NOTICE OF MEETING
CITY COUNCIL OF THE CITY OF GALVESTON
THURSDAY - AUGUST 27, 2020 - 1:15 P.M.
VIRTUAL ZOOM MEETING

Notice is hereby given in accordance with Order of the Governor issued March 16, 2020, the City Council of the City of Galveston will conduct its Special Meeting by telephone/video conference in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the Corona Virus/COVID-19. There will be no public access to the location described above.

REGULAR MEETING AGENDA

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER

2. ROLL CALL

3. CONFLICTS OF INTEREST

4. PRESENTATIONS/REPORTS OF COUNCIL, OFFICER BOARDS, AND CITY MANAGER

4.A. Pursuant To Texas Government Code Section 551.0415, The City Council May Report On Any Of The Following Items:

1. Expressions of thanks, gratitude, and condolences

2. Information regarding holiday schedules

3. Recognition of individuals

4. Reminders regarding City Council events

5. Reminders regarding community events

6. Health and safety announcement

5. COMMUNICATIONS AND PETITIONS
Claims: 20-069 - Rachel Gonzales; 20-070 - Casey Carl; 20-071 - Jessica Smith; 20-072 - Sandra Alexander.

6. PUBLIC HEARINGS

6.A. Resolution - Sandpiper Cove - 3916 Winnie Street
A Resolution Of The City Council Of The City Of Galveston, Texas, Expressing Its Support For The Application By Galveston 3916 Winnie Street, LP For Private Activity Bonds For Low-Income Housing Tax Credits At 3916 Winnie Street, In Galveston, Texas, 77550, Authorizing An Allocation Of Housing Tax Credits For The Approval Of The Rehabilitation Of The Development; Directing The City Secretary To Send A Certified And True Copy Of This Resolution To Representatives Of Galveston 3916 Winnie Street LP, For Inclusion In Its Application To The Texas Department Of Housing And Community Affairs For Private Activity Bonds For Low-Income Housing Tax Credits At 3916 Winnie Street, Galveston, Texas; Making Various Findings And Provisions Related To The Subject, And Providing For An Effective Date (Legal)

Documents:

RESOLUTION FOR 3916 WINNIE REHABILITATION BONDS - 2020.DOCX

6.B. Resolution - 5228 Broadway/Avenue J, 5100 Sealy/Avenue I And 5215 Winnie/Avenue G
Consider For Approval A Resolution Of The City Council Of The City Of Galveston, Texas, Expressing Its Support For The Application By Mccormack Baron Salazar, Inc., For Private Activity Bonds For Low-Income Housing Tax Credits At 5228 Broadway/Avenue J, 5100 Sealy/Avenue I And 5215 Winnie/Avenue G, In Galveston, Texas, 77550, Authorizing An Allocation Of Housing Tax Credits For The Approval Of The New Construction Of The Development; Directing The City Secretary To Send A Certified And True Copy Of This Resolution To Representatives Of Mccormack Baron Salazar, Inc., For Inclusion In Its Application To The Texas Department Of Housing And Community Affairs For Private Activity Bonds For Low-Income Housing Tax Credits At 5228 Broadway/Avenue J, 5100 Sealy/Avenue I And 5215 Winnie/Avenue G, Galveston, Texas; Making Various Findings And Provisions Related To The Subject, And Providing For An Effective Date. (Legal)

Documents:

STAFF REPORT OLEANDER HOMES REDEVELOPMENT.DOCX
RESOLUTION FOR OLEANDER HOMES NEW CONSTRUCTION BONDS - 2020.DOCX

7. PUBLIC COMMENT
Members of the public may submit a public comment using the web link below. All comments submitted prior to the meeting will be provided to the City Council.

https://forms.galvestontx.gov/Forms/PublicComment

A. Agenda Items
B. Non-Agenda Items

8. ORDINANCES (NOT REQUIRING PUBLIC HEARINGS)

8.A. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Designating A Presiding Councilmember Who Will Act In The Event Of Unavailability Of The Mayor Pro Tem; Providing For That Designation To Continue Until The Position Of Mayor Has Been Filled By Election And The Winner Has Qualified For Office; Providing For A Method To Determine Unavailability Of The Mayor Pro Tem; Providing For A Severability Clause; Providing An Open Meetings Clause; Providing A Savings Clause; Declaring Findings Of Fact; And Providing For An Effective Date. (Brown)

Documents:

DESIGNATION OF COUNCILMEMBER TO ACT AS MAYOR PRO TEM V2.DOCX

9. CONSENT ITEMS
The following items shall be considered for action as a whole, unless one or more Council Members objects. The City Manager is authorized to execute all necessary documents upon final approval by the City Attorney.

9.A. Consider For Approval The City Auditor's Audit Plan For 2021 (G. Bulgherini).

Documents:

DRAFT AUDIT PLAN 2021 (2).PDF

9.B. Consider For Approval Accepting The City Auditor's Report On Short Term Rental Properties - HOT2020-1 Short Term Rental Audit (G. Bulgherini).

Documents:

HOT2020-1 SHORT TERM RENTAL AUDIT FINAL.PDF

9.C. Consider For Approval Of A Grant Agreement And Disbursement Of Ten Thousand Dollars To Doug McLean From The Arts Commission Fund For The Purposes Of Creating A Statue With Historic Importance To The City Of Galveston. (M. Jadidi)

Documents:

STAFF REPORT MCLEAN GRANT AGREEMENT.DOCX
MCCLAIN STATUE GRANT AGREEMENT.DOCX

9.D. Consider For Approval A Resolution Of The City Council Of The City Of Galveston, Texas Adopting The Submittal Of Interim Updates #1 Submitted July 10, 2020 And August 17, 2020 To The Galveston Hazard Mitigation Plan Mitigation Strategy; Authorizing The City Manager To Execute Those Documents Necessary Regarding Eligibility And/Or Receipt Of Any And All Available Funding. (T. Wrobleski)

Documents:

MITIGATION RESOLUTION- FINAL 8-18-2020.PDF
STAFF REPORT - HAZARD MITIGATION PLAN.PDF

9.E. Consider For Approval The City Of Galveston Community Development Block Grant Mitigation (CDBG-MIT) Citizen Participation Plan. (T. Wrobleski)

Documents:

CDBG-MIT CITIZEN PARTICIPATION PLAN STAFF REPORT.PDF

9.F. Consider For Approval The Funding Of A Grant In The Amount Of $50,000 To The Galveston Economic Development Partnership (GEDP) For The Collection, Analysis, And Provision Of Local Business And Economic Loss And Recovery Data For The Detennination Of Economic Recovery Needs Due To COVID-19, And Authorize The City Manager To Complete The Grant Utilizing CARES ACT Funding. (T. Wrobleski)

Documents:

GEPD - CARES ACT FUNDING - GRANT.PDF

9.G. Consider For Approval A Recommendation From The Chapter 172 Health Benefits Plan Board Of Trustees To Renew Blue Cross Blue Shield Of Texas As The Carrier For Specific And Aggregate Stop Loss Coverage Effective October 1, 2020, Through December 31, 2021(K. Etienne).

Documents:

STAFF REPORT--STOP LOSS EFF. 10-01-20.PDF

9.H. Consider For Approval An Agreement For Video Streaming Services Between The City Of Galveston And Swagit Productions, LLC. (B. Sanderson/M. Barnett)

Documents:

2020 SWAGIT STREAMING STAFF REPORT.PDF

CITY OF GALVESTON_TX - SWAGIT STREAMING AGREEMENT.PDF

9.I. Consider For Approval The Purchase Of Microsoft Office 365 Licenses And Implementation Services From Sequel Data Systems In An Amount Not To Exceed $170,049 For A One (1) Year Term With The Option To Extend The Agreement For An Additional 1 Year Term. (H. Dean)

Documents:

MICROSOFT O365 MIGRATION STAFF REPORT.PDF

9.J. Consider For Approval Awarding Bid 20-016 Personal Protective Equipment (PPE) To U.R.W., Inc In The Amount Of $100,000.00 For First Responders During The COVID-19 Pandemic. Authorizing City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (C. Olsen)

Documents:

URW, INC (MOODY ENDOWMENT PPE).PDF
COG-CON-20-121 U.R.W.INC VENDOR SIGNED CONTRACT.PDF

9.K. Consider For Approval The Annual Renewal Of The Inter-Local Agreement With Texas Municipal League Intergovernmental Risk Pool For The 2020–2021 Fund Year For Workers Compensation TPA Coverage. Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (R. Simmons)

Documents:

STAFF REPORT 2020 TML WKC.DOC
BOUND_RENEWAL_2020-10-01_63960.PDF
TML 2021 CONTRIBUTIONS BREAKDOWN.XLS
TML COST COMPARISON FY2021.XLS

9.L. Consider For Approval The Annual Renewal Of The Inter-Local Agreement With Texas Municipal League Intergovernmental Risk Pool For The 2020–2021 Fund Year For Liability And Property Coverage. Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (R. Simmons)

Documents:

STAFF REPORT 2020 TML PROPERTY LIABILITY.DOC
TML 2021 CONTRIBUTIONS BREAKDOWN.XLS
TML COST COMPARISON FY2021.XLS

9.M. Consider Approving A Resolution Supporting The City Of Galveston's $2,000,000 Grant Application To The United States Department Of The Interior, Bureau Of Reclamation's (USBR) "WaterSMART Grants: Water And Energy Efficiency Grants For Fiscal Year 2021," Including $4,500,000 In City Matching Funds To Support The City's Sustainable Interactive Customer Connections Project. (T. Pedraza)

Documents:

WATERSMART GRANT - STAFF REPORT AND RESOLUTION - 8-27-20.PDF

9.N. Consider For Approval, A Proposal From Excergy For The City Of Galveston Sustainable Interactive Customer Connections (SICC) Project For A Year One Fee Not

To Exceed $178,834. Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (T. Pedraza)

Documents:

EXCERGY SIGNED DOC.PDF
RFP 20-04 AMI STUDY CONTRACT- EXCERGY SIGNED NOTARIZED.PDF

9.O. Consider Approval To Authorize The City Manager To Amend The Current Design Agreement For Professional Services Of Brown Reynolds Watford Architects, Inc For Renovations To City Hall And Reduce The Fee $445,965.04. Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (D. Anderson)

Documents:

STAFF REPORT - BROWN REYNOLDS WATFORD.PDF

9.P. Consider For Approval Change Order No. 6 To The Contract With Main Lane Industries, Ltd., For The 45th Street Improvements From Broadway To Seawall Boulevard Project, Increasing The Contract By $220,580.09 (2.45%) From The Amount Of $10,639,574.35 To A New Total Amount Of $10,860,154.44. Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (D. Anderson)

Documents:

45TH STREET CHANGE ORDER 6.PDF

9.Q. Consider For Approval Change Order #7 To The Contract With Construction LTD, For The Fire Station #1 New Site Construction And Existing Site Demolition Project Increasing The Contract By $422,505.00 From The Amount Of $11,103,128.03 To The Amount Of $11,525,633.03 And Extending The Contract Term By 30 Days. Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (D. Anderson)

Documents:

FIRE STATION NO. 1 CHANGE ORDER 7.PDF

9.R. Consider Approval Of Change Order #02 With Angel Brothers Enterprises Ltd., For The 49th Street Improvements From Ave P To Ave S 1/2 Project (RFP #19-29) Increasing The Contract By $74,867.50 From The Amount Of $3,623,716.93 To The Amount Of $3,698,584.43 (A Cumulative Increase Of 1.33% From The Original Contract Sum). Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (D. Anderson)

Documents:

ANGEL BROTHERS 49TH STREET CO2.PDF

9.S. Consider Approval Of A Proposal From Terracon Consultants, Inc. In The Amount Of $49,855.00 To Perform Construction Material Testing For The Airport Water Plant Expansion Project. Authorizing The City Manager To Execute All Necessary Documents Upon Final Approval By The City Attorney. (D. Anderson)

Documents:

TERRACON - CONSTRUCTION MATERIAL TESTING - AIRPORT WATER

PLANT EXPANSION.PDF

9.T. Consider For The Approval Of The Annual Payment Totaling $22,900 For The Shah Transportation Manager / NewGen Dispatch Licensing And Software Support Which Will Be Funded By The Island Transit Maintenance Contracts Account, And Authorize The City Manager To Execute The Contract Upon Final Approval By The City Attorney. (D. Smith)

Documents:

SHAH SOFTWARE 2020-21 PACKET.PDF

9.U. Consider For The Approval Of The Emergency Repairs To The Ladder And Platform On Unit 1830, Which Is A 2002 E-One Fire Department Ladder Truck, To Siddons Martin Who Is Equipped To Handle All Required Repairs In An Expedited Manner, For A Total Of $22,645.62. The Funding Source Is The Garages Outside Repairs Account. (D. Smith)

Documents:

1830 LADDER EM REPAIRS PACKET.PDF

9.V. Consider For Approval Minutes Of The August 13, 2020 Workshop And Regular Meeting. (J. Williams)

Documents:

_08132020-3513.PDF

10. ACTION ITEMS

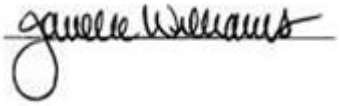
10.A. Consideration Of The Resolution Issued By The Galveston Wharves Board Regarding Trustee O'Rourke And Giving Direction To The City Attorney For Further Action Related To The Galveston Wharves Board. (Legal)

10.B. Discuss And Consider Appointments To The Following City Boards, Commission, And Committees:

1. Civil Service Commission (City Manager appointment)

11. ADJOURNMENT

I certify that the above Notice of Meeting was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on August 21, 2020 at 12:30 P.M.



Janelle Williams, City Secretary

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA), PERSONS IN NEED OF A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, WITHIN THREE (3) DAYS PRIOR TO ANY PROCEEDING, CONTACT THE CITY SECRETARY'S OFFICE, SUITE 201, 823 ROSENBERG, GALVESTON, TEXAS 77550 (409-797-3510).

RESOLUTION NO. 20- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, EXPRESSING ITS SUPPORT FOR THE APPLICATION BY GALVESTON 3916 WINNIE STREET, LP FOR PRIVATE ACTIVITY BONDS FOR LOW-INCOME HOUSING TAX CREDITS AT 3916 WINNIE STREET, IN GALVESTON, TEXAS, 77550, AUTHORIZING AN ALLOCATION OF HOUSING TAX CREDITS FOR THE APPROVAL OF THE REHABILITATION OF THE DEVELOPMENT; DIRECTING THE CITY SECRETARY TO SEND A CERTIFIED AND TRUE COPY OF THIS RESOLUTION TO REPRESENTATIVES OF GALVESTON 3916 WINNIE STREET LP, FOR INCLUSION IN ITS APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR PRIVATE ACTIVITY BONDS FOR LOW-INCOME HOUSING TAX CREDITS AT 3916 WINNIE STREET, GALVESTON, TEXAS; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Galveston 3916 Winnie Street, LP, the proposed owner of the multi-family housing project commonly known as Sandpiper Cove, and which is located at 3916 Winnie Street, Galveston, Texas, 77550, has proposed a rehabilitation development for affordable rental housing of 192 units that will be located at 3916 Winnie Street, in the City of Galveston, County of Galveston, Texas; and

WHEREAS, Galveston 3916 Winnie Street, LP has advised the City that it intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2020 Private Activity Bond funds for Low Income Housing Tax Credits at Sandpiper Cove and an Allocation of Housing Tax Credits for the Approval of Rehabilitation of Sandpiper Cove; and

WHEREAS, Galveston 3916 Winnie Street LP has requested a Resolution of support from the City Council expressing it support for such application to the TDHCA; and

WHEREAS, the City Council of the City of Galveston wishes to express its support for the application of Galveston 3916 Winnie Street, LP., to the TDHCA as further detailed below.

