideration of the Application attached hereto and in consideration of the payment made by the Policyholder of all premiums when due as hereinafter provided, the Company agrees to make the payments herein specified, subject to the provisions and conditions of this Policy.

All obligations, terms, definitions, conditions, promises, agreements and provisions of the Administrative Services Agreement between the Policyholder and the Company (herein called the “Agreement”) shall apply equally to this Policy unless otherwise specified in this Policy or the Application.

THIS IS NOT A POLICY OF WORKERS’ COMPENSATION INSURANCE. THE POLICYHOLDER DOES NOT BECOME A SUBSCRIBER TO THE WORKERS’ COMPENSATION SYSTEM BY PURCHASING THIS POLICY, AND IF THE POLICYHOLDER IS A NON-SUBSCRIBER, THE POLICYHOLDER LOSES THOSE BENEFITS THAT WOULD OTHERWISE ACCRUE UNDER THE WORKERS’ COMPENSATION LAWS. THE POLICYHOLDER MUST COMPLY WITH THE WORKERS’ COMPENSATION LAW AS IT PERTAINS TO NON-SUBSCRIBERS AND THE REQUIRED NOTIFICATIONS THAT MUST BE FILED AND POSTED.

ATTEST:

Secretary

President

WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

A Division of Health Care Service Corporation, a Mutual Legal Reserve Company,
an Independent Licensee of the Blue Cross and Blue Shield Association

The Policyholder understands the liability assumed under the portion of the self-funded employee health and welfare benefit plan (the Plan) which it is self-insuring and further understands that it is exempted from Chapter 101 of the *Texas Insurance Code* only if a qualified employee benefit plan has been filed and meets the requirements of Employee Retirement Income Security Act of 1974, as amended, (ERISA) unless the Policyholder is exempt from requirements of ERISA.

SECTION I DEFINITIONS

Additional definitions applicable to this Policy are contained in the Agreement.

“Application” means the attached **APPLICATION FOR STOP LOSS COVERAGE** specifying the particulars of this Policy or any subsequent replacement Application supplied by the Company. The specifications or items of the Application shall be applicable for the Policy Period indicated on the Application, except that any item of the Application may be changed in accordance with the provisions described in this Policy.

“Covered Person” means an individual Employee, dependent(s) of an Employee, a retired Employee, dependent(s) of a retired Employee, and certain continued persons and their dependents covered under a continuation of coverage provision, whose coverage has become effective in accordance with the terms of the Policyholder’s Plan and whose Paid Claims are eligible for Stop Loss Coverage as indicated on the most current Application to this Policy.

“Claim Liability” means the total amount of Paid Claims that the Policyholder is responsible for paying each Policy Period. Claim Liability will be calculated for each Policy Period in accordance with the formula indicated in Item A.5. of the most current Application to this Policy.

“Effective Date of Policy” means the date specified on the Application.

“Employee” means an individual employee, retired employee, or continued person, whose coverage has become effective under the Policyholder’s Plan and whose Paid Claims are eligible for Stop Loss Coverage as indicated on the most current Application to this Policy.

“Final Policy Period” means the period of time beginning on the first day of the Policy Period specified on the most current Application and ending on the date the Policy is terminated.

“Month” means each succeeding calendar Month period beginning on the first day of the Policy Period.

“Paid Claims” shall mean:

- (a) The total amount of Claim Payments under and pursuant to the Agreement; and
- (b) If applicable, the claim payments made by the Policyholder’s prior claim administrator, as specified on the Application;

for the types of claims specified on the Application and in settlement of claims for any benefits under the Plan which are:

- (a) In the case of new coverage: (i.) Incurred and paid during the Policy Period or (ii.) Incurred during the Stop Loss Coverage Period and paid during the Policy Period, as specified on the Application;
- (b) In the case of a renewal of existing coverage, incurred on or after the original Effective Date of Policy and paid during the most current Policy Period, as specified on the Application.
- (c) Paid Claims may also include Run-Off Paid Claims in accordance with the provisions of this Policy.

A claim is considered "incurred" on the date the service or supply is furnished; a claim is considered "paid" on the date the claim is processed.

"Paid Claims" shall not include:

- (a) Claims incurred prior to the original Effective Date of Policy, except as specified on the Application; or
- (b) Claims incurred after the termination date of this Policy; or
- (c) Extra contractual damages of any nature, compensatory damages, or any similar damages however assessed, or any payments made as an exception to the Plan or as settlement of a lawsuit; or
- (d) Any payments made at the specific written request of the Policyholder when not provided for as benefits under the Plan or which are limited or excluded under such document; or
- (e) Any payments of benefits which are interpreted by the Policyholder as coming within the terms of the Plan if the Company notifies the Policyholder that it does not agree with that interpretation.

"Plan" shall mean the self-funded Group Health Plan of the Policyholder.

"Point of Attachment" means the dollar amount above which Stop Loss Insurance will apply as indicated in Items A.7. and/or B.4. of the most current Application to this Policy provided, however, that the Point of Attachment for Aggregate Stop Loss Insurance shall never be less than the minimum specified in Item A.7. of the most current Application.

"Policy" as used herein means this Stop Loss Coverage Policy.

"Policy Period" means the period of time beginning and ending on the dates shown on the most current Application.

"Run-In Period" means the period immediately prior to the initial Policy Period, if any, as specified in Items A.2. and/or B.2 of the Application.

“Run-Off Paid Claims” means those Paid Claims incurred on or after the original Effective Date of this Policy but prior to termination, which are paid in accordance with the Agreement during the Run-Off Period.

“Run-Off Claims Liability” means the amount to fund anticipated Run-Off Paid Claims. Settlements for Run-Off Paid Claims will be in accordance with the section entitled SETTLEMENTS, Run-Off Period Settlement subsection of this Policy.

“Run-Off Period” means the twelve-Month period immediately following the termination of this Policy.

“Stop-Loss Claims” means the amount of Paid Claims for which the Company assumes responsibility and risk.

- (a) If the amount of Paid Claims that have accumulated during the Policy Period for any Covered Person exceeds the amount indicated in Item B.4. of the most current Application to this Policy, such excess, up to the maximum amounts indicated, if any, shall be referred to in this Policy as **Individual (Specific) Stop-Loss Claims**. A monthly review will occur to determine if such excess exists.
- (b) Individual (Specific) Stop-Loss Insurance does not extend beyond the termination date of this Policy.
- (c) If, during the current Policy Period, Paid Claims less Individual (Specific) Stop-Loss Claims, if any, exceed the Aggregate Point of Attachment indicated in Item A.7. of the most current Application to this Policy, such excess, if any, shall be referred to in this Policy as **Aggregate Stop-Loss Claims**.
- (d) Stop Loss Claims may also include claims paid by the Policyholder’s prior claim administrator as specified on the Application.

“Stop Loss Coverage Period” means the period specified in Items A.2. and/or B.2. of the most current Application.

“Stop-Loss Premium” means the Monthly or annual premium, calculated in accordance with the formulas indicated in Items A.8. and/or B.5. of the most current Application, that is required by the Company for the risk assumed for the Stop Loss Coverage indicated in Item A.7. and/or B.4. of the most current Application. The Policyholder shall pay to the Company the Stop Loss Premium within ten (10) calendar days of receipt of a billing.

The Stop-Loss Premium shall be subject to change by the Company as follows:

- (a) At the end of the Policy Period shown in the most current Application, provided that sixty (60) days prior written notice is given by the Company;
- (b) On the implementation date of any changes or benefit variances in the Policyholder’s Plan, its administration, or the level of benefit valuation which would increase the Company’s risk;

- (c) On any date changes imposed by governmental entities increase expenses incurred by the Company provided that such increases shall be limited to an amount sufficient to recover such increase in expenses; or
- (d) On any date that the number of Covered Persons enrolled changes by an amount equal to 10% or more of total enrollment over a one-Month period or 25% or more of total enrollment over a three-Month period.

SECTION II POLICY PROVISIONS

INDEMNIFICATION OF RISK. The Company hereby agrees to indemnify the Policyholder as specified in the section of this Policy entitled SETTLEMENTS against the amount paid pursuant to the Plan during the Policy Period which is in excess of the Point of Attachment specified in Items A.7. and/or B.4. of the most current Application. The Company shall not be liable for, nor shall the indemnification be extended to, any claim or liability for extra-contractual or punitive damages, including interest, statutory penalties and attorney fees or any claims in excess of any lifetime or individual maximums specified in A.7. and B.4.

ENTIRETY. This Policy, the most current Application and any attachments shall constitute the entire Policy between the parties for the purposes of this Policy and shall supersede any and all prior or contemporaneous Policies or understandings, either oral or in writing, between the parties with respect to the subject matter herein. This Policy shall not create any right or legal obligation between the Company and the Covered Person under the Plan.

MODIFICATION. Except for the Application to this Policy, which may be changed at any time in accordance with the provisions of this Policy by notifying the Policyholder in writing of such change, no modification, amendment, change, or waiver of any provision of this Policy shall be valid unless agreed to by an officer of Company and an authorized representative of the Policyholder.

SECTION III PREMIUM PROVISIONS

PREMIUM PAYMENT. The premium(s) to be paid to the Company as consideration for the insurance provided hereunder and the method of premium payment (monthly or annual) shall be as specified on the Application. Monthly premium is due on the first day of each Month beginning on the first day of the Policy Period through the end of the Policy Period. Annual Premium is due on the first day of the Policy Period. Premium is based on the current membership specified on the Application.

REMITTANCE. The Company shall bill the Policyholder in advance for the Stop-Loss Premium amount due and the Policyholder shall remit payment within ten (10) calendar days of receipt of a billing. A remittance will be considered received when actually delivered into the possession or control of the Company.

DAILY CHARGE. A daily charge shall be assessed for the late remittance of any amount(s) due and payable to the Company by the Policyholder. This charge shall be an amount equal to the amount resulting from multiplying the amount due times the lesser of:

- (a) The rate of .0329% per day (which equates to an amount of 12.0% per annum);
or
- (b) The maximum rate permitted by state law.

NOTICE AND PROOF OF LOSS. The Company shall reimburse the Policyholder as specified in the section of this Policy entitled SETTLEMENTS. Payment to the Policyholder in settlement of claims hereunder shall not be construed as a waiver of, or prohibition against, the Company's right to adjudicate or make further adjustments to such settlements.

Any amount which the Policyholder recovers from a third party, whether by subrogation, reimbursement or otherwise, in connection with a claim under the Policyholder's Plan shall not be eligible to satisfy the Point(s) of Attachment applicable to the Policyholder as specified on the Application nor will the Company pay any benefit hereunder with respect to any such recovered amount. Any such recovery shall be applied first to refund to the Company any benefit paid hereunder with respect to such claim and the Policyholder shall pay such refund to the Company within thirty-one (31) days after its receipt of such recovery, whether or not this Policy is still in force at that time.

No action at law or in equity shall be brought to recover on this Policy more than three (3) years from expiration of this Policy.

If any time limitation of this section of the Policy is less than that permitted by the state of Texas at the time this Policy is issued, such limitation is hereby extended to agree with the minimum permitted by such law.

The books and records of the Policyholder which pertain to the Plan shall be open to the Company and its representatives at all times during the usual business hours for inspection.

SECTION IV. DISPUTE RESOLUTION

Any dispute arising out of or relating to this Policy shall be resolved in accordance with the procedures specified in this Section IV. which shall be the sole and exclusive procedures for the resolution of any such disputes. All negotiations pursuant to this Section IV. are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

(a) Arbitration

In the event the parties fail to agree with respect to any matter covered herein, the question in dispute shall be submitted for arbitration in Dallas, Texas. The arbitrator shall be selected as follows:

1. Upon declaration by one of the parties hereto that a deadlock exists, the parties shall select an arbitrator;

2. If no appointment is made within thirty (30) days after the deadlock is declared and the amount in contest is in excess of \$200, the American Arbitration Association shall recommend an arbitrator; or
3. If no appointment is made within thirty (30) days after the deadlock is declared and the amount in question is \$200 or less, the Company shall select an independent third party to be the arbitrator.

The arbitrator will submit a decision within thirty (30) days after appointment or as soon as reasonably feasible and such decision shall be binding on the parties hereto. Arbitration expenses will be shared by the parties. All other expenses (legal, incidental, etc.) shall be borne by the losing party or, if both parties prevail, be apportioned by the arbitrator to each party. Arbitration proceedings will be governed by the Rules of the American Arbitration Association then in effect.

(b) Obligation to Continue Performance

Except as provided otherwise in this Policy, each party is required to continue to perform its obligations under this Policy pending final resolution of any dispute arising out of or relating to this Policy.

SECTION V SETTLEMENTS

INDIVIDUAL (SPECIFIC) STOP LOSS SETTLEMENT. For any Individual (Specific) Stop Loss Claims, the claim settlement shall be provided to the Policyholder by the Company within ninety (90) days after the end of each Policy Period during which this Policy is in effect. The Company reserves the right to deduct any amount(s) owed the Company by the Policyholder from any payment due the Policyholder as a result of the claim settlement.

If this Policy is terminated prior to the expiration of the Policy Period, claim settlements for Individual (Specific) Stop Loss Claims will be made, as specified herein, for only those full Months of the Policy Period immediately preceding Policy termination. Individual Stop-Loss Coverage shall not extend beyond the termination date of this Policy.

AGGREGATE STOP LOSS SETTLEMENT OR ACCOUNTING.

For any Aggregate Stop Loss Claims, the claim settlement shall be provided to the Policyholder by the Company within ninety (90) days after the end of each Policy Period during which this Policy is in effect. The Company reserves the right to deduct any amount(s) owed the Company by the Policyholder from any payment due the Policyholder as a result of the claim settlement. Aggregate Stop Loss Insurance shall not exceed the maximum indicated in Item A.7. of the most current Application to this Policy in any Policy Period or any Final Policy Period.

If the settlement reflects that Paid Claims for the Policy Period exceed the Point of Attachment for that Policy Period, then Aggregate Stop Loss Claims, minus any Individual (Specific) Stop Loss Claims, to the extent funded by the Policyholder, shall be the responsibility of the Company. If the Aggregate Point of Attachment exceeds the Paid Claims, then no Aggregate Stop-Loss benefit shall be payable to the Policyholder.

RUN-OFF PERIOD SETTLEMENT. In the event of termination of this Policy on the last day of the Policy Period, the Run-Off Period immediately following termination will be combined with the Final Policy Period and this shall be termed a **Final Settlement Period**. Within ninety (90) days following the end of the Run-Off Period, a final settlement will reflect the following:

(a) **Final Settlement Paid Claims:**

- (1) The sum of the Paid Claims during the Final Policy Period and the Run-Off Paid Claims, minus
- (2) Any Individual (Specific) Stop-Loss Claims during the Final Policy Period, if applicable.

(b) **Final Settlement Point of Attachment:**

- (1) The sum of the Policyholder's Claims Liability for the Final Policy Period, plus
- (2) The Policyholder's Run-Off Claim Liability

If the Final Settlement Paid Claims exceed the Final Settlement Point of Attachment, then Aggregate Stop-Loss benefits shall be payable to the Policyholder to the extent funded by the Policyholder.

If the Final Settlement Point of Attachment exceeds the Final Settlement Paid Claims, then no Aggregate Stop-Loss benefits shall be payable to the Policyholder

SECTION VI GENERAL PROVISIONS

LIMITATION OF LIABILITY. Liability for any errors or omissions by the Company (or its officers, directors, employees, agents, or independent contractors) in the administration of this Policy, or in the performance of any duty of responsibility contemplated by this Policy, shall be limited to the maximum benefits which should have been paid under the Policy had the errors or omissions not occurred (including the Company's share of any arbitration expenses incurred under the Policy), unless any such errors or omissions are adjudged to be the result of intentional misconduct, gross negligence, or intentional breach of a duty under this Policy by the Company.

TERM AND TERMINATION. This Policy shall continue in full force and effect from year to year unless terminated as provided herein.

This Policy may be terminated as follows:

- (a) By either party at the end of any Policy Period following thirty (30) days prior written notice to the other;
- (a) By both parties on any date mutually agreed to in writing.

- (b) This Policy will terminate automatically:
- (1) On the date the most current Application terminates as specified on the Application, unless a replacement Application for the period immediately following is executed by the Company and the Policyholder;
 - (2) Upon failure of the Policyholder to pay Stop Loss Premium in accordance with the provisions of this Policy;
 - (3) On the date the Plan terminates; or
 - (4) On the date the Agreement terminates. The Policyholder shall notify the Company in writing of a change in claim administrator from the Company to another carrier or administrator no later than thirty (30) days in advance of the date of change.

In the event of termination of this Policy for any reason prior to the expiration of a Policy Period, no Aggregate Stop Loss Insurance will exist for the Final Policy Period or Run-Off Period. The Policyholder will be required to fund all claims during the Final Policy Period and Run-Off Period. The Company shall have no obligation to determine a claim settlement for the period during which coverage was in effect nor shall the Company refund any portion of the premium(s) to the Policyholder.

ASSIGNMENT. No part of this Policy, or any rights, duties, or obligations described herein, shall be assigned or delegated without the prior express written consent of both parties. Any such attempted assignment shall be null and void. The Company's standing contractual arrangements for the acquisition and use of facilities, services, supplies, equipment, and personnel from other parties shall not constitute an assignment under this Policy.

GOVERNING LAW. This Policy shall be governed by, and shall be construed in accordance with, the laws of the State of Texas without regard to any state choice-of-law statutes, and any applicable federal law. All obligations created hereunder are performable in Dallas, Texas and all disputes arising out of this Policy will be resolved in Dallas, Texas.

NO WAIVER. The failure of either the Policyholder or the Company to insist upon strict performance of any of the terms of this Policy shall not be construed as a waiver of its respective rights to remedies with respect to any subsequent breach or default in any of the terms of this Policy.

SEVERABILITY. In case any one or more of the provisions contained in this Policy shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Policy, but this Policy shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

TAXES. Any premium amounts due under this Policy will automatically be increased by the amount of any taxes imposed, increased, or adjudged due by any lawful authority on or after the Effective Date of this Policy, which directly pertain to this Policy and which the Company is required to pay or remit, whether relating to fees, services, benefits, payments, or any other aspect of this Policy or the Plan.

INSOLVENCY. The insolvency, bankruptcy, financial impairment, receivership, voluntary plan of arrangement with creditors, or dissolution of the Policyholder or its Claim Administrator will not impose on the Company any liability other than the liability defined this Policy. The insolvency of the Policyholder will not make the Company liable to the creditors of the Policyholder, particularly the Covered Persons under the Plan.

RIGHT OF RECOVERY. The Company will not seek recovery of any excess or erroneous payment made under this Policy more than twenty-four (24) months after the payment is made, unless:

- (a) The payment was made because of fraud committed by the Policyholder, the Covered Person or the provider; or
- (b) The Policyholder, Covered Person or provider has otherwise agreed to make a refund to the Company for overpayment of a claim.



Legislation Details (With Text)

File #:	14-318	Version:	1	Name:	BCBS Administrative Services Agreement - Amendment
Type:	Agreement	Status:		Status:	Consent Agenda
File created:	3/10/2014	In control:		In control:	City Council Regular
On agenda:	3/27/2014	Final action:		Final action:	
Title:	Presentation, possible action, and discussion regarding approval for the Amendment to the Administrative Services Agreement with Blue Cross and Blue Shield of Texas for medical, dental and prescription drug plan for calendar year 2014, in the amount of \$432,271.				
Sponsors:	HR				
Indexes:					
Code sections:					
Attachments:	80897 Amendment to ASA 11.13 .pdf 13-233 Final Executed ASA.pdf				

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion regarding approval for the Amendment to the Administrative Services Agreement with Blue Cross and Blue Shield of Texas for medical, dental and prescription drug plan for calendar year 2014, in the amount of \$432,271.

Relationship to Strategic Goals: Financially Sustainable City

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

Summary: The City's health plan is self-funded and has contracted with Blue Cross and Blue Shield of Texas since 2004 to administer claims. An RFP for claims administration went out in June 2012 and resulted in several proposals. After extensive analysis and continued negotiations, BCBS was chosen with the best proposal. This agreement amends the contract to be consistent with the service inclusions for renewal for the calendar year 2014.

Budget and Financial Summary: Funds are available in the employee benefits fund.



**AMENDMENT TWO (2) TO THE
ADMINISTRATIVE SERVICES AGREEMENT**

THIS AMENDMENT to the Administrative Services Agreement is effective as of **January 1, 2014** and is attached to and made a part of the Administrative Services Agreement by and between **Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company** (hereinafter referred to as the "Claim Administrator"), and **City of College Station** (hereinafter referred to as the "Employer"), WITNESSETH AS FOLLOWS:

WHEREAS, the Claim Administrator and the Employer have entered into an Administrative Services Agreement (hereinafter referred to as the "Agreement") which was effective as of January 1, 2013, as amended; and,

WHEREAS, the parties desire to amend the Agreement as described herein;

NOW, THEREFORE, in consideration of these premises and the mutual promises and agreements hereinafter set forth, the parties hereby agree to amend the Agreement as follows:

- A. Under **ADMINISTRATIVE SERVICE AGREEMENT, SECTION 2, AGREEMENT DEFINITIONS**, is expanded to include the following:

"**Surcharges**" means local, state or federal taxes, surcharges or other fees or amount, including, but not limited to World Access Fees and amounts due in connection with the Affordable Care Act Transitional Reinsurance Programs (or successor or alternate program amounts) (the "Reinsurance Contribution"), paid by the Claim Administrator which are imposed upon or resulting from this Agreement or are otherwise payable by or through Claim Administrator. Upon request, the Employer shall furnish to the Claim Administrator in a timely manner all information necessary for the calculation or administration or any surcharges. Surcharges may or may not be related to a particular claim for benefits. In no event will the Claim Administrator be responsible for the Reinsurance Contribution.

- B. Under **ADMINISTRATIVE SERVICE AGREEMENT, SECTION 4, CERTAIN RESPONSIBILITIES OF THE EMPLOYER AND THE CLAIM ADMINISTRATOR, Subsection 4.2 Claim Administrator responsibility** is expanded to include the following:

4.2 Claim Administrator responsibility. The Claim Administrator shall have no responsibility for or liability with respect to the compliance or non-compliance of the Plan with any applicable federal, state and local rules, laws and regulations; and the Employer shall have the sole responsibility for and shall bear the entire cost of compliance with all federal, state and local rules, laws and regulations, including, but not limited to, any licensing, filing, reporting, modification requirements and disclosure requirements as may apply to the Plan, and all costs, expenses and fees relating thereto, including but not limited to local, state or federal taxes, penalties, surcharges or other fees or amounts regardless of whether payable directly by the Employer or by or through the Claim Administrator; provided, however, the Claim Administrator shall have the responsibility for and bear the cost of compliance with any federal, state or local laws as may apply to the Claim Administrator in connection with the performance of its obligations under this Agreement.

- 1 -

Proprietary Information

Not for use or disclosure outside Claim Administrator, Employer, their respective affiliated companies and third party representatives, except under written agreement.

A Division of Health Care Service Corporation, a Mutual Legal Reserve Company,
An Independent Licensee of the Blue Cross and Blue Shield Association

ASA Amd 11/13

C. Under **ADMINISTRATIVE SERVICE AGREEMENT, SECTION 13, TERM AND TERMINATION OF AGREEMENT, Subsection 13.2 Termination** is expanded to include the following:

e. By the Claim Administrator on any date that the actual number of Covered Employees (in total, by product, or by benefit plan), the Single/Family mix, or the Medicare/Non-Medicare mix varies +/- 10% from Claim Administrator's projections, or the information upon which Claim Administrator's projections were based (benefit levels, census/demographics, commissions, etc.) becomes outdated or inaccurate.

D. Under **ADMINISTRATIVE SERVICE AGREEMENT, SECTION 16, PROPRIETARY MATERIALS**, is expanded to include the following:

16.4 Disclosures in Account Contracts. The Employer on behalf of itself and its Covered Persons hereby expressly acknowledges its understanding this Agreement constitutes a contract solely between the Employer and the Claim Administrator, which is an independent corporation operating under a license from the Blue Cross and Blue Cross Association, an association of independent Blue Cross and Blue Shield Plans, (the "Association") permitting the Claim Administrator to use the Blue Cross and Blue Shield Service Mark, and that the Claim Administrator is not contracting as the agent of the Association. The Employer on behalf of itself and its Covered Persons further acknowledges and agrees that it has not entered into this Agreement based upon representations by any person other than the Claim Administrator and that no person, entity, or organization other than the Claim Administrator shall be held accountable or liable to the Employer for any of the Claim Administrator's obligations to the Employer created under this Agreement. This subsection shall not create any additional obligations whatsoever on the part of the Claim Administrator other than those obligations created under other provisions of this Agreement.

16.5 Administrative Services Only, Network Only. The Claim Administrator must disclose that it does not underwrite or assume any financial risk with respect to Claims liability; and disclose the nature of the services and/or network access the Claim Administrator is providing. Such disclosures must be made to the Employer, the Employer's Covered Persons, and Providers and must include, at a minimum, disclosure on identification cards, benefit booklets, Employer contracts and Explanation of Benefits documentation.

E. Under **EXHIBIT 1, CLAIM ADMINISTRATOR SERVICES**, the following bulleted item is updated as follows:

▪ **BLUE CARE CONNECTION PROGRAM**

A program that may include utilization management, case management, condition management, lifestyle management, predictive modeling, Well on Target, 24/7 nurseline and access to a personal health manager or such other features as determined by the Employer.

F. Under **EXHIBIT 2, SECTION 3: COMPENSATION TO CLAIM ADMINISTRATOR, Subsection 3.3 Changing service charges**, is expanded to include the following:

d. On any date that the actual number of Covered Employees (in total, by product or by benefit plan), the Single/Family mix, or the Medicare/Non-Medicare mix varies +/- 10% from Claim Administrator's projections;

e. The information upon which Claim Administrator's projections were based (benefit levels, census/demographics, commissions, etc.) becomes outdated or inaccurate; or

G. Under **EXHIBIT 2, FEE SCHEDULE, FINANCIAL RESPONSIBILITIES & REQUIRED DISCLOSURES, SECTION 5., EMPLOYER PAYMENT**, the following Subsection is added:

5.3 Federal Regulation of the Employer. Beginning in 2014 (or such other date required by law), the Employer will be responsible for contributing to the funding of the Transitional Reinsurance Programs established by the Affordable Care Act. In no event will the Claim Administrator be responsible for the reinsurance contribution. If required by applicable law, The Employer will promptly forward to the Claim Administrator all such contributions (or successor or alternate program amounts) and all information necessary for the calculation or administration of such contributions (or successor or alternate program amounts).

H. Under **EXHIBIT 2, SECTION 14: INTER-PLAN ARRANGEMENTS, 14.2 Bluecard Program, item a, Liability Calculation Method Per Claim**, is updated as follows:

In some instances federal law or the laws of a small number of states require Host Blues either (i) to use a basis for determining Covered Person's liability for Covered Services that does not reflect the entire savings realized, or expected to be realized, on a particular Claim or (ii) to add a surcharge.

Should either federal law or the law of the state in which healthcare services are accessed mandate liability calculation methods that differ from the negotiated price methodology or require a surcharge, Claim Administrator would then calculate Covered Person's liability and Employer's liability in accordance with applicable law.

I: ATTACHMENTS TO THIS AMENDMENT

The following Exhibits/Addendum are attached to and are made a part of this Amendment:

- ASO Benefit Program Application (ASO BPA)

Except as herein modified and amended, the provisions, conditions and terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date and year specified below.

**BLUE CROSS AND BLUE SHIELD OF TEXAS, a
Division of Health Care Service Corporation, a Mutual
Legal Reserve Company**

City of College Station

ACCOUNT # 80897

By: 

By: _____

Title: Chief Underwriter DSVP

Title: _____

Date: January 8, 2014

Date: _____



BlueCross BlueShield
of Texas

ADMINISTRATIVE SERVICES AGREEMENT

The Effective Date of this Administrative Services Agreement (the "Agreement") is January 1, 2013.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year specified below.

**BLUE CROSS AND BLUE SHIELD OF TEXAS, a
Division of Health Care Service Corporation, a Mutual
Legal Reserve Company**

**ACCOUNT #80897
CITY OF COLLEGE STATION**

By: Katherine Merrill
City Manager
Date 4-12-13

APPROVED:

Adam C. Falo
City Attorney
Date 4-4-13

contrBy: Scott Nilg

Title: Divisional Vice President

Date: February 12, 2013

Jeffrey Kent
Executive Dir. Bus. Services
Date 4-5-13

**Proprietary Information
Not for use or disclosure outside Claim Administrator, Employer, their respective affiliated companies and third
party representatives, except under written agreement.**

A Division of Health Care Service Corporation, a Mutual Legal Reserve Company,
An Independent Licensee of the Blue Cross and Blue Shield Association

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This Agreement made as of the Effective Date specified on page 1 of this Agreement, by and between **Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company** (hereinafter referred to as the “Claim Administrator”), and the Employer specified on page 1 of this Agreement, (hereinafter referred to as the “Employer”), for the Account Number set forth on page 1 of this Agreement, WITNESSETH AS FOLLOWS:

RECITALS

WHEREAS, the Employer on behalf of the Group Health Plan has executed an ASO Benefit Program Application (“ASO BPA”) and the Claim Administrator has accepted such ASO BPA attached hereto as Exhibit 5 with such ASO BPA and this Agreement collectively referred to hereinafter as the “Agreement”, unless specified otherwise; and

WHEREAS, the Employer has established and adopted an employee benefit plan (“Plan”) as described in its plan document, which shall be provided by the Employer to the Claim Administrator; and

WHEREAS, the Employer on behalf of the Group Health Plan desires to retain the Claim Administrator to provide certain administrative services with respect to the Plan; and

WHEREAS, it is desirable to set forth more fully the obligations, duties, rights and liabilities of the Claim Administrator and the Employer, as representative of the Group Health Plan, with respect to the Plan;

NOW, THEREFORE, in consideration of these premises and the mutual promises and agreements hereinafter set forth, the parties hereby agree as follows:

SECTION 1: APPOINTMENT

The Employer hereby retains and appoints the Claim Administrator to provide services as hereinafter described in connection with the administration of the Plan.

SECTION 2: AGREEMENT DEFINITIONS

2.1 “Administrative Charge” means the monthly service charge that is required by the Claim Administrator for the administrative services performed under this Agreement. The Administrative Charge(s) is indicated in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA of this Agreement.

2.2 “Allowable Amount” means the maximum amount determined by the Claim Administrator to be eligible for consideration of payment for a Covered Service in accordance with the type of medical and dental benefits coverage(s) elected on the most current Exhibit 5 - ASO BPA.

a. For Medical Covered Services. The Allowable Amount means:

i. For Network Providers. For a Provider who has a written agreement with the Claim Administrator or another Blue Cross and/or Blue Shield Plan to provide care to a Covered Person at the time Covered Services for medical benefits are rendered (“Network Provider”), the contracting Allowable Amount is based on the terms of the Network Provider’s contract and the payment methodology in effect on the date of the Covered Service. The payment methodology used may include diagnosis-related groups (DRG), fee schedule, package pricing, global pricing, per diems, case-rates, discounts, or other payment methodologies.

ii. For Non-Network Providers. For a Provider who does not have a written agreement with the Claim Administrator or another Blue Cross and/or Blue Shield Plan to provide care to a Covered Person at the time Covered Services for medical benefits are rendered (“Non-Network Provider”), the Allowable Amount will be the lesser of: **(a)** the Non-Network Provider’s Claim Charge, or; **(b)** the Claim Administrator’s non-contracting Allowable Amount. Except as otherwise provided in this section ii, the non-contracting Allowable Amount is developed from base Medicare reimbursements adjusted by a predetermined factor established by the Claim Administrator. Such factor shall be not less than 75% and will exclude any Medicare adjustment(s) which is/are based on information on the Claim.

Notwithstanding the preceding sentence, the non-contracting Allowable Amount for Home Health Care is developed from base Medicare national per visit amounts for low utilization payment adjustment (“LUPA”) episodes by Home Health discipline type adjusted for duration and adjusted by a predetermined factor established by the Claim Administrator. Such factor shall be not less than 75% and shall be updated on a periodic basis.

When a Medicare reimbursement rate is not available or is unable to be determined based on the information submitted on a Claim, the non-contracting Allowable Amount for Non-Network Providers will represent an average contract rate in aggregate for Network Providers adjusted by a predetermined factor established by the Claim Administrator. Such factor shall be not less than 75% and shall be updated not less than every two years.

The Claim Administrator will utilize the same Claim processing rules and/or edits that it utilizes in processing Network Provider Claims for processing Claims submitted by Non-Network Providers which may also alter the Allowable Amount for a particular Covered Service. In the event the Claim Administrator does not have any Claim edits or rules, the Claim Administrator may utilize the Medicare claim rules or edits that are used by Medicare in processing the Claims. The Allowable Amount will not include any additional payments that may be permitted under the Medicare laws or regulations which are not directly attributable to a specific Claim, including, but not limited to, disproportionate share and graduate medical education payments.

Any change to the Medicare reimbursement amount will be implemented by the Claim Administrator within ninety (90) days after the effective date that such change is implemented by the Centers for Medicaid and Medicare Services, or its successor.

The non-contracting Allowable Amount does not equate to the Provider's Claim Charge and Covered Persons receiving Covered Services from a Non-Network Provider will be responsible for the difference between the non-contracting Allowable Amount and the Non-Network Provider's Claim Charge, and this difference may be considerable. To find out the Claim Administrator's non-contracting Allowable Amount for a particular Covered Service, Covered Persons may call customer service at the number on the back of the Claim Administrator-issued identification card.

- iii. **For multiple surgeries.** The Allowable Amount for Covered Services for all surgical procedures performed on the same Covered Person on the same day will be the amount for the single procedure with the highest Allowable Amount plus a determined percentage of the Allowable Amount for each of the other Covered Service procedures performed.
- iv. **For procedures, services, or supplies provided to Medicare recipients.** The Allowable Amount will not exceed Medicare's limiting charge.
- b. **For Prescription Drug Covered Services.** The Allowable Amount for a Provider which has a written agreement with the Claim Administrator to provide prescription drug services to a Covered Person at the time Covered Services for prescription drug benefits are rendered ("Network Provider Pharmacies and the Mail-Order Program") will be based on the provisions of the contract between the Claim Administrator and such pharmacy or such pharmacy for the Mail-Order Program in effect on the date of the Covered Service. The Allowable Amount for a Provider which does not have a written agreement with the Claim Administrator to provide prescription drug services to a Covered Person at the time Covered Services for prescription drug benefits are rendered ("Non-Network Provider Pharmacies") will be based on the Average Wholesale Price ("AWP").
- c. **For Dental Covered Services.** If dental benefits coverage is elected on the most current Exhibit 5 – ASO BPA, the Allowable Amount means:
 - i. **For Contracting Dentists.** For a Provider who has a written agreement with the Claim Administrator to provide care to a Covered Person at the time Covered Services for dental benefits are rendered ("Contracting Dentist"), the Allowable Amount is based on the terms of the Contracting Dentist's contract with the Claim Administrator and the Claim Administrator's methodology in effect on the date of the Covered Service. The methodology used may include relative value, global pricing, or a combination of methodologies.
 - ii. **For Non-Contracting Dentists.** For a Provider who does not have a written agreement with the Claim Administrator to provide care to a Covered Person at the time Covered Services for dental benefits are rendered ("Non-Contracting Dentist"), the Allowable Amount is based on the amount the Claim Administrator would pay for the same Covered Service if performed or provided by a Contracting Dentist.

Unless otherwise stipulated by a contract between a dental Provider and the Claim Administrator:

- iii. **For Covered Services performed in Texas.** The Allowable Amount is based upon the applicable methodology for dentists with similar experience and/or skills.
- iv. **For Covered Services performed outside Texas.** The Allowable Amount will be established by identifying dentists with similar experience or skills in order to establish the applicable amount for the Covered Service.
- v. **For multiple surgical procedures performed in the same operative area.** The Allowable Amount for Covered Services for all surgical procedures performed on the same Covered Person on the same day will be the amount

for the single procedure with the highest Allowable Amount plus an additional Allowable Amount for covered supplies or services.

- vi. ***When a less expensive professionally acceptable service, supply, or procedure is available.*** The Allowable Amount will be based upon the most economical supply, appliance, or level of dental Covered Service that is appropriate for the safe and effective treatment of the Covered Person. This is not a determination of whether a service is Dentally Necessary, but merely a contractual benefit allowance of a dental Covered Service.

The Allowable Amount for all dental Covered Services also includes the administration of any local anesthesia and necessary infection control as required by state and federal mandates.

- 2.3 “Alternative Compensation Arrangement Payments”** means additional payments made to Network Providers for Covered Services for which no formal Claim form may be submitted, including, but not limited to, capitation payments, performance based reimbursement payments, care coordination payments, and other alternative funding arrangements as set forth in Claim Administrator’s arrangement with the Network Provider.
- 2.4 “Certificate of Creditable Coverage”** means a document which is generated for Covered Persons terminating coverage under the Plan. The certificate is provided to Covered Persons as evidence for credit of health coverage held under the Plan during the term of this Agreement.
- 2.5 “Claim”** means notification in a form acceptable to the Claim Administrator that service has been rendered or furnished to a Covered Person. This notification must set forth in full the details of such service including, but not limited to, the Covered Person’s name, age, sex and identification number, the name and address of the Provider, a specific itemized statement of the service rendered or furnished, the date of service, applicable diagnosis, the Claim Charge, and any other information which the Claim Administrator may request in connection for such service.
- 2.6 “Claim Charge”** means the amount which appears on a Claim as the Provider’s regular charge for service rendered to a patient, without further adjustment or reduction.
- 2.7 “Claim Payment”** means the benefit calculated by the Claim Administrator, plus any related Surcharges, upon submission of a Claim, in accordance with the benefits specified in the Plan. All Claim Payments shall be calculated on the basis of the Provider’s Allowable Amount for Covered Services rendered to the Covered Person. Claim Payment also includes Employer’s pro rata share of Alternative Compensation Arrangement Payments.
- 2.8 “Covered Employee”** shall have the same meaning as defined in the Employer’s Plan.
- 2.9 “Covered Person”** shall have the same meaning as defined in the Employer’s Plan.
- 2.10 “Covered Service”** means a service or supply specified in the Plan for which benefits will be provided.
- 2.11 “ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.
- 2.12 “Fee Schedule”** means the specifications setting out certain particulars of this Agreement as set forth in Exhibit 5 – ASO BPA of this Agreement including, but not limited to, the Administrative Charge and other service charges; or any such other subsequent set of specifications supplied by the Claim Administrator as set forth in a subsequent ASO BPA as replacement to the initial Exhibit 5 – ASO BPA. The specifications or items of the Fee Schedule shall be applicable to the Fee Schedule Period therein, except that any item of the Fee Schedule may be changed in accordance with such Exhibit 2’s “COMPENSATION TO CLAIM ADMINISTRATOR” provisions.
- 2.13 “Fee Schedule Period”** means the period of time indicated in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA of this Agreement.
- 2.14 “Group Health Plan”** means, as applied to this Agreement, the self-insured employee benefit plan as defined by Section 160.103 of the Health Insurance Portability and Accountability Act of 1996.
- 2.15 “HIPAA”** means the Health Insurance Portability and Accountability Act of 1996.
- 2.16 “Home Health Agency”** means a business that provides Home Health Care and is licensed, approved, or certified by the appropriate agency of the state in which it is located or be certified by Medicare as a supplier of Home Health Care.
- 2.17 “Home Health Care”** means the health care services for which benefits are provided under the Plan when such services are provided during a visit by a Home Health Agency to patients confined at home due to a sickness or injury requiring skilled health services on an intermittent, part-time basis.
- 2.18 “Network”** means identified Providers, including physicians, other professional health care providers, hospitals, ancillary providers, and other health care facilities, that have entered into agreements with the Claim Administrator (and, in some instances, with other participating Blue Cross and/or Blue Shield Plans) for participation in a participating provider option health benefit coverage program, if applicable to the Plan under this Agreement.

- 2.19 “Provider”** means any hospital, health care facility, laboratory, person or entity duly licensed to render Covered Services to a Covered Person or any other provider of medical or dental services, products or supplies which are Covered Services.
- 2.20 “Supplemental Charge”** means a charge for costs due and payable to the Claim Administrator by the Employer that is separate and apart from the service charges detailed in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA of this Agreement. A Supplemental Charge may be applied for any customized reports, forms or other materials or for any additional services or supplies not documented in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA. Such services and/or supplies and any applicable Supplemental Charge(s) are to be agreed upon by the parties in writing prior to the Claim Administrator’s performance and/or provision of such.
- 2.21 “Surcharges”** means state or federal taxes, surcharges or other fees, including, but not limited to World Access Fees, paid by the Claim Administrator which are imposed upon or resulting from this Agreement.
- 2.22 “Timely”** means the following, unless an alternative standard is specified in this Agreement or is mutually agreed to by the parties in writing:
- a. With respect to all payments due the Claim Administrator by the Employer under this Agreement, within ten (10) calendar days of notification of the Employer by the Claim Administrator; or
 - b. With respect to all information due the Claim Administrator by the Employer concerning Covered Persons, within thirty-one (31) calendar days of a Covered Person’s effective date of coverage or change in coverage status under the Plan; or
 - c. With respect to all Plan information due the Claim Administrator by the Employer, upon the effective date of this Agreement and at least ninety (90) calendar days prior to the effective date of change or amendment to the Plan thereafter.
- 2.23 “World Access Fee”** means the Surcharge imposed upon the Claim Administrator under the BlueCard® Worldwide program for the administration of an international Claim.

SECTION 3: SERVICES TO BE PROVIDED BY THE CLAIM ADMINISTRATOR

- 3.1 Subcontractors.** During the continuance of this Agreement, the Claim Administrator will perform such services as set forth in Exhibit 1 of this Agreement, attached hereto and made a part hereof. The Claim Administrator, at its sole discretion, may contract with other entities for performance of any of the services to be performed by the Claim Administrator hereunder; provided, however, the Claim Administrator shall remain fully responsible and liable for performance of any such services to be performed by the Claim Administrator but delegated to other entities.
- 3.2 Subsidiaries.** Further, any of the services to be performed by the Claim Administrator under this Agreement may be performed by the Claim Administrator, or any of its subsidiaries (including any successor corporation, whether by merger, consolidation, or reorganization), without prior written approval by the Employer. Any reference in this Agreement to the Claim Administrator shall include its directors, officers and employees as well as the directors, officers and employees of any of its subsidiaries and the Claim Administrator shall be responsible and liable for all performance or failure to perform by such subsidiaries in connection with this Agreement.

SECTION 4: CERTAIN RESPONSIBILITIES OF THE EMPLOYER AND THE CLAIM ADMINISTRATOR

- 4.1 *Employer responsibility.*** The Employer retains full and final authority and responsibility for the Plan and its operation. The Claim Administrator is empowered to act on behalf of the Employer in connection with the Plan only as expressly stated in this Agreement or as mutually agreed to in writing by the parties hereto.
- 4.2 *Claim Administrator responsibility.*** The Claim Administrator shall have no responsibility for or liability with respect to the compliance or non-compliance of the Plan with any applicable federal, state and local rules, laws and regulations; and the Employer shall have the sole responsibility for and shall bear the entire cost of compliance with all federal, state and local rules, laws and regulations, including, but not limited to, any licensing, filing, reporting, modification requirements and disclosure requirements as may apply to the Plan, and all costs, expenses and fees relating thereto; provided, however, the Claim Administrator shall have the responsibility for and bear the cost of compliance with any federal, state or local laws as may apply to the Claim Administrator in connection with the performance of its obligations under this Agreement.
- 4.3 *Litigation.*** Each party shall, to the extent possible, advise the other party of any legal actions against it or the other party which involve the Plan or the obligations of either party under the Plan or this Agreement. The Employer shall undertake the defense of such action and be responsible for the costs of defense; provided, however, that the Claim Administrator shall have the option, at its sole discretion, to employ attorneys selected by it to defend any such action, the costs and expenses of which shall be the responsibility of the Claim Administrator. It is further agreed that each party (provided no conflicts of interest exist) shall fully cooperate with the other party in the defense of any action arising out of matters related to the Plan or this Agreement.
- 4.4 *Claim overpayments.*** The Employer acknowledges that unintentional administrative errors may occur. When the Claim Administrator becomes aware of a Claim overpayment, the Claim Administrator will make a diligent attempt to recover any such payment. The Claim Administrator, however, will not be required to enter into litigation to obtain a recovery, unless specifically provided for elsewhere in this Agreement, nor will the Claim Administrator be required to reimburse the Plan, except for gross negligence or intentional acts by the Claim Administrator.
- 4.5 *Required Plan information.*** The Employer shall furnish on a Timely basis to the Claim Administrator certain information concerning the Plan and Covered Persons as may from time to time be required by the Claim Administrator for the performance of its duties including, but not limited to, the following:
- a. All documents by which the Plan is established and any amendments or changes to the Plan.
 - b. All data as may be required by the Claim Administrator regarding Covered Persons who are to be covered under this Agreement.
- It is the Employer's obligation to Timely notify the Claim Administrator of any change in a Covered Person's status under this Agreement. All such notifications by the Employer to the Claim Administrator (including, but not limited to, forms and tapes) must be furnished in a format mutually agreed to by the parties and must include all information reasonably required by the Claim Administrator to effect such changes.
- 4.6 *Plan eligibility errors.*** Clerical errors in keeping or reporting data relative to coverage under this Agreement will not invalidate coverage that would otherwise be validly in force or continue coverage which would otherwise validly terminate. Such errors will be corrected by the Claim Administrator subject to the terms and conditions of this Agreement and the Claim Administrator's reasonable administrative practices in the administration of the Plan including, but not limited to, those related to Timely notification of a change in a Covered Person's status. The Employer is liable for any benefits paid for a terminated Covered Person until the Employer has notified the Claim Administrator of such Covered Person's termination.
- 4.7 *Claim information disclosure.*** The Claim Administrator will disclose Claim information in accordance with HIPAA privacy regulations and the Business Associate Agreement entered into by the parties.

4.8 *Electronic exchange of information.* In the event the Employer and the Claim Administrator exchange various data and information electronically, the Employer agrees to transfer on a Timely basis all required data to the Claim Administrator via electronic transmission on the intranet and/or internet or otherwise, in a format mutually agreed to by the parties. Further, the Employer is responsible for maintaining any enrollment applications and change forms completed by Covered Persons and to allow the Claim Administrator reasonable access to this information as needed for administrative purposes.

The Employer authorizes the Claim Administrator to submit reports, data and other information to the Employer in the electronic format mutually agreed to by the parties. In the event the Employer is unable or unwilling to transfer data in the electronic format mutually agreed to by the parties, the Claim Administrator is under no obligation to receive or transmit data in any other format unless required by law to do so. In the event garbled or intercepted transmissions occur, the parties agree to redirect the information via another mutually agreeable means.

SECTION 5: THIRD PARTY DATA RELEASE

5.1 *Types of data and use.* In the event the Employer directs the Claim Administrator to provide data directly to its third party consultant and/or vendor and the Claim Administrator accepts, the Employer acknowledges and agrees, and will cause its third party consultant and/or vendor to acknowledge and agree:

- a. The personal and confidential nature of the requested documents, records and other information (for purposes of this Section 5, "Confidential Information").
- b. Release of the Confidential Information may also reveal the Claim Administrator's confidential, business proprietary and trade secret information (for purposes of this Section 5, "Proprietary Information").
- c. To maintain the confidentiality of the Confidential Information and any Proprietary Information (for purposes of this Section 5, collectively, "Information").
- d. Not to use the name, logo, trademark or any description of each other or any subsidiary of each other in any advertising, promotion, solicitation or otherwise without the express prior written consent of the consenting party with respect to each proposed use.

5.2 *Third party obligations.* The third party consultant and/or vendor shall:

- a. Use the Information only for the purpose of complying with the terms and conditions of its contract with the Employer.
- b. Maintain the Information at a specific location under its control and take reasonable steps to safeguard the Information and to prevent unauthorized disclosure of the Information to third parties, including those of its employees not directly involved in the performance of duties under its contract with the Employer.
- c. Advise its employees who receive the Information of the existence and terms of these provisions and of the obligations of confidentiality herein.
- d. Use, and require its employees to use, at least the same degree of care to protect the Information as is used with its own proprietary and confidential information.
- e. Not duplicate the Information furnished in written, pictorial, magnetic and/or other tangible form except for purposes of this Agreement or as required by law.
- f. Execute the Claim Administrator's then-current confidentiality agreement.

5.3 Employer obligations. The Employer shall:

- a. Designate the third party consultant and/or vendor on the appropriate HIPAA documentation.
- b. Provide the Claim Administrator with the appropriate authorization and specific written directions with respect to data release or exchange with the third party consultant and/or vendor.
- c. To the extent permitted by applicable law, including, but not limited to, the laws and Constitution of the State of Texas defend (at the Claim Administrator's request) and hold harmless the Claim Administrator and its employees, officers, directors and agents against any and all losses, liabilities, damages, penalties and expenses, including attorneys' fees and costs, or other cost or obligation resulting from or arising out of claims, lawsuits, demands, settlements or judgments brought against the Claim Administrator in connection with any claim based upon the Claim Administrator's disclosure to the third party consultant and/or vendor of any information and/or documentation regarding any Covered Person at the direction of the Employer or breach by the third party consultant and/or vendor of any obligation described in this Agreement.

SECTION 6: REFERRAL OF CERTAIN CLAIMS/INQUIRIES

As provided in this Agreement, the Claim Administrator will receive eligibility information, review and process Claims, and respond to customer inquiries; however, the Claim Administrator does not have final authority to determine Covered Persons' eligibility or to establish or construe the terms and conditions of the Plan. Therefore, in certain instances, the Claim Administrator may refer certain Claims to the Employer for review and final decision. Such referral shall be at the sole discretion of the Claim Administrator.

SECTION 7: CLAIM DISPUTE RESOLUTION

- 7.1 **Claim Appeals.** After exhaustion of all remedies offered by the Claim Administrator, a Covered Person may appeal all adverse determinations with the Employer. The Claim Administrator will cooperate in providing Claim information pursuant to Section 4 above.
- 7.2 **Claim reviews.** On occasion the Claim Administrator may deny all or part of submitted Claims. The Claim Administrator will provide a full and fair review of any determination of a Claim, any determination of a request for pre-authorization, and any other determination made in accordance with the benefits and procedures detailed in the Plan.

SECTION 8: FINAL DETERMINATION OF CLAIMS/INQUIRIES

- 8.1 **Employer authority and responsibility.** The Employer retains the final authority and responsibility to establish and construe the terms and conditions of the Plan and to determine Covered Persons' eligibility.
- 8.2 **Referrals to Employer.** Certain claims and/or inquiries will be referred to the Employer for final review and determination in the following instances:
 - a. When Claims for services do not appear to qualify for payment under the Plan, claims or inquiries where there is a question of eligibility, claims where there is a question as to the amount of payment due, and claims involving litigation or the threat of litigation; and
 - b. When a Covered Person chooses to appeal adverse determinations with the Employer after exhaustion of all remedies offered by the Claim Administrator.

SECTION 9: COOPERATION OF THE PARTIES

The parties shall use their best efforts to cooperate with and assist each other, as applicable, in the performance of their duties under this Agreement.

SECTION 10: HIPAA/CERTIFICATE OF CREDITABLE COVERAGE

- 10.1 HIPAA requirement.** The Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) requires the preparation and distribution of a Certificate of Creditable Coverage to individuals who terminate coverage under the Employer’s Group Health Plan.
- 10.2 Responsible party.** In accordance with the Employer’s election indicated on the most current Exhibit 5 – ASO BPA of this Agreement:
- a. **If the Employer elects the Claim Administrator to issue certificates,** the Claim Administrator shall issue a Certificate of Creditable Coverage consistent with the requirements under HIPAA. The Certificate of Creditable Coverage shall be based upon coverage under the Plan during the term of this Agreement and information provided to the Claim Administrator by the Employer.
 - b. **If the Employer does not elect the Claim Administrator to issue certificates,** the Employer acknowledges that the Claim Administrator is not the Group Health Plan issuer offering group coverage under the Group Health Plan nor the plan administrator and, therefore, the Claim Administrator has no obligation to prepare or distribute a Certificate of Creditable Coverage. The Employer further acknowledges that the obligation to provide such Certificate of Creditable Coverage is the obligation of the Employer.

SECTION 11: INDEMNIFICATION

- 11.1 Claim Administrator indemnifies Employer.** The Claim Administrator hereby agrees to indemnify and hold harmless the Employer and its directors, officers and employees against any and all loss, liability, damages, penalties and expenses, including attorneys’ fees, or other cost or obligation resulting from or arising out of claims, lawsuits, demands, settlements or judgments with respect to the Plan or this Agreement resulting from or arising out of any acts or omissions of the Claim Administrator or its directors, officers or employees which have been adjudged to be (i) grossly negligent, dishonest, fraudulent or criminal or (ii) in material breach of the terms of this Agreement; provided, however, notwithstanding anything herein to the contrary pursuant to Section 12.2 below, the Claim Administrator shall be responsible for the correction of Claim Payment errors by the Claim Administrator.
- 11.2 Employer indemnifies Claim Administrator.** The Claim Administrator does not insure or underwrite the liability of the Employer under the Plan and has no responsibility for designing the terms of the Plan or the benefits to be provided thereunder. The Employer retains the ultimate responsibility for claims under the Plan and all expenses incident to the Plan, except as specifically undertaken in this Agreement by the Claim Administrator. To the extent permitted by applicable law, including, but not limited to, the laws and Constitution of the State of Texas the Employer agrees to indemnify and hold harmless the Claim Administrator and its directors, officers and employees against any and all loss, liability, damages, penalties and expenses, including attorneys’ fees, or other cost or obligation resulting from or arising out of claims, lawsuits, demands, settlements or judgments brought against the Claim Administrator in connection with the design or administration of the Plan, unless the liability therefor was the direct consequence of the acts or omissions of the Claim Administrator or its directors, officers or employees and is adjudged to be (i) grossly negligent, dishonest, fraudulent or criminal or (ii) in material breach of the terms of this Agreement; provided, however, notwithstanding anything herein to the contrary pursuant to Section 12.2 below, the Claim Administrator shall be responsible for the correction of Claim Payment errors by the Claim Administrator.

Examples of such actions brought against the Claim Administrator in connection with the design and administration of the Plan include, but are not limited to, the following:

- a. Any claim in connection with a claim for benefits under the Plan.
- b. Any claim based upon the disclosure of any information regarding a Covered Person by the Claim Administrator to the Employer.
- c. Any claim in connection with un–Timely and/or inaccurate eligibility data or Claim information data provided by the Employer to the Claim Administrator, or any such data provided by the Employer in a format not approved by the Claim Administrator.
- d. Any claim arising from the Employer’s use or posting of electronic files on the intranet and/or internet pursuant to Section 17 below.

- e. Any claim that may arise from or in connection with the Claim Administrator's suspension of Claim Payments due to the Employer's failure to pay when due any amounts owed the Claim Administrator under this Agreement and/or the termination of this Agreement in accordance with Section 13.2 below.
- f. Any claim arising from the Employer's directive to the Claim Administrator to print Employer-assigned unique identification numbers on membership identification cards or to otherwise use such assigned numbers in violation of any applicable federal, state and local rules, laws and regulations.
- g. Any claim arising from the Employer's directive to the Claim Administrator to include mutually agreed upon Employer Summary Plan Description information in Claim Administrator prepared benefit booklets for distribution to Covered Persons.
- h. Any claim arising from Plan documentation and compliance with reporting and disclosure requirements applicable to the Plan Document and Summary Plan Description.
- i. Any claim based upon Medicare Secondary Payer ("MSP) laws or regulations including, but not limited to, the untimely and/or inaccurate provision by the Employer to the Claim Administrator of Employer Acknowledgement Forms ("EAFs") as and when requested by the Claim Administrator.
- j. Any claim that may arise from or in connection with the Claim Administrator's issuance of Certificate(s) of Creditable Coverage if elected on the most current Exhibit 5 – ASO BPA, based upon un-Timely and/or inaccurate data provided by the Employer to the Claim Administrator with respect to individuals whose coverage under this Agreement terminates.
- k. Any claim that may rise from or in connection with the Claim Administrator's issuance of written statements of creditable coverage and/or the filing of electronic reports to the Massachusetts Department of Revenue, if elected on the most current Exhibit 5 - ASO BPA, based upon untimely and/or inaccurate data or certification provided by the Employer to the Claim Administrator with respect to Covered Persons under the Agreement subject to the Massachusetts Health Care Reform Act.

SECTION 12: AUDIT AND CORRECTION OF AUDIT ERRORS

- 12.1 *Employer audits Claim Administrator.*** During the term of this Agreement and within one hundred eighty (180) days after its termination, the Employer or an authorized agent of the Employer (subject to Claim Administrator's reasonable approval) may, upon at least ninety (90) days prior written notice to the Claim Administrator, conduct reasonable audits of records related to Claim Payments to verify that Claim Administrator's administration of the covered health care benefits is performed according to the terms of this Agreement and the benefits specified in the Plan(s). The audit must be free of bias, influence or conflict of interest. Contingency fee based audits are deemed to have an inherent conflict of interest and will not be supported by Claim Administrator. Audit samples will be limited to no more than three hundred (300) randomly selected Claims. The Employer will be responsible for all costs associated with the audit. Employer will reimburse Claim Administrator for any reasonable personnel time in excess of eighty (80) person-hours required to support audits conducted during the term of this Agreement. Employer will reimburse Claim Administrator for all reasonable expenditures necessary to support audits conducted after termination of this Agreement. All such audits shall be subject to the Claim Administrator's current external audit policy and procedures, a copy of which shall be furnished to the Employer upon request to the Claim Administrator. The audit period will be limited to the current Agreement year and the immediately preceding Agreement year. No more than one (1) audit shall be conducted during a twenty-four (24) consecutive-month period, except as required by state or federal government agency or regulation. The Employer and such agent that have access to the information and files maintained by the Claim Administrator will agree not to disclose any proprietary information, and to hold harmless and indemnify the Claim Administrator in writing of any liability from disclosure of such information by executing an Audit Agreement with the Claim Administrator that sets forth the terms and conditions of the audit.
- 12.2 *Errors identified.*** The Claim Administrator shall be responsible only for the correction of errors identified in specific Claim Payments subject to the terms and conditions of the Agreement and shall not be responsible for errors calculated to exist in a population of Claim Payments on the basis of a sample drawn from that population. Further, the Claim Administrator has the right to implement reasonable administrative practices in the administration of this Agreement.
- 12.3 *Claim Administrator audits Employer.*** During the term of this Agreement and within one hundred eighty (180) days after its termination, the Claim Administrator may, upon at least thirty (30) days prior written notice to the Employer, conduct reasonable audits of Employer's membership records with respect to eligibility.

SECTION 13: TERM AND TERMINATION OF AGREEMENT

- 13.1 Term.** This Agreement will continue in full force and effect from the effective date and continue from year to year unless terminated as provided herein.
- 13.2 Termination.** This Agreement may be terminated as follows:
- a. By either party at the end of any month after the end of the Fee Schedule Period indicated in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA upon ninety (90) days prior written notice to the other party; or
 - b. By both parties on any date mutually agreed to in writing; or
 - c. By either party, in the event of fraud, misrepresentation of a material fact or not complying with the terms of this Agreement, upon written notice as provided under Section 22 below.
 - d. By the Claim Administrator, upon the Employer's failure to pay all amounts due under this Agreement including, but not limited to, all amounts pursuant to and in accordance with the specifications of the Fee Schedule of the most current Exhibit 5 – ASO BPA.
- 13.3 Notice of termination to Covered Employees.** If this Agreement is terminated pursuant to this Section 13, the Employer agrees to notify all Covered Employees. The parties agree that the Employer will give such notice because the Employer maintains direct and ongoing communication with, and maintains current addresses for, all such Covered Employees.

SECTION 14: RELATIONSHIP OF PARTIES

- 14.1 Regarding the parties.** The Claim Administrator is an independent contractor with respect to the Employer. Neither party shall be construed, represented or held to be an agent, partner, associate, joint venturer nor employee of the other. Further, nothing in this Agreement shall create or be construed to create the relationship of employer and employee between the Claim Administrator and the Employer; nor shall the Employer's agents, officers or employees be considered or construed to be considered employees of the Claim Administrator for any purpose whatsoever.
- 14.2 Regarding non-parties.** It is understood and agreed that nothing contained in this Agreement shall confer or be construed to confer any benefit on persons who are not parties to this Agreement including, but not limited to, employees of the Employer and their dependents.
- 14.3 Exclusivity.** The Employer agrees not to engage any other party to perform the same services that the Claim Administrator performs hereunder while this Agreement is in effect, unless the Employer gives notice of termination pursuant to the terms of this Agreement.
- 14.4 Assignment.** Notwithstanding anything to the contrary in Section 3 of this Agreement, no part of this Agreement, or any rights, duties or obligations described herein, shall be assigned or delegated without the prior express written consent of both parties. Any such attempted assignment shall be null and void. The Claim Administrator's standing contractual arrangements for the acquisition and use of facilities, services, supplies, equipment and personnel shall not constitute an assignment under this Agreement.

SECTION 15: NON ERISA GOVERNMENT REGULATIONS

- 15.1 *In relation to the Plan.*** Although the Employer is exempt from ERISA, the Employer hereby acknowledges (i) its employee benefit plan is established and maintained through a separate plan document which may include the terms hereof or incorporate the terms hereof by reference, and (ii) its employee benefit plan document may provide for the allocation and delegation of responsibilities thereunder. However, notwithstanding anything contained in the Plan or any other employee benefit plan document of the Employer, the Employer agrees that no allocation or delegation of any fiduciary or non-fiduciary responsibilities under the Plan or any other plan document of the Employer is effective with respect to or accepted by the Claim Administrator.
- 15.2 *In relation to the Plan Administrator/Named Fiduciary(ies).*** The Claim Administrator is not the plan administrator of the Employer's separate employee benefit plan and is not a fiduciary of the Employer, the plan administrator or of the Plan.
- 15.3 *In Relation to the Claim Administrator's Responsibilities.*** The Claim Administrator's responsibilities hereunder are intended to be limited to those of a contract claims administrator rendering advice to and administering claims on behalf of the plan administrator of the Employer's plan. As such, the Claim Administrator is intended to be a service provider but not a fiduciary with respect to the Employer's employee benefit plan. The Employer acknowledges and agrees that the Claim Administrator may render advice with respect to claims and administer claims on behalf of the plan administrator of the Employer's benefit plan. The Claim Administrator has no other authority or responsibility with respect to Employer's employee benefit plan.

SECTION 16: PROPRIETARY MATERIALS

- 16.1 *Types of materials as used by the parties.*** The parties acknowledge that each party has developed operating manuals, certain symbols, trademarks, service marks, designs, data, processes, plans, procedures and information, all of which are proprietary information ("Business Proprietary Information"). Neither party shall use or disclose to any third party Business Proprietary Information without prior written consent of the other party. Neither party shall use the name, symbols, copyrights, trademarks or service marks ("Proprietary Marks") of the other party or the other party's respective clients in advertising or promotional materials without prior written consent of the other party; provided, however, that the Claim Administrator may include the Employer in its list of clients.
- 16.2 *Claim Administrator/Association ownership.*** The Employer acknowledges that the Claim Administrator's Proprietary Marks and Business Proprietary Information are the sole property of the Blue Cross and Blue Shield Association or of the Claim Administrator and agrees not to contest the Blue Cross and Blue Shield Association's or the Claim Administrator's ownership or the license granted to the Claim Administrator for use of such Proprietary Marks.
- 16.3 *Infringement.*** The Claim Administrator agrees not to infringe upon, dilute or harm the Employer's rights in its Proprietary Marks. The Employer agrees not to infringe upon, dilute or harm the Blue Cross and Blue Shield Association's ownership rights or the Claim Administrator's rights as a licensee in its Proprietary Marks.

SECTION 17: ELECTRONIC DOCUMENTS

- 17.1 *Employer's consent/intended use.*** The Employer consents to receive via an electronic file or access to an electronic file any document the Employer requests from the Claim Administrator describing the benefits under, or the administration of, the Plan.
- 17.2 *Employer acknowledgement/responsibilities.*** The Employer further acknowledges and agrees that it is solely responsible for providing employees access, via the intranet, internet, or otherwise, to the most current version of any electronic file provided to the Employer by the Claim Administrator at the Employer's request. In addition, in all instances, the electronic file of the most current document issued to the Employer by the Claim Administrator for use by the Employer is the legal document used to administer the Employer's Plan and will prevail in the event of any conflict between such electronic file and any other electronic or paper file. The Employer is solely responsible for any and all claims for loss, liability or damages, arising either directly or indirectly from the use or posting of the electronic file on the intranet and/or internet.

SECTION 18: RECORDS

All Claim records, excluding any and all of the Claim Administrator's Business Proprietary Information, in the possession of the Claim Administrator are and shall remain the property of the Employer upon termination of this Agreement. The Claim Administrator shall return such property upon request in a form as agreed upon by the parties at the cost of preparing such property for transmittal to be borne by the Employer. All such Claim records shall be retained by the Claim Administrator until the Claim Administrator receives a request from the Employer for transmittal or for a period of ten (10) years from the date of a Claim's adjudication, whichever occurs first.

SECTION 19: APPLICABLE LAW

This Agreement shall be governed by, and shall be construed in accordance with, the laws of the state of Texas without regard to any state choice-of-law statutes, and any applicable federal law. All disputes arising out of this Agreement will be resolved in Texas.

SECTION 20: ENTIRE AGREEMENT

20.1 Definition. This Agreement, including all Exhibits and Addenda, represents the entire agreement and understandings of the parties hereto and all prior agreements, understandings, representations and warranties, whether written or oral, in regard to the subject matter hereof, including any proposal document submitted by the Claim Administrator to the Employer pursuant to this Agreement, are and have been merged herein to the extent applicable. In the event of a conflict, the provisions of this Agreement and the Exhibits and Addenda of this Agreement shall prevail.

20.2 Components. The Exhibits and Addenda of this Agreement as of the Agreement's effective date are:

- a. Exhibit 1 - Claim Administrator Services
- b. Exhibit 2 - Fee Schedule, Financial Responsibilities & Required Disclosures
- c. Exhibit 3 - Recovery Litigation Authorization
- d. Exhibit 4 - COBRA Health Benefit Continuation Coverage
- e. Exhibit 5 - ASO Benefit Program Application (ASO BPA)

20.3 Amending. This Agreement may be amended or altered in any of its provisions, including the addition or deletion of any Exhibits and/or Addenda as provided herein, by the parties hereto and any such change shall become effective when reduced to writing and signed by an authorized representative of the parties or at such time as said amendment may provide.

SECTION 21: LIMITATIONS

No civil action shall be brought to recover under this Agreement after the expiration of three (3) years from the date the cause of action accrued.

SECTION 22: NOTICE AND SATISFACTION

Unless specifically stated otherwise in this Agreement, the Employer and the Claim Administrator agree to give one another written notice (pursuant to Section 26 Notices below) of any complaint or concern the other party may have about the performance of obligations under this Agreement and to allow the notified party thirty (30) days in which to make necessary adjustments or corrections to satisfy the complaint or concern prior to taking any further action with regard to such.

SECTION 23: LIMITATION OF LIABILITY

Liability for any errors or omissions by the Claim Administrator (or its officers, directors, employees, agents or independent contractors) in the administration of this Agreement, or in the performance of any duty or responsibility contemplated by this Agreement, shall be limited to the maximum benefits which should have been paid under this Agreement had the errors or omissions not occurred (including the Claim Administrator's share of any arbitration expenses incurred), unless any such errors or omissions are adjudged to be the result of intentional misconduct, gross negligence or intentional breach of a duty under this Agreement by the Claim Administrator.

SECTION 24: DISPUTE RESOLUTION

24.1 Initial Negotiation. Any dispute arising out of or relating to this Agreement shall be resolved in accordance with the procedures specified in this Section 24, which shall be the sole and exclusive procedures for the resolution of any such disputes. All negotiations pursuant to this Section 24 are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

In the event the parties fail to agree with respect to any matter covered herein, the question in dispute shall be resolved as contained in this Section 24.