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

SECTION 1. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. The City Council of the City of Galveston and as provided for in 10 TAC §11.101(a)(3) of the Qualified Allocation Plan, it is hereby acknowledged that the multi-family housing project commonly known as Sandpiper Cove, and which is located at 3916 Winnie Street, Galveston, Texas, 77550 is located in a census tract that has a poverty rate above 40% for individuals.

SECTION 3. The City Council of the City of Galveston, in accordance with the requirements of Tex. Gov't Code §2306.67071 and §11.204(4) of the Qualified Allocation Plan, it is hereby found that:

1. Notice has been provided to the City Council as the Governing Body in accordance with Tex. Gov't Code, §2306.67071(a); and

2. The Governing Body has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the proposed Development; and

3. The Governing Body has held a hearing at which public comment may be made on the proposed Development in accordance with Tex. Gov't Code, §2306.67071(b); and

4. After due consideration of the information provided by the Applicant and public comment, the Governing Body does not object to the proposed Application.

SECTION 4. The City Council of the City of Galveston hereby expresses its support of the proposed application of Galveston 3916 Winnie Street LP, to the Texas Department of Housing and Community Affairs for 2020 Private Activity Bond funds.

SECTION 5. The City Council further directs the City Secretary to send a certified and true copy of this Resolution to representatives of Galveston 3916 Winnie Street LP, for inclusion in its Application to the Texas Department of Housing and Community Affairs.

SECTION 6. This Resolution shall be effective upon its passage and approval.

APPROVED AS TO FORM:

_____
DONALD S. GLYWASKY
CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Galveston as its Regular Meeting held on the 27th day of August, 2020, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this _____ day of _____, 2020.

_____
Secretary for the City Council
of the City of Galveston

City of Galveston

PUBLIC WORKS
STAFF REPORT

Date: August 27, 2020

To: City Council

From: Mehran Jadidi, Assistant City Attorney

Re: **Consider for approval of resolution claiming no objection to the Oleander Homes Redevelopment for mixed-income public housing by the Galveston Housing Authority and McCormack Baron Salazar, Inc.**

I. Background

A. On July 23 of this year, the Galveston City Council approved an application for a Planned Unit Development for mixed public housing at the Oleander Homes site.
B. The applicant of the PUD, McCormack Baron Salazar, Inc. has received a bond allocation from the Texas Reservation Board and intends to submit an application for tax credits to the Texas Department of Housing and Community Affairs.
C. To qualify for the tax credit a resolution claiming no objection by the Galveston City Council is required.

II. Current Situation

Whether to resolve to claim no objection to the applicant McCormack Baron Salazar, Inc. to seeking tax credits for its mixed income public housing PUD.

IV. Alternatives in Order of Priority

a. Do not claim an objection to the application for tax credits.
b. Claim an objection to the application for tax credits.

Recommendation

None.

VI. Fiscal Impact Report

Requested by: Mehran Jadidi on behalf of McCormack Baron Salazar, Inc. and the Galveston Housing Authority

Respectfully submitted,

_____

Mehran Jadidi

RESOLUTION NO. 20- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, EXPRESSING ITS SUPPORT FOR THE APPLICATION BY MCCORMACK BARON SALAZAR, INC., FOR PRIVATE ACTIVITY BONDS FOR LOW-INCOME HOUSING TAX CREDITS AT 5228 BROADWAY/AVENUE J, 5100 SEALY/AVENUE I AND 5215 WINNIE/AVENUE G, IN GALVESTON, TEXAS, 77550, AUTHORIZING AN ALLOCATION OF HOUSING TAX CREDITS FOR THE APPROVAL OF THE NEW CONSTRUCTION OF THE DEVELOPMENT; DIRECTING THE CITY SECRETARY TO SEND A CERTIFIED AND TRUE COPY OF THIS RESOLUTION TO REPRESENTATIVES OF MCCORMACK BARON SALAZAR, INC., FOR INCLUSION IN ITS APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR PRIVATE ACTIVITY BONDS FOR LOW-INCOME HOUSING TAX CREDITS AT 5228 BROADWAY/AVENUE J, 5100 SEALY/AVENUE I AND 5215 WINNIE/AVENUE G, GALVESTON, TEXAS; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, McCormack Baron Salazar, Inc., the owner of the multi-family housing project commonly known as Oleander Homes, and which is located at 5228 Broadway/Avenue J, 5100 Sealy/Avenue I and 5215 Winnie/Avenue G, Galveston, Texas, 77550, has proposed new construction of affordable rental housing of 348 units that will be located at 5228 Broadway/Avenue J, 5100 Sealy/Avenue I and 5215 Winnie/Avenue G, in the City of Galveston, County of Galveston, Texas; and

WHEREAS, McCormack Baron Salazar, Inc., has advised the City that it intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2020 Private Activity Bond funds for Low Income Housing Tax Credits at Oleander Homes and an Allocation of Housing Tax Credits for the Approval of the New Construction of Oleander Homes; and

WHEREAS, the applicant, McCormack Baron Salazar, Inc. has received a bond allocation from the Texas Bond Reservation Board, and has advised that it intends to submit an application to the Texas Department of Housing and Community Affairs for a 4% tax credits; and

WHEREAS, McCormack Baron Salazar, Inc., has requested a Resolution of support from the City Council expressing it support for such application to the TDHCA; and

WHEREAS, the City Council of the City of Galveston wishes to express its support for the application of McCormack Baron Salazar, Inc., to the TDHCA as further detailed below.

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

SECTION 1. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. The City Council of the City of Galveston and as provided for in 10 TAC §11.101(a)(3) of the Qualified Allocation Plan, it is hereby acknowledged that the multi-family housing project commonly known as the former Oleander Homes, and which is located at 5228 Broadway/Avenue J, 5100 Sealy/Avenue I and 5215 Winnie/Avenue G, Galveston, Texas, 77550 is located in a census tract that has a poverty rate above 40% for individuals.

SECTION 3. The City Council of the City of Galveston, in accordance with the requirements of Tex. Gov't Code §2306.67071 and §11.204(4) of the Qualified Allocation Plan, it is hereby found that:

1. Notice has been provided to the City Council as the Governing Body in accordance with Tex. Gov't Code, §2306.67071(a); and

2. The Governing Body has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the proposed Development; and

3. The Governing Body has held a hearing at which public comment may be made on the proposed Development in accordance with Tex. Gov't Code, §2306.67071(b); and

4. After due consideration of the information provided by the Applicant and public comment, the Governing Body does not object to the proposed Application.

SECTION 4. The City Council of the City of Galveston hereby expresses its support of the proposed application of McCormack Baron Salazar, Inc., to the Texas Department of Housing and Community Affairs for 2020 Private Activity Bond funds and 4% tax credit allocation.

SECTION 5. The City Council further directs the City Secretary to send a certified and true copy of this Resolution to representatives of McCormack Baron Salazar, Inc., for inclusion in its Application to the Texas Department of Housing and Community Affairs.

SECTION 6. This Resolution shall be effective upon its passage and approval.

APPROVED AS TO FORM:

_____
DONALD S. GLYWASKY
CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Galveston as its Regular Meeting held on the 27th day of August, 2020, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this _____ day of _____, 2020.

_____
Secretary for the City Council
of the City of Galveston

ORDINANCE NO. 20-___

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, DESIGNATING A PRESIDING COUNCILMEMBER WHO WILL ACT IN THE EVENT OF UNAVAILABILITY OF THE MAYOR PRO TEM; PROVIDING FOR THAT DESIGNATION TO CONTINUE UNTIL THE POSITION OF MAYOR HAS BEEN FILLED BY ELECTION AND THE WINNER HAS QUALIFIED FOR OFFICE; PROVIDING FOR A METHOD TO DETERMINE UNAVAILABILITY OF THE MAYOR PRO TEM; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING AN OPEN MEETINGS CLAUSE; PROVIDING A SAVINGS CLAUSE; DECLARING FINDINGS OF FACT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Mayor of the City of Galveston resigned his position effective July 14, 2020 and that position will remain vacant until the November 2020 election and the winner has qualified for that office; and

WHEREAS, in accordance with the Article II Section 7 of the Galveston City Charter the Mayor Pro Tem has been performing the duties and obligations of the Mayor pending such election; and

WHEREAS, Article II Section 7(b) of the Galveston City Charter provides that the City Council may select one of its members to perform the functions of Mayor Pro Tem during such times as the Mayor Pro Tem is unavailable to perform them; and

WHEREAS, the City of Galveston is currently under a declared state of emergency due to the Covid pandemic and further is prone to rapidly developing danger from hurricanes, and

WHEREAS, the City Council finds that the selection of a member to perform the functions of Mayor Pro Tem in the event the present Mayor Pro Tem is unavailable to be consistent with the provisions of the City Charter and is in furtherance of the interests of the continuity of governmental operations.

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

SECTION 1. The findings and recitations set out in the preamble to this Ordinance are found to be true and correct, and they are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. Pursuant to Article II Section 7(b) of the Galveston City Charter, the City Council elects _____ to perform the duties of Mayor Pro Tem in the event of unavailability of the Mayor Pro Tem.

SECTION 3. The designation set forth in Section 2 of this Ordinance shall continue to be in effect until the election and qualification of an individual to the position of Mayor pursuant to the November 2020 election or further action of the City Council whichever shall occur first.

SECTION 4. The Mayor Pro Tem shall be considered to be unavailable if he communicates such unavailability to the City Secretary.

SECTION 5. The Mayor Pro Tem shall be considered to be unavailable if in the event of an imminent threat to the public health and safety, both the City Manager and City Secretary have attempted to contact the Mayor Pro Tem and he does not respond. In such an instance the City Manager and City Secretary shall communicate to the Council that the Mayor Pro Tem is unavailable and the member designated in Section Two of this Ordinance shall be acting as Mayor Pro Tem.

SECTION 6. The member designated in Section 2 of this Ordinance shall perform the duties of Mayor Pro Tem only during that period of unavailability of the Mayor Pro Tem.

SECTION 7. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, because the same would have been enacted by the City Council without the incorporation in this Ordinance of any such invalid phrase, clause, sentence, paragraph or section.

SECTION 8. It is hereby officially found and determined that notice of the meeting at which this Ordinance is adopted was given as required by Chapter 551 of the Texas Government Code (the "Texas Open Meetings Act") and that such meeting has been open to the public at all times when this Ordinance was discussed and acted on.

SECTION 9. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 10. In accordance with the provisions of Sections 12 and 13 of Article II of the City Charter, this Ordinance has been publicly available in the Office of the City Secretary for not less than 72 hours prior to its adoption; and that this Ordinance may be read and published by descriptive caption only.

SECTION 11. This Ordinance shall be and become effective from and after its adoption and publication in accordance with the provisions of the Charter of the City of Galveston.

APPROVED AS TO FORM:

_____
DONALD S. GLYWASKY
CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its Regular meeting held on the 27th day of August, 2020 as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston on this_____ day of August 2020.

_____
JANELLE WILLIAMS
City Secretary for the City Council

OFFICE OF THE CITY AUDITOR

AUDIT PLAN FISCAL YEAR ENDING 2021

Estimated Time	Audit / Consultation Number	Type of Engagement	Unit	Scope	Repoprt Due Date
5 Weeks - Fiscal Quarter 1: 10/1/2020 thru 12/31/2020	CMS-2021-1	Contract Monitoring System (CMS)	(1.) City of Galveston (2.) Park Board of Galveston (3.) Port of Galveston	Evaluate Master List of Centralized Locations for Contracts by comparing to best practices including key processes, key risks, key controls, documentation, monitoring and ensuring transparency and accountability.	January 2021
5 Weeks - Fiscal Quarter 1: 10/1/2020 thru 12/31/2020	F&CPG-2021-1	Financial & Compliance Policy Group (F&CPG)	(1.) City of Galveston (2.) Park Board of Galveston	Evaluate Internal Controls for Cash by comparing to best practices including key processes, key risks, key controls, documentation, monitoring and ensuring transparency and accountability.	February 2021
1 Week - Fiscal Quarter 1: 10/1/2020 thru 12/31/2020	HOT-2021-1	Revenue Monitoring	(1.) Park Board of Galveston	Perform the HOT Tax Audit Program by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability to collect the appropriate HOT Tax Due.	Rolled Over to October 2021
1 Week - Fiscal Quarter 1: 10/1/2020 thru 12/31/2020	SALES-2021-1	Revenue Monitoring	(1.) City of Galveston	Perform the Sales Tax Collections Program for Commercial Remodeling Labor by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability to collect the appropriate Sales Tax Due.	Rolled Over to October 2021

OFFICE OF THE CITY AUDITOR

AUDIT PLAN FISCAL YEAR ENDING 2021

Estimated Time	Audit / Consultation Number	Type of Engagement	Unit	Scope	Repoprt Due Date
5 Weeks - Fiscal Quarter 2: 1/1/2021 thru 3/31/2021	CMS-2021-2	Contract Monitoring System (CMS)	(1.) City of Galveston (2.) Park Board of Galveston (3.) Port of Galveston	Evaluate Purchasing / Procuement Polices to Contracts by comparing to best practices including key processes, key risks, key controls, documentation, monitoring and ensuring transparency and accountability.	April 2021
5 Weeks - Fiscal Quarter 2: 1/1/2021 thru 3/31/2021	F&CPG-2021-2	Financial & Compliance Policy Group (F&CPG)	(1.) City of Galveston (2.) Park Board of Galveston	Evaluate Internal Controls for Budgeting by comparing to best practices including key processes, key risks, key controls, documentation, monitoring and ensuring transparency and accountability.	May 2021
1 Week - Fiscal Quarter 2: 1/1/2021 thru 3/31/2021	HOT-2021-2	Revenue Monitoring	(1.) Park Board of Galveston	Perform the HOT Tax Audit Program by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability to collect the appropriate HOT Tax Due.	Rolled Over to October 2021
1 Week - Fiscal Quarter 2: 1/1/2021 thru 3/31/2021	SALES-2021-2	Revenue Monitoring	(1.) City of Galveston	Perform the Sales Tax Collections Program for Commercial Remodeling Labor by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability to collect the appropriate Sales Tax Due.	Rolled Over to October 2021