24.2 Deferring to mediation/selection mediators. Each party will name at least two and no more than three potential mediators (complete with resume) who are located in Texas. If the parties cannot mutually agree on a single mediator, each party may strike all but one of the other party's proposed mediators, leaving a total of two names. The parties shall then select a name by coin toss. It is the intent of the parties that mediation be scheduled as soon as practical once the mediator is determined. The cost of the mediator shall be divided evenly by the parties whether or not the mediation results in resolution of the matters in controversy.

24.3 Deferring to arbitration/selecting an arbitrator. In the event mediation does not result in resolution of the disputed matter(s) and a deadlock continues to exist, the matter(s) in dispute may, if both parties agree in writing, be submitted for arbitration in Texas. If the parties do not agree to binding arbitration, either party may pursue any remedy in a court of competent jurisdiction in Harris County, Texas. If binding arbitration is agreed upon by both parties, the parties fail to agree with respect to any matter covered herein, the question in dispute shall be submitted for arbitration in Texas. The arbitrator shall be selected as follows:

SECTION 25: OBLIGATION TO CONTINUE PERFORMANCE

Except as provided otherwise in this Agreement, each party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement.

SECTION 26: NOTICES

26.1 How to notify. All notices given under this Agreement must be in writing and shall be deemed to have been given for all purposes when personally delivered and received or when deposited in the United States mail, first-class postage prepaid, and addressed to the parties' respective contact names at their respective addresses or when transmitted by facsimile via their respective facsimile numbers as indicated on the most current Exhibit 5- ASO BPA of this Agreement.

26.2 Change of address. Each party may change such notice mailing and/or transmission information upon Timely prior written notification to the other party.

SECTION 27: SEVERABILITY

Should any provision(s) contained in this Agreement be held to be invalid, illegal, or otherwise unenforceable, the remaining provisions of the Agreement shall be construed in their entirety as if separate and apart from the invalid, illegal or unenforceable provision(s) unless such construction were to materially change the terms and conditions of this Agreement.

SECTION 28: ENFORCEMENT

Any delay or inconsistency in the enforcement of any part of this Agreement shall not constitute a waiver of any rights with respect to the enforcement of this Agreement at any future date nor shall it limit any remedies which may be sought in any action to enforce any provision of this Agreement.

SECTION 29: FORCE MAJEURE

Neither party shall be liable for any failure to Timely perform its obligations under this Agreement if prevented from doing so by a cause or causes beyond its commercially reasonable control including, but not limited to, acts of God or nature, fires, floods, storms, earthquakes, riots, strikes, wars or restraints of government.

SECTION 30: INDUSTRY IMPROVEMENT, RESEARCH AND SAFETY

Notwithstanding any other provision of this Agreement, Claim Administrator may use and or disclose a limited data set or de-identified data for purposes of providing the services under this Agreement and for other purposes required or permitted by applicable law (the "Permitted Purposes" as defined herein). For purposes of this paragraph, "Permitted Purposes" means the studies, analyses or other activities that are designed to promote quality health care outcomes, manage health care and administrative costs, and enhance business and plan performance, including but not limited to, utilization studies, cost analyses, benchmarking, modeling, outcomes studies, medical protocol development, normative studies, quality assurance, credentialing, network management, network development, fraud and abuse monitoring or investigation, administrative or process improvement, cost comparison studies, or reports for actuarial analyses. For purposes of this paragraph, a "limited data set" has the meaning set forth in HIPAA and "de-identified" means both member de-identification (as defined by HIPAA) and Employer de-identification (unless the work is being done in connection with the Employer's Plan). Solely for the Permitted Purposes, the Claim Administrator may release, or authorize the release of, a limited data set or de-identified data to a third party data aggregation service or data warehouse and its customers. Such data warehouse and data aggregation service providers may charge their customers a fee for such services. Nothing in the paragraph is intended to expand or limit the terms and conditions of the Business Associate Agreement with respect to the permitted use or disclosure of PHI. The foregoing notwithstanding, the Blue Cross and Blue Shield Association and its support vendors are permitted to have internal access to the Claim Administrator-assigned Employer Group and Identification numbers.

SECTION 31: CLAIM ADMINISTRATOR USE OF THIRD PARTY RECOVERY VENDOR

Recoveries from healthcare providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, healthcare provider/hospital audits, credit balance audits, data mining, utilization review refunds, and unsolicited refunds. The Claim Administrator may engage a third party to assist in identification or collection of recovery amounts related to Claim Payments made under the Agreement. In such event, the recovered amounts will be applied according to the Claim Administrator's refund recovery policies, which generally require correction on a Claim-by Claim basis. Third parties' audit fees associated with such audits and the Claim Administrator's fee for its related administrative expenses to support such third party audits will be paid by the Employer.

SECTION 32: NOTICE OF ANNUAL MEETING

The Employer is hereby notified that it is a Member of Health Care Service Corporation (HCSC), a Mutual Legal Reserve Company, and is entitled to vote either in person, by its designated representative, or by proxy at all meetings of Members of said Company. The annual meeting is held at its principal office at 300 East Randolph Street, Chicago, Illinois each year on the last Tuesday in October at 12:30 P.M.

For purposes of this Agreement, the term "Member" means the group, trust, association or other entity with which this Agreement has been entered. It does not include Covered Employees or Covered Persons under the Plan.

EXHIBIT 1
CLAIM ADMINISTRATOR SERVICES

- **CLAIMS ADJUDICATION**
Examination of Claims and determination of payment levels, including data entry of Claims by Claims departments, maintenance of Claims experience files, use of medical consultants, review of utilization and allowable amounts; or if dental benefits coverage is elected on the most current Exhibit 5 – ASO BPA, use of dental consultants and review of allowable amounts and Coordination of Benefits (COB).
- **EXPLANATION OF BENEFITS (EOB)**
Preparation of EOBs.
- **CLAIMS/MEMBERSHIP INQUIRIES**
Handling of inquiries — written, phone or in-person – related to membership, benefits, and Claim Payment or Claim denial.
- **ALTERNATIVE PROVIDER COMPENSATION ARRANGEMENTS**
Employer agrees to participate in other performance based reimbursement and alternative provider compensation arrangements as applicable based on Covered Person criteria established by Claim Administrator. Employer agrees that certain benefits will be covered at 100% when a Covered Person meets these criteria and participates in a medical home program, and will make any necessary benefit plan changes.
- **ENROLLMENT SERVICE**
Upon Employer request, assist Employer, in accordance with Claim Administrator’s standard procedures, in initial enrollment activities, including education of Covered Persons about benefits, the enrollment process, selection of health care providers and how to file a Claim for benefits; issue Claim submission instructions on behalf of Employer to health care providers who render services to Covered Persons.
- **CLIENT SERVICES AND MATERIALS**
Provision of those items as elected by Employer from listing below:
 - a. **Enrollment Materials.** Implementation materials to be provided by Claim Administrator’s Marketing Administration Division during the enrollment process; any custom designed materials may be subject to Supplemental Charge.
 - b. **Standard Identification Cards.** Provision of identification cards appropriate to health benefit Plan coverage(s) selected.
 - c. **Standard Provider Directories.** Access to Network Provider directories and periodic updates to such, if applicable to the health benefit Plan coverage(s) under the Agreement.
 - d. **Customer Service.** Access to toll-free customer service telephone number.
 - e. **Medical Pre-authorization Helpline.** For those services determined by Employer and provided in writing to Claim Administrator that require pre-authorization, advance Claim Administrator review of medical necessity of such services covered under the Plan; access to toll-free medical pre-authorization helpline for Covered Persons and their health care providers to call for assistance.
- **MEMBERSHIP VALIDATION**
Verification of membership by wire, listing, electronic on-line query or other method prior to or during adjudication.
- **MEMBERSHIP FILE UPDATES**
Maintenance of membership status files, processing of inter-plan transfers, and processing of contract changes; and, if elected in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA, processing of contract conversions, subject to conversion fee as set forth therein..
- **OTHER MEMBERSHIP SERVICES**
Contact Employer and/or Covered Employees regarding adding, changing or renewing coverage.

- **STANDARD REPORTS**

Make available Claim data, Claim Settlement statements (as outlined in Exhibit 2, Section 6) and periodic reports in Claim Administrator's standard format(s) in accordance with Claim Administrator's standard reporting policy at no additional charge. Any additional reports required by Employer must be mutually agreed upon by the parties in writing prior to their development and may be subject to a Supplemental Charge..

- **STOP LOSS COORDINATION**

Coordinate all necessary reporting, tracking, notification and other similar financial and/or administrative services pursuant to settlements under stop loss policy(ies) purchased from Claim Administrator in conjunction with the Agreement. For stop loss coverage purchased from entity(ies) other than Claim Administrator, such coordination is limited to this Exhibit's STANDARD REPORTS to be made available to Employer subject to the Agreement's disclosure requirements.

- **REPORTING SERVICES**

Preparation and filing of annual Internal Revenue Service (IRS) 1099 forms for the reporting of payments to health care providers who render services to Covered Persons and who are reimbursed by the Plan for those services.

- **ACTUARIAL AND STATISTICAL**

Determination of claims projections and pricing of administrative services and stop-loss coverage.

- **FINANCIAL SERVICES**

Financial functions such as cash receipts, cash disbursements, payroll and general ledger processing, general accounting, preparation of financial statements, billing, group settlement and wire transfers.

- **FRAUD DETECTION AND PREVENTION**

Identify and investigate suspected fraudulent activity by Providers and/or Covered Persons and inform Employer of findings and proof of fraud; address any related recovery litigation as set forth in Exhibit 3 of the Agreement.

- **BLUE ACCESS[®] FOR EMPLOYERS**

Provides Employer on-line access to conduct a variety of secure membership, enrollment, reporting, administrative and billing transactions faster, more accurately and in real-time.

- **BLUE ACCESS[®] FOR MEMBERS**

An on-line resource for personalized information about a Covered Person's health care coverage, including, but not limited to, Claims status, email notification when a Claim has been finalized, access to health and wellness information, verification of dependents covered on their plan and health risk assessment and such other services as become available.

- **PROVIDER NETWORK(S)**

If applicable to the health benefit Plan coverage(s) under the Agreement, establish, arrange and maintain a Network(s) through contractual arrangements with Providers within the designated service area(s).

- **CERTIFICATE OF CREDITABLE COVERAGE (If elected on the most current Exhibit 5 – ASO BPA)**

At the direction of Employer, issuance of Certificates of Creditable Coverage.

- **BLUE CARE CONNECTION[®] PROGRAM (If elected on the most current Exhibit 5 – ASO BPA)**

A program that may include utilization management, case management, condition management, lifestyle management, predictive modeling, 24/7 nurseline and access to a personal health manager or such other features as determined by the Employer.

- **DISEASE/CARE MANAGEMENT PROGRAM(S)**

Any disease and/or care management program(s) as elected and described on the most current Exhibit 5 – ASO BPA.

- **MASSACHUSETTS STATEMENTS OF CREDITABLE COVERAGE AND ELECTRONIC REPORTING
(If elected on the most current Exhibit 5 - ASO BPA)**

At the written direction of Employer, issuance of written statements of creditable coverage and related electronic reporting to the Massachusetts Department of Revenue with respect to Covered Persons under the Agreement subject to the Massachusetts Health Care Reform Act.

- **MSP INFORMATION REPORTING**

Pursuant to Exhibit 2, Section 15 entitled "MEDICARE SECONDARY PAYER ("MSP") INFORMATION REPORTING," reporting preparation and filing as required of Claim Administrator as Responsible Reporting Entity ("RRE") for the Plan as that term is defined in Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007.

- **UNCASHED CHECKS**

Regarding outstanding checks that are or become "stale" (over 365 days old), issue notification letters to payees and upon completion of notification process, reissue such checks to payees based upon payee response, if any. When check reissuance is not possible and unless stated otherwise in the Agreement, escheat such checks to state of payee's last known residence on behalf of Employer or escheat amounts pursuant to such checks to Employer, as elected by the Employer, less any amount(s) owed by payee to Claim Administrator, in accordance with Claim Administrator's established procedures and/or the applicable state's unclaimed property law.

- **ADDITIONAL SERVICES NOT SPECIFIED**

Claim Administrator may provide additional services not specified in the Agreement; such services will be mutually agreed upon between the parties in writing prior to their performance and may be subject to Supplemental Charge.

EXHIBIT 2
FEE SCHEDULE, FINANCIAL RESPONSIBILITIES & REQUIRED DISCLOSURES

SECTION 1: FEE SCHEDULE

Service charges and other service specifications applicable to the Agreement are set forth in the Fee Schedule section of the most current Exhibit 5 – ASO BPA of the agreement. They are to apply for the period(s) of time indicated therein and shall continue in full force and effect until the earlier of: i) the end of the Fee Schedule Period noted on such ASO BPA; ii) the date a Fee Schedule is amended or replaced in its entirety by the execution of a subsequent ASO BPA; and iii) the date the Agreement is terminated.

FEE SCHEDULE FOR INTER-PLAN ARRANGEMENTS

BlueCard® Program/Network access fees **(as applicable):*

Additional information is available upon request; included in the Medical Administrative Charge(s) noted in the ASO BPA and in any Termination Administrative Charge(s) noted in the ASO BPA calculated on the basis of such Medical Administrative Charge(s).

Negotiated National Account Arrangement/Custom fees *(as applicable):*

Additional information is available upon request; included in the Medical Administrative Charge(s) noted in the ASO BPA and in any Termination Administrative Charge(s) noted in the ASO BPA calculated on the basis of such Medical Administrative Charge(s).

Non-Participating Healthcare Providers Outside Claim Administrator's Service Area/processing fees *(as applicable):*

Additional information is available upon request; included in the Medical Administrative Charge(s) noted in the ASO BPA and in any Termination Administrative Charge(s) noted in the ASO BPA calculated on the basis of such Medical Administrative Charge(s).

**Such fees may not exceed the lesser of the applicable annual percentage of the discount (dependent upon group size) permitted under the BlueCard Program or \$2,000 per Claim.*

SECTION 2: EXHIBIT DEFINITIONS

Other definitions applicable to this Exhibit are contained in Section 2 AGREEMENT DEFINITIONS of the Agreement.

- 2.1 "Copayment"** means a specified dollar amount that a Covered Person is required to pay toward a Covered Service.
- 2.2 "Coshare"** means a percentage of an eligible expense that a Covered Person is required to pay toward a Covered Service.
- 2.3 "Employer Payment"** means the amount owed or payable to the Claim Administrator by the Employer for a given Employer Payment Period in accordance with Section 5 of this Exhibit which is the sum of Net Claim Payments made plus applicable service charges incurred during that Employer Payment Period.
- 2.4 "Employer Payment Method"** means the method elected in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA of the Agreement by which Employer Payments will be made.
- 2.5 "Employer Payment Period"** means the time period indicated in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA of the Agreement.
- 2.6 "Inpatient"** means the Covered Person is a registered bed patient and treated as such in a health care facility.
- 2.7 "Medicare Secondary Payer ("MSP")"** means those provisions of the Social Security Act set forth in 42 U.S.C. §1395 y (b), and the implementing regulations set forth in 42 C.F.R. Part 411, as amended, which regulate the manner in which certain employers may offer group health care coverage to Medicare-eligible employees, their spouses and, in some cases, dependent children. (See Section 15 of this Exhibit titled "MEDICARE SECONDARY PAYER ("MSP") INFORMATION REPORTING.")
- 2.8 "Run-Off Claim"** means a Claim incurred prior to the termination of the Agreement that is submitted for payment during the Run-Off Period.

- 2.9 **“Run–Off Period”** means the time period immediately following termination of the Agreement, as indicated in the Fee Schedule specifications of the most current Exhibit 5 ASO BPA of the Agreement, during which the Claim Administrator will accept Run–Off Claims submitted for payment.
- 2.10 **“Termination Administrative Charge”** means the consideration indicated in the Fee Schedule of the most current Exhibit 5 – ASO BPA of the Agreement that is required by the Claim Administrator upon termination of the Agreement, notwithstanding any services that may be performed by the Claim Administrator during the Run–Off Period indicated on such ASO BPA.

SECTION 3: COMPENSATION TO CLAIM ADMINISTRATOR

- 3.1 **Intent of service charges.** The Employer will pay service charges to the Claim Administrator, in accordance with the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA of the Agreement, as compensation for the processing of Claims and administrative and other services provided to the Employer.
- 3.2 **Determining service charges.** The service charges, which are guaranteed for the Fee Schedule Period indicated in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA of the Agreement, have been determined in accordance with the Claim Administrator’s current regulatory status and the Employer’s existing benefit program.
- 3.3 **Changing service charges.** Such service charges shall be subject to change by the Claim Administrator as follows:
- a. At the end of the Fee Schedule Period indicated in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA of the Agreement, provided that sixty (60) days prior written notice is given by the Claim Administrator;
 - b. On the effective date of any changes or benefit variances in the Plan, its administration, or the level of benefit valuation which would increase the Claim Administrator’s cost of administration;
 - c. On any date changes imposed by governmental entities increase expenses incurred by the Claim Administrator, provided that such increases shall be limited to an amount sufficient to recover such increase in expenses;
 - d. On any date that the number of Covered Employees enrolled in the Plan changes by an amount equal to ten percent (10%) or more of total enrollment over a one (1) month period or twenty–five percent (25%) or more of total enrollment over a three (3) month period; or
 - e. On any date an affiliate, subsidiary, or other business entity is added or dropped by the Employer.
- 3.4 **Service charges upon termination.** In the event the Agreement is terminated in accordance with the “TERM AND TERMINATION” provisions of the Agreement, the Employer will Timely pay the Claim Administrator the Termination Administrative Charge indicated in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA of the Agreement.
- 3.5 **Additional service charges.** In addition to the amounts due and payable each month in accordance with the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA of the Agreement, the Claim Administrator may charge the Employer for:
- a. Any applicable Supplemental Charge(s);
 - b. Reasonable fees for the reproduction or return of Claim records requested by the Employer, a governmental agency or pursuant to a court order; and/or
 - c. Any other fees that may be assessed by third parties for services rendered to the Employer and/or any other fees for services mutually agreed upon by the parties in writing.
- 3.6 **Effect of Plan enrollment.** Administrative Charges will be paid based upon information the Claim Administrator receives regarding current Plan enrollment as of the first day of each month. Appropriate adjustments will be made for enrollment variances or corrections.
- 3.7 **Timely payment.** Performance of all duties and obligations of the Claim Administrator under the Agreement are contingent upon the Timely payment of any amount owed the Claim Administrator by the Employer.

SECTION 4: CLAIM PAYMENTS

- 4.1 **Claim Administrator's Payment.** Upon receipt of a Claim, the Claim Administrator will make a Claim Payment provided that all payments due the Claim Administrator under the terms of the Agreement are paid when due.
- 4.2 **Employer's Liability.** Any reasonable determination by the Claim Administrator in adjudicating a Claim under the Agreement that a Covered Person is entitled to a Claim Payment is conclusive evidence of the liability of the Employer to the Claim Administrator for such Claim Payment pursuant to Section 6 below titled "CLAIM SETTLEMENTS."
- 4.3 **Covered Person's certain liability.** Under certain circumstances, if the Claim Administrator pays the healthcare Provider amounts that are the responsibility of the Covered Person under this Agreement, the Claim Administrator may collect such amounts from the Covered Person.
- 4.4 **Cessation of Claim Payments.** If the Employer has failed to pay when due any amount owed the Claim Administrator, the Claim Administrator shall be under no obligation to make any further Claim Payments until such default is cured.

SECTION 5: EMPLOYER PAYMENT

- 5.1 **Intent.** In consideration of the Claim Administrator's obligations as set forth in the Agreement and at the end of each Employer Payment Period, the Employer shall pay to the Claim Administrator or shall provide for the Claim Administrator to obtain the Employer Payment amount due for that Employer Payment Period.
- 5.2 **Confirmation or notification of amount due and payment due date.** The Employer shall confirm with the Claim Administrator or the Claim Administrator shall notify the Employer's Financial Division of the Employer Payment for each Employer Payment Period and when such payment is due. Confirmation or notification shall be in accordance with the Employer Payment Method elected in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA of the Agreement and the following:
- a. **If the Employer Payment Method is by check,** the Claim Administrator shall issue the Employer a settlement statement to include the Claim Administrator's mailing address for check remittance and the date payment is due.
 - b. **If the Employer Payment Method is other than check,** the Employer shall confirm on-line the amount due by accessing the Claim Administrator's "Blue Access for Employers" (as provided in Exhibit 1 of the Agreement) or the Claim Administrator shall advise the Employer by email, facsimile (at an email address or facsimile number to be furnished by the Employer prior to the effective date of the Agreement) or by such other method mutually agreed to by the parties of the amount due. The Employer Payment must be made or obtained within forty-eight (48) hours of confirmation by the Employer or the Employer's notification by the Claim Administrator. If any day on which an Employer Payment is due is a holiday, such payment will be made or obtained on the next business day.

Late payments are subject to the penalties outlined in section 7 of this exhibit.

SECTION 6: CLAIM SETTLEMENTS

- 6.1 **Determining what Employer owes.** A Claim Settlement shall be determined for each Claim Settlement Period indicated in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA of the Agreement. The Claim Settlement shall reflect the sum of the following:
- a. All Claim Payments paid by the Claim Administrator in the particular Claim Settlement Period.
 - b. All Claim Payments paid by the Claim Administrator in prior Claim Settlement Periods that have not been included in a prior Claim Settlement.
 - c. The Administrative Charges and Credits and other applicable service charges as indicated in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA of the Agreement and any applicable Supplemental Charge(s).

The sum of a., b., and c. above shall be referred to as the Claim Settlement Total.

- 6.2 Employer underpayment.** If, within the Claim Settlement Period, the Claim Settlement Total exceeds the Employer Payments, the Employer will pay the difference to the Claim Administrator. The Claim Settlement will be determined within sixty (60) days from the last day of the Claim Settlement Period. The Claim Administrator will notify the Employer in writing of the results of the Claim Settlement. Any sums due the Claim Administrator will be paid Timely by the Employer.
- 6.3 Employer overpayment.** If, within the Claim Settlement Period, the Employer Payments exceed the Claim Settlement Total, the Claim Administrator may, at its option, pay such difference to the Employer, apply the difference against amounts then owed the Claim Administrator by the Employer or authorize a reduction equal to such difference from the next Claim Settlement Total due the Claim Administrator from the Employer.

SECTION 7: LATE PAYMENTS AND REMEDIES

- 7.1 When Employer Fails to Pay.** If the Employer fails to pay when due any amount required to be paid to the Claim Administrator under the Agreement, and such default is not cured within ten (10) days of written notice to the Employer, the Claim Administrator may, at its option:
- a. Suspend Claim Payments; or
 - b. Terminate the Agreement as of the effective date specified in such notice.
- 7.2 When Claim Administrator Fails to Timely Notify.** Pursuant to Section 28 “ENFORCEMENT” of the Agreement, the Claim Administrator’s failure to provide the Employer with timely notice of any amount due hereunder shall not be considered a waiver of payment of any amount which may otherwise be due hereunder from the Employer.
- 7.3 Late Charge.** If the Employer fails to make any payment required by the Agreement on a Timely basis, the Claim Administrator, at its option, may assess a daily charge for the late remittance from the due date of any amount(s) payable to the Claim Administrator by the Employer. This daily charge shall be an amount equal to the amount resulting from multiplying the amount due times the lesser of:
- a. The rate of .0329% per day which equates to an amount of twelve percent (12%) per annum; or
 - b. The maximum rate permitted by state law.
- 7.4 Insolvency.** In addition, if the Employer becomes insolvent, however evidenced, or is in default of its obligation to make any Employer Payment as provided hereunder, or if any other default hereunder has occurred and is continuing, then any indebtedness of the Claim Administrator to the Employer (including any and all contractual obligations of the Claim Administrator to the Employer) may be offset and/or recouped and applied toward the payment of the Employer’s obligations hereunder, whether or not such obligations, or any part thereof, shall then be due the Employer.

SECTION 8: FINANCIAL OBLIGATIONS UPON AGREEMENT TERMINATION

- 8.1 Run-Off Claims.** The Employer hereby acknowledges that on the date of termination of the Agreement in accordance with the provisions of either Section 7 of this Exhibit or Section 13 of the Agreement, there may be an undetermined but substantial number of Claims for services rendered or furnished prior to that date which have not been submitted to the Claim Administrator for reimbursement and also an undetermined but substantial number of Claims submitted for reimbursement which have not been paid by the Claim Administrator (“Run-Off Claims”). The Employer shall be responsible for the reimbursement of all Run-Off Claims, whether or not such Claims have been submitted, or whether or not Claim Payments for such Claims have been made by the Claim Administrator, as of the date of termination, including, but not limited to, Claim Payments made in accordance with MSP laws, and for the payment of the Termination Administrative Charge and any other applicable service charges indicated in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA of the Agreement and any applicable Supplemental Charge(s) pursuant to the processing of such Claims after the Agreement’s termination date.
- 8.2 Corresponding Employer Payments.** In consideration of the Claim Administrator’s continuing to make Claim Payments in accordance with Section 4 of this Exhibit for Run-Off Claims, the Employer shall continue to make Employer Payments for all such Claims paid by the Claim Administrator up to the Final Settlement outlined below.

- 8.3 Final Settlement.** A Final Settlement shall be made within sixty (60) days after the last day of the Run-Off Period. This Final Settlement shall compare the Employer Payments against the Claim Settlement Totals for all Run-Off Claims paid up to the date of the Final Settlement. The difference shall be paid or applied as set forth in Section 6 of this Exhibit. However, if the Employer Payments exceed the Claim Settlement Totals for all Run-Off Claims paid up to the Final Settlement, the Claim Administrator shall pay such difference to the Employer after applying the difference against amounts, if any, then owed to the Claim Administrator by the Employer.
- 8.4 Uncashed checks.** As of the date of termination of the Agreement, any outstanding checks that are or become "stale" (over 365 days old) will be escheated by the Claim Administrator, on the Employer's behalf, less any amount(s) owed by such checks' payees to the Claim Administrator, in accordance with the applicable state's unclaimed property law.

SECTION 9: REQUIRED DISCLOSURE PROVISIONS

The Employer represents that it acknowledges and has communicated the provisions stated in each of the following sections to its Covered Persons.

SECTION 10: PAYMENT OF CLAIMS AND ASSIGNMENT OF BENEFITS:

- 10.1 Claim payment assignment.** All payments by the Claim Administrator for the benefit of any Covered Person may be made directly to any Provider furnishing Covered Services for which such payment is due, and the Claim Administrator is authorized by such Covered Person to make such payments directly to such Providers. However, the Claim Administrator reserves the right in its sole discretion to pay any benefits that are payable under the terms of the Plan directly to the Covered Person or Provider furnishing Covered Services. All benefits payable to the Covered Person which remain unpaid at the time of the death of the Covered Person will be paid to the estate of the Covered Person.
- 10.2 Claim dispute.** Once Covered Services are rendered by a Provider, the Covered Person has no right to request the Claim Administrator not to pay the Claim submitted by such Provider and no such request by a Covered Person or his agent will be given effect. Furthermore, the Claim Administrator will have no liability to the Covered Person or any other person because of its rejection of such request.
- 10.3 Plan coverage assignment.** Neither the Plan nor a Covered Person's claims for payment of benefits under the Plan are assignable in whole or in part to any person or entity at any time. Coverage under the Plan is expressly non-assignable or non-transferable and will be forfeited if a Covered Person attempts to assign or transfer coverage or aids or attempts to aid any other person in fraudulently obtaining coverage under the Plan. However, if the Claim Administrator makes payment because of a person's wrongful use of the identification card of a Covered Person, such payment will be considered a proper payment and the Claim Administrator will have no obligation to pursue recovery of such payment.

SECTION 11: COVERED PERSON/PROVIDER RELATIONSHIP

- 11.1 Choosing a Provider.** The choice of a Provider is solely the choice of the Covered Person and the Claim Administrator will not interfere with the Covered Person's relationship with any Provider.
- 11.2 Claim Administrator's role.** It is expressly understood that the Claim Administrator does not itself undertake to furnish hospital, medical or dental service, but solely to make payment to a Provider for the Covered Services received by Covered Persons. The Claim Administrator is not in any event liable for any act or omission of any Provider or the agent or employee of such Provider, including, but not limited to, the failure or refusal to render services to a Covered Person. Professional services which can only be legally performed by a Provider are not provided by the Claim Administrator. Any contractual relationship between a Provider and the Claim Administrator shall not be construed to mean that the Claim Administrator is providing professional service.
- 11.3 Intent of terminology.** The use of an adjective such as Approved, Administrator, Participating, In-Network or Network in modifying a Provider shall in no way be construed as a recommendation, referral or any other statement as to the ability or quality of such Provider. In addition, the omission, non-use or non-designation of Approved, Administrator, Participating, In-Network, Network or any similar modifier or the use of a term such as Non-Approved, Non-Administrator, Non-Participating, Out-of-Network or Non-Network should not be construed as carrying any statement or inference, negative or positive, as to the skill or quality of such Provider.
- 11.4 Provider's role.** Each Provider provides Covered Services only to Covered Persons and does not deal with or provide any services to the Employer (other than as an individual Covered Person) or the Plan.

SECTION 12: CLAIM ADMINISTRATOR'S SEPARATE FINANCIAL ARRANGEMENTS WITH PRESCRIPTION DRUG PROVIDERS

- 12.1** All amounts payable to the Claim Administrator by the Employer for Claim Payments provided by the Claim Administrator and applicable service charges pursuant to the terms of the Agreement and all required Copayment, deductible and Coshare amounts under the Agreement shall be calculated on the basis of the Provider's Allowable Amount or the agreed upon cost between the Participating Prescription Drug Provider as defined below, and the Claim Administrator, whichever is less.
- 12.2** The Claim Administrator hereby informs the Employer and all Covered Persons that it has contracts, either directly or indirectly, with prescription drug Providers ("Participating Prescription Drug Providers") for the provision of, and payment for, prescription drug services to all persons entitled to prescription drug benefits under individual certificates, group health insurance policies and contracts to which the Claim Administrator is a party, including the Covered Persons under the Agreement, and that pursuant to the Claim Administrator's contracts with Participating Prescription Drug Providers, under certain circumstances described therein, the Claim Administrator may receive discounts for prescription drugs dispensed to Covered Persons under the Agreement. Actual network savings achieved by the Employer will vary. Some rates are currently based on Average Wholesale Price ("AWP"), which is determined by a third party and is subject to change.
- 12.3** The Employer understands that the Claim Administrator may receive such discounts during the term of the Agreement. Neither the Employer nor Covered Persons hereunder are entitled to receive any portion of any such discounts except as such items may be indirectly or directly reflected in the service charges specified in the Agreement. The drug fees/discounts that Claim Administrator has negotiated with Prime Therapeutics LLC ("Prime") through the Pharmacy Benefit Management (PBM) Agreement, will be passed-through to the Employer for both retail and mail/specialty drugs. Except for mail/specialty drugs, the PBM Agreement requires that the fees/discounts that Prime has negotiated with pharmacies (or other suppliers) are passed-through to Claim Administrator (and ultimately to the Employer as described above). For the mail pharmacy and specialty pharmacy program owned by Prime, Prime retains the difference between its acquisition cost and the negotiated prices as its fee for the various administrative services provided as part of the mail pharmacy and/or specialty pharmacy program. Claim Administrator pays a fee to Prime for pharmacy benefit services, which is reflected in the administrative fee charged by Claim Administrator to the Employer. A portion of Prime's PBM fees are tied to certain performance standards, including, but not limited to, claims processing, customer service response, and mail-order processing. The allowable amount reimbursed for prescriptions obtained at out-of-network pharmacies is determined by the Employer's benefit design, but is usually based on 75% of the cost of the prescription if it were obtained at an in-network pharmacy.
- 12.4** "Weighted paid claim" refers to the methodology of counting claims for purposes of determining the Claim Administrator's fee payment to Prime. Each retail (including claims dispensed through PBM's specialty pharmacy program) paid claim equals one weighted paid claim; each extended supply or mail order (including Mail Service) paid claim equals three weighted paid claims. However, Claim Administrator pays Prime a Program Management Fee ("PMF") on a per paid claim basis. "Funding Levers" means a mechanism through which Claim Administrator funds the fees (net fee, ancillary fees and special project fees) owed to PBM. Funding Levers always include manufacturer administrative fees, mail order utilization, participating pharmacy transaction fees, and, if elected by Claim Administrator, may include rebates and retail spread. Claim Administrator's net fee owed to Prime for core services will be offset by the Funding Levers. Claim Administrator pays Prime the net fee for core services, ancillary fees and special project fees, offset by all applicable Funding Levers as agreed upon under the terms of its agreement with Prime. The net fee is calculated based on a fixed dollar amount per Weighted Paid Claim.
- 12.5** The amounts received by Prime from Claim Administrator, pharmacies, manufacturers or other third parties may be revised from time to time. Some of the amounts received by Prime may be charged each time a claim is processed (or, in some instances, requested to be processed) through Prime and/or each time a prescription is filled, and include, but are not limited to, administrative fees charged by Prime to Claim Administrator (as described above), administrative fees charged by Prime to pharmacies, and administrative fees charged by Prime to pharmaceutical manufacturers. Currently, none of these fees will be passed on to the Employer as expenses, or accrue to the benefit of the Employer, unless otherwise specifically set forth in the Agreement. Additional information about these types of fees or the amount of these fees is available upon request. The maximum that Prime will receive from any pharmaceutical manufacturer for certain administrative fees will be 3% of the total sales for all rebatable products of such manufacturer dispensed during any given calendar year to members of Claim Administrator and other Blue Plan operating divisions.

SECTION 13: CLAIM ADMINISTRATOR'S SEPARATE FINANCIAL ARRANGEMENTS WITH PHARMACY BENEFIT MANAGERS

- 13.1** The Claim Administrator hereby informs the Employer and all Covered Persons that it owns a significant portion of the equity of Prime Therapeutics LLC and that the Claim Administrator has entered into one or more agreements with Prime Therapeutics LLC or other entities (collectively referred to as "Pharmacy Benefit Managers"), for the provision of, and payment for, prescription drug benefits to all persons entitled to prescription drug benefits under individual certificates, group health insurance policies and contracts to which the Claim Administrator is a party, including the Covered Persons under the Agreement. Pharmacy Benefit Managers have agreements with pharmaceutical manufacturers to receive rebates for using their products. Pharmacy Benefit Managers may share a portion of those rebates with the Claim Administrator.
- 13.2** Based upon previous experience with such rebates, the Claim Administrator has estimated that any drug rebate for the Employer would be based on an average dollar amount per prescription ("Expected Rebate"). One-hundred percent (100%) of the Expected Rebate is shared with employers based upon the benefit design and the retail and mail order usage rate. The Expected Rebate passed back to the Employer is determined by multiplying the sum of the estimated dollars times the expected number of annual prescriptions dispensed, then divided by the expected number of Covered Employees, then divided by twelve (12) months. The Expected Rebate amount is reflected as a prescription drug rebate credit per Covered Employee per month.
- 13.3** The Employer understands that the Claim Administrator may receive such rebates during the term of the Agreement. Neither the Employer nor Covered Persons hereunder are entitled to receive any portion of any such rebates except as such items may be indirectly or directly reflected in the service charges specified in the Agreement.