OFFICE OF THE CITY AUDITOR

AUDIT PLAN FISCAL YEAR ENDING 2021

Estimated Time	Audit / Consultation Number	Type of Engagement	Unit	Scope	Repoprt Due Date
5 Weeks - Fiscal Quarter 3: 4/1/2021 thru 6/30/2021	CMS-2021-3	Contract Monitoring System (CMS)	(1.) City of Galveston (2.) Park Board of Galveston (3.) Port of Galveston	Evaluate Step by Step Processes for three contracts by comparing to best practices including key processes, key risks, key controls, documentation, monitoring and ensuring transparency and accountability.	July 2021
5 Weeks - Fiscal Quarter 3: 4/1/2021 thru 6/30/2021	F&CPG-2021-3	Financial & Compliance Policy Group (F&CPG)	(1.) City of Galveston (2.) Park Board of Galveston	Evaluate Financial Statement Preparation for Public Private Partnerships by comparing to best practices including key processes, key risks, key controls, documentation, monitoring and ensuring transparency and accountability.	August 2021
1 Week - Fiscal Quarter 3: 4/1/2021 thru 6/30/2021	HOT-2021-3	Revenue Monitoring	(1.) Park Board of Galveston	Perform the HOT Tax Audit Program by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability to collect the appropriate HOT Tax Due.	Rolled Over to October 2021
1 Week - Fiscal Quarter 3: 4/1/2021 thru 6/30/2021	SALES-2021-3	Revenue Monitoring	(1.) City of Galveston	Perform the Sales Tax Collections Program for Commercial Remodeling Labor by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability to collect the appropriate Sales Tax Due.	Rolled Over to October 2021

OFFICE OF THE CITY AUDITOR

AUDIT PLAN FISCAL YEAR ENDING 2021

Estimated Time	Audit / Consultation Number	Type of Engagement	Unit	Scope	Repoprt Due Date
5 Weeks - Fiscal Quarter 4: 7/1/2021 thru 9/30/2021	CMS-2021-4	Contract Monitoring System (CMS)	(1.) City of Galveston (2.) Park Board of Galveston (3.) Port of Galveston	Evaluate Step by Step Processes for three contracts by comparing to best practices including key processes, key risks, key controls, documentation, monitoring and ensuring transparency and accountability.	October 2021
5 Weeks - Fiscal Quarter 4: 7/1/2021 thru 9/30/2021	F&CPG-2021-4	Financial & Compliance Policy Group (F&CPG)	(1.) City of Galveston (2.) Park Board of Galveston	Evaluate Costing and Trend Analysis by comparing to best practices including key processes, key risks, key controls, documentation, monitoring and ensuring transparency and accountability.	November 2021
1 Week - Fiscal Quarter 4: 7/1/2021 thru 9/30/2021	HOT-2021-4	Revenue Monitoring	(1.) Park Board of Galveston	Perform the HOT Tax Audit Program by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability to collect the appropriate HOT Tax Due.	October 2021
1 Week - Fiscal Quarter 4: 7/1/2021 thru 9/30/2021	SALES-2021-4	Revenue Monitoring	(1.) City of Galveston	Perform the Sales Tax Collections Program for Commercial Remodeling Labor by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability to collect the appropriate Sales Tax Due.	October 2021

City of Galveston
HOT2020-1 Short Term Rental Hotel Occupancy Tax Revenue
City Auditor Executive Summary

BACKGROUND

The City of Galveston levies a Hotel Occupancy Tax (HOT) of nine percent (9%) on qualified room stays costing more than two dollars per night. Hotels are defined in Article III Section 33-86 of the City of Galveston Code as any building or buildings, in which the public may, for a consideration, obtain sleeping accommodations. The term shall include hotels, motels, tourist homes, houses or courts, lodging houses, inns, rooming houses or other buildings where rooms are furnished for a consideration, but shall not be defined so as to include hospitals, sanitariums or nursing homes.

The City of Galveston Code of Ordinances, Chapter 19, Article VI is regulations for the use of residential dwelling units as short term rental and ensure the collection and payment of hotel/motel occupancy taxes. A short term rental (STR), is defined as the use of a residential dwelling unit or accessory building on a temporary or transient basis. A short term rental shall include a residential dwelling unit or accessory building used as a short term vacation rental, for any period less than thirty (30) consecutive days. The Park Board of Trustees is the administrative agency for the registration of short term rental and collection of rental registration fees. All owner/operators of a short term rental must register the rental with the Park Board of Trustees.

The City of Galveston's Legal Department plays a supporting role in offering advice and filing City of Galveston claims against delinquent establishments.

OBJECTIVES, SCOPE AND METHODOLOGY

The Short Term Rental Hotel Occupancy Tax Revenue Recognition Audit was conducted as part of the Office of the City Auditor's Fiscal Year (FY) 2019-2020 Strategic Audit Plan approved by the Mayor and City Council.

OBJECTIVES

The objective of the audit was to collect on Short Term Rental properties that were not registered or paying taxes to the Park Board in accordance with applicable city and state laws.

SCOPE

The audit scope include complaints to the City Marshall's Office and Park Board.

METHODOLOGY

To accomplish our Audit Objectives we performed the following steps:

- Reviewed applicable laws and regulations.
- Looked for advertisements on platforms.
- Sent out letters to homeowners.
- Reviewed financial documentation received from homeowners.
- Reconciled tax due.
- Worked with the Park Board accountant to register and pay back taxes due.

City of Galveston
HOT2020-1 Short Term Rental Hotel Occupancy Tax Revenue
City Auditor Executive Summary

AUDIT RESULTS

Overall, the City Auditor's Office has identified sixty-eight (68) short term properties not registered or paying taxes to the Park Board. Out of the identified properties forty-seven (47) are complete with a total revenue received of seventy-two thousand two hundred and thirty dollars ($70,613). Refer to Appendix 1.

The Park Board had ninety-four (94) new short term rental register in the month of July.

The City Auditor's Office is working on registering and collecting the twenty-one (21) remaining properties.

PARK BOARD MANAGER'S COMMENTS

This was the first opportunity we had to cooperatively work with the City on collections from non-compliant properties. While the Park Board can help to identify non-compliant businesses, we have no enforcement capacity, whereas the City Auditor's authority is derived directly from City Council.

As demonstrated, a cooperative approach can result in a productive effort for the wider community. These additional resources came at a critical time for our industry.

Our staff enjoyed working with Ms. Sumrall, finding her to be very professional and easy to work with. We encourage and look forward to continued collaborations of this type with the City of Galveston.

Appendix 1

Short Term Rental HOT2020-1		
Number	**Address**	**Back tax and current paid**
1	612-44th street	2,101.00
2	3911 Antascosa Key	744.00
3	4501 Ave K	423.81
4	3230 Carthegena Way	0.00
5	13680 Mutiny Ln.	9,268.00
6	22106 Pecos Dr	851.28
7	3907 Pirates Beach Cir	0.00
8	3912 Reeves Dr	3,117.09
9	4026 Reeves Dr	5,646.51
10	4039 Reeves Dr	9,701.40
11	3926 San Jacinto Dr	0.00
12	12622 W. Buena Vista	0.00
13	18811 W. Devaca	0.00
14	3110 Road Less Traveled	0.00
15	3506 Cove View Unit 607	795.00
16	3506 Cove view unit 512	342.72
17	7310 Seawall Blvd #605	0.00
18	7310 Seawall Blvd #609	3,514.00
19	7310 Seawall Blvd #1004	5,655.00
20	7310 Seawall Blvd #1006	9,800.00
21	21607 Zachary	1,399.00
22	11610 Beachside	1,792.35
23	3323 Beall Ln	605.43
24	4219 Buccaneer	651.69
25	22901 Buena	1,061.82
26	23006 Buena	506.70
27	23002 Camino	377.01
28	4147 Defender Ln	586.08
29	18228 E De Vaca	1,436.13
30	18217 E De Vaca	581.04
31	20607 E Sandhill Dr	180.45
32	21704 Frio Dr	809.64
33	14005 Grambo Blvd	256.59
34	4135 Jackson Dr	751.77
35	21922 Lampasas Dr	925.38
36	22911 Lunes	404.01
37	13822 Mutiny Ln	693.09
38	4002 Panola Dr	632.79
39	3719 Sabrina	1,005.21
40	4206 San Jacinto Dr	139.68
41	23927 San Luis Pass	818.19
42	11606 Sea Butterfly	1,163.79
43	4243 Spoonbill Ln	360.36
44	4402 Tampico Way	878.58
45	1120 Winne	646.20
46	21603 Zachary	719.55
47	21623 Zachary	888.48
	Total:	**72,230.82**

City of Galveston

PUBLIC WORKS
STAFF REPORT

Date: August 27, 2020

To: City Council

From: Mehran Jadidi, Assistant City Attorney

Re: **Consider for approval of a grant agreement and disbursement of ten thousand dollars to Doug McLean from the Arts Commission Fund for the purposes of creating a statue with historic importance to the City of Galveston.**

I. Background

A. The Arts Commission voted unanimously to award a grant of ten thousand dollars to Doug McLean for the purposes of the creation of a statue his importance to the City of Galveston
B. Mr. McLean has indicated upon its completion the statute will reside at or around City Hall.
C. The grant may not be officially awarded to Mr. McLean without the approval of the City Attorney's (approval as to form only) and City Council.

II. Current Situation

Whether to approve the grant of ten thousand dollars and accompanying agreement to Doug McLean to allow him to create the statute.

IV. Alternatives in Order of Priority

a. Approve the grant agreement and disbursement to Doug McLean.
b. Do not approve the grant agreement and disbursement to Doug McLean.

Recommendation

None.

VI. Fiscal Impact Report

Requested by:	Mehran Jadidi on behalf of the Arts Commission
Funding Source:	Arts Commission set aside
Commodity:	Consulting Services
Costs of Implementation:	$10,000.00

Respectfully submitted,

_____
Mehran Jadidi

AGREEMENT

This Agreement, entered into this ___th day of _____, 2020, by and between the City of Galveston, Texas (City), a municipal corporation, and Doug McLean (Grantee).

WITNESSETH:

WHEREAS, City is an eligible coastal municipality entitled to levy, collect, and distribute a hotel occupancy tax, authorized by Texas Tax Code, Chapter 351; and,

WHEREAS, Grantee is in the process of creating a statue of historical importance to the City of Galveston; and

Whereas, Grantee requires funds to complete his work; and

Whereas, Grantee has intimated the finished product will be placed at or around City Hall upon completion; and

WHEREAS, the Arts Commission has decided to grant ten thousand dollars ($10,000) for the purposes of completing that statue

Whereas, this grant would represent the first funds disbursed since the Arts Commission was given a budget to fund art for the City of Galveston

Whereas, such funds must be spent in accordance with State laws regarding HOT

Whereas, council approval is required to ratify the grant.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, City and Grantee do mutually agree as follows:

1. City grants to Grantee $10,000.00 from funds set aside for the Arts Commission. Such funds are subject to appropriation, the City is not liable for any funds which have not been appropriated

2. Grantee shall use such funds for the production of special events or historic preservation and restoration and to the arts with visitor appeal; however, no part of these funds shall be spent on capital improvements. **CITY RESERVES THE RIGHT TO AMEND SECTION 33-92 OF THE CITY CODE TO CHANGE, MODIFY, OR FURTHER SPECIFICY THE USE OF FUNDS PERMITTED BY SECTION 33-92.**

3. Grantee shall make periodic reports to City Council or its designee at least quarterly listing the expenditures made by Grantee from the funds granted. The expenditures to be listed shall include all subgrants and donations by Grantee.

4. Grantee shall maintain revenue provided under this Agreement in a separate account established for such purpose and shall not commingle such revenue with any other money.

5. Grantee shall have a fiduciary duty with respect to the funds provided by this Agreement.

6. Grantee shall maintain complete and accurate financial records for each expenditure of funds, including subgrants and donations.

7. Grantee may make subgrants of the funds received from the City to any entity or private organization as set forth in Texas Tax Code § 351.101(g) for expenditures under § 351.101(a)(4). Such subgrant shall be made by written contract and Grantee shall furnish a copy of the signed contract to City. Such subgrantee shall:

a. no less than once each year make periodic reports to City Council of Subgrantee's expenditures from the revenue received; and,
b. make records of expenditures available for review by City Council or its designee; and,
c. comply with all other terms and conditions set forth in this Agreement.

8. Grantee shall not use these allocated funds for any unlawful purpose, including but not limited to, the purchase of alcohol or any other spirits.

9. GRANTEE SHALL HOLD HARMLESS, INDEMNIFY, AND DEFEND CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES, FROM ANY LIABILITY, CAUSES OF ACTION, DAMAGES, JUDGMENT, COSTS, CHARGES, EXPENSES AND ATTORNEY'S FEES ARISING FROM OR UNDER THE ACTIONS OF GRANTEE, ITS OFFICERS, AGENTS OR EMPLOYEES.

10. This Agreement may be amended upon the written consent of the parties, and such written amendments shall be incorporated into this Agreement for all intents and purposes.

11. The phrases, clauses, sentences, paragraphs or sections of this Agreement are severable and, if any phrase, clause, sentence, paragraph or section of this Agreement should be declared invalid by the final decree or judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Agreement.

12. This Agreement may be terminated by either of the parties by providing written notice within (30) days to the other at the address set forth below:

City: City Manager
P.O. Box 779
Galveston, Texas 77553
(409) 797-3520

With copy to: City Attorney's Office
P.O. 779
Galveston, Texas 77553
(409) 797-3530

Grantee: Doug McLean
Galveston Sculpture Org
P.O. Box 2318
Galveston, TX 77550

Such notice shall be sent U.S. Mail, postage prepaid, properly addresses, by certified or registered mail, return receipt requested.

13. This Agreement shall commence and be effective upon execution in full by the City of Galveston and authorize of the Grantee, and shall expire at the conclusion of the final report made to City Council or its designee as mentioned in paragraph 3 of this Agreement.

14. This distribution shall only be made upon the City's receipt of the hotel occupancy tax. Should receipts not be as anticipated, the funds distributed under this Agreement may also not be as estimated in the award process. Grantee shall not over-budget the use of funds or detrimentally rely on the expectation of these funds. **CITY SHALL IN NO WAY BE RESPONSIBLE TO GRANTEE SHOULD THE RECEIPTS AND DISTRIBUTIONS NOT BE AS ANTICIPATED.**

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate originals by their respective duly authorized officers of the day and year first written.

CITY OF GALVESTON

By: _____
Brian Maxwell
City Manager

ATTEST:

_____
Manuela (Nellie) De La Fuente
Assistant City Secretary

APPROVED AS TO FORM:

_____
Mehran Jadidi
Assistant City Attorney

Grantee:

Signature: _____
Printed Name: _____
Phone No.: _____

THE STATE OF TEXAS §
§
GALVESTON COUNTY §

On this day, BEFORE ME, the undersigned, personally appeared _____ and _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted executed the instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 11th day of September, 2019.

_____
Notary Public in and for
The State of Texas

RESOLUTION NO. 20-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS ADOPTING THE SUBMITTAL OF INTERIM UPDATES #1 SUBMITTED JULY 10, 2020 AND AUGUST 17, 2020 TO THE GALVESTON HAZARD MITIGATION PLAN MITIGATION STRATEGY; AUTHORIZING THE CITY MANAGER TO EXECUTE THOSE DOCUMENTS NECESSARY REGARDING ELIGIBILITY AND/OR RECIEPT OF ANY AND ALL AVAILABLE FUNDING.

WHEREAS, the City of Galveston is vulnerable to multiple natural hazards, including tropical storms, severe hurricanes and extreme wind events. To reduce the effects of these hazards, jurisdictions are strongly encouraged to develop and maintain a local hazard mitigation plan; and

WHEREAS, the Disaster Mitigation Act of 2000 (DMA2K) requires that applicants for FEMA mitigation grant funding have a FEMA-approved multi-hazard mitigation plan. The Plan requires a description of hazards that can affect the jurisdiction, an assessment of the jurisdictions risk from those hazards, and a description of actions or projects that the jurisdiction desires to implement to mitigate their vulnerability.