SECTION 14: INTER-PLAN ARRANGEMENTS

14.1 *Out-of-Area Services*

Claim Administrator has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as "Inter-Plan Programs." Whenever Covered Persons access healthcare services outside the geographic area Claim Administrator serves, the Claim for those services may be processed through one of these Inter-Plan Programs and presented to Claim Administrator for payment in accordance with the rules of the Inter-Plan Programs policies then in effect. The Inter-Plan Programs available to Covered Persons under this Agreement are described generally below. Claim Administrator's services under this Agreement are governed by and subject to the Inter-Plan Programs policies in effect during the term of this Agreement.

Typically, Covered Persons, when accessing care outside the geographic area Claim Administrator serves, obtain care from healthcare providers that have a contractual agreement (i.e., are "participating healthcare providers") with the local Blue Cross and/or Blue Shield Licensee in that other geographic area ("Host Blue"). In some instances, Covered Persons may obtain care from non-participating healthcare providers. Claim Administrator's payment practices in both instances are described below.

14.2 *BlueCard® Program*

Under the BlueCard® Program, when Covered Persons access Covered Services within the geographic area served by a Host Blue, Claim Administrator will remain responsible to Employer for fulfilling Claim Administrator's contractual obligations. However, in accordance with applicable Inter-Plan Programs policies then in effect, the Host Blue will be responsible for providing such services as contracting and handling substantially all interactions with its participating healthcare providers. The financial terms of the BlueCard Program are described generally below. Individual circumstances may arise that are not directly covered by this description; however, in those instances, our action will be consistent with the spirit of this description.

a. *Liability Calculation Method Per Claim*

The calculation of the Covered Person's liability on Claims for Covered Services processed through the BlueCard Program will be based on the lower of the participating healthcare provider's billed covered charges or the negotiated price made available to Claim Administrator by the Host Blue.

The calculation of Employer's liability on Claims for Covered Services processed through the BlueCard Program will be based on the negotiated price made available to Claim Administrator by the Host Blue. Sometimes, this negotiated price may be greater than or equal to billed charges. Examples of this are (i) when a Host Blue has negotiated with its participating healthcare provider(s) an inclusive allowance (e.g., per case or per day amount) for specific healthcare services, and (ii) when such negotiated price is necessary or appropriate, as determined by the Host Blue, to provide for a Host Blue's geographic access or availability of particular types of health care services.

Host Blues may use various methods to determine a negotiated price, depending on the terms of each Host Blue's healthcare provider contracts. The negotiated price made available to Claim Administrator by the Host Blue may represent a payment negotiated by a Host Blue with a healthcare provider that is one of the following:

- (1) an actual price. An actual price is a negotiated payment without any other increases or decreases, or
- (2) an estimated price. An estimated price is a negotiated payment reduced or increased by a percentage to take into account certain payments negotiated with the provider and other Claim- and non-Claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, provider refunds not applied on a Claim-specific basis, retrospective settlements, and performance-related bonuses or incentives, or
- (3) an average price. An average price is a percentage of billed covered charges representing the aggregate payments negotiated by the Host Blue with all of its healthcare providers or a similar classification of its providers and other Claim- and non-Claim-related transactions. Such transactions may include the same ones as noted above for an estimated price.

Host Blues using either an estimated price or an average price may, in accordance with Inter-Plan Programs policies, prospectively increase or reduce such prices to correct for over- or underestimation of past prices (i.e., prospective adjustments may mean that a current price reflects additional amounts or credits for Claims already paid to providers or anticipated to be paid to or received from providers). However, the amount paid by the Covered Person and Employer is a final price; no future price adjustment will result in increases or decreases to the pricing of past Claims. The BlueCard Program requires that the price submitted by a Host Blue to Claim Administrator is a final price irrespective of any future adjustments based on the use of estimated or average pricing.

If a Host Blue uses either an estimated price or an average price on a Claim, the Host Blue is required to hold any difference between the amount paid to the provider and the amount that Employer pays in a variance account, pending settlement with its participating healthcare providers. Because all amounts paid are final, neither variance account funds held to be paid, nor the funds expected to be received, are due to or from Employer. Such payable or receivable would be eventually exhausted by healthcare provider settlements and/or through prospective adjustment to the negotiated prices. *Some Host Blues may retain interest earned, if any, on funds held in variance accounts.*

A small number of states require Host Blues either (i) to use a basis for determining Covered Person's liability for Covered Services that does not reflect the entire savings realized, or expected to be realized, on a particular Claim or (ii) to add a surcharge.

Should the state in which healthcare services are accessed mandate liability calculation methods that differ from the negotiated price methodology or require a surcharge, Claim Administrator would then calculate Covered Person's liability and Employer's liability in accordance with applicable law.

b. *Return of Overpayments*

Under the BlueCard Program, recoveries from a Host Blue or its participating healthcare providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, healthcare provider/hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. In some cases, the Host Blue will engage a third party to assist in identification or collection of recovery amounts. The fees of such a third party may be netted against the recovery. Recovery amounts determined in this way will be applied in accordance with applicable Inter-Plan Programs policies, which generally require correction on a Claim-by-Claim or prospective basis.

Unless otherwise agreed to by the Host Blue, Claim Administrator may request adjustments from the Host Blue for full refunds from healthcare providers due to the retroactive cancellation of membership but only for one year after the date of the Inter-Plan financial settlement process for the original Claim. In some cases, recovery of Claim payments associated with a retroactive cancellation may not be possible if, as an example, the recovery conflicts with the Host Blue's state law or healthcare provider contracts or would jeopardize the Host Blue's relationship with its healthcare providers.

c. *BlueCard Program Fees and Compensation*

Employer understands and agrees to reimburse Claim Administrator for certain fees and compensation which Claim Administrator is obligated under the BlueCard Program to pay to the Host Blues, to the Blue Cross and Blue Shield Association (BCBSA), and/or to BlueCard Program vendors, as described below. Fees and compensation under the BlueCard Program may be revised in accordance with the Program's standard procedures for revising such fees and compensation, which do not provide for prior approval by Employer. Such revisions typically are made annually as a result of Program policy changes and/or vendor negotiations. These revisions may occur at any time during the course of a given calendar year, and they do not necessarily coincide with Employer's benefit period under this Agreement.

Claim Administrator will charge these fees as follows:

It is expected that, unless the number of Employer's Blue enrolled contracts falls below 50,000, that the access fee and all other BlueCard Program-related fees are included in Claim Administrator's Administrative Charge set forth in the Agreement's Fee Schedule.

In the event that the number of Employer's Blue enrolled contracts falls below 50,000, only the BlueCard Program access fee may be charged separately each time a Claim is processed through the BlueCard Program. If one is charged, it will be a percentage of the discount/differential Claim Administrator receives from the Host Blue, based on the current rate in accordance with the Program's standard procedures for establishing the access fee rate. The access fee will not exceed \$2,000 for any Claim. In this situation the access fee is set forth in the Agreement's Fee Schedule. All other BlueCard Program-related fees will then be factored into Claim Administrator's determination of its general administrative fee, also set forth in the Agreement's Fee Schedule.

(1) BlueCard Program Access Fees

A BlueCard Program access fee may be charged only if the Host Blue's arrangement with its healthcare provider prohibits billing Covered Persons for amounts in excess of the negotiated payment. However, a healthcare provider may bill for non-covered healthcare services and for Covered Person cost sharing (for example, deductibles, copayments, and/or coinsurance) related to a particular Claim.

(2) How the BlueCard Program Access Fee Affects Employer

When Claim Administrator is charged a BlueCard Program access fee, Claim Administrator may pass the charge along to Employer as a Claim expense or as a separate amount. The access fee will not exceed \$2,000 for any Claim. If Claim Administrator receives an access fee credit, Claim Administrator will give Employer a Claim expense credit or a separate credit. Instances may occur in which the Claim payment is zero or Claim Administrator pays only a small amount because the amounts eligible for payment were applied to patient cost sharing (such as a deductible or coinsurance). In these instances, Claim Administrator will pay the Host Blue's access fee and pass it along to Employer as stated above even though Employer paid little or had no Claim liability.

14.3 *Negotiated National Account Arrangements*

As an alternative to the BlueCard Program, some of Employer's Covered Persons' Claims for Covered Services may be processed through a negotiated National Account arrangement with a Host Blue. Pursuant to such negotiated arrangements, the Host Blue(s) [has/have] agreed to provide, on the Claim Administrator's behalf, Claim Payments and certain administrative services for those Covered Persons of the Employer receiving Covered Services in the state and/or service area of the Host Blues. Pursuant to the agreement between the Claim Administrator and the Host Blues, the Claim Administrator has agreed to reimburse each Host Blue for all Claim Payments made on the Claim Administrator's behalf for those Covered Persons of the Employer receiving Covered Services in the state and/or service area of such Host Blue.

If Claim Administrator and Employer have agreed that (a) Host Blue(s) shall make available (a) custom healthcare provider network(s) in connection with this Agreement, then the terms and conditions set forth in Claim Administrator's negotiated National Account arrangement(s) with such Host Blue(s) shall apply, unless otherwise agreed in the

Agreement's Fee Schedule. In negotiating such arrangement(s), Claim Administrator is not acting on behalf of or as an agent for Employer, Employer's Group Health Plan or Employer's Covered Persons.

a. Covered Person and Employer Liability Calculation

Covered Person liability calculation will be based on the lower of either billed covered charges or negotiated price (refer to the description of negotiated price under 14.2.a., BlueCard Program) made available to Claim Administrator by the Host Blue that allows Employer's Covered Persons access to negotiated participation agreement networks of specified participating healthcare providers outside of Claim Administrator's service area.

Employer's liability calculation will be based on the negotiated price (refer to the description of negotiated price under 14.2.a., BlueCard Program).

Employer also acknowledges that pursuant to the Host Blue's contracts with Host Blues' participating Providers, under certain circumstances described therein, the Host Blue (i) may receive substantial payment from Host Blues' participating Providers with respect to services rendered to such persons for which the Host Blue was initially obligated to pay the Host Blues' participating Providers, (ii) may pay Host Blues' participating Providers more or less than their billed charges for services, by discounts or otherwise, or (iii) may receive from Host Blues' participating Providers other allowances under the Host Blue's contracts with them. One example of this is quality improvement programs/payments.

If charged by the Host Blue to Claim Administrator, Employer shall reimburse Claim Administrator for any payments made to the Host Blue, unless otherwise set forth in the Agreement's Fee Schedule, including "claim-like" charges, which are those charges for payments to Host Blues' participating Providers on other than a fee for services basis which include, but are not limited to, incentive payments and capitations.

The Employer acknowledges that, in negotiating the Administrative Charge set forth in the Agreement's Fee Schedule, it has taken into consideration that, among other things, the Host Blue may receive such payments, discounts and/or other allowances during the term of its agreement with the Claim Administrator. Further, all amounts payable by Covered Person and Employer shall be calculated on the basis described in this subsection, irrespective of any separate financial arrangement between the Host Blue's participating Provider that rendered the applicable Covered Service and the Host Blue other than the negotiated price as described in this subsection.

b. Fees and Compensation

Employer understands and agrees to reimburse Claim Administrator for certain fees and compensation which Claim Administrator is obligated under applicable Inter-Plan Programs requirements to pay to the Host Blues, to the Blue Cross and Blue Shield Association, and/or to Inter-Plan Programs vendors. Fees and compensation under applicable Inter-Plan Programs may be revised in accordance with the Programs' standard procedures for revising such fees and compensation, which do not provide for prior approval by Employer. Such revisions typically are made annually as a result of Inter-Plan Programs policy changes and/or vendor negotiations. These revisions may occur at any time during the course of a given calendar year, and they do not necessarily coincide with Employer's benefit period under this Agreement.

In addition, the participation agreement with the Host Blue may provide that Claim Administrator must pay an administrative and/or a network access fee to the Host Blue, and Employer further agrees to reimburse Claim Administrator for any such applicable administrative and/or network access fees. For this type of negotiated participation arrangement, any such administrative and/or network access fees will not be greater than the comparable fees that would be charged under the BlueCard Program.

Claim Administrator will charge these fees as follows:

It is expected that the access fee and all other Negotiated National Account Arrangement-related fees are included in Claim Administrator's Administrative Charge set forth in the Agreement's Fee Schedule.

Employer acknowledges that Host Blues may have contracts with certain Providers in their service areas ("Host Blues' participating Providers") for the provision of, and payment for, health care services. As a result of these contracts with their Providers, Host Blues are able to make provider networks available to persons and entities, including Claim Administrator, entitled to health care benefits under various health policies and contracts to which the Host Blue is a party. Such network availability extends to Covered Persons covered under the Agreement.

All other Inter-Plan Program fees related to this negotiated National Account arrangement are factored into Claim Administrator's determination of its Administrative Charge, also set forth in the Agreement's Fee Schedule.

The Claim Administrator hereby informs the Employer, and the Employer acknowledges, that the Claim Administrator's, the Host Blues' participating Provider contracting arrangements, operational practices and procedures, and the policies and procedures governing software used to process Claims for services rendered by the Claim Administrator's Providers and the Host Blues' participating Providers may result in minor deviations in Claim processing and/or pricing of Claims for some services. From time-to-time, Claim Administrator, Host Blues and their respective vendors may receive compensation in connection with services provided by Claim Administrator to our group customers, which are not necessarily passed on to our group customers or to members. Additional information about these types of fees, the amount of these fees and the sources of these fees is available upon request.

14.4 Non-Participating Healthcare Providers Outside Claim Administrator's Service Area

a. Covered Person Liability Calculation

(1) In General

When Covered Services are provided outside of Claim Administrator's service area by non-participating healthcare providers, the amount(s) a Covered Person pays for such services will be calculated using the methodology described in the Agreement for non-Participating providers located inside our service area. The Covered Person may be responsible for the difference between the amount that the non-participating healthcare provider bills and the payment Claim Administrator will make for the Covered Services as set forth in this paragraph.

(2) Exceptions

In some exception cases, Claim Administrator may, but is not required to, in its sole and absolute discretion, negotiate a payment with such non-participating healthcare provider on an exception basis.

b. Fees and Compensation

Employer understands and agrees to reimburse Claim Administrator for certain fees and compensation which Claim Administrator is obligated under applicable Inter-Plan Programs requirements to pay to the Host Blues, to the Blue Cross and Blue Shield Association, and/or to Inter-Plan Programs vendors. Fees and compensation under applicable Inter-Plan Programs may be revised in accordance with the specific Program's standard procedures for revising such fees and compensation, which do not provide for prior approval by Employer. Such revisions typically are made annually as a result of Inter-Plan Programs policy changes and/or vendor negotiations. These revisions may occur at any time during the course of a given calendar year, and they do not necessarily coincide with Employer's benefit period under this Agreement.

In addition, Claim Administrator must pay an administrative fee to the Host Blue, and Employer further agrees to reimburse Claim Administrator for any such administrative fee as set forth below.

Claim Administrator will charge these fees as follows:

All fees related to Claims for Covered Services delivered by non-participating healthcare providers outside Claim Administrator's service area are factored into Claim Administrator's determination of its Administrative Charge, which is set forth in the Agreement's Fee Schedule.

SECTION 15: MEDICARE SECONDARY PAYER ("MSP") DATA MATCH

- 15.1** In an effort to facilitate the processing of Claims consistent with the requirements of the MSP statute, and to assist in meeting the statutory obligations, certain Blue Cross and Blue Shield Plans together with the Centers for Medicare & Medicaid Services ("CMS"), formerly known as Health Care Financing Administration ("HCFA"), the federal government agency which administers Medicare, have developed a new enrollment and membership system. The system, also referred to as the "Data Match," is aimed at obtaining, in a Timely and current fashion, information necessary for the Claim Administrator to identify dual coverage situations which fall within the MSP statute, and to determine whether primary or secondary payment should be made for a particular Claim.
- 15.2** Under the system, the Claim Administrator will provide basic information to CMS about individuals enrolled in Group Health Plans who are also covered by Medicare so that CMS can better detect dual coverage situations.
- 15.3** The Employer hereby authorizes and directs the Claim Administrator to disclose to CMS periodically, information pertaining to Medicare-eligible Covered Persons under the Plan.

- 15.4 The Employer agrees that the Claim Administrator's ability to make accurate primary/secondary MSP determinations depends on the breadth and accuracy of the Claim Administrator's files concerning Covered Persons. The Employer agrees to use best efforts in responding promptly and accurately to the Claim Administrator's requests for information and to require and facilitate its Covered Persons' cooperation in responding promptly and accurately to such requests.
- 15.5 Further, to assure the continuing accuracy of the Claim Administrator's files, the Employer agrees that it is the Employer's responsibility to notify the Claim Administrator promptly of any change in the size of the Employer's work force or status of its employees that might affect the order of payment under the MSP statute, such as information regarding working-aged persons who retire and changes in the size of the Employer's work force that place it in, or take it out of, the scope of the MSP statute. If the Claim Administrator does not receive such information from the Employer, the Claim Administrator will assume that all relevant factors remain unchanged and will process Claims accordingly. The Employer acknowledges and agrees that the Claim Administrator will be using the information provided by the Employer and Covered Persons to update the Claim Administrator's files, and will also forward this information to CMS so that CMS can revise its file to reflect relevant changes in primary/secondary status.
- 15.6 The Claim Administrator may, in its sole discretion, discontinue its participation in the Data Match system as described above. Nothing in the Agreement shall be construed as obligating the Claim Administrator to continue its participation in the Data Match system.
- 15.7 **Disclosure Statement:** The Employer acknowledges that the Claim Administrator has furnished it with a copy of a pamphlet entitled "Information Regarding the Medicare Secondary Payer Statute" (also referred to as the "Disclosure Statement"), prepared by the Blue Cross and Blue Shield Association and reviewed by CMS, which administers Medicare.

SECTION 16: REIMBURSEMENT PROVISION

Applicable only if this service is elected in the Fee Schedule specifications of the most current Exhibit 5 – ASO BPA.

- 16.1 If a Covered Person incurs expenses for sickness or injury that occurred due to the negligence of a third party and benefits are provided for Covered Services described in the Plan, the following provisions will apply:
- a. The Claim Administrator on behalf of the Employer has the right to reimbursement for all benefits the Claim Administrator provided from any and all damages collected from the third party for those same expenses whether by action at law, settlement, or compromise, by the Covered Person, the Covered Person's parents, if the Covered Person is a minor, or the Covered Person's legal representative as a result of that sickness or injury, in the amount of the Provider's Allowable Amount for Covered Services for which the Claim Administrator has provided benefits to the Covered Person.
 - b. The Claim Administrator is assigned the right to recover from the third party, or his or her insurer, to the extent of the benefits the Claim Administrator provided for that sickness or injury.
- 16.2 The Claim Administrator shall have the right to first reimbursement out of all funds the Covered Person, the Covered Person's parents, if the Covered Person is a minor, or the Covered Person's legal representative is or was able to obtain for the same expenses for which the Claim Administrator has provided benefits as a result of that sickness or injury. The Covered Person is required to furnish any information or assistance or provide any documents that the Claim Administrator may reasonably require in order to obtain its rights under this provision. This provision applies whether or not the third party admits liability.

EXHIBIT 3
RECOVERY LITIGATION AUTHORIZATION

The Employer hereby acknowledges and agrees that the Claim Administrator may, at its election, pursue claims of the Employer and/or the Plan, which are related to claims that the Claim Administrator pursues on its own behalf, subject to the following terms and conditions:

1. The Claim Administrator shall have the right to select and retain legal counsel.
2. Any lawsuit filed or arbitration initiated by the Claim Administrator will be done in the name of the Claim Administrator for its own benefit, as well as on behalf of the Employer and possibly other parties. The Claim Administrator will not cause any litigation to be filed or arbitration to be initiated in the name of the Employer and/or the Plan without the Employer's express advance consent. With such permission, any such litigation can be filed or arbitration initiated in the name of the Employer and/or the Plan with attorneys identified as counsel for the Employer or in the name of two or more parties, including the Employer and the Claim Administrator, with attorneys identified as counsel for the Employer, the Claim Administrator and possibly other parties.
3. The parties agree to cooperate with each other in pursuit of recovery efforts pursuant to the provisions of this Exhibit, including providing appropriate authority to communicate with the Employer concerning issues pertaining to any class actions and pursuant to which the Employer specifically declines representation by class litigation counsel.
4. The Claim Administrator shall control any recovery strategy and decisions, including decisions to mediate, arbitrate or litigate.
5. The Claim Administrator shall have the exclusive right to approve any and all settlements of any claims being mediated, arbitrated or litigated.
6. Any and all recoveries, net of all investigative and other expenses relating to the recovery, including costs of settlement, mediation, arbitration or litigation including attorney's fees, made through any means pursuant to the provisions of this Exhibit, including, but not limited to, settlement, mediation, arbitration or trial, will be prorated based upon each party's percentage interest in the recoverable compensatory monetary damages, which allocation shall be done by the Claim Administrator on any reasonable basis it deems appropriate.
7. Any and all information, documents, communications or correspondence provided to or obtained by attorneys from either party, as well as communications, correspondence, conclusions and reports by or between attorneys and either party, shall be and are intended to remain privileged and confidential. Each party intends that the attorney-client and work product privileges shall apply to all information, documents, communications, correspondence, conclusions and reports to the full extent allowed by state or federal law. The Claim Administrator shall be permitted to make such disclosures of such privileged and confidential information to law enforcement authorities as it deems necessary or appropriate in its sole discretion. The Employer shall not waive the attorney-client privilege or otherwise disclose privileged or confidential information received in connection with the provisions of this Exhibit or cooperative efforts pursuant to the provisions of this Exhibit without the express written consent of the Claim Administrator.
8. The discharge of attorneys by one party shall not disqualify or otherwise ethically prohibit the attorneys from continuing to represent the other party pursuant to the provisions of this Exhibit.
9. Nothing in the provisions of this Exhibit shall require the Claim Administrator to assert any claims on behalf of the Employer and/or the Plan.
10. Nothing in the provisions of this Exhibit and nothing in attorneys' statements to either party and/or the Plan will be construed as a promise or guarantee about the outcome of any particular litigation, mediation, arbitration or settlement negotiation; therefore, the Employer acknowledges that the efforts of the Claim Administrator may not result in recovery or in full recovery in any particular case.
11. The terms and conditions described herein shall survive the expiration or termination of the Agreement; however, nothing herein shall require the Claim Administrator to assert any claims on the Employer's and/or the Plan's behalf following the termination of the Agreement. If the Agreement is terminated after the Claim Administrator has asserted a claim on behalf of the Employer and/or the Plan but before any recovery, the Claim Administrator may in its sole discretion continue to pursue the claim or discontinue the claim.

12. If the Employer should desire to participate in a class or multi-district settlement rather than defer to the Claim Administrator, the Employer may reverse the exercise of discretion authorized herein by affirmatively opting into a class settlement and by notifying the Claim Administrator of its decision in writing, immediately upon making such determination as provided for under Section 26 NOTICES of the Agreement.
13. The Employer further acknowledges and agrees that, unless it notifies the Claim Administrator to the contrary in writing as provided for under Section 26 NOTICES of the Agreement, it consents to the terms and conditions of this Exhibit and authorizes the Claim Administrator, on behalf of the Employer and/or the Plan, consistent with Section 2 above, to:
 - a. Pursue claims that the Claim Administrator pursues on its own behalf in class action litigation, federal multi-district litigation, or otherwise, including, but not limited to, antitrust, fraud, unfair and deceptive business or trade practice claims pursuant to and in accordance with the provisions of this Exhibit effective immediately;
 - b. Opt out of any class action settlement or keep the Employer and/or the Plan in the class, if the Claim Administrator believes it is in the best interest of the parties to do so;
 - c. Investigate and pursue recovery of monies unlawfully, illegally or wrongfully obtained from the Plan.
14. The Employer further acknowledges and agrees that the Claim Administrator's decision to pursue recovery in connection with particular claims shall be in the Claim Administrator's sole discretion and the Claim Administrator does not enter into this undertaking as a fiduciary of the Plan or its Covered Persons, but only in connection with its undertaking to pursue recovery of claims of the Employer and/or the Plan when, as, and if, the Claim Administrator determines that such claims may be pursued in the common interest of the parties.
15. The parties agree in the event that the language in the Agreement shall be in conflict with this Exhibit, the provisions of this Exhibit shall prevail.

EXHIBIT 4
COBRA HEALTH BENEFITS CONTINUATION COVERAGE

ARTICLE 1: DEFINITIONS

As used in this Agreement:

- 1.1 Applicable Premium** means the amount the Plan will require a Qualified Beneficiary (or others permitted by Continuation of Coverage) to pay, for any period of COBRA continuation coverage, that does not exceed one hundred and two percent (102%) of the premium for that period or does not exceed one hundred and fifty percent (150%) of the premium after the 18th month of coverage for Qualified Beneficiaries eligible for extended coverage due to disability.
- 1.2 Agreement Period** means the twelve month period beginning on the effective date of this Agreement. The parties may by amendment, designate an initial Agreement Period which is less than a year, to coordinate with the Employer's next plan year anniversary provided all succeeding Agreement Periods shall mean the twelve month period coinciding with the Employer's plan year.
- 1.3 COBRA** means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended or as may be amended.
- 1.4 Continuation of Coverage** means the continuation of group health coverage mandated by COBRA and its regulations.
- 1.5 Covered Qualified Beneficiary** means a Qualified Beneficiary who is (or was) provided Continuation of Coverage by the Employer's Plan.
- 1.6 Election period** means the period of at least sixty (60) days duration beginning not later than the date on which coverage under the health benefit program terminates by reason of a Qualifying Event and ending not earlier than sixty (60) days after the later of (1) the beginning date or (2) the date a Participant has been notified of the right to elect Continuation of Coverage after the occurrence of a Qualifying Event.
- 1.7 Employer** means the individual proprietor, partnership or corporation identified in the Plan and any predecessor thereto, and any corporation with which the Employer shall be merged or consolidated, or any corporation resulting in any manner from a reorganization of the Employer or any individual, firm or corporation which shall assume the Health Benefits Continuation Coverage obligations of the Employer.
- 1.8 Plan** means an employee welfare benefit plan that is a considered a Plan within the meaning of Section 4980 B(g)(2) of the Internal Revenue Code of 1986.
- 1.9 Health Benefits Continuation Coverage** means the administrative services Claim Administrator offers to assist Employer in fulfilling Employer's responsibilities under COBRA.
- 1.10 Qualifying Event** means the occurrence of an event which would result in the loss of eligibility of a Participant under the Employer's health benefit program but for the requirements of COBRA.
- 1.11 Plan Administrator** means the term "administrator" as defined in Section 3(16)(a) of ERISA.

1.12 Qualified Beneficiary means:

1. In general, the term “Qualified Beneficiary” shall mean, with respect to an employee eligible for health coverage under the Plan, any individual who, on the day before a Qualifying Event is covered under the Plan.
 - a. as the spouse of the covered employee, or
 - b. as the dependent child of the covered employee.
2. In the case of a Qualifying Event which is caused by termination (other than by reason for such employee’s gross misconduct), or reduction of hours of the employee’s employment, the term “Qualified Beneficiary” includes the employee.

1.13 Subscriber means each Covered Qualified Beneficiary who (1) elected to continue group coverage under COBRA; (2) submitted an application, and (2) has a certificate number for continuation coverage under COBRA. Depending upon the timing and nature of a Qualifying Event, a family may have more than one Subscriber.

ARTICLE 2 - SERVICES TO BE PROVIDED BY CLAIM ADMINISTRATOR

During the duration of this Agreement, Claim Administrator will perform such services as described in this Article 2.

- 2.1** Once the Employer has notified Claim Administrator in writing of the occurrence of a Qualifying Event and has given Claim Administrator the name and current address of a Qualified Beneficiary, Claim Administrator will timely provide the Qualified Beneficiary notice of the right to continue group coverage directed to the address provided Claim Administrator by the Employer.
- 2.2** The notice provided a Qualified Beneficiary pursuant to Paragraph 2.1 of this Article 2 will also include information regarding Applicable Premium and an application form, and will state the Election Period for the election of Continuation of Coverage. Any Qualified Beneficiary electing Continuation of Coverage will be directed to communicate such election in writing to Claim Administrator. Claim Administrator will bill and collect the initial Applicable Premium from the date of the loss of coverage because of the Qualifying Event to the end of the month in which such election is received.
- 2.3** When an employee is a Qualified Beneficiary and makes an election, the election is deemed to include all Qualified Beneficiaries listed in the notice except as otherwise stated in such election. When the employee is not a Qualified Beneficiary and a dependent spouse is a Qualified Beneficiary, an election by the dependent spouse is deemed to include all Qualified Beneficiaries except as otherwise stated in such election. For purposes of this Section 2.3, an election includes a declination.
- 2.4** Once a Qualified Beneficiary is established as a Subscriber, Claim Administrator will establish the membership information in the Claim Administrator claims system.
- 2.5** Claim Administrator will provide a monthly statement to each Subscriber. Such statement shall indicate a due date for receipt of the Applicable Premium. When Applicable Premium is not paid or not paid timely, Claim Administrator will terminate Continuation of Coverage and provide a written letter of termination to the Subscriber. Claim Administrator will deem payments that are less than 90% of the Applicable Premium to be insufficient and shall terminate coverage. Payment of Applicable Premium less than the lesser of \$50 or 10% of Applicable Premium shall be governed by 54 CFR § 4980B-8, A-5(d).
- 2.6** A Subscriber will be notified ninety (90) days prior to the maximum period of coverage that such coverage will terminate in ninety (90) days. The notice will contain information concerning the right, if any, to any additional type of continued coverage.

- 2.7 Upon receipt of evidence satisfactory to Claim Administrator that a Covered Qualified Beneficiary has become, after the date of election, ineligible for Continuation of Coverage for reasons other than failure to pay the Applicable Premium or the expiration of the maximum period of coverage, Claim Administrator will notify such ineligible Covered Qualified Beneficiary that the coverage is being terminated and the date and reason for such termination, whether or not such termination date precedes the date of the notice.
- 2.8 Claim Administrator shall notify the Subscriber of any change in the Applicable Premium.
- 2.9 Claim Administrator will provide the Employer a written report giving the status of each Covered Qualified Beneficiary as of the end date of such report.
- 2.10 Claim Administrator shall bill Employer monthly for Applicable Premium for each of Employer's Covered Qualified Beneficiaries. The Applicable Premium shall be payable to Claim Administrator in the same manner as for similarly situated persons covered by the Plan for whom no Qualifying Event has occurred.
- 2.11 On a monthly basis Claim Administrator will furnish a check payable to Employer in the amount of Applicable Premium received from or on behalf of each Subscriber, less COBRA administration fees described in Article 5.
- 2.12 Claim Administrator will respond to written or telephone inquiries regarding Health Benefits Continuation Coverage.

ARTICLE 3 - RESPONSIBILITIES OF THE EMPLOYER

- 3.1 The Employer retains full responsibility for and shall bear the cost of compliance with Continuation of Coverage.
- 3.2 Employer shall provide all persons eligible for coverage under its Plan(s) the general notice of Continuation of Coverage in conformity with 29 CFR Section 2590.606-1.
 - 1. In the event Employer receives a notice from a person seeking Continuation of Coverage and determines that the person is not entitled to Continuation of Coverage, Employer shall provide such person an explanation as to why the person is not entitled to Continuation of Coverage.
 - 2. In the event Employer receives information from a Covered Qualified Beneficiary regarding an extension of Continuation Coverage whether as the result of a second Qualifying Event or a social security disability determination, Employer shall notify Claim Administrator within 14 days.
- 3.3 Employer will provide Claim Administrator a written notice of the occurrence of a Qualifying Event.
 - 1. Within thirty (30) days after the occurrence of a Qualifying Event, the Employer will provide a written notice of such event to Claim Administrator. The written notice will be on a form satisfactory to Claim Administrator and will describe the nature and date of the Qualifying Event, the name, last known address and certificate number of each Qualified Beneficiary, the date coverage under the Plan terminates and the type(s) of coverage held by each Qualified Beneficiary on the date of the Qualifying Event. Upon request, Claim Administrator will provide the Employer with an appropriate notice form.
 - 2. If the Qualifying Event is either the divorce of the Employee or a Dependent child ceasing to be a Dependent child under the provisions of the Employer's Plan, and the Employer had no notice of such Qualifying Event within 30 days of such Qualifying Event, the notice required by this Paragraph 3.3 will be provided in writing to Claim Administrator no later than fourteen (14) days following the Employer's receipt of notice of the occurrence of such Qualifying Event.
- 3.4 Should any Qualified Beneficiary communicate or attempt an election or declination of Continuation of Coverage directly with the Employer or its officers or agents, the Employer shall immediately present any and all information regarding such action to Claim Administrator. For purposes of this Paragraph 3.4, "immediately" means within three (3) work days.

- 3.5** It is understood by the Employer that agencies enforcing Continuation of Coverage requirements may impose penalties on an Employer or Plan Administrator who fails to comply. It is further understood by the Employer that Claim Administrator shall in no way be responsible for any said penalties nor does Claim Administrator agree to be liable for damages resulting from any said penalties which may be imposed on the Employer or Plan Administrator for non-compliance.
- 3.6** The Employer hereby agrees to identify its employee who shall act as the sole contact between the Employer and Claim Administrator in regard to matters under this Agreement.
- 3.7** The Employer shall furnish on a timely basis to Claim Administrator certain information concerning the Employer's Plan or Covered Qualified Beneficiaries as may from time to time be required by Claim Administrator for the performance of its duties under this Agreement including, but not limited to, the following:
- 1.** All documents by which the Continuation of Coverage is established and any amendments or changes to the coverage as may from time to time be adopted including thirty (30) days prior written notification to Claim Administrator when the Employer plans a reduction in force, lay-off, strike, or shutdown or filing for bankruptcy, or makes changes to any of the following: its Continuation of Coverage; benefit pricing; Applicable Premium; or Plan carriers.
 - 2.** All data as may be required by Claim Administrator regarding the Covered Qualified Beneficiaries who are to be covered under this Agreement.
 - a.** Such data may include, without limitation, a list of Covered Qualified Beneficiaries who are to be covered under this Agreement, and completed Continuation of Coverage forms.