WHEREAS, Mitigation plans, either single or multi-jurisdictional, must conform to 44 CFR, Part 201 and all applicable mitigation planning guidance issued by FEMA. A jurisdiction must be a participant in a current, FEMA approved mitigation plan to be eligible for FEMA mitigation grant funding; and

WHEREAS, the City of Galveston Hazard Mitigation Plan was approved by FEMA in August 2017 and is not up for renewal until 2022; and

WHEREAS, the City of Galveston is applying for a multitude of grants from several agencies (GLO, TWDB, etc.,) including FEMA that include a requirement for the items being requested for funding be listed in the mitigation action plan portion of the overall mitigation plan; and

WHEREAS, the City of Galveston forwarded Interim Update #1 to TDEM on July 10, 2020 to add eleven (11) additional projects to the Mitigation Action Plan and Interim Update #2 to TDEM on August 17, 2020 to add two (2) additional items to be submitted to FEMA for approval to the currently adopted plan; and

Whereas, City Council approval is required to adopt the City's Interim Mitigation Plan, and such Interim Mitigation Plan is necessary to qualify for grant applications.

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

SECTION 1. The City of Galveston's Interim Update of Mitigation Strategy dated July 10, 2020, attached hereto as Exhibit 1, is hereby approved and adopted.

SECTION 2. The City of Galveston's Second Interim Update of Mitigation Strategy dated August 17, 2020, attached hereto as Exhibit 2, is hereby approved and adopted.

SECTION 3. The City Manager is hereby authorized to execute those documents necessary regarding eligibility and or receipt of FEMA Mitigation grant funding, upon final approval by the City Attorney.

SECTION 4. That this resolution shall be and become effective from and after its adoption.

APPROVED AS TO FORM

_____

Mehran Jadidi
Assistant City Attorney

I, Janelle Williams, Secretary of the City of Council of the City of Galveston, do hereby certify the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Galveston at its regular meeting held on _____, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this ____ day of _____, 2020.

_____

Secretary for the City Council
of the City of Galveston

EXHIBIT 1 – INTERIM UPDATE OF MITIGATION STRATEGY

JULY 10, 2020

City of Galveston

DEPARTMENT OF DISASTER RECOVERY

Tesa Wrobleski, FEMA Public Assistance Program Manager
twrobleski@galvestontx.gov | Office Number: (409) 797-3517 | www.galvestontx.gov

July 10, 2020

Ms. Natalie Johnson
Hazard Mitigation Planner
Texas Division of Emergency Management
Natalie.Johnson@tdem.texas.gov

Re: City of Galveston Hazard Mitigation Plan
Interim Update of Mitigation Strategy

Dear Natalie –

The City of Galveston determined a need to complete an interim update of our FEMA-approved mitigation strategy. We have identified a number of mitigation projects for which we are considering seeking funding, and determined that an update to the strategy should be done to ensure all opportunities are specifically identified.

Accompanying this letter is our interim update. All changes have been made in track changes, and should be easily identifiable. No other changes to any other section of our approved plan have been made. We do not anticipate making any further changes until our next scheduled update in 2022.

You will find the following amended action items on the following pages:

1. Collect and analyze flood mitigation data for CRS credit – Page 09-19
2. Commission update to 2003/2007 Master Drainage Plan – Page 09-21
3. Develop and implement stormwater drainage system improvements (South Shore) – Page 09-29
4. Develop and implement stormwater drainage system improvements (18th Street) – Page 09-29
5. Develop and implement stormwater drainage system improvements (22nd Street) – Page 09-29
6. Develop and implement stormwater drainage system improvements (24th Street) – Page 09-30
7. Develop and implement stormwater drainage system improvements (27th Street) – Page 09-30

Tesa Wrobleski, FEMA Public Assistance Program Manager
twrobleski@galvestontx.gov | Office Number: (409) 797-3517 | www.galvestontx.gov

8. Develop and implement stormwater drainage system improvements (30th Street) – Page 09-30
9. Develop and implement stormwater drainage system improvements (33rd Street) – Page 09-30
10. Develop and implement stormwater drainage system improvements (37th-59th Street) – Page 09-30
11. Develop and consider stormwater drainage system improvements (The Strand) – Page 09-31

We ask that you review and approve this interim update so that we may seek future funding as opportunities arise.

We look forward to TDEM's positive response to this submission. If any additional information is needed to grant this request, please do not hesitate to contact me.

Regards,

Tesa Wrobleski

Tesa Wrobleski
FEMA Public Assistance Program Manager
City of Galveston
twrobleski@galvestontx.gov

Attachment

Section 09
Mitigation Action Plan

Contents of this Section

9.1 Requirement for the Mitigation Action Plan
9.2 Mitigation Goals, Objectives, and Actions (Updated)
9.3 Identification and Analysis of Mitigation Actions (Updated)
9.4 Prioritization and Implementation of Mitigation Actions (Updated)

9.1 Requirement for the Mitigation Action Plan

Requirement §201.6(c)(3): *The plan shall include a mitigation strategy that provides the jurisdiction's blueprint for reducing the potential losses identified in the risk assessment, based on existing authorities, policies, programs and resources, and its ability to expand on and improve these existing tools.*

Requirement §201.6(c)(3)(i): *[The hazard mitigation strategy shall include a] description of mitigation goals to reduce or avoid long-term vulnerabilities to the identified hazards.*

Requirement §201.6(c)(3)(ii): *[The mitigation strategy **shall** include a] section that identifies and analyzes a comprehensive range of specific mitigation actions and projects being considered to reduce the effects of each hazard, with particular emphasis on new and existing buildings and infrastructure. [The mitigation strategy] must also address the jurisdiction's participation in the National Flood Insurance Program (NFIP), and continued compliance with NFIP requirements, as appropriate.*

Requirement: §201.6(c)(3)(iii): *[The mitigation strategy section **shall** include] an action plan describing how the actions identified in section (c)(3)(ii) will be prioritized, implemented, and administered by the local jurisdiction. Prioritization **shall** include a special emphasis on the extent to which benefits are maximized according to a cost benefit review of the proposed projects and their associated costs.*

9.2 Mitigation Goals, Objectives, and Actions

This section contains goals, objectives, and action items for the City of Galveston Hazard Mitigation Plan. For the purposes of this Plan, the following definitions are proposed:

- **Goals** are general guidelines that explain what the City wants to achieve. Goals are expressed as broad policy statements representing desired long-term results.
- **Objectives** (or strategies) describe strategies to attain an identified goal. Objectives are more specific statements than goals; objectives are also usually measurable and can have a defined completion date.
- **Mitigation Actions** are the specific steps (projects, policies, and programs) that advance a given objective. They are highly focused, specific, and measurable.

The hazard identification and risk assessment in Sections 06 and 07 consisted of identifying the hazards that affect the City and the potential for damage to community assets that are vulnerable to the hazards, including historic assets, critical facilities, and beaches. Section 08 identified the strengths and weaknesses of state and local capabilities. The goals described below, in Table 9.3.3-1 and following, were established and validated by the City of Galveston Hazard Mitigation Plan Stakeholder Committee (HMPSC) members in response to these assessment results. The Committee members considered the goals described in the 2011 City of Galveston Hazard Mitigation Plan, as well as examples from other planning efforts, and determined the goals below to meet the mitigation needs and vision of the City of Galveston.

The broad goals of the City of Galveston Hazard Mitigation Plan, as determined by the HMPSC, are as follows:

- Goal 1: Improve education and outreach efforts, specifically to the public, elected officials, municipal employees and local businesses, regarding the potential impacts of hazards and the identification of specific measures that can be taken to reduce those impacts.
- Goal 2: Improve capabilities, coordination and opportunities at the municipal level to plan and implement hazard mitigation projects, programs and activities, especially using GIS, coordination with universities and colleges, and public/private partnerships.
- Goal 3: Develop hazard mitigation policies and programs designed to reduce the impact of natural and human caused hazards to people and property.
- Goal 4: Identify and implement hazard mitigation projects to reduce the impact of hazard events and disasters.

Specific objectives and actions to support these goals are described in Table 9.3.3-1.

9.3 Identification and Analysis of Mitigation Actions

9.3.1 Potential Mitigation Actions

The HMPSC has identified several hazard mitigation actions that would benefit the City. These were identified in the HMPSC meetings, which included input from representatives of governmental organizations, local businesses, and private citizens. These actions were determined after consideration of a range of possible actions to mitigate the City's vulnerabilities to the hazards profiled in Section 06 of this Plan. The following discussion describes general categories of potential actions, and ways they could benefit the City in mitigating their identified vulnerabilities.

Public Education and Outreach

Insurance industry and emergency management research has demonstrated that awareness of hazards is not enough. People must know how to prepare for, respond to, and take preventive measures against threats from hazards. This research has also shown that a properly run local information program is more effective than national advertising or public campaigns.

Although concerted local and statewide efforts to inform the public exist, lives and property continue to be threatened when segments of the population remain uninformed or chose to ignore the information available. Public education and outreach serves to assist communities with problems experienced from floods, high wind–straight-line winds, severe storm–winter weather, as well as other lower priority hazards. Educating the public of these life and property saving techniques must remain a high priority item at the local, state, and federal levels and is consistent with Goal 1.

National Flood Insurance Program, Floodplain Management, and Building Codes

Improved floodplain management, including land use planning, zoning, and enforcement at the local level can reduce flood related damages for both existing buildings and new development and are consistent with Goal 3. The use of the National Flood Insurance Program (NFIP) is critical to the reduction of future flood damage costs to the taxpayer.

All developments, regardless of the location, require a permit to include buildings, fill, and any other type development. The City of Galveston has the authority to implement and enforce adopted ordinances related to floodplain management, building code and zoning compliance.

The NFIP requires that when the cost of reconstruction, rehabilitation, addition, or other improvements to a building equals or exceeds 50% of the fair market value, then the building must meet the same construction requirements as a new building. Substantially damaged buildings must be brought up to new construction standards. A residence or building damaged so that the cost of repairs equals or exceeds 50% of the structure's fair market value must also be elevated above the Base Flood Elevation (BFE) in flood zones where BFEs are established. This provision applies to the entire jurisdiction of the City of Galveston.

The original Flood Insurance Rate Maps for the City were issued on May 26, 1970. The City of Galveston joined the NFIP on May 07, 1971, and has always been a member community in good standing with the Program. The latest FIRMs for the City were completed in 2012.

Within floodplain management the education process must play an important role. As noted above, an effective education program should be implemented to show citizens the importance of building codes and ordinances and how cost effective they could be in reducing future damages.

Established through the NFIP, the Community Rating System (CRS) is a program that counties and municipalities can elect to join. Once a community has joined, policy holders in participating communities receive a discount on their flood insurance premiums. Because of being part of the CRS, the City actively pursues public outreach programs. One of the requirements of CRS is an annual outreach project, such as a Repetitive Loss Outreach Program. This program focuses on repetitive loss areas within the City and consists of three main components. The first is to advise the homeowners that they live in a repetitive loss area and could be subject to flooding. The second is to give the homeowner appropriate property protection measure guidelines. The third is to make the homeowner aware of the basic facts about Flood Insurance. The City is currently a member of the CRS, and is rated as a Class 7 Community.

Each community that is a participating community in the NFIP Program is required to have both a well-trained municipal floodplain manager and construction code official. The City currently meets this requirement. To ensure adequate enforcement of both codes, each community in the NFIP should encourage additional training opportunities for all code enforcement personnel, to include its municipal floodplain manager.

Floodplain management and building codes serve to assist the communities with problems experienced from floods, hurricanes, tornadoes, and thunderstorms/lightning/high winds as well as other lower priority hazards.

The City has adopted and currently enforces the International Building Code (IBC) 2012.

Flood Mitigation Actions

Retrofitting structures prone to periodic flooding is an effective mitigation technique to reduce the flood loss of property and is consistent with Goal 4. Techniques include the elevation of structures, acquisition, mitigation reconstruction, dry flood-proofing, wet flood-proofing, drainage improvements, and installation of generators.

Elevation: involves raising a structure on a new foundation so that the lowest floor is above the BFE. Almost any type and size of structure can be elevated.

Acquisition of Structures: the acquisition option is the most effective mitigation technique to reduce the loss of property due to flooding. The owners of repetitive flood loss or flood damaged structures sell their structure to the community on a cost share basis for the fair market value of the

structure prior to the last flood event. The structure is removed and/or demolished and a deed restriction is placed on the property for perpetuity, thus removing the structure from future flood damage. This approach is most effective when flood prone structures located within the same vicinity are grouped together and acquired. The remaining property is converted to open space, and is subject to the building and development limitations outlined in the deed restriction. While the property may be re-developed, it may not be in any manner that impedes the floodplain or violates the terms of the deed restriction.

Dry Flood-proofing: is a mitigation technique designed to prevent floodwaters from penetrating the structure. Techniques include the building of floodwalls adjacent to existing walls, the installation of special doors to seal out floodwaters, and special backflow valves for water and sewer lines. Dry flood-proofing includes low cost mitigation measures such as raising air conditioners, heat pumps, and hot water heaters on platforms above the BFE.

Wet Flood-proofing: is a mitigation technique designed to allow for the safe entry of floodwaters into a structure, thereby minimizing the flood damage to the structure. Generally, this includes properly anchoring the structure, using flood resistant materials below the BFE, protection of mechanical and utility equipment, and use of openings or breakaway walls. Application of wet flood-proofing as a flood protection technique under the NFIP is limited to enclosures below elevated residential and non-residential structures and to accessory and agricultural structures that have been issued variances by the community.

Drainage: Improving the drainage capacity around roads and low-lying areas is a time-tested technique to mitigate flood damage. Maintenance of drainage canals and laterals is essential to maximize their efficiency and continued long term effectiveness. General actions to reduce the effects of flooding include: widening and deepening the earthen canals, cleaning of existing ditches, replacing existing culverts, upgrading pumps, installing check valves and inverts in certain culverts. Maintaining and improving drainage serves to assist the communities with problems experienced from floods, high winds, and severe storms.

Generators: Another cost-effective retrofitting technique includes the installation of generators. By providing power with generators during and after severe storms many critical facilities may continue to provide necessary services to the community. The installation of generators serves to assist the communities with problems experienced from floods, high winds, severe storms, earthquakes, and other hazards that typically interrupt power supplies.

Wind Retrofitting Mitigation Actions

Structures can be retrofitted to withstand extreme wind events by installing hurricane shutters, roof tie-downs and other storm protection features. The exterior integrity is maintained by protecting the interior of the structure and providing stability against extreme wind hazards, particularly those associated with hurricanes and tornadoes. These types of measures can be relatively inexpensive and simple to put in place.

Another retrofitting technique is to bury electric power lines to avoid tree limbs from falling on them or from wind damage resulting in a break in service to the consumer. Burying electric power lines serves to assist the communities with problems experienced from extreme winds, tornadoes and severe storms.

Early Warning Systems

With sufficient warning of a flood, a community and its residents can take protective measures such as moving personal property, cars, and people out of harm's way. When a flood threat recognition system is combined with an emergency response plan that addresses the community's flood problems, considerable flood damage can be prevented. This system must be coupled to warning the public, carrying out appropriate tasks, and coordinating the flood response plan with operators of critical facilities. A comprehensive education and outreach program is critical to the success of early warning systems so that the public, operators of critical facilities, and emergency response personnel will know what actions to take when warning is disseminated.

Early warning systems serve to assist the communities with problems experienced from floods, extreme winds, severe storms, earthquakes, wildfire, and storm surge.

Coastal Hazards

With a clear understanding of coastal hazards, communities can work towards preventing future damages. Some mitigating measures are:

Educational Outreach: develop and conduct educational outreach programs on the effects of coastal hazards as well as on how to minimize future erosion.

Erosion Zone Studies: conduct detailed studies to identify erosion hazard zones and provide direction for future coastal development.

Beach and dune restoration projects can also be undertaken to mitigate this hazard.

Wildfire/Urban Fire: the following mitigation measures can be applied to those areas of the community, which are designated as fire risk zones.

Educational Outreach: develop and conduct educational outreach programs on wildfire and urban fire prevention including training on fire safe building for contractors and homeowners.

Retrofitting: existing buildings can be retrofitted to reduce their vulnerability to wildfires and urban fires. Potential measures include covering roof vents with wire mesh to prevent entry of embers or flaming debris, and replacing flammable roof materials such as wood or certain types of shingles. Fire resistant roofing materials include various tiles, fiberglass shingles, and single ply membranes.

Safety Zones: safety zones can be created around structures by reducing or eliminating brush, trees, and vegetations around a home or facility. FEMA recommends using a 30' safety zone, including keeping grass below 2" tall and clearing all fallen leaves and branches promptly.

Fire Breaks: roads and trails can be planned to serve a dual function as firebreaks. Firebreaks are areas of inflammable materials which create a fuel break and do not allow fires to spread.

9.3.2 City-Wide Mitigation Actions

The HMPSC developed the following program of mitigation actions in response to the risk and capability assessments (see Sections 07 and 08) that will be implemented on a City-wide basis. These actions are presented in Table 9.3.2-1 (following), and are organized by goal and objective. The actions presented in the table represent both previously identified actions from other planning efforts and modified actions, determined through discussions with the HMPSC and City Staff. In developing this action plan, the HMPSC first reviewed the existing action plan from the 2011 plan, and determined which actions were still applicable/necessary and which ones had been completed or were no longer necessary.

All completed actions were kept for future use as an opportunity arises. Actions determined to be deleted are indicated by shading. Those actions that were identified in previous planning efforts and are not yet been completed have been deferred. In all cases, these actions were not completed due to one or more of the following circumstances:

- Lack of available funding; or
- Activity is on-going for the City of Galveston.

Table 9.3.2-1
City of Galveston – Mitigation Action Plan

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Goal 1: **Improve education and outreach efforts, specifically to the public, elected officials, municipal employees and local businesses, regarding the potential impacts of hazards and the identification of specific measures that can be taken to reduce those impacts.**								
Objective 1.1: **Educate the public and others on actions they can take to prevent or reduce loss or life or property damage from all hazards.**								
Provide hazard and disaster awareness and preparedness information to the public, both residents and visitors.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$10,000+	General Fund	Office of Emergency Management	2016-2021 On-going annually	This is an ongoing action for the City of Galveston.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Use internet to provide information to residents and visitor regarding natural disasters, preparation and protection. Investigate use of social media to provide information. Maintain use of One Call Reaches All as means of notification and information.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000+	General Fund	Office of Emergency Management	2016-2021 On-going annually	This activity is on-going in the aftermath of Hurricane Ike	High
Conduct town meeting prior to start of hurricane season, to provide information to residents.	Extreme Wind; Flooding; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$10,000+	General Fund	Office of Emergency Management	2016-2021 On-going Annually	This activity occurs annually prior to hurricane season.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Purchase and distribute NOAA All-Hazard radios or other public notification devices to public facilities, schools, day cares, medical facilities, critical facilities, and large public gathering places.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$100 per unit	FEMA HMGP	Office of Emergency Management	2016-2021	Applies to existing and future development	High
Implement public information and education campaign to educate residents and businesses about benefits of xerogardening and xeriscaping.	Drought	Existing (On-going)	$5,000	General funds, Texas Agriculture Extension Service	Public Works	2016-2021	Applies to existing and future development.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Implement public information and education campaign to educate residents and businesses about hazardous materials incidents, evacuation procedures in the event of an accident, and sheltering-in-place.	Hazardous Materials Incident	Existing (On-going)	$2,500	Private Funds, General funds, FEMA HMGP	Galveston Fire Department, Office of Emergency Management, Public Works, Police Department	2016-2021	This is an ongoing activity for the City of Galveston	High
Implement public information and education campaign to educate residents and businesses on how to reduce the threat of urban fires and wildfires.	Wildfire / Urban Fire	Existing (On-going)	$2,500	FEMA HMGP, Texas Forest Service, General Funds	Galveston Fire Department, Office of Emergency Management	2016-2021	Applies to existing and future development.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Increase on-island CERT capability and capacity.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000	General Funds	County Emergency Management	2016-2021	This is an ongoing activity for the City of Galveston	Moderate
Goal 2: **Improve capabilities, coordination and opportunities at the municipal level to plan and implement hazard mitigation projects, programs and activities, especially through the use of GIS, coordination with universities and colleges, and public/private partnerships.**								
Objective 2.1: **Acquire and maintain detailed data regarding vulnerabilities, including critical facilities and historic assets, so that these resources can be prioritized and assessed for mitigation actions.**								
Work cooperatively with NOAA and other agencies to conduct workshop/study on sea level rise in Galveston.	Coastal Hazards; Sea Level Change	Existing (On-going)	$5,000+	General Funds, NOAA	Development Department	2016-2021	This is an ongoing activity for the City of Galveston	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Implementation of Sustainability Plan/Program Implementation.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (Modified) (On-going)	$125,000	General Funds, CDBG	Development Department	2016-2021	Applies to existing and future development.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Implementation of Greenprinting Plan for areas east of West End study.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (Modified) (On-going)	$5,000	General Funds, Texas Parks and Wildlife, CDBG	Development Department	2016-2021	"Greenprinting" refers to a strategy to manage growth that ensures quality of life, clean air and water, recreation and economic health. Applies to existing and future development.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Develop proposed land use mapping to allow easier consideration of hazards in future development.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$10,000	General Funds, CDBG	Development Department	2016-2021	Applies to future development.	Moderate
Consider / Development of structural acquisition plan/procedures.	Flooding	Existing (On-going)	$10,000	General Funds	Development Department	2016-2021	Applies to existing structures.	Moderate
Consider / Development of structural elevation plan/procedures.	Flooding	Existing (On-going)	$10,000	General Funds	Development Department	2016-2021	Applies to existing structures.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Consider alternative methodologies for determination of substantial damage.	Extreme Wind, Flooding; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000	General Funds	Development Department	2016-2021	Applies to existing structures.	Moderate
Consider / Contract for historic property mitigation study, to determine best practices for mitigation of homes on larger scale.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$50,000	General Funds, THC, GHF, National Park Service, CDBG	Development Department	2016-2021	Applies to existing structures.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Digitalization of paper records, city-wide, for access post-disaster (mitigate data loss and allow for continuity of operations/government).	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000+	General Funds, FEMA HMGP, CDBG	Development Department, Municipal Utilities, Office of Emergency Management, IT/Finance Department	2016-2021	This is an ongoing activity for the City of Galveston	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Develop detailed inventory of critical facilities, to include elevations, square footage and contents inventory.	Biologic Event, Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000	General Funds	Development Department, Municipal Utilities, Office of Emergency Management	2016-2021	Applies to existing and future development.	High
Goal 3: **Develop hazard mitigation policies and programs designed to reduce the impact of natural and human caused hazards to people and property.**								
Objective 3.1: **Seek ways to reduce losses to the National Flood Insurance Program, and to increase participation in and compliance with the NFIP.**								
Maintain membership of the NFIP's Community Rating System.	Coastal Hazards; Flooding, Sea Level Change; Tsunami	Existing (Modified) (On-going)	$10,000	General Funds	Development Department	2016-2021	Joined and rated as a 7.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Consider adoption and enforcement of freeboard requirement into City's Flood Damage Prevention Ordinance.	Coastal Hazards; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes	Existing (On-going)	$2,500	General Funds	Development Department	2016-2021	Action is currently under consideration for implementation. Would apply to future development and any existing structures designated as substantially damaged or improved.	Moderate
Increase and maintain number of floodplain managers in the building division through training and certification.	Coastal Hazards; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes	Existing (Modified) (On-going)	$10,000	General Funds, FEMA	Development Department	2016-2021	This is an ongoing activity for the City of Galveston	Moderate
Collect and analyze data created during design and implementation of flood mitigation projects for CRS credit during future reviews.	Coastal Hazards; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes	New	$50,000	General Funds, FEMA	Development Department, Engineering Department, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston	Moderate
Objective 3.2: **Consider measures to ensure that modifications to existing development, as well as any future development, will not put people or property in harm's way, or will not increase threats to existing properties.**								

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Support aggressive beach nourishment program to address critical erosion areas.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes	Existing (On-going)	Unknown	USACE, GLO, CIAP, GLO CEPRA	GLO, Development Department	2016-2021	This is an ongoing activity for the City of Galveston	High
Restore destroyed dune systems to decrease / mitigate damage to public and private property.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	Unknown	FEMA HMGP/PDM/ FMA, State (CEPRA) and local grants, USACE	GLO, Development Department, Park Board, Homeowner's Associations, Individual Property Owners	2016-2021	This is an ongoing activity for the City of Galveston	High
Install shoreline protection devices in areas subject to coastal erosion to reinforce dune systems.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$175,000	FEMA HMGP, USACE, GLO	GLO, Development Department, Public Works	2016-2021	This is an ongoing activity for the City of Galveston	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Commission update to 2003/2007 Master Drainage Plan for the City	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes; Tornadoes	New	$1,000,000	General Funds, FEMA, USACE GLO, CDBG	Development Department, Engineering Department, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston	Moderate
Goal 4: **Identify and implement hazard mitigation projects to reduce the impact of hazard events and disasters.**								
Objective 4.1: **Pursue opportunities to mitigate identified Repetitive Loss and Severe Repetitive Loss properties**								
Elevation, acquisition or other mitigation of identified Repetitive Loss and Severe Repetitive Loss properties.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes	Existing (On-going)	$80,000+ (per structure)	CDBG, FEMA HMGP/ PDM/ FMA/ SRL/ RFC, Property Owners, NFIP ICC	Development Department	2016-2021	Applies to existing structures.	High
Objective 4.2: **Pursue opportunities for structural mitigation projects and other projects to protect infrastructure from hazards.**								
Exposed concrete and rebar on public beaches – remove debris and threat to public and private property – reducing property damage during hazard events.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes; Tornadoes	Existing (Completed) (On-going for future occurrences)	Unknown	FEMA Public Assistance, GLO, CEPRA, Texas Beach Sweep, CDBG	Public Works, GLO, USACE	2016-2021	This is an ongoing activity for the City of Galveston	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Elevate coastal roads to better protect public during evacuation and to protect the roads from flood damage, where technically feasible.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes	Existing (On-going)	Unknown	Potential funding from TXDoT, CDBG	FHWA, TXDoT, Public Works	2016-2021 Ongoing project	Applies to existing and future coastal roads.	High
Implement improved drainage projects and better maintenance program for clearing drainage ditches.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes	Existing (On-going)	Unknown	TWDB, FEMA HMGP, CDBG, Enterprise Funds	Public Works	2016-2021	Applies to existing and future drainage systems.	High
Elevation of structures at risk from flooding.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami	Existing (On-going)	$50,000 - $100,000 (per structure)	CDBG, FEMA HMGP / PDM/ FMA/SRL, Property Owners, NFIP ICC	Development Department	2016-2021	Will require coordination with TDEM and FEMA to address BCA issues. Applies to existing structures. (Future structures will require elevation to meet current codes/ordinances.)	Moderate
Install security/surveillance equipment at all municipal facilities.	Hazardous Materials Incident	Existing (On-going)	$100,000	TDEM, DHS, General Funds	Office of Emergency Management	2016-2021	Applies to existing and future development.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Identify and purchase needed vehicles and equipment for public safety departments.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$750,000	FEMA PA, DHS, General Fund, CDBG	Fire Department, Police Department, Public Works, Beach Patrol, Office of Emergency Management	2016-2021	Some equipment and vehicles will be or has been purchased through FEMA PA funding.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Harden facility and improve security at unmanned municipal utility facilities.	Biologic Event; Coastal Hazards; Environmental Disaster; Extreme Wind; Flooding; Hail; Hazardous Materials Incident; Sea Level Change; Severe Winter Storm; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$1,000,000	General Funds, DHS, TWDB, FEMA HMGP/PDM	Municipal Utilities	2016-2021	Action will be dependent on availability of funding, and applies to both existing and future development.	Moderate
Acquisition and demolition of structures damaged by flooding, including abandoned structures.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami	Existing (On-going)	$50,000+ (per structure)	CDBG, FEMA HMGP/ PDM/ FMA/ SRL/ RFC, Property Owners, NFIP ICC	Development Department	2016-2021	Applies to existing structures.	Moderate
Elevation or other flood protection of historic structures at risk from flooding.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami	Existing (On-going)	$50,000+ (per structure)	CDBG, FEMA HMGP/ PDM/ FMA/ SRL/ RFC, Property Owners, NFIP ICC	Development Department	2016-2021	Applies to existing structures.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Study, evaluate, design and construct flood control methods, with particular emphasis on the protection of critical facilities and critical infrastructure	Biologic Events; Coastal Hazards; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$50,000+ (per structure or device)	CDBG, FEMA HMGP/ PDM/ FMA, General Fund	Public Works	2016-2021	Applies to existing and future structures.	Moderate
Mitigation/hardening of substantially damaged structures (historic/non-historic).	Coastal Hazards; Extreme Wind; Flooding; Hail; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$50,000+ (per structure)	CDBG, FEMA HMGP/ PDM, Property Owners	Development Department	2016-2021	Applies to existing and future structures.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Identify critical facilities and other necessary public buildings that require emergency power generation - Purchase and install emergency power generators and related housing and connection equipment at all critical facilities or other necessary public buildings.	Biologic Event, Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind, Expansive Soils; Flooding; Hail, Hazardous Materials Incident, Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	Unknown	FEMA HMGP, CDBG, General Funds, Enterprise Funds	Office of Emergency Management, Public Works	2016-2021	Some facilities addressed after Ike. Additional facilities to be identified. Applies to existing and future development.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Design and construct a Safe Room (using FEMA 361 design guidance) to house emergency personnel and first responders who must remain on the island during evacuations.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$25-$30MM	FEMA HMGP/ PDM, General Funds, Donations, CDBG	Office of Emergency Management, City Manager's Office	2016-2021	Project applied for under DR-1791 HMGP.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Perform retrofits of public utilities (including sanitary sewer and drinking water systems), which may include the following: inflow guards on manhole covers, elevated electrical components, flood proof or elevate utility structures within SFHAs, ring berms around critical facilities that cannot feasibly be elevated, watertight manhole covers, tied down fuel storage tanks.	Biologic Events; Coastal Hazards; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000+ per project	FEMA HMGP/ PDM/ FMA, General Funds, TWDB, CDBG	Public Works	2016-2021	Applies to existing structures.	Moderate
Increase native canopy by tree planting in public rights-of-way to reduce urban heat levels.	Drought	Existing (On-going)	$10,000	Arbor Day Foundation General Funds, CDBG	Development Department, Public Works, Parks and Rec	2016-2021	Applies to existing and future development.	Moderate
Develop and implement a system for early detection / notification of hazardous materials incidents, leaks and accidents.	Hazardous Materials Incident	Existing (On-going)	$25,000+	Private funding	Galveston Fire Department, Public Works, Office of Emergency Management	2016-2021	Cost would be dependent on material.	Moderate
Investigate eligibility and benefits of National Weather Service's "StormReady" Community program – Maintain program membership	Extreme Wind; Lightning; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$2,500	Private Funds, General funds	Office of Emergency Management	2016-2021	Joined and renewed membership- September 2015.	Low