Further, the Employer will notify Claim Administrator of the effective date of coverage for all Covered Qualified Beneficiaries who are to be covered under this Agreement. Clerical errors or delays in keeping or reporting data relative to coverage under this Agreement will not invalidate coverage which would otherwise be validly in force or continue coverage which would otherwise validly terminate. However, the Employer is liable for any benefits paid for a Covered Qualified Beneficiary if the Employer had not timely notified Claim Administrator of such Covered Qualified Beneficiary's termination or ineligibility under COBRA.
 - b.** All such notification by the Employer to Claim Administrator must be furnished on forms or in a format approved by Claim Administrator and must include all information reasonably required by Claim Administrator to effect such changes.
 - 3.** Such information as to Continuation of Coverage benefits as will enable Claim Administrator to accurately prepare any reports required under this Agreement. The Employer, furthermore, shall use its best efforts to cooperate with and assist Claim Administrator as applicable, in the performance of its duties hereunder.
- 3.8** Employer shall notify Claim Administrator within three (3) work days upon receipt of information which employer has regarding any possible early termination of Continuation of Coverage such as health coverage under another Plan or Medicare.
- 3.9** In the event of termination of this Agreement, the Employer shall notify Subscribers of such termination and the procedures to be followed to retain Continuation of Coverage.

ARTICLE 4 – RESPONSIBILITIES OF CLAIM ADMINISTRATOR

- 4.1** Claim Administrator is empowered to act on behalf of the Employer in connection with Continuation of Coverage only as expressly stated in this Agreement or as mutually agreed to in writing by the parties hereto.
- 4.2** Claim Administrator shall, to the extent possible, advise the Employer of any legal actions against it or the Employer which involve the obligations of the Employer or Claim Administrator under this Agreement. Claim Administrator, provided no conflicts of interest exist, shall fully cooperate with the Employer, at no cost to Claim Administrator in the Employer's defense of any action arising out of matters related to the Continuation of Coverage, or this Agreement.
- 4.3** Except as provided in Article 5, Claim Administrator shall be responsible for expenses arising out of its performance of Health Benefits Continuation of Coverage.

ARTICLE 5 - COMPENSATION

The Employer shall compensate Claim Administrator for the Health Benefits Continuation of Coverage provided by Claim Administrator under this Agreement as described in Schedule 1.

ARTICLE 6 – TERM AND TERMINATION

- 6.1** This Exhibit shall run concurrent with the Agreement and shall terminate when the Agreement terminates, subject to Run-Out provisions. The Agreement shall renew automatically for successive twelve (12) month periods unless terminated as provided in this Article 6.
- 6.2** Either party may terminate this Agreement without cause by giving at least ninety (90) days prior written notice to the other party. In the event of such termination Claim Administrator agrees to use its best efforts to assist the Employer in notifying Subscribers, transferring data, files, and all other relevant information to the Employer or its delegate.
- 6.3** This Agreement will terminate on the last date the Employer ceases to have an obligation to provide Continuation of Coverage under COBRA. In the event that the Employer ceases to have an obligation to provide Continuation of Coverage, the Employer will provide Claim Administrator with at least ten (10) days advance written notice of the cessation of its obligations.
- 6.4** When this Agreement terminates,
- 1.** Claim Administrator shall have no further duty or responsibility after the date of termination. The Employer shall immediately have complete responsibility for Health Benefits Continuation of Coverage and any other responsibilities contained in this Agreement. Further, the Employer agrees to notify all Subscribers of the termination.
 - 2.** Any and all compensation due Claim Administrator, whether or not previously billed, will be due and payable within thirty (30) days of the date of termination.

ARTICLE 7 – RELATIONSHIP OF PARTIES

- 7.1** Claim Administrator is an independent contractor with respect to the Employer, and nothing in this Agreement shall create, or be construed to create, the relationship of employer and employee between Claim Administrator and the Employer, nor shall the Employer's agents, officers or employees be considered or construed to be considered employees of Claim Administrator for any purpose whatsoever. Claim Administrator is not the Plan Administrator and makes no discretionary decisions regarding eligibility for, or termination of, Continuation of Coverage.

- 7.2 It is understood and agreed that nothing contained in this Agreement shall confer or be construed to confer any benefit on persons who are not parties to this Agreement including, but not limited to, beneficiaries or former beneficiaries of the Employer or the Plan.
- 7.3 The Employer acknowledges that this Agreement is separate and distinct from any other agreement(s) between the parties regarding certain administrative services or policies of insurance issued to said Employer. All amounts due hereunder shall be in addition to the amounts, service fees, or premiums due Claim Administrator under any such agreement(s).

ARTICLE 8 - GENERAL PROVISIONS

- 8.1 **TAXES:** In the event any taxing authority having jurisdiction over either (or both) of the parties determines that the compensation paid to Claim Administrator by the Employer results in any tax liability (other than an income tax) to Claim Administrator, such tax shall be the responsibility of the Employer, and the amount of such tax shall be paid by the Employer to Claim Administrator upon written request pursuant to Article 5 of this Agreement.
- 8.2 **NOTIFICATION:** Claim Administrator is not obligated to notify any Qualified Beneficiary (regardless of whether or not the Qualified Beneficiary has elected Continuation of Coverage) of the termination of this Agreement.
- 8.3 **INFORMATION:** All written information (including billings and compensation) and notices provided pursuant to this Agreement will be posted by first class mail, postage prepaid to Claim Administrator at P.O. Box 1180, Marion, IL 62959-7680 and to the Employer at the Employer address indicated on Exhibit 5, the Benefit Program Application ("BPA").

SCHEDULE I

ADMINISTRATIVE FEE

The Employer will pay a separate and distinct Administrative Fee to Claim Administrator as payment for the Administrative Services Claim Administrator provides under this Agreement. This Administrative Fee will be due and payable as follows:

- (i) The Employer will pay Claim Administrator a Seventy-Five Dollar (\$75.00) monthly administrative fee. The sum of Seventy-Five Dollars (\$75.00) will be deducted from the monthly remittance to the Employer pursuant to Article 2, Section 2.11. If the Seventy-Five Dollar (\$75.00) fee exceeds the amount of Applicable Premium received, the excess will be due and payable to Claim Administrator upon receipt of a monthly invoice.
- (ii) The Employer will pay Claim Administrator a sum of Ten Dollars (\$10.00) per Covered Qualified Beneficiary on a monthly basis as the payment for the services Claim Administrator provides under this Agreement. The sum of Ten Dollars (\$10.00) per Covered Qualified Beneficiary per month will be deducted from the monthly remittance to the Employer pursuant to Article 2, Section 2.11. If the total of Ten Dollars (\$10.00) per Qualified Beneficiary per month fee exceeds the amount of Applicable Premium received, the excess will be due and payable to Claim Administrator upon receipt of a monthly invoice.
- (iii) The Employer will pay BCBSTX a sum of Ten Dollars (\$10.00) per Qualified Beneficiary for each notice of their COBRA rights. The sum of Ten Dollars (\$10.00) per notice will be deducted from the monthly remittance to the Employer, pursuant to Article 2, Section 2.11. If the Ten Dollars (\$10.00) per Qualified Beneficiary notice fee exceeds the amount of premium received, the excess will be due and payable to BCBSTX upon receipt of a monthly invoice.
- (iv) The Employer will pay Claim Administrator a sum of One Hundred Dollars (\$100.00) per hour for any system programming costs associated with non-standard administration services. The sum of One Hundred Dollars (\$100.00) per hour will be deducted from the monthly remittance to the Employer pursuant to Article 2, Section 2.11. If the One Hundred Dollars (\$100.00) per hour fee exceeds the amount of Applicable Premium received, the excess will be due and payable to Claim Administrator upon receipt of a monthly invoice.

EXHIBIT 5
BENEFIT PROGRAM APPLICATION (“ASO BPA”)

ASO

Benefit Program Application ("ASO BPA")

Application to Administrative Services Only (ASO) Group Accounts

Administered by Blue Cross and Blue Shield of Texas, a division of Health Care Services Corporation, A Mutual Legal Reserve Company, hereinafter referred to as the "Claim Administrator" or "HCSC"

Group Status: Renewing ASO Account

Employer Account Number (6-digits): 080897 Group Number(s): 089527 Section Number(s): ALL

Effective Date: 01/01/2013 Anniversary Date (AD): 01/01

Legal Employer Name: City of College Station
(Specify the employer or the employee trust applying for coverage. AN EMPLOYEE BENEFIT PLAN MAY NOT BE NAMED)

ACCOUNT INFORMATION

NO CHANGES SEE ADDITIONAL PROVISIONS

Employer Identification Number: SIC: Nature of Business: Public Entity? Yes No
Primary Address: City: State: Zip: Administrative Contact:
Title: Phone Number: Fax Number: Email Address:

Physical Address (if different from Primary - required):
City: State: Zip:

Billing Address:
City: State: Zip: Billing Contact:
Title: Phone Number: Fax Number: Email Address:

Blue Access for Employers (BAE) Contact:
(The BAE Contact is the Employee of the account authorized by the Employer to access and maintain its account via BAE.)
Title: Phone Number: Fax Number: Email Address:

Subsidiary/Affiliated Companies: Subsidiary/Affiliated Companies Address:
Contact: Title:
City: State: Zip:
Phone Number: Fax Number: Email Address:
ERISA Plan: Yes No If yes, specify ERISA Plan Year: (mm/dd/yy)
ERISA Plan Administrator: Plan Administrator's Address:

PRODUCER OF RECORD INFORMATION

NO CHANGES SEE ADDITIONAL PROVISIONS

Effective:  If applicable, the below-named producer(s) or agency(ies) is/are recognized as Employer's Producer of Record (POR) to act as representative in negotiations with and to receive commissions from Blue Cross and Blue Shield of Texas, a division of Health Care Service Corporation (HCSC), a Mutual Legal Reserve Company, and HCSC subsidiaries for Employer's employee benefit programs. This statement rescinds any and all previous POR appointments for Employer. The POR is authorized to perform membership transactions on behalf of Employer. This appointment will remain in effect until withdrawn or superseded in writing by Employer.

1. *Producer(s) or Agency(ies) to whom commissions are to be paid:
Tax ID Number (TIN) of Producer or Agency: _____ Producer #: _____
Producer Address: Street: City: Zip:
Phone: Fax: Email:
Is Producer/Agency appointed with BCBSTX? Yes No General Agent? Yes No
Affiliated with General Agent? Yes No

2. *Producer(s) or Agency(ies)** to whom commissions are to be paid:
Tax ID Number (TIN) of Producer or Agency: _____ Producer #:

Agency Address: Street: _____ City: _____ Zip: _____

Phone: _____ Fax: _____ Email: _____

Is Producer /Agency appointed with BCBSTX? Yes No
General Agent? Yes No

Affiliated with General Agent? Yes No

If commission split, designate percentage for each producer/ agency. **Note:** total commissions paid must equal 100%
Producer /Agency 1: _____% Producer /Agency 2: _____%

3. Multiple Location Agency(ies): If servicing agency is not listed above as Item 1 or 2, specify location below:

* The Producer or agency name(s) above to whom commissions are to be paid must exactly match the name(s) on the appointment application(s).

** If commissions are split, please provide the information requested above on both producers/agencies. BOTH must be appointed to do business with BCBSTX.

SCHEDULE OF ELIGIBILITY

NO CHANGES SEE ADDITIONAL PROVISIONS

1. Eligible Person means:

- A full-time employee of the Employer.
- A full-time employee who is a member of: _____
(name of union)
- A part-time employee of the Employer.
- A retiree of the Employer.
- Other: _____

Are any classes of employees to be excluded from coverage? Yes No

If yes, please identify the classes and describe the exclusion: _____

2. Full-Time Employee means:

- A person who is regularly scheduled to work a minimum of _____ hours per week and who is on the permanent payroll of the Employer.
- Other: _____

3. Domestic Partners covered: Yes No

If yes: A Domestic Partner, as defined in the Plan, shall be considered eligible for coverage. The Employer is responsible for providing notice of possible tax implications to those Covered Employees with Domestic Partners.

If yes, are Domestic Partners eligible to continue coverage under COBRA? Yes No

If yes, are dependents of Domestic Partners eligible for coverage? Yes No If yes, the Limiting Age for covered children of Domestic Partners means twenty-six (26) years, regardless of presence or absence of a child's financial dependency, residency, student status, employment, marital status or any combination of those factors.

4. Are children of any age who are medically certified as disabled and dependent on the employee for support and maintenance eligible for coverage? Yes No

Are children over the Limiting Age who are medically certified as disabled and dependent on the employee for support and maintenance eligible for coverage under the plan if they were not covered under the plan prior to reaching the Limiting Age? Yes No

5. Are unmarried grandchildren eligible for coverage? Yes No

If yes, must the grandchild be dependent on the employee for federal income tax purposes at the time application is made? Yes No

6. The effective date for a newly eligible person who becomes effective after the employer's initial enrollment date:

- The date of employment.
- The _____ day of the month following the date of employment.
- The _____ day of the month following _____ days of employment.
- The _____ day of the month following _____ month(s) or _____ days of employment.
- The _____ day of employment.

Other: _____

Is the waiting period requirement to be waived on initial group enrollment? (The waiting period means the waiting period an Employee must satisfy in order for coverage to become effective. Covered family members do not have to satisfy a waiting period to become effective.) Yes No

Are there multiple new hire employee waiting periods? Yes No

If yes, please attach eligibility and contribution details for each section.

7. The Effective Date of termination for a person who ceases to meet the definition of Eligible Person:

The date such person ceases to meet the definition of Eligible Person.

The last day of the calendar month in which such person ceases to meet the definition of an Eligible Person.

Other: _____

8. The Limiting Age for covered children is **Twenty-six (26) years**, regardless of presence or absence of a child's financial dependency, residency, student status, employment, marital status or any combination of those factors. For plan years beginning before January 1, 2014, an ASO grandfathered group health plan may exclude an adult child under 26 from coverage only if the child is eligible to enroll in an eligible employer sponsored health plan (as defined in Section 5000A(f)(2) of the Internal Revenue Code) other than a group health plan of a parent.

To cover children age twenty-six (26) and over, you must select option i. or ii. below:

i. The Limiting Age for covered children age twenty-six (26) or over,

who are unmarried

regardless of marital status,

is _____ years. *Twenty-seven (27) through thirty (30) are the available options.*

ii. The Limiting Age for covered children **who are full-time students** and age twenty-six (26) or over,

who are unmarried

regardless of marital status,

is _____ years. *Twenty-seven (27) through thirty (30) are the available options.*

Student certification: Account or BCBSTX or None

Frequency of Certification Letters: Annually (AN) Quarterly (QU) Semi-Annually (SA)

* Certification Schedule: Month 1: _____ Month 2: _____ Month 3: _____ Month 4: _____

* For Annual Notification, indicate one month (Jan-Dec) for notification, for Semi-annual, select 2 months, for quarterly, select 4 months

Automatically cancel dependents who reach the maximum limiting age? Yes No

However, such cancellation shall be postponed in accordance with any applicable federal or state law.

9. Termination of coverage upon reaching the Limiting Age:

Coverage is terminated on the birthday.

Coverage is terminated on the last day of the month in which the Limiting Age is reached.

Coverage is terminated on the last day of the billing month.

Coverage is terminated on the last day of the year (12/31) in which the Limiting Age is reached.

Coverage is terminated on the group's Anniversary Date.

Will coverage for a child who is medically certified as disabled and dependent on the parent terminate upon reaching the Limiting Age even if the child continues to be both disabled and dependent on the parent? Yes No

However, such coverage shall be extended in accordance with any applicable federal or state law.

10. Enrollment:

Special Enrollment: An Eligible Person may apply for coverage, Family coverage or add dependents within thirty-one (31) days of a qualifying event if he/she did not apply prior to his/her Eligibility Date or when eligible to do so. Such person's Coverage Date, Family Coverage Date, and/or dependent's Coverage Date will be the effective date of the qualifying event or, in the event of Special Enrollment due to termination of previous coverage, the first day of the Plan Month following receipt of the application. In the case of a qualifying event due to loss of coverage under Medicaid or a state children's health insurance program, however, this enrollment opportunity is not available unless the Eligible Person requests enrollment within sixty (60) days after such coverage ends.

Late Enrollment: An Eligible Person may apply for coverage, Family coverage or add dependents if he/she did not apply prior to his/her Eligibility Date or did not apply when eligible to do so. Such person's Coverage Date, Family Coverage Date, and/or dependent's Coverage Date will be a date mutually agreed to by the Claim Administrator and the Employer.

An Eligible Person may apply for coverage, Family coverage or add dependents if he/she did not apply prior to his/her Eligibility Date or did not apply when eligible to do so, during the Employer's Open Enrollment Period. Such person's Coverage Date, Family Coverage Date, and/or dependent's Coverage Date will be a date mutually agreed to by the Claim Administrator and the Employer. Such date shall be subsequent to the Open Enrollment Period.

Late applicant enrollment options:

- Annual open enrollment – late applicant may apply during open enrollment and for applicants nineteen (19) years of age or older, be subject to a 12-month pre-existing waiting period (credit will always be applied).
- No Annual Open Enrollment – late applicants are never eligible for coverage (dental only).
- Annual open enrollment – no pre-existing waiting period.
- Late applicants may apply at any time – coverage is effective first of the month following receipt of the application. For applicants nineteen (19) years of age or older, an 18-month pre-existing waiting period applies.

Specify Open Enrollment Period: _____

11. Pre-existing waiting period:

- Pre-existing waiting period waived for all participants up to age nineteen (19). All other participants age nineteen (19) and over must serve pre-existing waiting period. Benefits for treatment incurred during the _____ months prior to the effective date of membership will not be covered for _____ months after the effective date.
- Pre-existing is waived on the account's initial enrollment. All other participants age nineteen (19) and over must serve pre-existing waiting period. Benefits for treatment incurred during the _____ months prior to the effective date of membership will not be covered for _____ months after the effective date.
- Pre-existing waiting period waived for all participants.

12. Extension of benefits due to Temporary Layoff, Disability or Leave of Absence:

Temporary Layoff: _____ days Disability: _____ days Leave of Absence: _____ days

However, benefits shall be extended for the duration of an Eligible Person's leave in accordance with any applicable federal or state law.

13. COBRA Auto Cancel? Yes No

Member's COBRA/Continuation of Coverage will be automatically cancelled at the end of the member's eligibility period.

CURRENT EMPLOYEE ELIGIBILITY INFORMATION

NO CHANGES

Current number of Employees enrolled _____

SEE ADDITIONAL PROVISIONS

Total number of Employees/Subscribers:

1. on payroll
2. on COBRA continuation coverage
3. with retiree coverage (if applicable)
4. who work part-time
5. serving the new hire waiting period
6. declining because of other **group** coverage (e.g., other commercial group coverage, Medicare, Medicaid, TRICARE/Champus)
7. declining coverage (not covered elsewhere)

LINES OF BUSINESS
(Check all applicable products)

NO CHANGES

SEE ADDITIONAL PROVISIONS

Managed Health Care Coverage:

PPO

EPO

Dual Option

POS

High Plan Name: _____

HMO

Low Plan Name: _____

with Drug coverage

without Drug coverage

Consumer Driven Health Plan
(BlueEdge)

HCA, if selected, complete separate HCA Benefit Program Application

HSA, if selected, provide HSA Administrator or trustee name:

FSA (vendor: ConnectYourCare) (available 1/1/2013)

Traditional coverage:

Out-of-Area (Indemnity)

Benefit Offering

Prescription Drug Coverage:

Prescription Drug Program

Stand-Alone Prescription Drug Program

Comprehensive Dental Coverage

Plan _____ Choose an item

Dual Option: Plan 1 _____ Choose an item

Plan 2 _____ Choose an item

Comprehensive Vision Coverage

In-Hospital Indemnity (IHI)

Wellness Incentives

Stop Loss Coverage - If selected, complete separate Stop Loss exhibit

Dearborn National Life Insurance - If selected, complete separate Life application

HCSC COBRA Administrative Services - If selected, complete separate COBRA Administrative Services Addendum

COMMENTS: 2013 Renewal

FINANCIAL DOCUMENT ADMINISTRATION FEE SCHEDULE

Fee Schedule Period)

To begin on Effective Date of Coverage and continue for:

12 Months Other: _____ Months

Administrative Charge (s)

NO CHANGES SEE ADDITIONAL PROVISIONS/ATTACHMENT

1. Type:
 Medical
 Medical / Dental
 Other: _____

2. Administrative Charge Chart:

Product / Service	1-1-2013	1-1-2014	1-1-2015	
Base Administrative Charge (Medical)	\$49.51	\$51.99	\$54.58	\$
Choose an Item	\$	\$	\$	\$
Choose an Item	\$	\$	\$	\$
Choose an Item	\$	\$	\$	\$
*Prescription Drug Rebate Credit per Covered Employee per month is the guaranteed Prescription Drug Rebate savings reflected as a Prescription Drug Rebate credit. Expected rebate amounts to be received by the Claim Administrator are passed back to the Employer with one hundred percent (100%) of the expected amount applied as a credit on the monthly billing statement on a per Covered Employee per month basis. Rebate credits are paid prospectively to the Employer and shall not continue after termination of the Prescription Drug Program. (Further information concerning this credit is included in the governing Administrative Services Agreement to which this ASO BPA is attached under the section titled "CLAIM ADMINISTRATOR'S SEPARATE FINANCIAL ARRANGEMENTS WITH PHARMACY BENEFIT MANAGERS.")	\$(9.30)	\$TBD	\$TBD	\$
Blue Care Connection® ("BCC") Program: Enhanced	\$	\$	\$	\$
BCC Program Buy Up(s):	\$	\$	\$	\$
Description: Choose an Item	\$	\$	\$	\$
Description: Choose an Item	\$	\$	\$	\$
Other: _____	\$	\$	\$	\$
Other: _____	\$	\$	\$	\$
Other: _____	\$	\$	\$	\$
Other: _____	\$	\$	\$	\$
Other: _____	\$	\$	\$	\$
Total	\$40.21	\$	\$	\$

Additional Comments:

Dental: _____	\$3.72	\$	\$	\$
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3. Termination Administrative Charge:

The Termination Administrative Charge applicable to the Run-Off Period shall be equal to the sum of the amounts obtained by multiplying the total number of Covered Employees by category (*per Covered Employee per individual or family composite*) during the three (3) months immediately preceding the date of termination by the appropriate factors shown below.

Service	1-1-2013	1-1-2014	1-1-2015	
Medical Run-off Administration Charge	\$18.72	\$19.66	\$20.64	\$
Dental Run-off Administration Charge	\$	\$	\$	\$

Additional Comments:

4. BlueCard Program/Network access fee: \$ (Available upon request)

5. **Not applicable to Grandfathered Plans**

External Review Coordination:

Employer acknowledges and agrees: (i) to a fee of \$700 for each external review requested by a Covered Person that the Claim Administrator coordinates for the Employer in relation to the Employer's Plan; (ii) that the Claim Administrator's coordination shall include reviewing external review requests to ensure that they meet eligibility requirements, referring requests to accredited external independent review organizations, and reversing the Plan's determinations if so indicated by external independent review organizations; and (iii) that the external reviews shall be performed by an independent third party entity or organization and not the Claim Administrator. Amounts received by Claim Administrator and external independent review organizations may be revised from time to time and may be paid each time an external review is undertaken. Further, Employer elects for external reviews to be performed under the Federal Affordable Care Act external review process.

6. Reimbursement Provision: Yes No

If yes: It is understood and agreed that in the event the Claim Administrator makes a recovery on a third-party liability claim, the Claim Administrator will retain 25% of any recovered amounts other than amounts recovered as a result of or associated with any Workers' Compensation Law.

7. **Claim Administrator's Third Party Recovery Vendor:**

It is understood and agreed that in the event the Claim Administrator's Third Party Recovery Vendor makes a recovery on a claim, the Employer will pay no more than 25% of any recovered amount.

Plan Design Material

NO CHANGES SEE ADDITIONAL PROVISIONS

1. Benefit booklets – Is BCBSTX providing benefit booklets? Yes No
 - Standard benefit booklet (no additional charge)
 - Customized benefit booklets
 - No additional charge
 - Supplemental Billing**
 - Customized booklet covers*
 - No additional charge
 - Supplemental Billing**
 - ERISA plan information
 - No additional charge
 - Supplemental Billing**

2. Subscriber ID cards
 - Standard subscriber ID cards (no additional charge)
 - Customized ID card services
 - No additional charge
 - Supplemental Billing**

3. Network provider directories
 - No additional charge
 - Supplemental Billing**

4. Subscriber claim forms, enrollment forms, enrollment materials
 - No additional charge
 - Supplemental Billing**

5. Special mailings

Provider directories to be mailed to home addresses: Yes No

 - Cost included in admin charge
 - Supplemental Billing**

6. Other: _____ Additional charge: \$_____

* Custom booklet covers are not available on electronic documents.
 ** As indicated in fee table on previous page.

PAYMENT SPECIFICATIONS

NO CHANGES SEE ADDITIONAL PROVISIONS

Employer Payment Method:	<input type="checkbox"/> Online Bill Pay <input type="checkbox"/> Electronic <input type="checkbox"/> Check
Employer Payment Period:	<input type="checkbox"/> Weekly (cannot be selected if Check is selected as payment method above) <input type="checkbox"/> Twice-Monthly <input type="checkbox"/> Monthly <input type="checkbox"/> Other (please specify)
Claim Settlement Period:	Monthly
Run-Off Period:	Transfer Payments are to be made for twelve (12) months following the end of the Fee Schedule Period.
Final Settlement:	Final Settlement to be made within (60) days after end of Run-Off Period.

BROKER/CONSULTANT COMPENSATION

The Employer acknowledges that if any broker/consultant acts on its behalf for purposes of purchasing services in connection with the Employer's Plan under the Administrative Services Agreement to which this ASO BPA is attached, the Claim Administrator may pay the Employer's broker/consultant a commission and/or other compensation in connection with such services under the Agreement. If the Employer desires additional information regarding commissions and/or other compensation paid the broker/consultant by the Claim Administrator in connection with services under the Agreement, the Employer should contact its broker/consultant.

OTHER PROVISIONS

NO CHANGES SEE ADDITIONAL PROVISIONS

1. Certificate of Creditable Coverage: Yes No

If yes: The Employer directs the Claim Administrator to issue to individuals, whose coverage under the Plan terminates during the term of the Administrative Services Agreement to which this ASO BPA is attached, a Certificate of Creditable Coverage. The Certificate of Creditable Coverage shall be based upon information required for issuance of a Certificate of Creditable Coverage to be provided to the Claim Administrator by the Employer and coverage under the Plan during the term of the Administrative Services Agreement.

2. Summary of Benefits & Coverage:

a. Claim Administrator will create Summary of Benefits & Coverage (SBC)?

Yes. If yes, please answer question b. The SBC Addendum is attached.

No. If No, then the Employer acknowledges and agrees that the Employer is responsible for the creation and distribution of the SBC as required by Section 2715 of the Public Health Service Act (42 USC 300gg-15) and SBC regulations (45 CFR 147.200), as supplemented and amended from time to time, and that in no event will the Claim Administrator have any responsibility or obligation with respect to the SBC. The Claim Administrator is not obligated to respond to or forward misrouted calls, but may, at its option, provide participants and beneficiaries with Employer's contact information. A new clause (e) is added to Subsection C. in the Additional Provisions as follows: "(e) the SBC". (Skip question b.)

b. Claim Administrator will distribute Summary of Benefits & Coverage (SBC) to participants and beneficiaries?

No. Claim Administrator will create SBC (only for benefits Claim Administrator administers under the Agreement) and provide SBC to Employer in electronic format. Employer will then distribute SBC to participants and beneficiaries (or hire a third party to distribute) as required by law.

Yes. Claim Administrator will create SBC (only for benefits Claim Administrator administers under the Agreement) and provide SBC to Employer in electronic format. Employer will then distribute to participants and beneficiaries as required by law, except that Claim Administrator will send the SBC in response to the occasional request received directly from individuals.

Yes. Claim Administrator will create SBC (only for benefits Claim Administrator administers under the Agreement) and distribute SBC to participants and beneficiaries via regular hardcopy mail or electronically. Distribution Fee for hardcopy mail is \$1.30 per package. The distribution fee will not apply to SBCs that Claim Administrator sends in response to the occasional request received directly from individuals

3. The Massachusetts Health Care Reform Act requires employers to provide, or contract with another entity to provide, a written statement to individuals residing in Massachusetts who had "creditable coverage" at any time during the prior calendar year through the employer's group health plan and to file a separate electronic report to the Massachusetts Department of Revenue verifying information in the individual written statements.

a. The Employer directs Claim Administrator to provide written statements of creditable coverage to its Covered Employees who reside, or have enrolled dependents who reside, in Massachusetts and file electronic reports to the Massachusetts Department of Revenue in a manner consistent with the requirements under the Massachusetts Health Care Reform Act. Such written statements and electronic reporting shall be based on information provided to the Claim Administrator by the Employer and coverage under the Plan during the term of the Administrative Services Agreement. The Employer hereby certifies that, to the best of its knowledge, such coverage under the Plan is "creditable coverage" in accordance with the Massachusetts Health Care Reform Act. The Employer acknowledges that the Claim Administrator is not responsible for verifying nor ensuring compliance with any tax and/or legal requirements related to this service. The Employer or its Covered Employees should seek advice from their legal or tax advisors as necessary.

Yes No

b. If no: The Employer acknowledges it will provide written statements and electronic reporting to the Massachusetts Department of Revenue as required by the Massachusetts Health Care Reform Act.

4. Employer contribution. The percentage of premium to be paid by the employer is:

Health -- % or \$					Dental -- % or \$						
Emp:	%	\$	Dep:	%	\$	Emp:	%	\$	Dep:	%	\$

5. This ASO Benefit Program Application (ASO BPA) is incorporated into and made a part of the Administrative Services Agreement with both such documents to be referred to collectively as the "Agreement" unless specified otherwise.

ADDITIONAL PROVISIONS:

A. Grandfathered Health Plans: Employer shall provide Claim Administrator with written notice prior to renewal (and during the plan year, at least 60 days advance written notice) of any changes that would cause any benefit package of its group health plan(s) (each hereafter a "plan") to not qualify as a "grandfathered health plan" under the Affordable Care Act and applicable regulations. Any such changes (or failure to provide timely notice thereof) can result in retroactive and/or prospective changes by Claim Administrator to the terms and conditions of administrative services. In no event shall Claim Administrator be responsible for any legal, tax or other ramifications related to any plan's grandfathered health plan status or any representation regarding any plan's past, present and future grandfathered status. The grandfathered health plan form ("Form"), if any, shall be incorporated by reference and part of the BPA and Agreement, and Employer represents and warrants that such Form is true, complete and accurate.

B. Retiree Only Plans, Excepted Benefits and/or Self-Insured Nonfederal Governmental Plans: If the BPA includes any retiree only plans, excepted benefits and/or self-insured nonfederal governmental plans (with an exemption election), then Employer represents and warrants that one or more such plans is not subject to some or all of the provisions of Part A (Individual and Group Market Reforms) of Title XXVII of the Public Health Service Act (and/or related provisions in the Internal Revenue Code and Employee Retirement Income Security Act) (an "exempt plan status"). Any determination that a plan does not have exempt plan status can result in retroactive and/or prospective changes by Claim Administrator to the terms and conditions of administrative services. In no event shall Claim Administrator be responsible for any legal, tax or other ramifications related to any plan's exempt plan status or any representation regarding any plan's exempt plan status.

C. Employer shall indemnify and hold harmless Claim Administrator and its directors, officers and employees against any and all loss, liability, damages, fines, penalties, taxes, expenses (including attorneys' fees and costs) or other costs or obligations resulting from or arising out of any claims, lawsuits, demands, governmental inquiries or actions, settlements or judgments brought or asserted against Claim Administrator in connection with (a) any plan's grandfathered health plan status, (b) any plan's exempt plan status, (c) any plan's design (including but not limited to any directions, actions and interpretations of the Employer), (d) any provision of inaccurate information, and/or (e) the SBC. Changes in state or federal law or regulations or interpretations thereof may change the terms and conditions of administrative services.

The provisions of paragraphs A-C (directly above) shall be in addition to (and do not take the place of) the other terms and conditions of administrative services between the parties.

PROXY

The undersigned hereby appoints the Board of Directors of Health Care Service Corporation, a Mutual Legal Reserve Company, or any successor thereof ("HCSC"), with full power of substitution, and such persons as the Board of Directors may designate by resolution, as the undersigned's proxy to act on behalf of the undersigned at all meetings of members of HCSC (and at all meetings of members of any successor of HCSC) and any adjournments thereof, with full power to vote on behalf of the undersigned on all matters that may come before any such meeting and any adjournment thereof. The annual meeting of members shall be held each year in the corporate headquarters on the last Tuesday of October at 12:30 p.m. Special meetings of members may be called pursuant to notice mailed to the member not less than 30 nor more than 60 days prior to such meetings. This proxy shall remain in effect until revoked in writing by the undersigned at least 20 days prior to any meeting of members or by attending and voting in person at any annual or special meeting of members.