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Wind retrofit critical facilities and those other public buildings that must function following as extreme wind event.	Extreme Wind; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$25,000+	FEMA HMGP/ PDM, General Funds, CDBG	Office of Emergency Management, Development Department, Public Works, City Manager's Office	2016-2021	Project for McGuire Dent Recreation Center funded under DR-1791 HMGP. Applies to existing structures.	Moderate
Develop and implement stormwater drainage system improvements.	Flooding	Existing (On-going)	$25,000	General Funds, Enterprise Funds, TWDB, CDBG	Public Works	2016-2021	Applies to existing and future development.	Moderate
Develop and implement stormwater drainage system improvements for South Shore, including possible pump station and capacity for future conditions	Flooding	New	$45m - $50m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate
Develop and implement stormwater drainage system improvements for 18th Street system, including possible pump station and capacity for future conditions	Flooding	New	$55m-$65m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate
Develop and implement stormwater drainage system improvements for 22nd Street system, including possible pump station and capacity for future conditions	Flooding	New	$25m-$30m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Develop and implement stormwater drainage system improvements for 24th Street system, including possible pump station and capacity for future conditions	Flooding	New	$24m-$30m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate
Develop and implement stormwater drainage system improvements for 27th Street system, including possible pump station and capacity for future conditions	Flooding	New	$45m-$50m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate
Develop and implement stormwater drainage system improvements for 30th Street system, including possible pump station and capacity for future conditions	Flooding	New	$25m-$30m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate
Develop and implement stormwater drainage system improvements for 33rd Street system, including possible pump station and capacity for future conditions	Flooding	New	$40m-$50m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate
Develop and implement stormwater drainage system improvements for 37th to 59th Street system, including possible pump station and capacity for future conditions	Flooding	New	$85m-$95m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Study and consider solutions to stormwater flooding in The Strand, including capacity for future conditions, possibility of site-specific mitigation actions, and in consideration of historic structures and character of the area	Flooding	New	$200,000	General Funds, FEMA	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate
Develop vegetation management program to mitigate spread and fueling of fires.	Wildfire / Urban Fire	Existing (On-going)	$5,000	FEMA HMGP/ PDM, Texas Forest Service, General Funds, CDBG	Galveston Fire Department	2016-2021	Applies to existing and future development.	Moderate
Investigate ways to harden and protect facilities and infrastructure belonging to Gulf Coast Water Authority (Sole source provider of potable water to City) – Implement projects as funding becomes available.	Extreme Wind; Flooding; Hazardous Materials Incident; Sea Level Change; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000+	General Funds, Enterprise Funds, FEMA HMGP/ PDM, CDBG	Municipal Utilities	2016-2021	Applies to existing and future development.	High
Rehabilitate the 1894 Bayline, for use as emergency water connection in the event of failure or damage of the water main.	Coastal Hazards; Extreme Wind; Flooding; Hazardous Materials Incident; Sea Level Change; Tropical Systems and Hurricanes; Tornadoes	Existing (Deferred)	$15,000,000	General Funds, Enterprise Funds, CDBG FEMA HMGP	Municipal Utilities	2016-2021	Applies to existing equipment/structures.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Implement plans for elimination of on-site sewage treatment.	Biologic Event; Coastal Hazards; Environmental Disaster; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes	Existing (On-going)	$10,000+ per structure	General Funds, Enterprise Funds, CDBG, Property Owners	Development Department, Municipal Utilities	2016-2021	Applies to existing structures.	Moderate
Monitor funding sources for opportunities to provide assistance to homeowners for purchase of grinder pumps (maintenance would remain property owner's responsibility).	Biologic Event	Remove / Drop	$5,000+ per structure	Unknown at this time	Development Department, Municipal Utilities	2011-2016	The city has taken the position that grinder pumps are not a preferred option. This action will be removed during the next plan update.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Investigate and implement hardening of IT and phone (communication) infrastructure, to include off-site/remote facilities.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000+	General Funds, FEMA HMGP, CDBG	Development Department, Office of Emergency Management, IT/Finance Department	2016-2021	Applies to existing and future infrastructure.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Increased capacity/hardening for internal departmental communication.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils, Flooding; Hail, Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000+	General Funds, FEMA HMGP, CDBG	Development Department, Municipal Utilities, Office of Emergency Management, IT/Finance Department	2016-2021	Applies to existing and future infrastructure.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Develop a standby application for post-disaster code enforcement (includes building, compliance, planning, public works, etc).	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	New	$5,000	General Funds	Development Department	2016-2021	This is an ongoing activity for the City of Galveston	High

EXHIBIT 2 – INTERIM UPDATE OF MITIGATION STRATEGY

AUGUST 17, 2020

City of Galveston

DEPARTMENT OF DISASTER RECOVERY

Tesa Wrobleski, FEMA Public Assistance Program Manager
twrobleski@galvestontx.gov | **Office Number: (409) 797-3517** | www.galvestontx.gov

August 17, 2020

Mr. David Jackson
State Hazard Mitigation Officer
Texas Division of Emergency Management
David.Jackson@tdem.texas.gov

Re: City of Galveston Hazard Mitigation Plan
Second Interim Update of Mitigation Strategy

Dear David –

The City of Galveston determined a need to complete an additional interim update of our FEMA-approved mitigation strategy. We identified two additional mitigation projects for which we are considering seeking funding, and determined that an update to the strategy should be done to ensure all opportunities are specifically identified.

Accompanying this letter is our second interim update. All changes are noted below, with page numbers where the changes can be found. No other changes to any other section of our approved plan have been made. We do not anticipate making any further changes until our next scheduled update in 2022.

You will find the following amended action items on the following pages:

1. Review and assessment of adopted building codes (including flood damage prevention ordinance) and completion of a BCEGS assessment – Page 09-21
2. Develop and implement stormwater drainage system improvements, including pump station (37th Street System) – Page 09-30

We ask that you review and approve this interim update so that we may seek future funding as opportunities arise.

We look forward to TDEM's positive response to this submission. If any additional information is needed to grant this request, please do not hesitate to contact me.

Tesa Wrobleski, FEMA Public Assistance Program Manager
twrobleski@galvestontx.gov | Office Number: (409) 797-3517 | www.galvestontx.gov

Regards,

Tesa Wrobleski

Tesa Wrobleski
FEMA Public Assistance Program Manager
City of Galveston
twrobleski@galvestontx.gov

Attachment

Section 09
Mitigation Action Plan

Contents of this Section

9.1 Requirement for the Mitigation Action Plan
9.2 Mitigation Goals, Objectives, and Actions (Updated)
9.3 Identification and Analysis of Mitigation Actions (Updated)
9.4 Prioritization and Implementation of Mitigation Actions (Updated)

9.1 Requirement for the Mitigation Action Plan

Requirement §201.6(c)(3): *The plan shall include a mitigation strategy that provides the jurisdiction's blueprint for reducing the potential losses identified in the risk assessment, based on existing authorities, policies, programs and resources, and its ability to expand on and improve these existing tools.*

Requirement §201.6(c)(3)(i): *[The hazard mitigation strategy shall include a] description of mitigation goals to reduce or avoid long-term vulnerabilities to the identified hazards.*

Requirement §201.6(c)(3)(ii): *[The mitigation strategy **shall** include a] section that identifies and analyzes a comprehensive range of specific mitigation actions and projects being considered to reduce the effects of each hazard, with particular emphasis on new and existing buildings and infrastructure. [The mitigation strategy] must also address the jurisdiction's participation in the National Flood Insurance Program (NFIP), and continued compliance with NFIP requirements, as appropriate.*

Requirement: §201.6(c)(3)(iii): *[The mitigation strategy section **shall** include] an action plan describing how the actions identified in section (c)(3)(ii) will be prioritized, implemented, and administered by the local jurisdiction. Prioritization **shall** include a special emphasis on the extent to which benefits are maximized according to a cost benefit review of the proposed projects and their associated costs.*

9.2 Mitigation Goals, Objectives, and Actions

This section contains goals, objectives, and action items for the City of Galveston Hazard Mitigation Plan. For the purposes of this Plan, the following definitions are proposed:

- **Goals** are general guidelines that explain what the City wants to achieve. Goals are expressed as broad policy statements representing desired long-term results.
- **Objectives** (or strategies) describe strategies to attain an identified goal. Objectives are more specific statements than goals; objectives are also usually measurable and can have a defined completion date.
- **Mitigation Actions** are the specific steps (projects, policies, and programs) that advance a given objective. They are highly focused, specific, and measurable.

The hazard identification and risk assessment in Sections 06 and 07 consisted of identifying the hazards that affect the City and the potential for damage to community assets that are vulnerable to the hazards, including historic assets, critical facilities, and beaches. Section 08 identified the strengths and weaknesses of state and local capabilities. The goals described below, in Table 9.3.3-1 and following, were established and validated by the City of Galveston Hazard Mitigation Plan Stakeholder Committee (HMPSC) members in response to these assessment results. The Committee members considered the goals described in the 2011 City of Galveston Hazard Mitigation Plan, as well as examples from other planning efforts, and determined the goals below to meet the mitigation needs and vision of the City of Galveston.

The broad goals of the City of Galveston Hazard Mitigation Plan, as determined by the HMPSC, are as follows:

- Goal 1: Improve education and outreach efforts, specifically to the public, elected officials, municipal employees and local businesses, regarding the potential impacts of hazards and the identification of specific measures that can be taken to reduce those impacts.
- Goal 2: Improve capabilities, coordination and opportunities at the municipal level to plan and implement hazard mitigation projects, programs and activities, especially using GIS, coordination with universities and colleges, and public/private partnerships.
- Goal 3: Develop hazard mitigation policies and programs designed to reduce the impact of natural and human caused hazards to people and property.
- Goal 4: Identify and implement hazard mitigation projects to reduce the impact of hazard events and disasters.

Specific objectives and actions to support these goals are described in Table 9.3.3-1.

9.3 Identification and Analysis of Mitigation Actions

9.3.1 Potential Mitigation Actions

The HMPSC has identified several hazard mitigation actions that would benefit the City. These were identified in the HMPSC meetings, which included input from representatives of governmental organizations, local businesses, and private citizens. These actions were determined after consideration of a range of possible actions to mitigate the City's vulnerabilities to the hazards profiled in Section 06 of this Plan. The following discussion describes general categories of potential actions, and ways they could benefit the City in mitigating their identified vulnerabilities.

Public Education and Outreach

Insurance industry and emergency management research has demonstrated that awareness of hazards is not enough. People must know how to prepare for, respond to, and take preventive measures against threats from hazards. This research has also shown that a properly run local information program is more effective than national advertising or public campaigns.

Although concerted local and statewide efforts to inform the public exist, lives and property continue to be threatened when segments of the population remain uninformed or chose to ignore the information available. Public education and outreach serves to assist communities with problems experienced from floods, high wind–straight-line winds, severe storm–winter weather, as well as other lower priority hazards. Educating the public of these life and property saving techniques must remain a high priority item at the local, state, and federal levels and is consistent with Goal 1.

National Flood Insurance Program, Floodplain Management, and Building Codes

Improved floodplain management, including land use planning, zoning, and enforcement at the local level can reduce flood related damages for both existing buildings and new development and are consistent with Goal 3. The use of the National Flood Insurance Program (NFIP) is critical to the reduction of future flood damage costs to the taxpayer.

All developments, regardless of the location, require a permit to include buildings, fill, and any other type development. The City of Galveston has the authority to implement and enforce adopted ordinances related to floodplain management, building code and zoning compliance.

The NFIP requires that when the cost of reconstruction, rehabilitation, addition, or other improvements to a building equals or exceeds 50% of the fair market value, then the building must meet the same construction requirements as a new building. Substantially damaged buildings must be brought up to new construction standards. A residence or building damaged so that the cost of repairs equals or exceeds 50% of the structure's fair market value must also be elevated above the Base Flood Elevation (BFE) in flood zones where BFEs are established. This provision applies to the entire jurisdiction of the City of Galveston.

The original Flood Insurance Rate Maps for the City were issued on May 26, 1970. The City of Galveston joined the NFIP on May 07, 1971, and has always been a member community in good standing with the Program. The latest FIRMs for the City were completed in 2012.

Within floodplain management the education process must play an important role. As noted above, an effective education program should be implemented to show citizens the importance of building codes and ordinances and how cost effective they could be in reducing future damages.

Established through the NFIP, the Community Rating System (CRS) is a program that counties and municipalities can elect to join. Once a community has joined, policy holders in participating communities receive a discount on their flood insurance premiums. Because of being part of the CRS, the City actively pursues public outreach programs. One of the requirements of CRS is an annual outreach project, such as a Repetitive Loss Outreach Program. This program focuses on repetitive loss areas within the City and consists of three main components. The first is to advise the homeowners that they live in a repetitive loss area and could be subject to flooding. The second is to give the homeowner appropriate property protection measure guidelines. The third is to make the homeowner aware of the basic facts about Flood Insurance. The City is currently a member of the CRS, and is rated as a Class 7 Community.

Each community that is a participating community in the NFIP Program is required to have both a well-trained municipal floodplain manager and construction code official. The City currently meets this requirement. To ensure adequate enforcement of both codes, each community in the NFIP should encourage additional training opportunities for all code enforcement personnel, to include its municipal floodplain manager.

Floodplain management and building codes serve to assist the communities with problems experienced from floods, hurricanes, tornadoes, and thunderstorms/lightning/high winds as well as other lower priority hazards.

The City has adopted and currently enforces the International Building Code (IBC) 2012.

Flood Mitigation Actions

Retrofitting structures prone to periodic flooding is an effective mitigation technique to reduce the flood loss of property and is consistent with Goal 4. Techniques include the elevation of structures, acquisition, mitigation reconstruction, dry flood-proofing, wet flood-proofing, drainage improvements, and installation of generators.

Elevation: involves raising a structure on a new foundation so that the lowest floor is above the BFE. Almost any type and size of structure can be elevated.

Acquisition of Structures: the acquisition option is the most effective mitigation technique to reduce the loss of property due to flooding. The owners of repetitive flood loss or flood damaged structures sell their structure to the community on a cost share basis for the fair market value of the structure prior to the last flood event. The structure is removed and/or demolished and a deed restriction is placed on the property for perpetuity, thus removing the structure from future flood damage. This approach is most effective when flood prone structures located within the same vicinity are grouped together and acquired. The remaining property is converted to open space, and is subject to the building and development limitations outlined in the deed restriction. While the property may be re-developed, it may not be in any manner that impedes the floodplain or violates the terms of the deed restriction.

Dry Flood-proofing: is a mitigation technique designed to prevent floodwaters from penetrating the structure. Techniques include the building of floodwalls adjacent to existing walls, the installation of special doors to seal out floodwaters, and special backflow valves for water and sewer lines. Dry flood-proofing includes low cost mitigation measures such as raising air conditioners, heat pumps, and hot water heaters on platforms above the BFE.