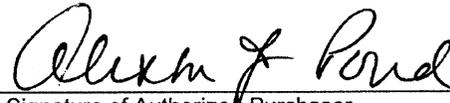
Group No.: 80897 By: Alison Pond
Print Signer's Name Here
→ Alison J Pond, HR Director
Signature and Title

Group Name: City of College Station, TX
Address: Po Box 9960, 1101 Texas Ave
City: College Station State: TX Zip Code: 77840
Dated this 22nd day of October 2012
Month Year

I UNDERSTAND AND AGREE THAT:

1. The proposed fees are effective for 12 months, subject to contract provisions, and are based on the information and conditions stated. Final fees are subject to review based on actual enrollment results. If there is a 10% or greater variance in the enrollment and/or less than the minimum enrollment requirement of _____, BCBSTX reserves the right to review the final fees. The information provided in this application is complete and accurate to the best of my knowledge. If this information is incomplete or inaccurate, BCBSTX may rerate the plan, withdraw the proposal or cancel the contract.
2. Has there been a significant change in the claims experience previously provided? Yes No If significant changes have been made, complete and attach Account Experience (Addendum to BPA).
3. Have there been any significant changes in the previously provided location(s) of eligible employees? Yes No If significant changes have been made, attach new census.
4. Receipt by BCBSTX of the advance administrative fee (where applicable), in the amount of \$_____, and completed enrollment forms does not constitute approval and acceptance by the BCBSTX Home Office.
5. If applicable, effective _____, the above-named producer(s) or agency(ies) is/are recognized as Employer's Producer of Record (POR), to act as representative in negotiations with and to receive commissions from Blue Cross and Blue Shield of Texas, a division of Health Care Service Corporation (HCSC), a Mutual Legal Reserve Company, and HCSC subsidiaries for our employee benefit programs. This statement rescinds any and all previous Producer of Record appointments for this company. The above named agent(s) or agency(ies) is authorized to perform membership transactions on behalf of the Employer. This appointment will remain in effect until withdrawn or superseded in writing by our company.
6. Producer Statement (if applicable): I certify that I have reviewed all enrollment materials. I have also advised the Employer that I have no authority to bind these coverages, to alter the terms of the Contract(s)/Policy(ies), this Benefit Program Application or enrollment material in any manner or to adjust any claims for benefits under the Contract(s)/Policy(ies).
7. BCBSTX will report the value of all remuneration by BCBSTX to ERISA plans with 100 or more participants for use in preparation of ERISA Form 5500 schedules. Reporting will also be provided upon request to non-ERISA plans or plans with fewer than 100 participants. Reporting will include base commissions, bonuses, incentives, or other forms of remuneration for which your Producer/consultant is eligible for the sale or renewal of self-funded and/or insured products.

Authorized BCBSTX Representative



Signature of Authorized Purchaser

Title Date

Title

10/22/12

Date

BCBSTX Telephone and Fax numbers

Producer Representative (if applicable)

Date

Producer Telephone and Fax numbers



Legislation Details (With Text)

File #:	14-319	Version:	1	Name:	2014 Basic and AD&D
Type:	Contract	Status:		Status:	Consent Agenda
File created:	3/10/2014	In control:		In control:	City Council Regular
On agenda:	3/27/2014	Final action:		Final action:	
Title:	Presentation, possible action, and discussion on approving projected City expenditures for employee life, accidental death & dismemberment (AD&D) insurance for all benefit-eligible employees. Projected annual City cost for January 1, 2014 through December 31, 2014 is \$93,000.				
Sponsors:	HR				
Indexes:					
Code sections:					
Attachments:	13-125 - Mutual of Omaha.pdf				

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion on approving projected City expenditures for employee life, accidental death & dismemberment (AD&D) insurance for all benefit-eligible employees. Projected annual City cost for January 1, 2014 through December 31, 2014 is \$93,000.

Approval of projected City expenditures for employee life, accidental death & dismemberment (AD&D) insurance for all benefit-eligible employees.

Relationship to Strategic Goals: Financially Sustainable City

Recommendation(s): Staff recommends council to authorize the expenditures for the policy with Mutual of Omaha for all lines of life insurance coverage stated above.

Summary: The City currently provides life insurance and accidental death & dismemberment (AD&D) insurance for all benefit-eligible employees, each in the amount of two times annual salary. The City also provides a line of duty benefit for all sworn police and fire personnel equal to \$50,000. Employees may also purchase supplemental life insurance on themselves and/or their dependents at a group rate. The City of College Station issued an RFP in July 2012 for all lines of life insurance coverage. The current contract was implemented January 1, 2013 with a 3 year rate guarantee to expire in 2016.

Budget & Financial Summary: Funds are budgeted in the Benefits Fund.

December 13, 2012
Consent Agenda Item No. 2f
2013 Basic & Voluntary Life and AD&D

To: David Neeley, City Manager

From: Alison Pond, HR Director

Agenda Caption: Presentation, possible action and discussion regarding a new policy for employee life, accidental death & dismemberment (AD&D), voluntary life and AD&D, and dependent life insurance with Mutual of Omaha. Projected annual City cost is \$93,000.00.

Relationship to Strategic Goals: (Select all that apply)

1. Financially Sustainable City

Recommendation(s): Staff recommends council approve the policy with Mutual of Omaha for all lines of life insurance coverage stated above.

Summary: The City currently provides life insurance and accidental death & dismemberment (AD&D) insurance for all benefit-eligible employees, each in the amount of two times annual salary. The City also provides a line of duty benefit for all sworn police and fire personnel equal to \$50,000. Employees may also purchase supplemental life insurance on themselves and/or their dependents at a group rate. The City of College Station issued an RFP in July 2012 for all lines of life insurance coverage. Nine responses were received and Mutual of Omaha is recommended; they offer a 23% decrease in rates from 2012.

Budget & Financial Summary: Funds are budgeted in the Benefits Fund.

Reviewed and Approved by Legal: Yes

Attachments: New Customer Verification Guide



Legislation Details (With Text)

File #:	14-332	Version:	1	Name:	Dowling Road Pump Station
Type:	Contract	Status:		Status:	Consent Agenda
File created:	3/14/2014	In control:		In control:	City Council Regular
On agenda:	3/27/2014	Final action:		Final action:	
Title:	Presentation, possible action, and discussion to purchase and install a new motor control center for high service pump #1 at the Dowling Road Pump Station, for a total cost not to exceed \$120,000, and approval of a contingency transfer.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Reynolds Quote				

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion to purchase and install a new motor control center for high service pump #1 at the Dowling Road Pump Station, for a total cost not to exceed \$120,000, and approval of a contingency transfer.

Relationship to Strategic Goals:

- Core Services and Infrastructure

Recommendation(s): Staff recommends approval of the equipment purchase and the installation contract and recommends approval of the contingency transfer.

Summary: The "high service" (HS) pumps at the Dowling Road pump station pressurize the entire water distribution system and keep the water flowing to our customers. On high water usage days in the summer, all the HS pumps are needed to keep up with demand. Presently, HS pump #1 is not usable, because components in the motor control center (MCC) have failed, specifically the variable frequency drive (VFD). This VFD is 13 years old, and replacement parts are not economically available, therefore the most cost effective solution is to replace the entire MCC. We must have HS-1 back in service by early June.

Staff has selected an Allen Bradley (AB) unit as the new standard MCC. It is important to use the AB unit because this manufacturer most easily integrates into our automatic control system (SCADA), and will allow us to continue to standardize training on future repairs and minimize spare parts inventory. The quote of \$84,275 for the AB MCC is from The Reynolds Company, who is the sole authorized AB distributor for this area. This price includes delivery of the equipment to Dowling Road, with a delivery time of 10 weeks, but does not include installation.

Staff is getting quotes from qualified electrical contractors for the installation, which we expect will not exceed \$35,000. However, due to the 10 week delivery time on the equipment, staff is requesting

Council approve the equipment purchase, before the installation details are finalized. If Council approves, then the installation contract will be issued by the City Manager.

Budget & Financial Summary: As replacement of the motor control center was not anticipated when the FY14 budget was developed, funds for the replacement were not budgeted. A contingency transfer in the amount of \$120,000 is being requested for approval. Contingency transfers greater than \$15,000 require Council approval. There is adequate budget within the Water Capital Projects contingency to cover this item.

Attachments: Quote from Reynolds

 **The Reynolds Company**
Your Solution For Electrical Supply

6775 Bingle Rd.
Houston, Tx. 77092
713-426-8400

Quote # QMOEV0073A

February 18, 2014

College Station Utilities
College Station, Tx.

Attention: Mike Kellogg

Subject: **400 HP VFD Quote, 6-Pulse**

We are pleased to submit our proposal for a 400HP, 6-Pulse, Allen-Bradley PowerFlex 755 drive and input harmonic filter. The following pages contain pricing, delivery and a description of the solution proposed.

If you have any further questions regarding this quotation please contact me. Thank you again for your continued interest in our products and services.

Very truly yours,

Larry Alexander

CC: Lee Hankins

QUOTE REVISIONS

Version A – 2/18/14 – Original quotation

PROVIDED INFORMATION

- 1) Existing motor is 500 HP / 480 VAC / 542 Amp
- 2) The load only draws a maximum current of 370 Amps
 - a. Customer would like to down size VFD size to match current load currents
 - b. Look into supplying a 400 HP drive package instead of a 500 HP
- 3) Required features:
 - a. NEMA 1 Enclosure
 - b. Input power circuit breaker
 - c. 120 VAC I/O
 - d. Ethernet communications
 - e. Hand – Off – Auto selector switch
 - f. Start, Stop pushbuttons
 - g. Push to test lights
 - i. Run
 - ii. High Pressure Alarm
 - iii. Pump Shutdown
 - iv. Ground Fault Alarm
 - v. High Pressure Reset
 - h. Elapsed time meter

PROPOSED SOLUTION

400 HP Drive Package with harmonic filter

- A) Enclosure
 - a. NEMA 1 – Free Standing Enclosure
 - b. Estimated dimensions: 91”H x 71”W x 24”D
 - c. Fans and filters for ventilation
- B) Input power circuit breaker
 - a. Rotary, through the door disconnect switch
 - b. Need to define incoming power cable size and quantity
- C) Harmonic Filter
 - a. Capacitor disconnect contactor
- D) PowerFlex 755 VFD
 - a. 400 HP – Normal Duty (110% overload capacity for 1 minute)
 - b. 486 Amps continuous output current – 534 Amps peak output current for 1 minute
 - c. 120 VAC IO Card
 - d. Ethernet card
- E) Output power bus tabs
 - a. Output cable lugs provided – assumed 2 conductors per phase
 - b. Need to define cable size and number of conductors
- F) Control power transformer

- G) Enclosure door mounted items
 - a. Drive HIM (keypad)
 - b. Elapsed Time Meter
 - c. Pilot Lights – push to test
 - i. Drive Running
 - ii. Drive Off
 - iii. High Pressure Alarm
 - iv. Pump Shutdown
 - v. Ground Fault
 - d. Pushbuttons
 - i. Start
 - ii. Stop
 - iii. High Pressure Fault Reset
 - e. Hand - Off - Auto selector switch
 - f. E-Stop Mushroom Pushbutton

Note: Enclosure permits top or side cable entry/exit. If bottom entry/exit is required, an engineering review will have to be conducted to determine feasibility.



Sample Enclosure Line Up

Pricing

A) P/N QMOEV0073A-A	400 HP Drive Package	\$ 83,275 net each
B) Shipping charge		\$1000.00

Assume that if a feature, function, or item is not specifically called out; that it is not included in this quotation. If required please contact Rockwell Automation so that it can be added to the quotation.

TERMS AND CONDITIONS

Delivery:	Approval drawings 3 weeks after receipt of PO Hardware delivery approximately 10 weeks after receipt of approved drawings (Contact us if a quicker delivery is required)
Terms:	1% 10 net 30days
Freight:	Pre paid and added to invoice
F.O.B.:	Ex Works Rockwell Automation
Prices:	Firm through Delivery
Quotation:	Valid for 60 Days from Date of this Quotation

Delivery. Ex Works Rockwell Automation's plant or warehouse (per current Incoterms) or as otherwise specified in the Statement of Work (Delivery). In all cases, title transfers to Customer upon the earlier of Rockwell Automation's delivery to Customer or receipt by the first carrier for transport to Customer, except that title to all intellectual property rights associated with the WORK remains with Rockwell Automation or its suppliers and licensors.

Acceptance.

(a) Acceptance occurs (i) on the date the WORK conforms to acceptance criteria in the Statement of Work or is otherwise beneficially used by Customer, but in no event later than 120 days following Delivery; or (ii) if otherwise unspecified, upon Delivery.

(b) *Interim Approvals.* Any Rockwell Automation submittal or deliverable requiring Customer approval pursuant to the Scope of Work will be deemed accepted if formal Customer approval, written or as otherwise required, is not received by Rockwell Automation within two calendar weeks after the date submitted.

Changes. Any change resulting from any of the following circumstances is subject to equitable adjustments to price, scheduling, and other affected terms and conditions: (a) Customer requested changes, including those affecting the identity, scope, and delivery of the WORK or Products; (b) physical conditions differing materially from those indicated or anticipated in the Statement of Work or that otherwise differ materially from those ordinarily found under similar circumstances; (c) delays caused by Customer, its employees, affiliates, other contractors to Customer, or any other party within Customer's reasonable control; and (d) an emergency endangering persons or property; in such emergency circumstances, Rockwell Automation may act at its discretion to prevent damage, injury, or loss.

All changes, except actions necessitated by emergencies as provided in (d) above, must be executed by a written change order signed or otherwise definitively authorized by both parties, and Rockwell Automation will not begin work on a change until it is authorized. All claims must be made within a reasonable time after the occurrence giving rise to the claim.

Safety and Standards. Rockwell Automation is responsible for compliance of the WORK with laws, regulations, and standards, including safety regulations and standards, of the country where the WORK will be located that are applicable to the WORK at the effective date of this Agreement. Customer must inform Rockwell Automation of any other laws, regulations, or standards that may apply to the WORK. Rockwell Automation will be responsible for compliance with such other safety or other standards only if documented in the Statement of Work. Rockwell Automation is not responsible for laws, regulations, or standards that apply to Customer's (or end user's, if different from Customer) facility, equipment, process, information system, or data.

Site Rules, Licenses, Permits, Site Preparation.

(a) Rockwell Automation agrees to comply with all applicable posted site rules of Customer (unless inconsistent with the obligations set forth in the Statement of Work) and any additional Customer's site rules that have been incorporated into the Statement of Work.

(b) Customer is responsible for: (1) all licenses, permits, clearances, and site access rights; (2) all sites being ready and equipped with all necessary Customer furnished equipment and facilities; (3) any required customer fixtures or facilities being hazard free, structurally sound, and sufficient; and (4) reasonable access to the worksite as required for installing, commissioning or using the WORK.

Customer Specification. Unless otherwise specified in the Statement of Work, Rockwell Automation will not be liable for (i) design, materials, or construction criteria furnished or specified by Customer and incorporated into the WORK or Products, (ii) products made by or sourced from other manufacturers or vendors specified by Customer; or (iii) commercially available computer software, hardware, and electrical components. (Such Customer-specified products shall include but not be limited to any identified in the Statement of Work.)

Customer Information. Customer warrants that access and use of information made available by Customer to Rockwell Automation, including technical specifications, drawings, source code, application code, communication interfaces, protocols, and other documentation, will not infringe or violate any intellectual property rights of the original vendor or other third party.

Commitment for System Sales through Distribution

General. This Commitment ("Commitment") covers purchase by Distributor's customer ("Customer") from Distributor of the hardware, software, and/or services (individually a "Product" and collectively "Products") described and integrated pursuant to this Statement of Work (collectively as integrated pursuant to the Statement of Work, the "WORK") to be provided by Rockwell Automation, Inc. and/or its affiliates ("Rockwell Automation"). Its terms are integral to the Statement of Work. In other words, Customer purchases the Work subject to the terms contained in this Commitment (as well as other terms that may be included elsewhere in the Statement of Work). These terms apply directly to Customer and Rockwell Automation. Previously negotiated and signed terms and conditions with Customer that include provisions between Rockwell Automation and Customer for sale of systems through distribution supersede these terms.

Warranty.

(a) *Warranty:* Rockwell Automation warrants to Customer for the lesser period of 18 months from delivery or 12 months from startup, that the WORK will perform as stated in the Statement of Work and the Products will be free of defects in material, fabrication, and workmanship provided that: (1) the operating conditions and use of the WORK are in accordance with any standards set forth in the Statement of Work, Rockwell Automation's published specifications, and applicable recommendations of Rockwell Automation; and (2) the installation, adjustment, tuning, and start-up of the WORK have been properly performed in accordance with Rockwell Automation's published specifications and any applicable recommendations of Rockwell Automation. Repaired or replacement Products provided pursuant to subparagraph (b) below are similarly warranted for the longer period of six months from date of shipment or the remainder of the original warranty term.

(b) *Remedies:* Remedies under this warranty will be limited to, at Rockwell Automation's discretion, replacement, repair, re-performance, modification, or issuance of a credit for the purchase price of the Products involved, but only after the return of such Products pursuant to Rockwell Automation's instructions. Replacement Products, at Rockwell Automation's discretion, may be new, remanufactured, refurbished, or reconditioned. If the repair, re-performance, or replacement does not cure the defective performance, Customer may request emergency on-site service, which will be at Rockwell Automation's expense (consisting of time, travel, and expenses incurred by Rockwell Automation related to such services). If the defective performance is not due to warranted defects in the WORK or Products, the on-site service will be at Customer's expense. On-site warranty services performed at Rockwell Automation expense shall not include removal or reinstallation costs related to large-scale assemblies such as motors or transformers. The foregoing will be the exclusive remedies for any breach of warranty or breach of contract arising from warranted defects.

(c) *General*: Warranty satisfaction is available only if (a) Rockwell Automation is provided prompt written notice of the warranty claim, and (b) Rockwell Automation's examination discloses that any alleged defect has not been caused by misuse, neglect, improper installation, operation, maintenance, repair, alteration, or modification by other than Rockwell Automation, accident, or unusual deterioration or degradation of the Products or parts thereof due to physical environment or electrical or electromagnetic noise environment.

(d) *Services*: Rockwell Automation warrants that service (including, but not limited to, training, installation, modifications, additions, software programming, engineering, startup, or repairs) shall be performed in a workmanlike manner conforming to standard industry practice. Rockwell Automation must receive written notification of non-conforming services within 30 days after the services are provided. If such services are confirmed to be non-conforming, Rockwell Automation will, at its option, re-perform the service or provide a refund or credit to Customer in the amount paid for the service. The foregoing will be the exclusive remedies for any breach of warranty or breach of contract arising from warranted non-conforming services.

(e) THE ABOVE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESSED, IMPLIED OR STATUTORY, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY, INFRINGEMENT, OR FITNESS FOR A PARTICULAR USE.

Disclaimer and Limitation of Liability. NEITHER ROCKWELL AUTOMATION NOR CUSTOMER WILL BE LIABLE TO THE OTHER FOR BUSINESS INTERRUPTION OR LOSS OF PROFIT, REVENUE, MATERIALS, OR THE LIKE (WHETHER DIRECT OR INDIRECT) OR FOR ANY INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES. EACH PARTY'S MAXIMUM CUMULATIVE LIABILITY TO EACH OTHER FOR ALL OTHER CLAIMS AND LIABILITIES WILL NOT EXCEED THE LESSER OF \$1,000,000 OR THE COST OF THE WORK. ROCKWELL AUTOMATION DISCLAIMS ALL LIABILITY FOR TO GRATUITOUS ASSISTANCE PROVIDED BY ROCKWELL AUTOMATION BUT NOT REQUIRED BY THE STATEMENT OF WORK. THESE DISCLAIMERS AND LIMITATIONS OF LIABILITY WILL APPLY REGARDLESS THE FORM OF ACTION, WHETHER CONTRACT, TORT, OR OTHERWISE, AND EXTEND TO THE BENEFIT OF ROCKWELL AUTOMATION'S VENDORS AND APPOINTED DISTRIBUTOR.

Intellectual Property.

(a) *Firmware and Packaged Software*. Software comprised of firmware or packaged software is subject to Customer's acceptance of additional terms and conditions set forth in separate Rockwell Automation or third-party license agreements. In the absence of a separate Rockwell Automation license agreement, Rockwell Automation hereby grants Customer a non-exclusive, non-transferable license to use such firmware or packaged software only in object code form and solely in conjunction with the WORK, without the right to sublicense, disclose, disassemble, decompile, reverse engineer, or otherwise modify the firmware or software. Ownership of the respective Rockwell Automation or third-party firmware or packaged software shall remain with Rockwell Automation or the third party.

(b) *Documentation and Other Software*. Rockwell Automation hereby grants to Customer a non-exclusive, non-transferable license to modify and use solely in conjunction with the WORK all documentation and any software created by Rockwell Automation as specified in the Statement of Work.

(c) *Ownership of Pre-existing Intellectual Property*. Each party shall continue to own all right, title, and interest in all patents, trademarks, copyrights, confidential information, and other intellectual property rights as it owned on the Effective Date of this Commitment.

(d) *No Other Licenses*. Except as expressly set forth herein, no license under any patents, trademarks, copyrights, confidential information, or other intellectual property rights is granted or implied under this Commitment by either party.

Government Clauses and Contracts. No government contract clauses, specification, or regulations apply to the WORK, Products, or otherwise to this Statement of Work except to the extent agreed in writing by Rockwell Automation.

Confidentiality.

(a) During the term of this Commitment and for a period of three years thereafter, each party will maintain in strict confidence all technical and business data and information disclosed by one party to the other that is marked "Confidential" and will not use or reveal such information without the prior written authorization of the other.

(b) The obligations of confidentiality and non-use will not apply to information (i) that is published or becomes part of the public domain other than by means of a breach of this Commitment; (ii) that a party can prove by written documentation was known to it prior to disclosure by the other party; (iii) that a party subsequently rightfully receives from a third party without an obligation of confidentiality; (iv) that a party discloses to a third party on a non-confidential basis; or (v) that was independently developed by the receiving party.

(c) Each party will take reasonable precautions to instruct its employees and consultants of its obligation under this section. Additionally, each party shall protect the exchanged information of the other against unauthorized use or disclosure with the same degree of care as it accords its own proprietary information of a similar type, but not less than reasonable care.

(d) Disclosure of confidential information will not be precluded if it is: (i) in response to a valid order of a court or governmental body of the United States or any political subdivision thereof; provided, however, that the disclosing party will first have made a reasonable effort to obtain a protective order requiring that the confidential information be used only for the purpose for which the order was issued; or (ii) otherwise required by law.

Independent Terms. Rockwell Automation is not a party to or bound by any contract between Customer and Distributor, including by Distributor's acceptance of a Customer purchase order. Distributor is an independent enterprise, not an agent or representative of Rockwell Automation, and is not authorized to bind Rockwell Automation.

Effective Date. This Commitment will become effective when Customer purchases the WORK from Distributor. Customer agrees that by purchasing the WORK it accepts the Statement of Work and Commitment. Absent such purchase, this Commitment will become null and void. No addition or modification to the Commitment and Statement of Work, including terms appearing in Customer's purchase



Legislation Details (With Text)

File #:	14-322	Version:	1	Name:	Aggressive Solicitation
Type:	Ordinance	Status:		Status:	Consent Agenda
File created:	3/12/2014	In control:		In control:	City Council Regular
On agenda:	3/27/2014	Final action:		Final action:	
Title:	Presentation, possible action, and discussion on an ordinance amending Chapter 4, Section 1, "Business Regulations," "Solicitors, Charitable Solicitors, Itinerant Vendors, Handbill Distributors" by establishing a registry for Home Solicitation, and Section 18, formerly repealed "Solicitation by Coercion," of the Code of Ordinances, City of College Station, Texas, as set out below; providing a severability clause; declaring a penalty; and providing for an effective date.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Ordinance, with attached A & B Exhibit A (which will be amending section 4-1) Exhibit B (which will be amending 4-18)				

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion on an ordinance amending Chapter 4, Section 1, "Business Regulations," "Solicitors, Charitable Solicitors, Itinerant Vendors, Handbill Distributors" by establishing a registry for Home Solicitation, and Section 18, formerly repealed "Solicitation by Coercion," of the Code of Ordinances, City of College Station, Texas, as set out below; providing a severability clause; declaring a penalty; and providing for an effective date.

Relationship to Strategic Goals:

- Good Governance
- Neighborhood Integrity
- Sustainable City

Recommendation(s): Staff recommends approval of the amendments regarding City ordinance Chapter 4 "Business Regulations."

Summary: Solicitation practices within the City have seen both change and growth since the language in Chapter 4, Section 1 was adopted by the City Council in the early 1990s. The proposed ordinance provisions would provide a reasonable time, place, manner restrictions for door to door solicitation in Section 1, as well as tools for law enforcement in Section 18 to address aggressive solicitation city-wide.

Budget & Financial Summary: N/A

Attachments:

1. Ordinance, with attached A & B
2. Exhibit A (which will be amending section 4-1) and an
3. Exhibit B (which will be amending 4-18)

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 4, “BUSINESS REGULATIONS” SECTION 1 “SOLICITORS, CHARITABLE SOLICITORS, ITINERANT VENDORS, HANDBILL DISTRIBUTORS”, BY ESTABLISHING A REGISTRY FOR HOME SOLICITATION, AND SECTION 18, FORMERLY REPEALED “SOLICITATION BY COERCION,” OF THE CODE OF ORDINANCES, CITY OF COLLEGE STATION, TEXAS, AS SET OUT BELOW; PROVIDING A SEVERABILITY CLAUSE; DECLARING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

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

PART 1: That **CHAPTER 4, “BUSINESS REGULATIONS” SECTIONS 1 AND 18** of the Code of Ordinances, City of College Station, Texas, be amended as set out in **Exhibits “A” and “B”**, attached hereto and made a part of this ordinance for all purposes.

PART 2: That if any provisions of any section of this ordinance shall be held to be void or unconstitutional, such holding shall in no way affect the validity of the remaining provisions or sections of this ordinance, which shall remain in full force and effect.

PART 3: That any person, firm, or corporation violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punishable by a fine of not less than Twenty-Five Dollars (\$25.00) or more than Five Hundred Dollars (\$500.00). Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense. Said Ordinance, being a penal ordinance, becomes effective ten (10) days after its date of passage by the City Council, as provided by Section 35 of the Charter of the City of College Station.

PASSED, ADOPTED and APPROVED this _____ day of _____, 2014.

APPROVED:

Mayor

ATTEST:

City Secretary

APPROVED:

City Attorney

EXHIBIT "A"

That **CHAPTER 4, "BUSINESS REGULATIONS" SECTION 1 "SOLICITORS, CHARITABLE SOLICITORS, ITINERANT VENDORS, HANDBILL DISTRIBUTORS,"** of the Code of Ordinances of the City of College Station, Texas be amended and is to read as follows:

Sec. 4-1. HOME SOLICITATION AND ITINERANT VENDORS

A. Purpose and Findings. The City Council finds that: The City has received numerous and continuous complaints from citizens about persons going onto residential premises (including premises that contain conspicuous signs prohibiting solicitations) to solicit, sell, or take orders for goods and services and to distribute commercial printed matter; and

1. Those citizens have expressed concerns that such solicitations result in criminal activity (including burglary and fraud) and disturb the privacy of their homes; and
2. The city council believes that establishing a registration program for those home solicitors will protect the citizens against criminal activity (including, but not limited to, burglary and fraud), minimize the unwelcome disturbance of citizens and the disruption, of their privacy, and otherwise preserve the public health, safety, and welfare; and
3. The City Council believes it is in the interest of the public health, safety, and welfare to prohibit persons convicted of certain crimes from being home solicitors in the City of College Station, Texas; and
4. The City Council has considered the following criteria:
 - a. the nature and seriousness of the crimes;
 - b. the relationship of the crimes to the purposes for requiring a certificate of registration to engage in the occupation;
 - c. the extent to which a certificate of registration might offer an opportunity to engage in further criminal activity of the same type as that in which the person previously has been involved; and
 - d. the relationship of the crimes to the ability, capacity, or fitness required to perform the duties and discharge the responsibilities of the registered occupation; and has determined that the crimes listed in Subsection F(1)b(1)-(11) of Section 4-1, "Home Solicitors and Itinerant Vendors," of the Code of Ordinances, College Station, Texas, as provided in this ordinance, are serious crimes which directly relate to the duties and responsibilities of a home solicitor, whose job is to solicit, sell, and take

orders for goods and services, and to distribute commercial printed matter, on residential premises in the city; and

5. The City Council has determined that the very nature of the occupation of a home solicitor brings such a person into constant contact with the public, which gives the person repeated opportunities to participate in. crimes of violence or dishonesty, or crimes against the public health, safety, or morals, should the person be so inclined, and, thus, it is the opinion of the city council that the crimes listed in Subsection F(1)b(1)-(11), as set forth in this ordinance, render a person unable, incompetent, and unfit to perform the duties and responsibilities of a home solicitor in a manner that would promote the public safety and trust; and
6. The City Council has determined that no person who has been convicted of a crime as listed in Subsection F(1)b(1)-(11), as set forth in this ordinance, is presently fit to engage in home solicitation in the city until the respective time periods designated in that subsection have expired, and thus should be disqualified from being issued a certificate of registration as a home solicitor until the expiration of those time periods.
7. The City Council finds that the regulations of this ordinance do no prevent door-to-door activity and that ample alternative channels of communication exist outside of the time limitations, including solicitation via telephone, electronic communication, public solicitation outside of the privacy of citizens' doorsteps, and solicitation via direct mail, television, radio, and internet.
8. The purpose of this ordinance is to further the City's legitimate and compelling interest in securing City of College Station citizens' general health, safety and welfare by:
 - a. Prohibiting door-to-door home solicitation during times when such activity is most intrusive and disruptive to citizens' privacy and the security of their homes;
 - b. Regulating the manner in which door-to-door solicitation activity may occur so as to protect citizens in the privacy of their own homes from aggressive and intimidating practices; and
 - c. Requiring home solicitors to register with the City obtain and conspicuously wear City-issued identification badges while soliciting, so as to minimize deceptive practices, fraud and aid law enforcement in crime detection.

B. Prohibitions.

1. It is unlawful for a person 14 years of age or older to solicit an occupant of residential premises, unrequested:
 - a. Without first registering and obtaining an identification badge issued by the City in accordance with this section;
 - b. Except between the hours of 9:00 a.m. and one half-hour (1/2) after sunset;
 - c. If the residence conspicuously displays at or near the primary entrance to the residence, a readily legible sign, bearing any of the words: "NO TRESPASSING"/"NO PEDDLERS"/"NO ADVERTISEMENTS"/"NO SOLICITATION"/"NO HANDBILLS."
 - d. At a location other than the primary entrance to the residence.
2. It is unlawful for the registrant to allow any other person to use or wear their own City-issued identification badge.
3. It is unlawful for any registrant or registrant's agent to represent that the City's issuance of a certificate of registration or identification badge constitutes the City's endorsement or approval of the purposes of any particular solicitation.

C. Home Solicitors and Itinerant Vendors.

1. **Agent** means any person employed by or contracting with a home solicitor.
2. **Certificate of Registration** means a certificate of registration issued to a home solicitor under this section.
3. **City Manager or his designee** means the City Manager for the City of College Station or his designated representative.
4. **Commercial Printed Matter** means any printed or written matter whether on a sample, device, circular, leaflet, pamphlet, paper or booklet or whether printed, reproduced or copied of any matter or literature which advertises for sale of any merchandise, product, commodity, or services; or
 - a. Directs attention to any business, or commercial establishment, or other activity for the purpose of either directly or indirectly promoting sales;
 - b. Directs attention to or advertises a meeting, performance, exhibition, or event for which an admission fee is charged or a collection is taken to defray expenses; or

- d. Truckload sales
 - e. Tent sales
 - f. Auctions
 - g. Temporary parking space rentals
11. **Person** means any natural individual, organization, corporation, trust, partnership, association or any other legal entity.
12. **Registrant** means any person issued a certificate of registration as a home solicitor under this section.
13. **Residential Premises** means any dwelling, house, building or other structure designed or used either wholly or in part for private residential purposes (whether inhabited, uninhabited or vacant), whether single-family, multi-family and including any yard, grounds, walk driveway, porch, steps, vestibule, or mailbox belonging or appurtenant to the dwelling, house, building or other structure.
14. **Temporary** shall mean any business transaction in the City of College Station for which definite arrangements have not been made for hire, rental or lease of a structure conforming to City Codes.
15. **Temporary Parking Space Rental** shall mean the rental of a parking space(s) as temporary activity for an event not associated with the permanent use of the premises.
16. **Services** means any work done for the benefit of another person.

D. Registration of Home Solicitors Required; Defenses

1. A person commits an offense if that person:
- a. Personally, by an agent, or as the agent of another, engages in a home solicitation without a valid certificate of registration issued to the person under this section;
 - b. Engages in a home solicitation by using an agent who does not hold a valid certificate of registration issued under this chapter; or
 - c. Engages in a home solicitation by acting as an agent of another person who does not hold a valid certificate of registration issued under this section.

2. It is a defense to prosecution under Subsection D(1)(a) that:
 - a. The person was soliciting for a noncommercial purpose, including but not limited to, a charitable, educational, civic, patriotic, philanthropic, political, or religious purpose;
 - b. The person was on the residential premises by express invitation of the owner, occupant, or other person in control of the premises;
 - c. The person was a wholesale agent or factory representative who sells or exhibits for sale goods, wares, or merchandise and was conducting business with a person engaged in the business of buying, selling, and dealing in the same type of goods, wares, or merchandise;
 - d. The person was soliciting newspaper sales, or delivering newspapers pursuant to a request by or contract with the owner, occupant, or other person in control of a residential premises;
 - e. The solicitation, sale, or taking of orders for goods or services took place upon residential premises owned, leased, or controlled by the person or by the person's employer;
 - f. The person was a governmental entity, or an officer, employee, or agent of a governmental entity, placing a notice or other information on the premises in the performance of official duties; or
 - g. The person was the United States Postal Service or a private courier service registered with the Federal Motor Carrier Safety Administration, or an employee or agent of those services, delivering an item of mail, a notice, or a package to the premises.
3. Before taking any enforcement action under this section, the City Manager or his designee, any police officer, or any City code enforcement officer shall ask the apparent offender's reason for being on the residential premises or for depositing any item on the premises. The City Manager or his designee, the police officer or the City code enforcement officer shall not issue a citation or make an arrest under this section unless he or she reasonably believes that an offense has occurred.

E. Registration Application for Home Solicitors - Application; Fee; Expiration; non-transferability; Material Changes.

1. To obtain a certificate of registration to conduct home solicitations, a person must file a written application with the City Manager or his designee on the City-issued form. The application must include the following:

- a.** If the applicant is a company:
 1. The company name, address, and telephone number;
 2. The name, address, telephone number, and title of each of its officers;
 3. The date and place of incorporation or establishment of the business; and
 4. The name, address, date of birth and telephone number of each person who will be conducting a home solicitation in the city for the applicant; and
 5. Proof of applicant's compliance with state or federal law for the operation of the proposed business, to include Chapter 51, Texas Labor Code, as amended; and
 6. Any other information the City Manager or his designee determines necessary to the enforcement and administration of this section.