Wet Flood-proofing: is a mitigation technique designed to allow for the safe entry of floodwaters into a structure, thereby minimizing the flood damage to the structure. Generally, this includes properly anchoring the structure, using flood resistant materials below the BFE, protection of mechanical and utility equipment, and use of openings or breakaway walls. Application of wet flood-proofing as a flood protection technique under the NFIP is limited to enclosures below elevated residential and non-residential structures and to accessory and agricultural structures that have been issued variances by the community.

Drainage: Improving the drainage capacity around roads and low-lying areas is a time-tested technique to mitigate flood damage. Maintenance of drainage canals and laterals is essential to maximize their efficiency and continued long term effectiveness. General actions to reduce the effects of flooding include: widening and deepening the earthen canals, cleaning of existing ditches, replacing existing culverts, upgrading pumps, installing check valves and inverts in certain culverts. Maintaining and improving drainage serves to assist the communities with problems experienced from floods, high winds, and severe storms.

Generators: Another cost-effective retrofitting technique includes the installation of generators. By providing power with generators during and after severe storms many critical facilities may continue to provide necessary services to the community. The installation of generators serves to assist the communities with problems experienced from floods, high winds, severe storms, earthquakes, and other hazards that typically interrupt power supplies.

Wind Retrofitting Mitigation Actions

Structures can be retrofitted to withstand extreme wind events by installing hurricane shutters, roof tie-downs and other storm protection features. The exterior integrity is maintained by

protecting the interior of the structure and providing stability against extreme wind hazards, particularly those associated with hurricanes and tornadoes. These types of measures can be relatively inexpensive and simple to put in place.

Another retrofitting technique is to bury electric power lines to avoid tree limbs from falling on them or from wind damage resulting in a break in service to the consumer. Burying electric power lines serves to assist the communities with problems experienced from extreme winds, tornadoes and severe storms.

Early Warning Systems
With sufficient warning of a flood, a community and its residents can take protective measures such as moving personal property, cars, and people out of harm's way. When a flood threat recognition system is combined with an emergency response plan that addresses the community's flood problems, considerable flood damage can be prevented. This system must be coupled to warning the public, carrying out appropriate tasks, and coordinating the flood response plan with operators of critical facilities. A comprehensive education and outreach program is critical to the success of early warning systems so that the public, operators of critical facilities, and emergency response personnel will know what actions to take when warning is disseminated.

Early warning systems serve to assist the communities with problems experienced from floods, extreme winds, severe storms, earthquakes, wildfire, and storm surge.

Coastal Hazards
With a clear understanding of coastal hazards, communities can work towards preventing future damages. Some mitigating measures are:

Educational Outreach: develop and conduct educational outreach programs on the effects of coastal hazards as well as on how to minimize future erosion.

Erosion Zone Studies: conduct detailed studies to identify erosion hazard zones and provide direction for future coastal development.

Beach and dune restoration projects can also be undertaken to mitigate this hazard.

Wildfire/Urban Fire: the following mitigation measures can be applied to those areas of the community, which are designated as fire risk zones.

Educational Outreach: develop and conduct educational outreach programs on wildfire and urban fire prevention including training on fire safe building for contractors and homeowners.

Retrofitting: existing buildings can be retrofitted to reduce their vulnerability to wildfires and urban fires. Potential measures include covering roof vents with wire mesh to prevent entry of

embers or flaming debris, and replacing flammable roof materials such as wood or certain types of shingles. Fire resistant roofing materials include various tiles, fiberglass shingles, and single ply membranes.

Safety Zones: safety zones can be created around structures by reducing or eliminating brush, trees, and vegetations around a home or facility. FEMA recommends using a 30' safety zone, including keeping grass below 2" tall and clearing all fallen leaves and branches promptly.

Fire Breaks: roads and trails can be planned to serve a dual function as firebreaks. Firebreaks are areas of inflammable materials which create a fuel break and do not allow fires to spread.

9.3.2 City-Wide Mitigation Actions

The HMPSC developed the following program of mitigation actions in response to the risk and capability assessments (see Sections 07 and 08) that will be implemented on a City-wide basis. These actions are presented in Table 9.3.2-1 (following), and are organized by goal and objective. The actions presented in the table represent both previously identified actions from other planning efforts and modified actions, determined through discussions with the HMPSC and City Staff. In developing this action plan, the HMPSC first reviewed the existing action plan from the 2011 plan, and determined which actions were still applicable/necessary and which ones had been completed or were no longer necessary.

All completed actions were kept for future use as an opportunity arises. Actions determined to be deleted are indicated by shading. Those actions that were identified in previous planning efforts and are not yet been completed have been deferred. In all cases, these actions were not completed due to one or more of the following circumstances:

- Lack of available funding; or
- Activity is on-going for the City of Galveston.

Table 9.3.2-1
City of Galveston – Mitigation Action Plan

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Goal 1: **Improve education and outreach efforts, specifically to the public, elected officials, municipal employees and local businesses, regarding the potential impacts of hazards and the identification of specific measures that can be taken to reduce those impacts.**								
Objective 1.1: **Educate the public and others on actions they can take to prevent or reduce loss or life or property damage from all hazards.**								
Provide hazard and disaster awareness and preparedness information to the public, both residents and visitors.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$10,000+	General Fund	Office of Emergency Management	2016-2021 On-going annually	This is an ongoing action for the City of Galveston.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Use internet to provide information to residents and visitor regarding natural disasters, preparation and protection. Investigate use of social media to provide information. Maintain use of One Call Reaches All as means of notification and information.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000+	General Fund	Office of Emergency Management	2016-2021 On-going annually	This activity is on-going in the aftermath of Hurricane Ike	High
Conduct town meeting prior to start of hurricane season, to provide information to residents.	Extreme Wind; Flooding; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$10,000+	General Fund	Office of Emergency Management	2016-2021 On-going Annually	This activity occurs annually prior to hurricane season.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Purchase and distribute NOAA All-Hazard radios or other public notification devices to public facilities, schools, day cares, medical facilities, critical facilities, and large public gathering places.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$100 per unit	FEMA HMGP	Office of Emergency Management	2016-2021	Applies to existing and future development.	High
Implement public information and education campaign to educate residents and businesses about benefits of xerogardening and xeriscaping.	Drought	Existing (On-going)	$5,000	General funds, Texas Agriculture Extension Service	Public Works	2016-2021	Applies to existing and future development.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Implement public information and education campaign to educate residents and businesses about hazardous materials incidents, evacuation procedures in the event of an accident, and sheltering-in-place.	Hazardous Materials Incident	Existing (On-going)	$2,500	Private Funds, General funds, FEMA HMGP	Galveston Fire Department, Office of Emergency Management, Public Works, Police Department	2016-2021	This is an ongoing activity for the City of Galveston	High
Implement public information and education campaign to educate residents and businesses on how to reduce the threat of urban fires and wildfires.	Wildfire / Urban Fire	Existing (On-going)	$2,500	FEMA HMGP, Texas Forest Service, General Funds	Galveston Fire Department, Office of Emergency Management	2016-2021	Applies to existing and future development.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Increase on-island CERT capability and capacity.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000	General Funds	County Emergency Management	2016-2021	This is an ongoing activity for the City of Galveston	Moderate
Goal 2: **Improve capabilities, coordination and opportunities at the municipal level to plan and implement hazard mitigation projects, programs and activities, especially through the use of GIS, coordination with universities and colleges, and public/private partnerships.**								
Objective 2.1: **Acquire and maintain detailed data regarding vulnerabilities, including critical facilities and historic assets, so that these resources can be prioritized and assessed for mitigation actions.**								
Work cooperatively with NOAA and other agencies to conduct workshop/study on sea level rise in Galveston.	Coastal Hazards; Sea Level Change	Existing (On-going)	$5,000+	General Funds, NOAA	Development Department	2016-2021	This is an ongoing activity for the City of Galveston	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Implementation of Sustainability Plan/Program Implementation.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (Modified) (On-going)	$125,000	General Funds, CDBG	Development Department	2016-2021	Applies to existing and future development.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Implementation of Greenprinting Plan for areas east of West End study.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (Modified) (On-going)	$5,000	General Funds, Texas Parks and Wildlife, CDBG	Development Department	2016-2021	"Greenprinting" refers to a strategy to manage growth that ensures quality of life, clean air and water, recreation and economic health. Applies to existing and future development.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Develop proposed land use mapping to allow easier consideration of hazards in future development.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$10,000	General Funds, CDBG	Development Department	2016-2021	Applies to future development.	Moderate
Consider / Development of structural acquisition plan/procedures.	Flooding	Existing (On-going)	$10,000	General Funds	Development Department	2016-2021	Applies to existing structures.	Moderate
Consider / Development of structural elevation plan/procedures.	Flooding	Existing (On-going)	$10,000	General Funds	Development Department	2016-2021	Applies to existing structures.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Consider alternative methodologies for determination of substantial damage.	Extreme Wind; Flooding; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000	General Funds	Development Department	2016-2021	Applies to existing structures.	Moderate
Consider / Contract for historic property mitigation study, to determine best practices for mitigation of homes on larger scale.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$50,000	General Funds, THC, GHF, National Park Service, CDBG	Development Department	2016-2021	Applies to existing structures.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Digitalization of paper records, city-wide, for access post-disaster (mitigate data loss and allow for continuity of operations/government).	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000+	General Funds, FEMA HMGP, CDBG	Development Department, Municipal Utilities, Office of Emergency Management, IT/Finance Department	2016-2021	This is an ongoing activity for the City of Galveston	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Develop detailed inventory of critical facilities, to include elevations, square footage and contents inventory.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000	General Funds	Development Department, Municipal Utilities, Office of Emergency Management	2016-2021	Applies to existing and future development.	High
Goal 3: **Develop hazard mitigation policies and programs designed to reduce the impact of natural and human caused hazards to people and property.**								
Objective 3.1: **Seek ways to reduce losses to the National Flood Insurance Program, and to increase participation in and compliance with the NFIP.**								
Maintain membership of the NFIP's Community Rating System.	Coastal Hazards; Flooding; Sea Level Change; Tsunami	Existing (Modified) (On-going)	$10,000	General Funds	Development Department	2016-2021	Joined and rated as a 7.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Consider adoption and enforcement of freeboard requirement into City's Flood Damage Prevention Ordinance.	Coastal Hazards; Flooding; Sea Level Change, Tsunami; Tropical Systems and Hurricanes	Existing (On-going)	$2,500	General Funds	Development Department	2016-2021	Action is currently under consideration for implementation. Would apply to future development and any existing structures designated as substantially damaged or improved.	Moderate
Increase and maintain number of floodplain managers in the building division through training and certification.	Coastal Hazards; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes	Existing (Modified) (On-going)	$10,000	General Funds, FEMA	Development Department	2016-2021	This is an ongoing activity for the City of Galveston	Moderate
Collect and analyze data created during design and implementation of flood mitigation projects for CRS credit during future reviews.	Coastal Hazards; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes	New	$50,000	General Funds, FEMA	Development Department, Engineering Department, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston	Moderate
Objective 3.2: **Consider measures to ensure that modifications to existing development, as well as any future development, will not put people or property in harm's way, or will not increase threats to existing properties.**								

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Support aggressive beach nourishment program to address critical erosion areas.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes	Existing (On-going)	Unknown	USACE, GLO, CIAP, GLO CEPRA	GLO, Development Department	2016-2021	This is an ongoing activity for the City of Galveston	High
Restore destroyed dune systems to decrease / mitigate damage to public and private property.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	Unknown	FEMA HMGP/PDM/ FMA, State (CEPRA) and local grants, USACE	GLO, Development Department, Park Board, Homeowner's Associations, Individual Property Owners	2016-2021	This is an ongoing activity for the City of Galveston	High
Install shoreline protection devices in areas subject to coastal erosion to reinforce dune systems.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$175,000	FEMA HMGP, USACE, GLO	GLO, Development Department, Public Works	2016-2021	This is an ongoing activity for the City of Galveston	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Commission update to 2003/2007 Master Drainage Plan for the City	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes; Tornadoes	New	$1,000,000	General Funds, FEMA, USACE GLO, CDBG	Development Department, Engineering Department, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston	Moderate
Undertake a review and assessment of the current adopted building codes (including the City's flood damage prevention ordinance) and enforcement policies and practices and policies to identify areas that could be strengthened or improved, including requesting an ISO Building Code Effectiveness Grading Schedule (BCEGS)	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes, Tornadoes	New	$100,000	General Funds, FEMA,	Development Department, Engineering Department, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston	Moderate
Goal 4: **Identify and implement hazard mitigation projects to reduce the impact of hazard events and disasters.**								
Objective 4.1: **Pursue opportunities to mitigate identified Repetitive Loss and Severe Repetitive Loss properties**								
Elevation, acquisition or other mitigation of identified Repetitive Loss and Severe Repetitive Loss properties.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes	Existing (On-going)	$80,000+ (per structure)	CDBG, FEMA HMGP/ PDM/ FMA/ SRL/ RFC, Property Owners, NFIP ICC	Development Department	2016-2021	Applies to existing structures.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Objective 4.2: **Pursue opportunities for structural mitigation projects and other projects to protect infrastructure from hazards.**								
Exposed concrete and rebar on public beaches – remove debris and threat to public and private property – reducing property damage during hazard events.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes; Tornadoes	Existing (Completed) (On-going for future occurrences)	Unknown	FEMA Public Assistance, GLO, CEPRA, Texas Beach Sweep, CDBG	Public Works, GLO, USACE	2016-2021	This is an ongoing activity for the City of Galveston	High
Elevate coastal roads to better protect public during evacuation and to protect the roads from flood damage, where technically feasible.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes	Existing (On-going)	Unknown	Potential funding from TXDoT, CDBG	FHWA, TXDoT, Public Works	2016-2021 Ongoing project	Applies to existing and future coastal roads.	High
Implement improved drainage projects and better maintenance program for clearing drainage ditches.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes	Existing (On-going)	Unknown	TWDB, FEMA HMGP, CDBG, Enterprise Funds	Public Works	2016-2021	Applies to existing and future drainage systems.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Elevation of structures at risk from flooding.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami	Existing (On-going)	$50,000 - $100,000 (per structure)	CDBG, FEMA HMGP / PDM/ FMA/SRL, Property Owners, NFIP ICC	Development Department	2016-2021	Will require coordination with TDEM and FEMA to address BCA issues. Applies to existing structures. (Future structures will require elevation to meet current codes/ordinances.)	Moderate
Install security/surveillance equipment at all municipal facilities.	Hazardous Materials Incident	Existing (On-going)	$100,000	TDEM, DHS, General Funds	Office of Emergency Management	2016-2021	Applies to existing and future development.	High
Identify and purchase needed vehicles and equipment for public safety departments.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$750,000	FEMA PA, DHS, General Fund, CDBG	Fire Department, Police Department, Public Works, Beach Patrol, Office of Emergency Management	2016-2021	Some equipment and vehicles will be or has been purchased through FEMA PA funding.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Harden facility and improve security at unmanned municipal utility facilities.	Biologic Event; Coastal Hazards; Environmental Disaster; Extreme Wind; Flooding; Hail; Hazardous Materials Incident; Sea Level Change; Severe Winter Storm; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$1,000,000	General Funds, DHS, TWDB, FEMA HMGP/PDM	Municipal Utilities	2016-2021	Action will be dependent on availability of funding, and applies to both existing and future development.	Moderate
Acquisition and demolition of structures damaged by flooding, including abandoned structures.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami	Existing (On-going)	$50,000+ (per structure)	CDBG, FEMA HMGP/ PDM/ FMA/ SRL/ RFC, Property Owners, NFIP ICC	Development Department	2016-2021	Applies to existing structures.	Moderate
Elevation or other flood protection of historic structures at risk from flooding.	Coastal Hazards; Extreme Wind; Flooding; Sea Level Change; Tsunami	Existing (On-going)	$50,000+ (per structure)	CDBG, FEMA HMGP/ PDM/ FMA/ SRL/ RFC, Property Owners, NFIP ICC	Development Department	2016-2021	Applies to existing structures.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Study, evaluate, design and construct flood control methods, with particular emphasis on the protection of critical facilities and critical infrastructure.	Biologic Events; Coastal Hazards; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$50,000+ (per structure or device)	CDBG, FEMA HMGP/ PDM/ FMA, General Fund	Public Works	2016-2021	Applies to existing and future structures.	Moderate
Mitigation/hardening of substantially damaged structures (historic/non-historic).	Coastal Hazards; Extreme Wind; Flooding; Hail; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$50,000+ (per structure)	CDBG, FEMA HMGP/ PDM, Property Owners	Development Department	2016-2021	Applies to existing and future structures.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Identify critical facilities and other necessary public buildings that require emergency power generation - Purchase and install emergency power generators and related housing and connection equipment at all critical facilities or other necessary public buildings.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	Unknown	FEMA HMGP, CDBG, General Funds, Enterprise Funds	Office of Emergency Management, Public Works	2016-2021	Some facilities addressed after Ike. Additional facilities to be identified. Applies to existing and future development.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Design and construct a Safe Room (using FEMA 361 design guidance) to house emergency personnel and first responders who must remain on the island during evacuations.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$25-$30MM	FEMA HMGP/ PDM, General Funds, Donations, CDBG	Office of Emergency Management, City Manager's Office	2016-2021	Project applied for under DR-1791 HMGP.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Perform retrofits of public utilities (including sanitary sewer and drinking water systems), which may include the following: inflow guards on manhole covers, elevated electrical components, flood proof or elevate utility structures within SFHAs, ring berms around critical facilities that cannot feasibly be elevated, watertight manhole covers, tied down fuel storage tanks.	Biologic Events; Coastal Hazards; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000+ per project	FEMA HMGP/ PDM/ FMA, General Funds, TWDB, CDBG	Public Works	2016-2021	Applies to existing structures.	Moderate
Increase native canopy by tree planting in public rights-of-way to reduce urban heat levels.	Drought	Existing (On-going)	$10,000	Arbor Day Foundation General Funds, CDBG	Development Department, Public Works, Parks and Rec	2016-2021	Applies to existing and future development.	Moderate
Develop and implement a system for early detection / notification of hazardous materials incidents, leaks and accidents.	Hazardous Materials Incident	Existing (On-going)	$25,000+	Private funding	Galveston Fire Department, Public Works, Office of Emergency Management	2016-2021	Cost would be dependent on material.	Moderate
Investigate eligibility and benefits of National Weather Service's "StormReady" Community program – Maintain program membership	Extreme Wind; Lightning; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$2,500	Private Funds, General funds	Office of Emergency Management	2016-2021	Joined and renewed membership- September 2015.	Low