- b.** If the applicant is an individual:
 1. The applicant's name, address, and telephone number.
 2. The name, address, date of birth and telephone number of any individual or company for which the applicant is acting as an agent.
 3. The name, address, date of birth and telephone number of each person who will be conducting a home solicitation in the city for the applicant.
 4. A photograph of the applicant taken within the preceding 12 months, which clearly depicts the applicant's facial features.
 5. The applicant's date of birth and driver's license number (with the state of issuance) or, if the applicant does not have a driver's license, the number from another government-issued personal identification card containing the applicant's photograph and date of birth.
 6. The names of other communities in which the applicant has worked as a home solicitor in the past 12 months and, if the

applicant was an agent of different companies in the other communities, the names of those companies.

7. The nature, character, and quality of the goods or services to be advertised, offered for sale, or delivered as part of the home solicitation.
 8. Whether the applicant, upon obtaining an order for goods or services, will demand, accept, or receive payment or a deposit of money in advance of final delivery of the goods or services.
 9. The dates, times, and locations for which the applicant proposes to conduct home solicitations in the City.
 10. An outline of the method or methods to be used in conducting the home solicitations.
 11. Whether the applicant has been convicted of any crime listed in Subsection F(1)b(1)-(11) within the time period listed in Subsection F(1)(b)(10)(a)-(b) and the applicant's signed consent authorizing the city to obtain a criminal history report on the applicant.
 12. Proof that the applicant possesses all licenses or permits required by the City Code of Ordinances, College Station, Texas or by state or federal law for the operation of the proposed business.
 13. If the applicant is an agent of an individual or company, written proof of the applicant's authority to represent the individual or company.
 14. Any other information the City Manager or his designee determines necessary to the enforcement and administration of this Section.
2. An application filed under this section must be accompanied by a nonrefundable registration fee of \$50.
 3. A certificate of registration expires thirty (30) days after the date of issuance, but may be renewed once for another successive thirty days, if the application is made within the initial thirty (30) day registration period. Each renewal application must verify permit information as correct, and remit a renewal fee of \$25.00. Upon expiration, the registrant may apply for a registration renewal in the same manner prescribed by this section for a new registration.

4. Neither a certificate of registration nor an identification badge is transferable from one person to another, but
 - a. Both may be used by the registrant to act as an agent for different individuals or companies during the registration term if the City Manager or his designee is notified in accordance with Subsection E, and
 - b. A registrant under E(1)(a) may request additional copies of the certificate of registration at the time of issuance so that each agent may comply with the display requirements of this Section.
5. A registrant shall notify the City Manager or his designee within five (5) days after any material change in the information on the application during the registration term. A material change includes, but is not limited to:
 - a. When a registrant becomes an agent for another individual or company;
 - b. When a registrant terminates an individual's authority to serve as the registrant's agent;
 - c. A change in the nature, character, and quality of the goods or services; or
 - d. A change in the dates, times, and locations proposed for conducting home solicitations in the city.

F. Issuance, Denial, and Display of Registration: Identification Badge.

1. The City Manager or his designee shall issue a certificate of registration to the applicant within three (3) business days after receipt of the application unless any of the following applies:
 - a. The applicant has failed to provide material information requested or made a false statement of a material fact on the application form or in a hearing concerning the application or registration.
 - b. The applicant has been convicted of a crime involving:
 1. Criminal homicide as described in Chapter 19 of the Texas Penal Code, as amended;
 2. Kidnapping as described in Chapter 20 of the Texas Penal Code, as amended;
 3. A sexual offense as described in Chapter 21 of the Texas Penal Code as amended;

4. An assaultive offense as described in Chapter 22 of the Texas Penal Code, as amended;
5. Robbery as described in Chapter 29 of the Texas Penal Code, as amended;
6. Burglary as described in Chapter 30 of the Texas Penal Code, as amended;
7. Theft as described in Chapter 31 of the Texas Penal Code, as amended, but only if the offense was committed against a person with whom the applicant came in contact while engaged in a home solicitation business;
8. Fraud as described in Chapter 32 of the Texas Penal Code, as amended, but only if the offense was committed against a person with whom the applicant came in contact while engaged in a home solicitation business;
9. The transfer, carrying, or possession of a weapon in violation of Chapter 46 of the Texas Penal Code, as amended, or of any comparable state or federal law, but only if the violation is punishable as a felony under the applicable law; or
10. Criminal attempt to commit any offenses listed in Subsections F(1)b(1) through F(1)b(9) for which:
 - a. Less than two years have elapsed since the date of conviction or the date of release from confinement imposed for the conviction, whichever is the later date, if the applicant was convicted of a misdemeanor offense;
 - b. Less than five years have elapsed since the date of conviction or the date of release from confinement for the conviction, whichever is the later date, if the applicant was convicted of a felony offense; or
 - c. Less than five years have elapsed since the date of the last conviction or the date of release from confinement for the last conviction, whichever is the later date, if, within any 24-month period, the applicant has two or more convictions of any misdemeanor offense or combination of misdemeanor offenses.
11. The offense descriptions in Subsections F(1)b(1) through F(1)b(10) are meant to be descriptive only and not as exclusive to

2. The City Manager or his designee shall send to the registrant by certified mail, return receipt requested, a written statement setting forth the reasons for the revocation and notifying the registrant of the right to appeal.
3. If the City Manager or his designee revokes a certificate of registration, the fee already paid for the registration will be forfeited. A person whose certificate of registration has been revoked under this section may not apply for or be issued a new registration for a period of one (1) year after the date the revocation took effect, except that, if the City Manager or his designee determines that the basis for the revocation has been corrected, the person may apply for and be issued a new certificate of registration if at least 90 days have elapsed since the date the revocation took effect.

I. Time and Manner for Conducting Home Solicitations

1. A person commits an offense if the person conducts or attempts to conduct (either personally or through an agent), a home solicitation at a residential premises:
 - a. Before 9:00 a.m. or 30 minutes after sunset of any day, Monday through Sunday; or
 - b. At any time on any federally observed holiday.
2. It is a defense to prosecution under Subsection (a) that the visit to the residential premises resulted from the owner or occupant's request or appointment.
3. In this section, "sunset" means the time of day in the city as published on the weather page of the official city newspaper as the time for sunset on that day.

J. Itinerant Vendor (I-Vendor) Permit and Application.

1. Every itinerant vendor must have a non-transferable permit issued by the City of College Station Planning and Development Services.
2. An applicant shall apply for an I-Vendor permit on a City-issued form that shall be submitted with the following information :
 - a. Name of the applicant;
 - b. Legal name of the business entity, if any, state of incorporation, filing of partnership or articles of association;
 - c. Sales tax number with a copy of sales tax permit or 501(c)(3) documentation;
 - d. Local phone number;

- e. Permanent business location, address and phone number;
 - f. Signed permission from the private property owner or owner's representative to utilize the property as proposed;
 - g. Graphic showing the location of activity on the proposed property with information as requested on the application;
 - h. Applicant's date of birth;
 - i. Driver's license number and issuing state;
 - j. If the action is to be a solicitation of funds, then a description of that purpose will be set out in the application;
 - k. A statement under oath (acceptable photo identification required) listing each individual applicant's convictions in any state, the United States or U.S. possession within the last five (5) years;
 - l. For food sales, proof of compliance with the Brazos County Health Department's regulations shall be provided;
 - m. A list of the kind, amount, and character of goods or services to be sold or distributed;
 - n. A bond in the sum of not less than one thousand dollars (\$1,000.00), executed by the itinerant vendor, with two (2) or more good and sufficient sureties satisfactory to Finance Director, which bond shall be payable to the City of College Station to cover the cost for cleaning debris caused by such temporary use, including the cost either of any required City Services, and potential damage or injury to property. The bond shall be valid for a period of no less than thirty (30) days after the applicant terminates the temporary use. The City may use the bond for cleanup and repair of either City property or debris removal from the private property necessitated or caused by the applicant's permitted use.
3. A signed statement that a business recognizes any individual operating under its permit as an employee and not as an independent contractor and accepts the responsibilities imposed by state law for the acts of its employees.
4. An application for an I-Vendor permit shall be accompanied by a fee of fifty dollars (\$50.00).
5. A permit may be denied when:
- a. The required information is incomplete, incorrect or shows that a person is not otherwise entitled to conduct business as proposed.

b. If a location plan or diagram does not meet the following requirements:

- (i)** The itinerant vendor must locate the activity in an existing parking lot.
- (ii)** If there is an open and operating business at the location during the time of co-utilization, then the itinerant vendor cannot utilize more than five (5) percent of the available parking space, or sixteen (16) spaces, whichever is smaller.
- (iii)** The location of the activity in the parking lot shall not cause a traffic hazard.

c. A permit maybe denied where: An applicant has been convicted of a crime which directly relates to the duties and responsibilities of the licensed occupation which shall be determined by the nature and seriousness of the crime, the relationship of the crime to the purpose of the permit and the extent that the permit would allow someone to engage in further criminal activity.

- 6.** An itinerant vendor's signage must comply with City ordinance.
- 7.** Every permit shall be displayed where it can be read by the general public at the temporary business location.
- 8.** A permit may be revoked upon conviction of any offense committed in the City of College Station while engaged in the permitted business, or if a final conviction occurs or is found to have existed at the time of application.
- 9.** A permit may be suspended if applicant or the business has been charged with a crime, as set forth above, upon a magistrate's determination of probable cause in connection with such charges.

K. Itinerant Vendor Permit – Term, Limitations and Representations.

1. Duration.

- a.** Itinerant vendors' permits shall be valid for one (1) year, provided that sales may not be conducted for longer than three (3) consecutive days or twenty-one (21) cumulative days.
- b.** No use may be continued beyond the period of the permit, absent compliance with all provisions of the City's Unified Development Ordinance, as amended.
- c.** If sales are conducted out of a tent, the tent may only be set up two (2) days prior to any sales period and it must be taken down two (2) days after any sales period.

- d. One (1) day is defined as twenty-four (24) hours.

2. Zoning and location restrictions.

- a. No itinerant vendor may locate in an area unless the zoning classification of the area permits the type of business or service to be performed or provided.
- b. No itinerant vendor may locate in the street or city right-of-way.
- c. Temporary parking space rentals shall not exceed three (3) consecutive days or twenty-one (21) cumulative days per year unless compliance with all provisions of the City Unified Development Code, as amended. For the use of premises for temporary parking space rentals pursuant to the permit, the permanent business shall be closed or have excess parking as provided by the City Unified Development Code, as amended.

3. Representation of Endorsement prohibited. It shall be unlawful for any person to represent that the issuance of either a permit or a certificate of registration by the City of College Station constitutes an endorsement or approval of the purposes of a solicitation sale by the City.

M. Exemptions to Itinerant Vendor Permits.

1. Christmas tree sales are exempted from the Itinerant Vendor permit location requirement of five (5) percent or sixteen (16) spaces and are exempted from the time requirement of three (3) consecutive days or twenty-one (21) cumulative days. Christmas tree sales may be made during the Christmas holiday season, November 15 through December 24.
2. A charitable organization holding a bazaar, fete, rummage sale, car wash or other special event for the purpose of raising funds no more than two (2) times per year is exempt from this ordinance.
3. Itinerant Vendors selling unrefined farm products shall be required to pay an application fee but shall not be required to provide a bond.

N. Delivery of Notices – Any written notice that the City is required to give any applicant or registrant under this section is deemed to be delivered:

1. On the date the notice is hand delivered to the applicant or registrant; or
2. Three days after the date the notice is placed in the United States mail with proper postage and properly addressed to the applicant or registrant at the address provided for the applicant or registrant in the most recent registration application.

O. Presumption of distribution of commercial printed matter.

Whenever commercial printed matter is placed, deposited, or distributed, or caused to be placed, deposited, or distributed, in violation of this section, it is presumed that the person named on the commercial printed matter is the person who committed the violation, either personally or through an agent.

P. Violations; Penalty.

1. A person who violates a provision of this section, or who fails to perform an act required of the person by this section, commits an offense. A person commits a separate offense for:
 - a. Each day or portion of a day during which a violation is committed, permitted, or continued;
 - b. Each item placed, deposited, or distributed on residential premises in violation of this section; and
 - c. Each residential premises to which a home solicitation is conducted in violation of this section.
2. The penalties provided for in Section 1-5 of this Code, as amended, are in addition to any other enforcement remedies and penalties which the City may have under city ordinances and state law.

EXHIBIT “B”

That **CHAPTER 4, “BUSINESS REGULATIONS” SECTION 4-18**, formerly repealed “**SOLICITATION BY COERCION**,” now “**RESERVED**,” of the Code of Ordinances of the City of College Station, Texas be amended and is to read as follows:

4-18 AGGRESSIVE SOLICITATION

A. Findings. The City Council finds that:

- (1) Aggressive solicitation is disturbing and disruptive to residents and businesses. It contributes to the loss of access to and enjoyment of public places, as well as a sense of fear, intimidation, and disorder to the community.
- (2) Aggressive solicitation includes approaching or following pedestrians, repetitive soliciting despite refusals, the use of abusive or profane language to cause fear or intimidation, unwanted physical contact, or intentional blocking of pedestrian or vehicular traffic.
- (3) The presence of individuals who solicit money from persons at or near banks, automated teller machines or facilities, check cashing businesses, credit access businesses, bus stops, self-service or automated car washes, self-service fuel pumps, parking meters or pay stations and crosswalks is especially troublesome because of the enhanced fear of crime in a place that is confined, difficult to avoid, or where a person might find it necessary to wait.
- (4) This section is intended to protect citizens from the fear and intimidation accompanying certain kinds of solicitation, and not to limit a constitutionally protected activity.

B. Definitions.

- (1) **Aggressive Manner** means any of the following:
 - a. Making any physical contact with or touching another person during the solicitation without the person's consent.
 - b. Approaching or following the person being solicited, if that conduct is:
 - (i) Likely to cause a reasonable person to fear either imminent bodily harm or the commission of a criminal act upon property in the person's possession; or
 - (ii) Reasonably likely to intimidate the person being solicited into responding affirmatively to the solicitation.
 - c. Continuing to solicit a person after the person has made a negative response.
 - d. Blocking the safe or free passage of the person being solicited or requiring the person, or the driver of a vehicle, to take evasive action to avoid physical contact with the person making the solicitation.
 - e. Using obscene or abusive language or gestures toward the person being solicited.

- (2) **Automated Teller Machine** means a device, linked to a bank's account records, which is able to carry out banking transactions.
- (3) **Automated Teller Facility** means the area comprised of one or more automatic teller machines, and any adjacent space that is made available to banking customers.
- (4) **Bank** means a bank, savings bank, savings and loan association, credit union, trust company, or similar financial institution.
- (5) **Check Cashing Business** means a person in the business of cashing checks, drafts, or money orders for consideration.
- (6) **Credit Access Business** has the meaning given that term by Section 393.601 of the Texas Finance Code, as amended.
- (7) **Parking Meter or Pay Station** means a location on a street, parking lot or parking garage where persons pay for parking by either cash or credit to a person or at a machine or other device designed to accept payment.
- (8) **Public Area** means an outdoor area to which the public has access and includes, but is not limited to, a sidewalk, street, highway, park, parking lot, alleyway, pedestrian way, or the common area of a school, hospital, apartment house, office building, transport facility, or shop.
- (9) **Self-Service or Automatic Car Wash** means a structure at which a vehicle may be either automatically washed or manually washed or vacuumed by its owner or operator with equipment activated by the cash or credit payment at a machine or other device designed to accept payment, which is accessible for use by members of the general public.
- (10) **Self-Service Fuel Pump** means a fuel pump:
 - a. From which a vehicle may be manually filled with gasoline or other fuel directly by its owner or operator, with or without the aid of an employee or attendant of the premises at which the fuel pump is located,
 - b. Which is accessible for use by members of the general public.
- (11) **Solicit** means to request, by the spoken, written, or printed word, or by other means of communication an immediate donation or transfer of money or another thing of value from another person, regardless of the solicitor's purpose or intended use of the money or other thing of value, and regardless of whether consideration is offered.

C. Aggressive Solicitation Prohibited. A person commits an offense if the person solicits:

- (1) In an Aggressive Manner in a public area.
- (2) In a bus or at a bus stop.
- (3) Within twenty-five (25) feet of the following areas where the public is considered vulnerable or where solicitation would interfere with the flow of traffic:

- a. An automated teller facility;
- b. An automated teller machine;
- c. The entrance or exit of a bank;
- d. The entrance or exit of a check cashing business;
- e. The entrance or exit of a credit access business;
- f. A self-service or automated carwash or self-service fuel pump;
- g. A parking meter or parking pay station on a street;
- h. A public parking garage;
- i. At a marked crosswalk; or
- j. The entrance or exit of a restaurant or patio area of a bar or restaurant.

D. Exception. During a permitted street closure event or a permitted city sponsored special event, it shall not be an offense under subsection (C)(3) for persons registered with a valid City of College Station permit to solicit in such locations when authorized and so defined in the approved street closure or special event permit.

E. A violation of this section shall be punishable by a fine not to exceed five hundred dollars (\$500.00).



Legislation Details (With Text)

File #:	14-295	Version:	1	Name:	Resolution - Brazos County MUD No. 1
Type:	Resolution	Status:		Status:	Agenda Ready
File created:	2/24/2014	In control:		In control:	City Council Regular
On agenda:	3/27/2014	Final action:		Final action:	
Title:	Public hearing, presentation, possible action, and discussion regarding a Resolution granting conditional consent to the creation of Brazos County Municipal Utility District No. 1, consisting of approximately 553 acres and located at 17529 State Highway South, in the City's extraterritorial jurisdiction.				
Sponsors:	Planning & Development Services				
Indexes:					
Code sections:					
Attachments:	Vicinity Map Concept Plan Application Resolution Exhibit A				

Date	Ver.	Action By	Action	Result
3/13/2014	1	City Council Regular		

Public hearing, presentation, possible action, and discussion regarding a Resolution granting conditional consent to the creation of Brazos County Municipal Utility District No. 1, consisting of approximately 553 acres and located at 17529 State Highway South, in the City's extraterritorial jurisdiction.

Relationship to Strategic Goals: Diverse Growing Economy

Recommendation(s): Staff recommends approval of the Resolution granting conditional consent of the Municipal Utility District (MUD)

Summary: This Resolution grants conditional consent to the creation of a MUD in the City's extraterritorial jurisdiction (ETJ). The City's consent is needed for the applicant to pursue approval of the MUD through the Texas Commission on Environmental Quality. The proposed MUD will develop, operate, maintain, and issue bonds for financing the construction of needed infrastructure (water, sewer, drainage, streets, etc.) for the proposed district and levy and assess a tax on property within the proposed district to pay operational and maintenance expenses associated with such infrastructure.

The applicant proposes a MUD to support the following development:

- Approximately 1,380 single-family lots,
- Approximately 27 acres of general commercial,
- Approximately 16 acres of business/technology business park,
- Approximately 14 acres for a CSISD learning facility,
- Approximately 73 acres of detention/greenways,
- Approximately nine acres of parks/open space, and
- Over five miles of walking trails

The City Council recently adopted a policy regarding the creation, operation, and dissolution of MUDs located within the City limits or the ETJ. The policy provides the following prerequisites for consideration when evaluating applications for MUDs located in the ETJ:

1. Whether the City has already made plans to annex or provide municipal services to the area proposed for inclusion in the District within the next five years, and
2. Whether the proposed area for the District lies in the ETJ of two or more cities

The determination regarding both considerations above is negative. Therefore, the City Council should give consideration to granting conditional consent as outlined in Sections II.D and II.E of the City's adopted policy.

It is important to note that the applicant has agreed to comply with the City's adopted MUD policy, including the conditions for consent. The City's policy addresses the City Council's consent related to issuance of bonds by the District, development agreements designed to extend the City's planning authority over the land contained within the District, and Strategic Partnership Agreements that outline the terms for annexation.

Compliance with the Comprehensive Plan: Chapter Two, Community Character, of the Comprehensive Plan recognizes this area as the "Speedway District" and calls for a transition into a master-planned general suburban area that could involve a mix of uses including, but not limited to, general commercial, office, business park, or single-family residences. Chapter Eight, Growth Management & Capacity, of the Comprehensive Plan recognizes the Speedway District's potential to provide area for future growth.

Staff believes that the proposed uses on the attached concept plan are consistent with the Comprehensive Plan.

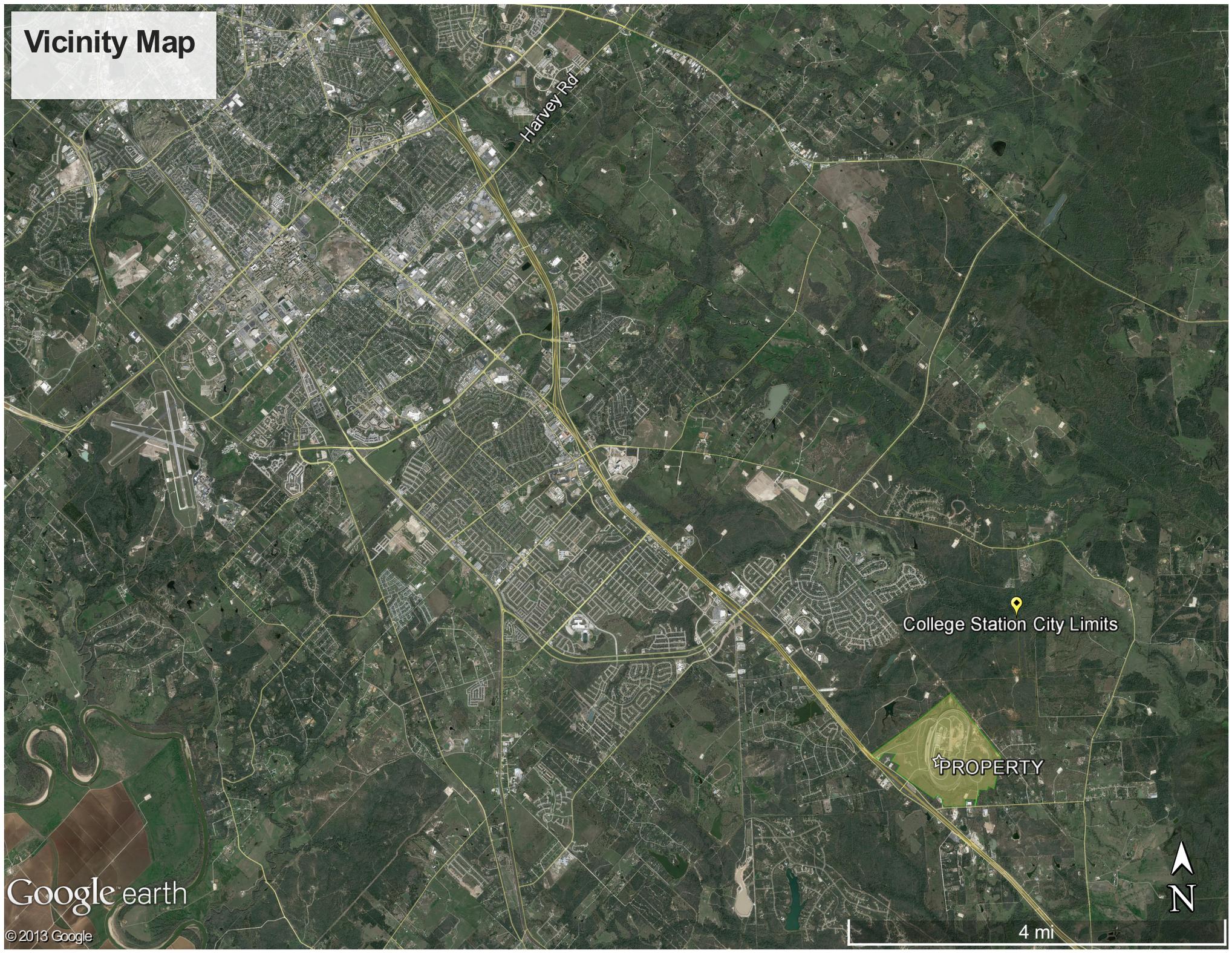
Budget & Financial Summary: N/A

Reviewed and Approved by Legal: Yes

Attachments:

1. Vicinity Map
2. Concept Plan
3. Application
4. Resolution
5. Exhibit A

Vicinity Map



Harvey Rd

College Station City Limits

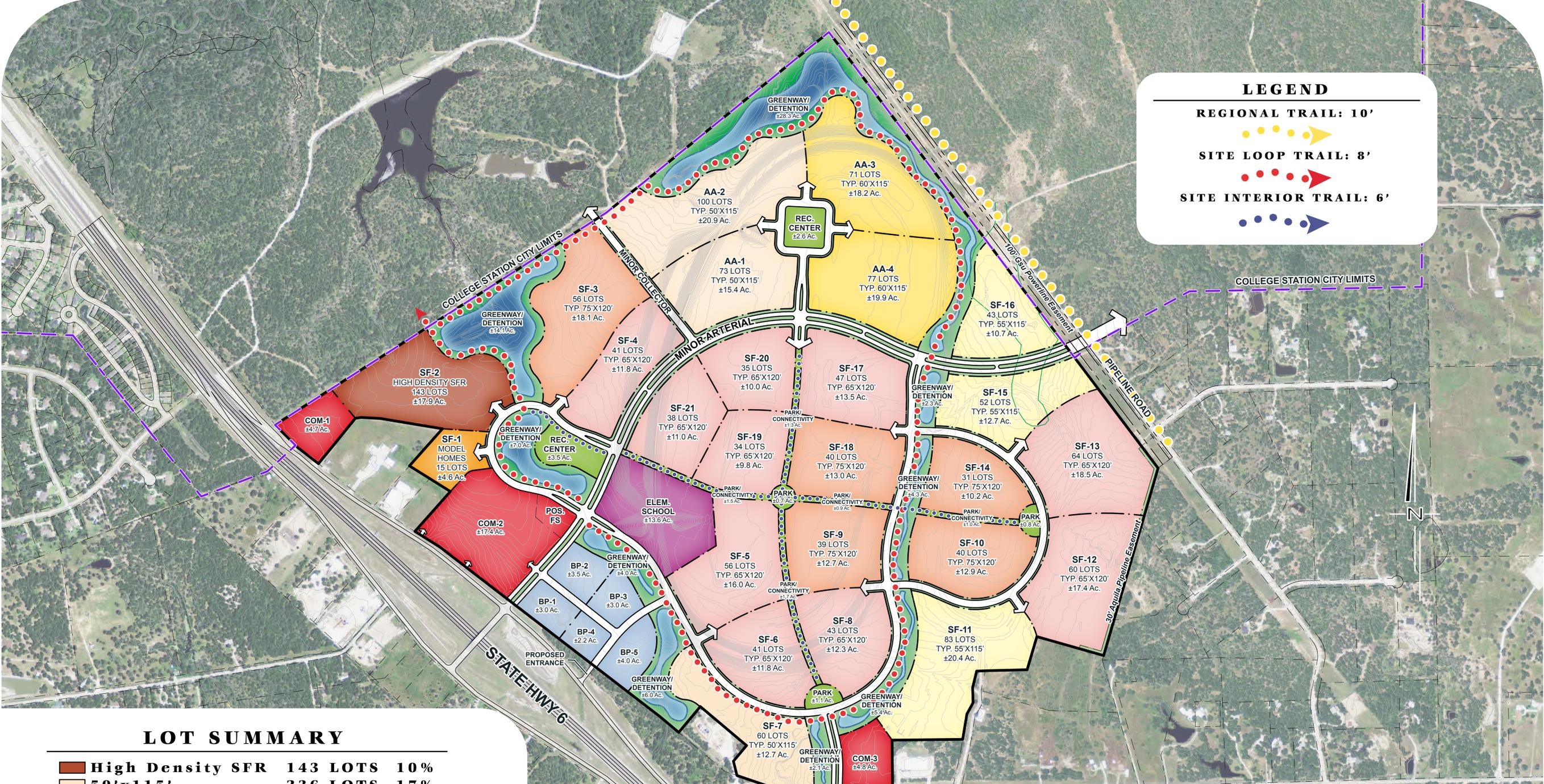
PROPERTY

Google earth

© 2013 Google

4 mi





LEGEND

REGIONAL TRAIL: 10'

SITE LOOP TRAIL: 8'

SITE INTERIOR TRAIL: 6'

LOT SUMMARY

	High Density SFR	143 LOTS	10 %
	50'x115'	236 LOTS	17 %
	55'x115'	181 LOTS	13 %
	60'x115'	151 LOTS	11 %
	65'x120'	462 LOTS	34 %
	75'x120'	209 LOTS	15 %

TOTAL 1382 LOTS

TOTAL NET RESIDENTIAL: 352.4 Ac

TOTAL DETENTION: 73.5 Ac

a conceptual development plan for
± 552.9 Ac COLLEGE STATION TRACT

prepared for
GRID RACEPLEX HOLDING, LTD

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FOR OFFICE USE ONLY	
CASE NO.:	_____
DATE SUBMITTED:	_____
TIME:	_____
STAFF:	_____

MUNICIPAL UTILITY DISTRICT (MUD) PETITION APPLICATION

MINIMUM SUBMITTAL REQUIREMENTS:

- Application completed in full. This application form provided by the City of College Station must be used and may not be adjusted or altered. Please attach pages if additional information is provided.
- Land use plan for the property located within the proposed MUD.
- Preliminary plan including existing facilities, proposed facilities, and any area of the proposed MUD located within the 100-year flood plain. If the proposed MUD contains land within the 100-year flood plan, provide a narrative indicating how the flood plain will be impacted by the proposed development.
- A petition signed by persons holding title to land representing a total value of more than 50% of the appraised value of all the land within the proposed MUD.
- Provide engineering report including description of existing area, conditions, topography, and proposed improvements.
- Provide a market study, not more than six (6) months old as of the date of the petition, that indicates projections in residential units per year for specific years for the proposed development. The market study should include all proposed development, residential and/or commercial uses.
- Copy of the petitioner's financial statement and a description of the petitioner's experience with MUDs. If the petitioner and developer are not the same, provide documentation explaining the relationship between the petitioner and developer.
- Documentation that all lien holders consent to the formation of the proposed MUD.
- If the petitioner is a corporation, trust, or joint venture, provide documentation that the person signing the petition is authorized to sign on behalf of the corporation, trust, or joint venture.
- A table summarizing the overlapping tax rate of all existing taxing entities (city, county, school, district, ESD, etc.) and the proposed MUD tax, demonstrating the total anticipated tax rate over the life of the MUD.
- Legal description of property.
- Vicinity Map.
- Boundary map showing metes and bounds.
- Survey closure computation sheet.

Within six (6) months after consent to the creation of a district is given by the City, or within three (3) months after the district is created by the Texas Commission on Environmental Quality or its successor agency, whichever is later, the owner or the developer of the land within the district must pay \$30,000 pursuant to Chapter 14, "Service Fees", to reimburse the City for expenses relating to processing the petition to create the district.

Additional information may be required of the applicant. If so, the applicant will be informed of any extra information.

Proposed Name of MUD Brazos County Municipal Utility District No. 1

Address 17777 State Hwy 6 South, College Station, TX 77845

Total Acreage of Proposed MUD ~552.002 acres

APPLICANT/PROJECT MANAGER'S INFORMATION (Primary contact for the project):

Name Grid Raceplex Holdings, Ltd. (c/o Wm. Mather) E-mail billm@gridre.com
Street Address 17777 State Hwy 6 South
City College Station State TX Zip Code 77845
Phone Number 979-690-2500 Fax Number 866-660-2621

PROPERTY OWNER'S INFORMATION (Please attach an additional sheet for multiple owners):

Name McAlister Opportunity Fund 2012, LP E-mail paul@mcalisterinv.com
Street Address 2211 Norfolk Street, Suite 803
City Houston State TX Zip Code 77098
Phone Number 713-535-2257 Fax Number 713-535-2259

1. Is the proposed MUD located inside the City limits or in the City's Extraterritorial Jurisdiction (ETJ)?

ETJ

2. Number of current property owners located within the proposed MUD: One

3. Provide the name of the entity that currently holds the water Certificate of Convenience and Necessity (CCN) for the property located within the proposed MUD. If more than one entity holds the water CCN, please provide a breakdown of the CCN acreage for each certificate holder.

College Station Utilities holds the water CCN for the property located within the proposed MUD.

4. Provide the name of the entity that currently holds the wastewater Certificate of Convenience and Necessity (CCN) for the property located within the proposed MUD. If more than one entity holds the wastewater CCN, please provide a breakdown of the CCN acreage for each certificate holder.

None - it is anticipated that College Station Utilities will provide wastewater services.

5. Are you requesting an exemption to the policy that the City will serve the MUD with water and wastewater services?

Yes

No

6. Provide a brief description of the general nature of the work that will be performed by the MUD.

The proposed MUD will (in accordance with Article 16, Section 59, of the Texas Constitution & more specifically Texas Water Code chapters 49 & 54) develop, operate, maintain and issue bonds for financing the construction of the facilities (e.g. water, wastewater, drainage, and roads) for the district and to levy and assess a tax on all taxable property in the district to pay the principal and interest on such bonds and to pay operational and maintenance expenses associated with such facilities.

7. Describe the benefits of the proposed MUD.

The delivery and operation of water and wastewater facilities for (1) 1,239 single family residential lots ~ 143 higher density single family residential lots (e.g. townhomes, senior living), (2) ~26.9 acres of general commercial & ~15.7 acres for business/technology business park, (3) ~13.6 acres for a future CSISD learning facility, ~73.5 acres of detention/greenways, and approximately (i) nine-(9) acres of neighborhood parks / open space, (ii) two (2) recreation centers on ~6.1 acres combined, and ~5.5 miles of walking and biking trails.

8. Provide evidence that the value of the property located in the proposed MUD will be increased.

The 2013 ad valorem tax value is \$5.4 million and over the time to redevelopment the total ad valorem tax value projected is approximately \$513.7 million (projection from Jones & Carter, Inc. prepared Due Diligence Phase Services Report (the "Feasibility Report") dated November 22, 2013 on the proposed MUD. The Feasibility Report states that "From an economic and engineering standpoint, this Project is both practical and feasible.")

9. Provide details demonstrating that the proposed MUD will be consistent with the City's Comprehensive Plan.

The Concept Plan (attached) is consistent with City's Comprehensive Plan designates the site as "an area recognized as unique & deserving of additional attention or protection" (referred as the Speedway District) being "promotion of the speedway while transitioning the speedway into a master-planned General Suburban area..." which is intense level of development activities that "will tend to consist of high-density single-family residential lots (minimum 5,000 square feet). Townhomes, duplexes, and neighborhood commercial and office uses may also be permitted in growth areas."

10. Demonstrate the community benefits related to the creation of the proposed MUD.

The proposed MUD will provide for the development of residential housing & amenities for a portion of the significant projected population increase for the City and County that is complimentary to the City's current architectural and development standards and while not burdening the City's capital with the customary financial commitment for such infrastructure.

11. Name all lien holders of the property within the proposed MUD or provide a separate affidavit stating all lien holders.

None

12. Provide the existing and projected population within the proposed MUD.

The existing population of the proposed MUD is zero (0) and utilizing a factor of 3.25 people per residential unit the population could reach ~1,700.

13. Provide cost estimates for the proposed improvements planned by the MUD and a cost summary for anticipated bond issue requirements.

According to the Jones & Carter, Inc. November 22, 2013 Feasibility Report, over the time to redevelopment the total estimated cost of the facilities and related engineering and issuance costs is approximately \$83.4 million and the total estimated of the anticipated reimbursable portion is approximately \$44.2 million.

14. Provide the projected tax rate for the proposed MUD.

The projected tax rate for the proposed MUD is approximately \$1.00 per \$100 of value.

15. Provide a narrative regarding the viability of obtaining water and/or wastewater service from a utility other than the City of College Station. Please limit the discussion to utility providers within two miles of the proposed MUD.

Wellborn Special Utility District is the only other viable utility provider within two miles of the proposed MUD and it has not been investigated if this utility provider has the capacity to provide utility service to the proposed MUD. Another viable option for delivery of wastewater service is the construction of and operation of wastewater facilities within or near the proposed MUD.

16. Provide an evaluation of the effect the proposed MUD will have on existing land elevation, subsidence, groundwater level within the region, recharge capability of a groundwater source, natural run-off rates, storm drainage, and water quality.

These issues are to be addressed in detail in the preliminary engineering report that is required to be included in the District Creation submittal package to the TCEQ. In accordance with generally accepted engineering practices, the proposed improvements will include detention facilities and drainage channels which will be designed to mitigate significant issues pertaining to storm water run-off, subsidence and groundwater issues. The domestic water & wastewater quality will be maintained by College Station Utilities.

I have read, understand, and fully acknowledge the City's adopted policy regarding the establishment of Municipal Utility Districts and intend to fully comply with said policy. Yes No

The applicant has prepared this application and certifies that the facts stated herein and exhibits attached hereto are true, correct, and complete. IF THIS APPLICATION IS FILED BY ANYONE OTHER THAN THE OWNER OF THE PROPERTY, this application must be accompanied by a power of attorney statement from the owner. If there is more than one owner, all owners must sign the application or the power of attorney. If the owner is a company, the application must be accompanied by proof of authority for the company's representative to sign the application on its behalf.



Signature and title
as Manager of MOF 2012 G+LLC
as General Partner of
McAlister Opportunity Fund 2012 LP

Date
February 6, 2014

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS, GRANTING CONDITIONAL CONSENT TO THE FORMATION OF BRAZOS COUNTY MUNICIPAL DISTRICT NO. 1 WITHIN THE CITY'S EXTRATERRITORIAL JURISDICTION

WHEREAS, the owner of land within the proposed boundaries of Brazos County Municipal Utility District No. 1 (the "District"), such land referred to herein as the "Land", has filed a Petition Requesting Consent to the Creation of a Municipal Utility District (the "Petition") requesting consent from the City of College Station (the "City") to creation of the District to include approximately 553 acres, described on Exhibit A attached hereto; and

WHEREAS, the City is empowered under state law to exercise authority over municipal utility districts located within the City's extraterritorial jurisdiction; and

WHEREAS, the Land proposed to be included in the District lies within the extraterritorial jurisdiction of the City; and

WHEREAS, the District proposes to construct the infrastructure including water, sanitary sewer, drainage, road and other services necessary for development of the Land; and

WHEREAS, the City desires to grant its conditional consent to creation of the District and the inclusion within the District of the Land within the City's extraterritorial jurisdiction in the event that the District is created.

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

PART 1: That the City Council hereby grants its consent to the creation of the District and the inclusion within the District of Land described in Exhibit A attached hereto within the City's extraterritorial jurisdiction subject to and specifically conditioned upon the following:

- A. That the term "consent" as used in this Resolution has the meaning provide in Section 42.042 (d), Texas Local Government Code, to wit, authorization to initiate proceedings to create the District as provided by law.
- B. That the consent granted in this Resolution is conditioned upon the District's compliance with the regulations applicable to municipal utility districts contained in the Code of Ordinances, City of College Station, Texas, including compliance with the written policies adopted by the City Council of the City of College Station regarding municipal utility districts.

C. That the consent granted in this Resolution is subject to the requirement that the District receive the City Council's consent before the District issues bonds or refunds bonds.

PART 2: That this Resolution shall take effect immediately from and after its passage.

PASSED and APPROVED this _____ day of _____, 2014.

APPROVED:

Mayor

ATTEST:

City Secretary

APPROVED:

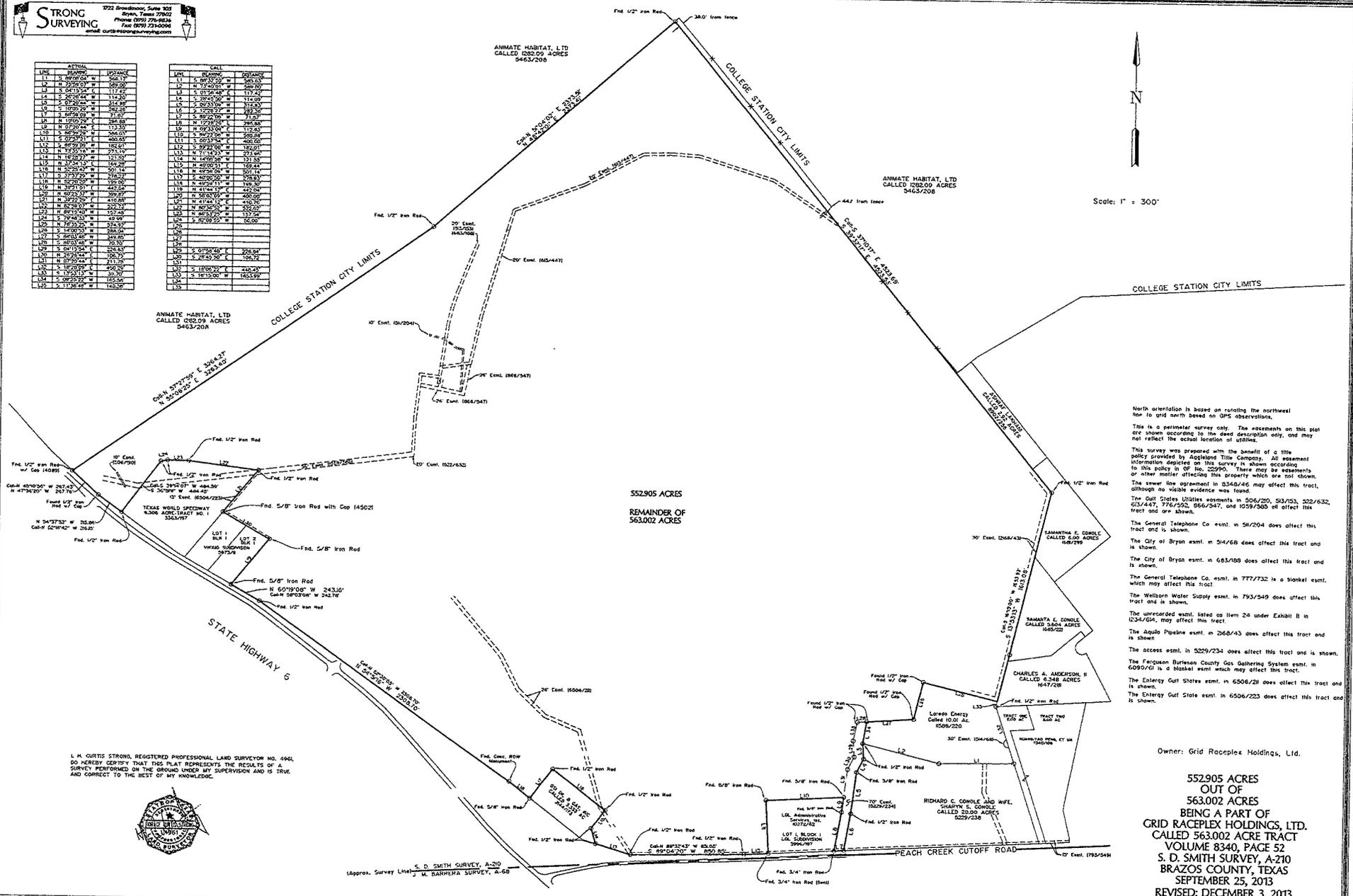
Carla A Robinson

City Attorney

EXHIBIT "A"

STRONG SURVEYING
 1922 Broadway, Suite 302
 Bryan, Texas 77802
 Phone (979) 776-8634
 Fax (979) 771-5064
 email: curtis@strongsurveying.com

LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
L1	N 89°00'00" W	546.71	L1	N 89°00'00" W	546.71
L2	N 89°00'00" W	546.71	L2	N 89°00'00" W	546.71
L3	N 89°00'00" W	546.71	L3	N 89°00'00" W	546.71
L4	N 89°00'00" W	546.71	L4	N 89°00'00" W	546.71
L5	N 89°00'00" W	546.71	L5	N 89°00'00" W	546.71
L6	N 89°00'00" W	546.71	L6	N 89°00'00" W	546.71
L7	N 89°00'00" W	546.71	L7	N 89°00'00" W	546.71
L8	N 89°00'00" W	546.71	L8	N 89°00'00" W	546.71
L9	N 89°00'00" W	546.71	L9	N 89°00'00" W	546.71
L10	N 89°00'00" W	546.71	L10	N 89°00'00" W	546.71
L11	N 89°00'00" W	546.71	L11	N 89°00'00" W	546.71
L12	N 89°00'00" W	546.71	L12	N 89°00'00" W	546.71
L13	N 89°00'00" W	546.71	L13	N 89°00'00" W	546.71
L14	N 89°00'00" W	546.71	L14	N 89°00'00" W	546.71
L15	N 89°00'00" W	546.71	L15	N 89°00'00" W	546.71
L16	N 89°00'00" W	546.71	L16	N 89°00'00" W	546.71
L17	N 89°00'00" W	546.71	L17	N 89°00'00" W	546.71
L18	N 89°00'00" W	546.71	L18	N 89°00'00" W	546.71
L19	N 89°00'00" W	546.71	L19	N 89°00'00" W	546.71
L20	N 89°00'00" W	546.71	L20	N 89°00'00" W	546.71
L21	N 89°00'00" W	546.71	L21	N 89°00'00" W	546.71
L22	N 89°00'00" W	546.71	L22	N 89°00'00" W	546.71
L23	N 89°00'00" W	546.71	L23	N 89°00'00" W	546.71
L24	N 89°00'00" W	546.71	L24	N 89°00'00" W	546.71
L25	N 89°00'00" W	546.71	L25	N 89°00'00" W	546.71
L26	N 89°00'00" W	546.71	L26	N 89°00'00" W	546.71
L27	N 89°00'00" W	546.71	L27	N 89°00'00" W	546.71
L28	N 89°00'00" W	546.71	L28	N 89°00'00" W	546.71
L29	N 89°00'00" W	546.71	L29	N 89°00'00" W	546.71
L30	N 89°00'00" W	546.71	L30	N 89°00'00" W	546.71
L31	N 89°00'00" W	546.71	L31	N 89°00'00" W	546.71
L32	N 89°00'00" W	546.71	L32	N 89°00'00" W	546.71
L33	N 89°00'00" W	546.71	L33	N 89°00'00" W	546.71
L34	N 89°00'00" W	546.71	L34	N 89°00'00" W	546.71
L35	N 89°00'00" W	546.71	L35	N 89°00'00" W	546.71



Scale: 1" = 300'

North orientation is based on rotating the northwest corner to grid north based on GPS observations.

This is a perimeter survey only. The easements on this plat are shown according to the deed description only, and may not reflect the actual location of utilities.

This survey was prepared with the benefit of a title policy provided by Regalston Title Company. All easement information depicted on this survey is shown according to this policy in OP No. 25990. There may be easements or other matter affecting this property which are not shown. The sewer line agreement in 0348/46 may affect this tract, although no visible evidence was found.

The Gulf States Utilities easements in 506/20, 513/23, 502/632, 612/447, 776/552, 866/547, and 0191/260 all affect this tract and are shown.

The General Telephone Co easmt in 56/204 does affect this tract and is shown.

The City of Bryan easmt in 643/66 does affect this tract and is shown.

The City of Bryan easmt in 683/188 does affect this tract and is shown.

The General Telephone Co. easmt in 777/732 is a blanket easmt. which may affect this tract.

The Wallborn Water Supply easmt in 793/549 does affect this tract and is shown.

The unrecorded easmt. listed as Item 24 under Exhibit B in 0286/66, may affect this tract.

The Aquila Pipeline easmt in 268/43 does affect this tract and is shown.

The access easmt. in 0229/234 does affect this tract and is shown.

The Ferguson Burleson County Gas Gathering System easmt. in 6090/40 is a blanket easmt which may affect this tract.

The Entergy Gulf States easmt. in 6506/28 does affect this tract and is shown.

The Entergy Gulf States easmt. in 6506/223 does affect this tract and is shown.

Owner: Grid Raceplex Holdings, Ltd.

**552,905 ACRES
 OUT OF
 563,002 ACRES
 IS A PART OF
 GRID RACEPLEX HOLDINGS, LTD.
 CALLED 563,002 ACRE TRACT
 VOLUME 8340, PAGE 52
 S. D. SMITH SURVEY, A-210
 BRAZOS COUNTY, TEXAS
 SEPTEMBER 25, 2013
 REVISED: DECEMBER 3, 2013**

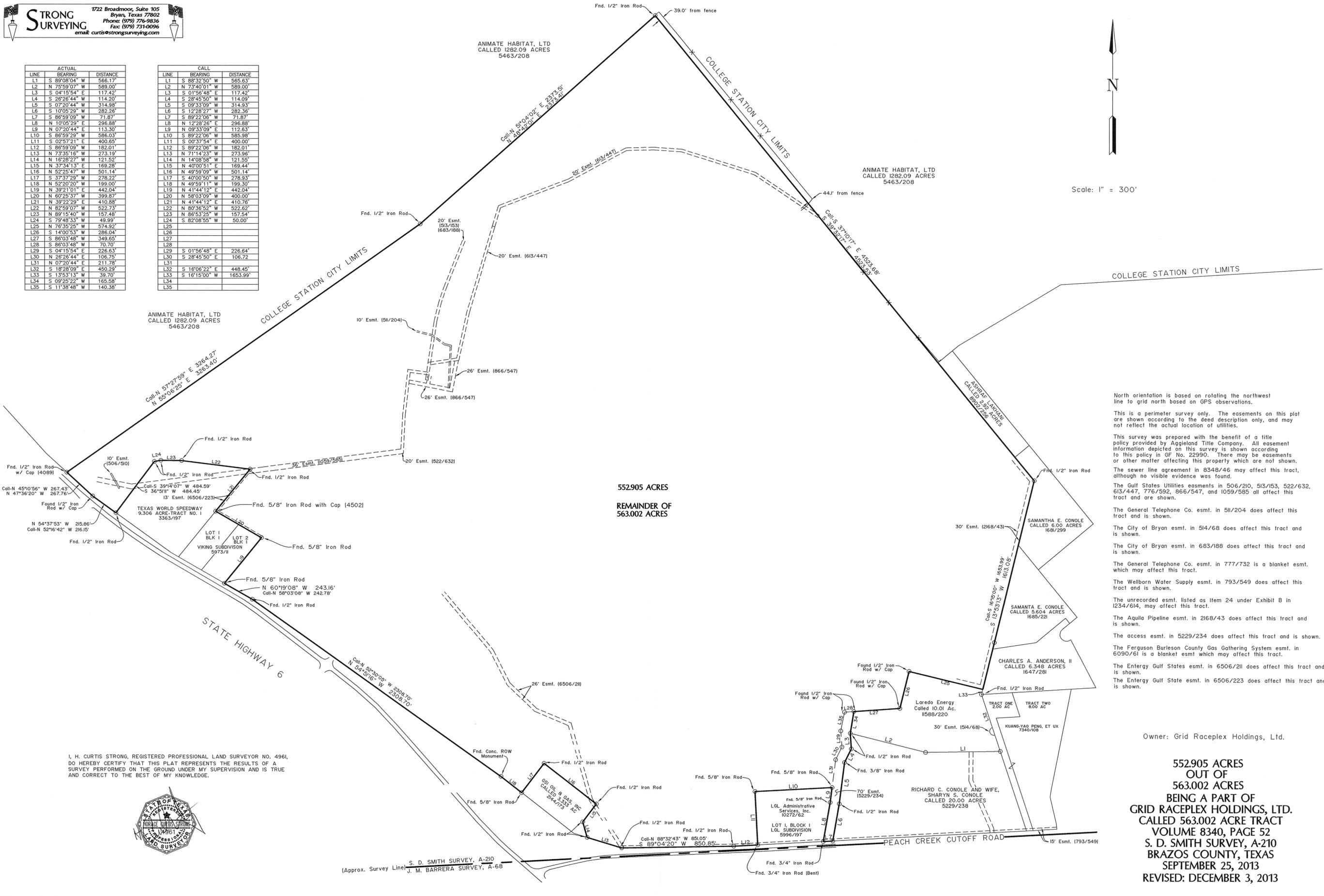
I, L. A. CURTIS STRONG, REGISTERED PROFESSIONAL LAND SURVEYOR NO. 0461, DO HEREBY CERTIFY THAT THIS PLAT REPRESENTS THE RESULTS OF A SURVEY PERFORMED ON THE GROUND UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



S. D. SMITH SURVEY, A-210 (Approx. Survey Lines)
 M. BARRERA SURVEY, A-60

LINE	BEARING	DISTANCE
L1	S 89°08'04" W	566.17'
L2	N 75°59'07" W	589.00'
L3	S 04°15'54" E	117.42'
L4	S 26°26'44" W	114.20'
L5	S 07°20'44" W	314.99'
L6	S 10°05'29" W	282.26'
L7	S 86°59'09" W	71.87'
L8	N 10°05'29" E	296.88'
L9	N 07°20'44" E	113.30'
L10	S 86°59'29" W	586.03'
L11	S 02°57'21" E	400.65'
L12	S 86°59'09" W	182.01'
L13	N 73°35'16" W	273.19'
L14	N 16°28'27" W	121.52'
L15	N 37°34'13" E	169.28'
L16	N 52°25'47" W	501.14'
L17	S 37°37'29" W	278.22'
L18	N 52°20'20" W	199.00'
L19	N 39°21'01" E	442.04'
L20	N 60°25'37" W	399.87'
L21	N 39°22'29" E	410.88'
L22	N 82°59'07" W	522.73'
L23	N 89°15'40" W	157.48'
L24	S 79°48'33" W	49.99'
L25	N 76°35'25" W	574.92'
L26	S 14°00'53" W	286.04'
L27	S 86°03'48" W	348.65'
L28	S 86°03'48" W	70.70'
L29	S 04°15'54" E	226.63'
L30	N 26°26'44" E	106.72'
L31	N 07°20'44" E	211.78'
L32	S 18°28'09" E	450.29'
L33	S 13°53'13" W	39.70'
L34	S 09°25'22" W	165.58'
L35	S 11°38'48" W	140.38'

LINE	BEARING	DISTANCE
L1	S 88°32'50" W	565.63'
L2	N 73°40'01" W	589.00'
L3	S 01°56'48" E	117.42'
L4	S 28°45'50" W	114.09'
L5	S 09°33'09" W	314.93'
L6	S 12°28'27" W	282.36'
L7	S 89°22'06" W	71.87'
L8	N 12°28'26" E	296.88'
L9	N 09°33'09" E	112.63'
L10	S 89°22'06" W	585.98'
L11	S 00°37'54" E	400.00'
L12	S 89°22'06" W	182.01'
L13	N 71°14'23" W	273.96'
L14	N 14°08'58" W	121.55'
L15	N 40°00'51" E	169.44'
L16	N 49°59'09" W	501.14'
L17	S 40°00'50" W	278.93'
L18	N 49°59'11" W	199.30'
L19	N 41°44'12" E	442.04'
L20	N 58°03'09" W	400.00'
L21	N 41°44'12" E	410.76'
L22	N 80°36'52" W	522.62'
L23	N 86°53'26" W	157.54'
L24	S 82°08'55" W	50.00'
L25		
L26		
L27		
L28		
L29	S 01°56'48" E	226.64'
L30	S 28°45'50" W	106.72'
L31		
L32	S 18°06'22" E	448.45'
L33	S 16°15'00" W	1653.99'
L34		
L35		



Scale: 1" = 300'

COLLEGE STATION CITY LIMITS

North orientation is based on rotating the northwest line to grid north based on GPS observations.

This is a perimeter survey only. The easements on this plat are shown according to the deed description only, and may not reflect the actual location of utilities.

This survey was prepared with the benefit of a title policy provided by Aggieland Title Company. All easement information depicted on this survey is shown according to this policy in GF No. 22990. There may be easements or other matter affecting this property which are not shown.

The sewer line agreement in 8348/46 may affect this tract, although no visible evidence was found.

The Gulf States Utilities easements in 506/210, 513/153, 522/632, 613/447, 776/592, 866/547, and 1059/585 all affect this tract and are shown.

The General Telephone Co. esmt. in 511/204 does affect this tract and is shown.

The City of Bryan esmt. in 514/68 does affect this tract and is shown.

The City of Bryan esmt. in 683/188 does affect this tract and is shown.

The General Telephone Co. esmt. in 777/732 is a blanket esmt. which may affect this tract.

The Wellborn Water Supply esmt. in 793/549 does affect this tract and is shown.

The unrecorded esmt. listed as Item 24 under Exhibit B in 1234/614, may affect this tract.

The Aquila Pipeline esmt. in 2168/43 does affect this tract and is shown.

The access esmt. in 5229/234 does affect this tract and is shown.

The Ferguson Burleson County Gas Gathering System esmt. in 6090/61 is a blanket esmt which may affect this tract.

The Entergy Gulf States esmt. in 6506/211 does affect this tract and is shown.

The Entergy Gulf State esmt. in 6506/223 does affect this tract and is shown.

Owner: Grid Raceplex Holdings, Ltd.

**552.905 ACRES
 OUT OF
 563.002 ACRES
 BEING A PART OF
 GRID RACEPLEX HOLDINGS, LTD.
 CALLED 563.002 ACRE TRACT
 VOLUME 8340, PAGE 52
 S. D. SMITH SURVEY, A-210
 BRAZOS COUNTY, TEXAS
 SEPTEMBER 25, 2013
 REVISED: DECEMBER 3, 2013**

I, H. CURTIS STRONG, REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4961, DO HEREBY CERTIFY THAT THIS PLAT REPRESENTS THE RESULTS OF A SURVEY PERFORMED ON THE GROUND UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



(Approx. Survey Line) S. D. SMITH SURVEY, A-210
 J. M. BARRERA SURVEY, A-68



Legislation Details (With Text)

File #: 14-334 **Version:** 1 **Name:** Budget Amendment #2
Type: Ordinance **Status:** Agenda Ready
File created: 3/17/2014 **In control:** City Council Regular
On agenda: 3/27/2014 **Final action:**

Title: Public Hearing, presentation, possible action, and discussion on Budget Amendment #2 amending Ordinance No. 3523 which will amend the budget for the 2013-2014 Fiscal Year in the amount of \$565,396; and presentation, possible action and discussion on a contingency transfer in the amount of \$35,000 and interfund transfers totaling \$871,455.

Sponsors:

Indexes:

Code sections:

Attachments: [Ordinance-FY14-Budget Amendment #2.pdf](#)
[Exhibit A-FY 14 Budget Amendment 2.pdf](#)

Date	Ver.	Action By	Action	Result
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Public Hearing, presentation, possible action, and discussion on Budget Amendment #2 amending Ordinance No. 3523 which will amend the budget for the 2013-2014 Fiscal Year in the amount of \$565,396; and presentation, possible action and discussion on a contingency transfer in the amount of \$35,000 and interfund transfers totaling \$871,455.

Relationship to Strategic Goals:

1. Financially Sustainable City
2. Core Services and Infrastructure

Recommendation(s): Staff recommends the City Council approve Budget Amendment #2, approve the contingency transfer, and approve the interfund transfers.

Summary: The proposed budget amendment is to increase the FY14 budget appropriations by \$565,396. Also included is one contingency transfer in the amount of \$35,000, and interfund transfers totaling \$871,455. The charter of the City of College Station provides for the City Council to amend the annual budget in the event there are revenues available to cover increased expenditures and after holding a public hearing on such budget amendment. A number of items have been identified that need to be considered in a budget amendment. Attached is a list of the items in the proposed budget amendment.

Budget & Financial Summary: The City has resources or can reasonably expect resources to cover each of the appropriations in this budget amendment. The attached list has the complete description of the items included in the proposed budget amendment.

Reviewed and Approved by Legal: Yes

Attachments:

1. Ordinance

ORDINANCE NO. _____

AN ORDINANCE (BUDGET AMENDMENT 2) AMENDING ORDINANCE NO. 2013-3523 WHICH WILL AMEND THE BUDGET FOR THE 2013-2014 FISCAL YEAR AND AUTHORIZING AMENDED EXPENDITURES AS THEREIN PROVIDED.

WHEREAS, on September 12, 2013, the City Council of the City of College Station, Texas, adopted Ordinance No. 2013-3523 approving its Budget for the 2013-2014 Fiscal Year; and

WHEREAS, on February 13, 2014, the City Council of the City of College Station, Texas, adopted Budget Amendment 1 amending the 2013-2014 Budget; and

WHEREAS, the City Council of the City of College Station, Texas, finds it necessary to amend the 2013-2014 Budget, as amended by Budget Amendment 1; and

WHEREAS, this amendment was prepared and presented to the City Council and a public hearing held thereon as prescribed by law and the College Station City Charter, after notice of said hearing having been first duly given; now, therefore,

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

PART 1: That Ordinance No. 2013-3523 is hereby amended by amending the 2013-2014 Budget adopted thereto by a net amount of \$565,396 as further detailed in Exhibit A attached hereto and incorporated herein for all purposes.

PART 2: That this Budget Amendment 2 shall be attached to and made a part of the 2013-2014 Budget.

PART 3: That except as amended hereby, Ordinance No, 2013-3523 shall remain in effect in accordance with its terms.

PART 4: That this ordinance shall become effective immediately after passage and approval.

PASSED and APPROVED this _____ day of _____ 2014.

ATTEST:

APPROVED:

City Secretary

Mayor

APPROVED:

City Attorney

Exhibit A - FY14 Budget Amendment #2 Detail Listing

The proposed budget amendment is to increase the FY14 revised net budget for the items listed below by \$565,396. This amendment also includes the addition of three FTE positions, interfund transfers, and a contingency transfer. Increases to personnel, contingency transfers greater than \$15,000, and interfund transfers require Council approval and are therefore included as part of this Budget Amendment.

1. 75th Anniversary Expenditures – \$43,079 (Budget Amendment)

Donations in the amount of \$51,751 were received in FY13 and FY14 to be used toward the City of College Station's 75th Anniversary celebration. Funds were expended in FY13 and FY14 for a variety of items related to the exhibit and anniversary. This item will appropriate in the General Fund the budget that is needed for the FY14 expenditures (the budget for the FY13 expenditures was appropriated in FY13). In addition, the item will appropriate budget for the portion of the donations that have been not expended to date (\$5,974). This portion of the budget will be appropriated to the Heritage Programs budget within the Parks and Recreation Department for future use.

2. Municipal Management District Consulting Services - \$50,000 (Budget Amendment)

At the start of FY14, the City entered a contract with Allen, Boone, Humphries and Robinson for consulting services related to the creation of Municipal Management Districts (MMD's) in the City of College Station. This item will establish budget in the amount of \$50,000 for these services. The funds will be budgeted in the Economic Development Fund and it is anticipated that they will be repaid after the MMD's are established.

3. Fire Department Restructuring - \$51,115 (Budget Amendment)

The Fire Department recently underwent organizational restructuring. Prior to the restructuring, the department had two Assistant Chief level positions, one of which served as a Fire Marshal. A component of the organizational restructuring was to move forward with two dedicated Assistant Chief level positions and one dedicated Fire Marshal position. The Fire Marshal position will report to an Assistant Chief. The restructuring resulted in the need for the addition of one Firefighter III level position in order to maintain shift requirements. This item will add budget in the amount of \$33,351 for the addition of one Firefighter III position. This amount is for an estimated six months of salaries and benefits plus \$4,921 for related equipment. The estimated on-going annual cost for the position is \$56,860. In addition, budget is included in this item for the additional salary and benefits related to the restructuring of the Assistant Chief and Fire Marshal positions. The amount estimated for six months of salaries and benefits is \$10,264 (estimated annual cost of \$20,528). Also included is \$7,500 for other costs associated with the restructuring such as the purchase of a radio and additional training budget. The funds for this position are available in the General Fund balance.

4. Economic Development Position – \$53,500 (Budget Amendment)

This item is for the addition of a position in the City Manager's Office that will focus on economic development activities of the City. Currently there is one existing position that focuses primarily on Economic Development. This item will provide an additional position and these 2 positions will work on economic development activities under the direction of the City Manager. The amount included on this budget amendment item is for an estimated six months of salaries and benefits for the new position as well additional salary and benefits related to an upgrade of the existing position. The estimated on-going annual cost associated with these changes is \$107,000. The funds for this budget amendment item are available in the General Fund balance.

Exhibit A - FY14 Budget Amendment #2 Detail Listing

5. HOT Funded Public Communications Staffing - \$42,933 (Budget Amendment and Interfund Transfer)

This item is for the addition of one Full-Time Equivalent (FTE) position in the Public Communications (PC) Department. This position, along with other Public Communications staff members, will be responsible for strategically creating marketing materials that help increase tourism to College Station and its many amenities. In addition, PC staff will introduce College Station to other markets through the development of brochures, promotional videos, and marketing and advertising materials. It is anticipated that these responsibilities will be shared among PC staff members resulting in the time spent on the activities equating to one FTE position. As the primary focus will be to create high-quality collaterals needed to bring tourism dollars to College Station, it is recommended that the equivalent of one PC FTE be funded with Hotel Tax Funds. The amount included on this budget amendment item is for an estimated six months of salaries and benefits plus \$4,000 for materials. The estimated on-going annual cost for the position is \$77,866. This position will be budgeted in the General Fund and Hotel Tax funds will be transferred to the General Fund to cover the expenditures related to eligible activities. The funds for the FTE are available in the Hotel Tax Fund balance.

6. Convention and Visitors Bureau (CVB) Relocation - \$46,313 (Budget Amendment)

With the anticipated sale of the Chimney Hill property, the CVB will be vacating their current location on the property. The CVB has identified a new location on University Drive. The CVB has requested \$46,312.50 for the City of College Station's portion of the anticipated FY14 cost of the relocation. This includes rent, moving expenses, storage expenses, new signage and stationary, and expenses for minor construction. These funds are available in the Hotel Tax Fund balance. If approved, this item will require revision of the FY14 funding agreement, which will be brought to Council in the near future.

7. Proceeds from the Sale of the First Street Property - \$80,000 (Budget Amendment), \$170,000 (Budget Amendment and Interfund Transfer), and \$658,522 (Interfund Transfer)

As part of FY14 Budget Amendment #1, budget was included for projects identified for use of the first street property sale proceeds. This included \$200,000 for the assessment of transportation and facility capital needs for the proposed 2015 capital bond authorization. This amount was originally intended to be a total of \$280,000. This item will amend the budget for an additional \$80,000 that will be used for the needs assessment.

Also as part of FY14 Budget Amendment #1, budget in the amount of \$521,300 from the first street property sale proceeds was added for the purchase of a Fire Department Hazmat Truck. An additional \$170,000 is needed and it is recommended that the funds be transferred from the Facilities Capital Projects Fund and appropriated in the General Fund to be used toward the purchase of the Hazmat Truck. These funds reflect the remaining balance from the Fire Station #6 project.

As part of FY14 Budget Amendment #1, budget in the amount of \$658,522 from the first street property sale proceeds was added for the design of the rehabilitation of Francis Drive and Graham Road and for the addition of sidewalks along Normand Drive. This item will provide for the transfer of these funds from the General Fund to the Streets Capital Improvement Projects Fund where the budget will be appropriated and where the expenditures will occur.

Exhibit A - FY14 Budget Amendment #2 Detail Listing

8. Northgate Parking Garage Elevator Repairs - \$28,456 (Budget Amendment)

Water damage has recently been identified in one of the elevators in the Northgate Parking Garage and repairs estimated in the amount of \$28,456 are needed. Repairs include replacing the car sill, the door operator, subflooring and the traveling cable. Funds for the elevator repairs are available in the Northgate Parking Fund balance.

9. Game Day Traffic Study - \$35,000 (Contingency Transfer)

The Texas A&M University System, in partnership with the City of College Station, City of Bryan, Texas A&M Transportation Institute (TTI), the 12th Man Foundation and the BCS CVB has developed a study scope of work to improve Aggie football gameday travel and attendee experience. TTI will work with agency and community stakeholders to develop an implementable plan for the 2014 football season, monitor and evaluate the plan during the 2014 season, and develop recommendations for the following seasons. This project is in addition to the work currently being completed for the City of College Station's Game Day Traffic Study by Freese and Nichols and will utilize the data and analyses included in the Freese and Nichols' study. The Texas A&M University System has contracted with TTI to complete the project. The City's portion of the cost is \$35,000 and, if approved, the budget will be transferred from General Fund contingency.