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Wind retrofit critical facilities and those other public buildings that must function following as extreme wind event.	Extreme Wind; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$25,000+	FEMA HMGP/ PDM, General Funds, CDBG	Office of Emergency Management, Development Department, Public Works, City Manager's Office	2016-2021	Project for McGuire Dent Recreation Center funded under DR-1791 HMGP. Applies to existing structures.	Moderate
Develop and implement stormwater drainage system improvements.	Flooding	Existing (On-going)	$25,000	General Funds, Enterprise Funds, TWDB, CDBG	Public Works	2016-2021	Applies to existing and future development.	Moderate
Develop and implement stormwater drainage system improvements for South Shore, including possible pump station and capacity for future conditions	Flooding	New	$45m - $50m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate
Develop and implement stormwater drainage system improvements for 18th Street system, including possible pump station and capacity for future conditions	Flooding	New	$55m-$65m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate
Develop and implement stormwater drainage system improvements for 22nd Street system, including possible pump station and capacity for future conditions	Flooding	New	$25m-$30m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Develop and implement stormwater drainage system improvements for 24th Street system, including possible pump station and capacity for future conditions	Flooding	New	$24m-$30m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate
Develop and implement stormwater drainage system improvements for 27th Street system, including possible pump station and capacity for future conditions	Flooding	New	$45m-$50m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate
Develop and implement stormwater drainage system improvements for 30th Street system, including possible pump station and capacity for future conditions	Flooding	New	$25m-$30m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate
Develop and implement stormwater drainage system improvements for 33rd Street system, including possible pump station and capacity for future conditions	Flooding	New	$40m-$50m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate
Develop and implement stormwater drainage system improvements for 37th Street system, including possible pump station and capacity for future conditions	Flooding	New	$65m-$75m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Develop and implement stormwater drainage system improvements for 37th to 51st Street system, including possible pump station and capacity for future conditions	Flooding	New	$85m-$95m	General Funds, Enterprise Funds, Bond Funds, FEMA, GLO, CDBG, TWDB	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate
Study and consider solutions to stormwater flooding in The Strand, including capacity for future conditions, possibility of site-specific mitigation actions, and in consideration of historic structures and character of the area	Flooding	New	$200,000	General Funds, FEMA	Public Works/ Engineering, FEMA Program Manager	2020-2021	This is a new activity for the City of Galveston Applies to existing and future development.	Moderate
Develop vegetation management program to mitigate spread and fueling of fires.	Wildfire / Urban Fire	Existing (On-going)	$5,000	FEMA HMGP/ PDM, Texas Forest Service, General Funds, CDBG	Galveston Fire Department	2016-2021	Applies to existing and future development.	Moderate
Investigate ways to harden and protect facilities and infrastructure belonging to Gulf Coast Water Authority (Sole source provider of potable water to City) – Implement projects as funding becomes available.	Extreme Wind; Flooding; Hazardous Materials Incident; Sea Level Change; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000+	General Funds, Enterprise Funds, FEMA HMGP/ PDM, CDBG	Municipal Utilities	2016-2021	Applies to existing and future development.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Rehabilitate the 1894 Bayline, for use as emergency water connection in the event of failure or damage of the water main.	Coastal Hazards; Extreme Wind; Flooding; Hazardous Materials Incident; Sea Level Change; Tropical Systems and Hurricanes; Tornadoes	Existing (Deferred)	$15,000,000	General Funds, Enterprise Funds, CDBG FEMA HMGP	Municipal Utilities	2016-2021	Applies to existing equipment/structures.	High
Implement plans for elimination of on-site sewage treatment.	Biologic Event; Coastal Hazards; Environmental Disaster; Flooding; Sea Level Change; Tsunami; Tropical Systems and Hurricanes	Existing (On-going)	$10,000+ per structure	General Funds, Enterprise Funds, CDBG, Property Owners	Development Department, Municipal Utilities	2016-2021	Applies to existing structures.	Moderate
Monitor funding sources for opportunities to provide assistance to homeowners for purchase of grinder pumps (maintenance would remain property owner's responsibility).	Biologic Event	Remove / Drop	$5,000+ per structure	Unknown at this time	Development Department, Municipal Utilities	2011-2016	The city has taken the position that grinder pumps are not a preferred option. This action will be removed during the next plan update.	Moderate

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Investigate and implement hardening of IT and phone (communication) infrastructure, to include off-site/remote facilities.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000+	General Funds, FEMA HMGP, CDBG	Development Department, Office of Emergency Management, IT/Finance Department	2016-2021	Applies to existing and future infrastructure.	High

City of Galveston – Mitigation Action Plan								
Proposed Action	Hazard(s) Addressed	New or Existing Action	Estimated Cost	Potential Funding Source(s)	Agency / Department Responsible	Implementation Schedule	Comments	Priority
Increased capacity/hardening for internal departmental communication.	Biologic Event; Coastal Hazards; Drought; Environmental Disaster; Extreme Heat; Extreme Wind; Expansive Soils; Flooding; Hail; Hazardous Materials Incident; Lightning; Sea Level Change; Severe Winter Storm; Tsunami; Wildfire / Urban Fire; Tropical Systems and Hurricanes; Tornadoes	Existing (On-going)	$5,000+	General Funds, FEMA HMGP, CDBG	Development Department, Municipal Utilities, Office of Emergency Management, IT/Finance Department	2016-2021	Applies to existing and future infrastructure.	High

City of Galveston

DEPARTMENT OF DISASTER RECOVERY

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August 18, 2020

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: Tesa Wrobleski, FEMA Public Assistance Program Manager

RE: Consider for approval the adoption of two interim amendments to the City of Galveston's Hazard Mitigation Plan.

I. Background

A. The City of Galveston's Hazard Mitigation Plan was approved by both the Texas Division of Emergency Management (TDEM) and the Federal Emergency Management Agency (FEMA) in August 2017. This approval is valid until July 2022.

B. The next full update to the plan is scheduled to begin in 2021.

C. Many federal mitigation grant programs require that projects submitted for funding be considered in a community's hazard mitigation plan, including CDBG-MIT funding.

D. The availability of federal mitigation grant funding that was not forecast when the plan was approved has resulted in the need to amend the plan to ensure eligibility to receive some of the newly-available mitigation grant funding.

II. Current Situation

A. The City has identified thirteen (13) projects that are not currently included in July 2017 City of Galveston Hazard Mitigation Plan. These projects include ten (10) drainage/stormwater projects and three (3) planning/data collection projects. Each of these projects must be added to the City's Hazard Mitigation Plan to be considered for federal mitigation grant funding.

B. The City submitted an interim amendment of the Hazard Mitigation Plan to TDEM on July 10, 2020. This amendment includes nine (9) drainage/stormwater projects, and two (2) planning/data collection projects. This interim amendment was accepted by TDEM and FEMA in late July 2020.

Tesa Wrobleski, FEMA Public Assistance Program Manager
twrobleski@galvestontx.gov | Office Number: (409) 797-3517 | www.galvestontx.gov

C. The City submitted a second interim amendment of the Hazard Mitigation Plan to TDEM on August 17, 2020. This amendment includes one (1) drainage/stormwater projects, and one (1) planning/data collection projects. This interim amendment was accepted by TDEM on August 18, 2020, and is pending acceptance by FEMA. No issue is expected with FEMA's acceptance of this amendment.

III. Issues

A. None identified.

IV. Alternatives in order of priority

A. Approve the adoption of the two interim amendments to the City of Galveston Hazard Mitigation Plan.

1. Cost – No additional cost at this time.
2. Timing – Adoption should be in place prior to submission of funding requests for projects covered by the plan
3. Impact or Ramifications – The City will gain the ability to make requests for federal mitigation grant funding

B. Do not approve the adoption of the two interim amendments to the City of Galveston Hazard Mitigation Plan.

1. Cost – No additional cost at this time.
2. Timing – No timing issues
3. Impact or Ramifications – The City will be limited in their requests for federal mitigation grant funding.

V. Recommendation

Concur with Alternative A and approve the adoption of the two interim amendments to the City of Galveston's Hazard Mitigation Plan.

Tesa Wrobleski, FEMA Public Assistance Program Manager
twrobleski@galvestontx.gov | Office Number: (409) 797-3517 | www.galvestontx.gov

Respectfully Submitted,

Tesa Wrobleski

Tesa Wrobleski
FEMA Public Assistance Program Manager

City of Galveston

DEPARTMENT OF DISASTER RECOVERY

Tesa Wrobleski, FEMA Public Assistance Program Manager
twrobleski@galvestontx.gov | Office Number: (409) 797-3517 | www.galvestontx.gov

August 18, 2020

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: Tesa Wrobleski, FEMA Public Assistance Program Manager

RE: Consider for approval the City of Galveston Community Development Block Grant Mitigation (CDBG-MIT) Citizen Participation Plan.

I. Background

A. As a result of heavy rainfall and flooding from Hurricane Harvey throughout the State of Texas over an extended period of time in August 2017 the City is eligible to apply for funding from the Texas General Land Office (GLO).

B. The GLO is making funding available through the Community Development Block Grant (CDBG-MIT) statewide through a competitive competition grant process to communities affected by Hurricane Harvey.

C. The current deadline for the statewide completion is October 2020.

D. The City is currently preparing three projects for submittal (maximum submittals allowed).

II. Current Situation

A. The Texas General Land Office (GLO) administers Community Development Block Grant Mitigation (CDBG-MIT) funds allocated to Texas by the U.S. Department of Housing and Urban Development (HUD).

B. As part of the administration of CDBG-MIT funds, the GLO is required to comply with HUD's citizen participation requirements as outlined in HUD's CDBG-MIT Federal Register Notice (84 FR 45838 published August 30, 2019).

C. In order to receive CDBG-MIT funding, sub-recipients of CDBG-MIT funding must also comply with these FR requirements as well as those specified in 24 CFR 570.486 and the GLO CDBG-MIT Application Guide.

Tesa Wrobleski, FEMA Public Assistance Program Manager
twrobleski@galvestontx.gov | Office Number: (409) 797-3517 | www.galvestontx.gov

III. Issues

The City is required to provide documentation that the citizen participation requirements are met in accordance with actions described in the detailed City of Galveston CDBG-MIT Citizen Participation Plan for all approved projects that receive CDBG-MIT funding.

IV. Alternatives in order of Priority

A. Approve the City of Galveston CDBG-MIT Citizen Participation Plan.
B. Do Not Approve the City of Galveston CDBG-MIT Citizen Participation Plan.

V. Recommendation

Approve the City of Galveston CDBG-MIT Citizen Participation Plan

VI. Fiscal Impact Report

Requested by:	Tesa Wrobleski FEMA Public Assistance Program Manager
Funding Source	No Cost for At This Time

Respectfully Submitted

Tesa Wrobleski

Tesa Wrobleski
FEMA Public Assistance Program Manager

Overview

The Texas General Land Office (GLO) administers Community Development Block Grant Mitigation (CDBG-MIT) funds allocated to Texas by the U.S. Department of Housing and Urban Development (HUD). As part of the administration of CDBG-MIT funds, the GLO is required comply with HUD's citizen participation requirements as outlined in HUD's CDBG-MIT Federal Register Notice (84 FR 45838 published August 30, 2019). In order to receive CDBG-MIT funding, subrecipients of CDBG-MIT funds must also comply with these FR requirements as well as those specified in 24 CFR 570.486 and the GLO CDBG-MIT Application Guide.

CDBG-MIT Application Requirements

CDBG-MIT application submittal and project awards are contingent upon the City of Galveston's Application for Federal Assistance (SF-424) certifications and complete documentation that, at a minimum, a substantially complete application was:

- Publicly posted for at least a 14-day public comment period; and
- All comments received and responses are documented as part of the application.

Documentation of citizen participation efforts to be incorporated as part of the application includes, but is not limited to, the following:

- An affidavit of public posting with photos to support the posting;
- Screenshots of a website posting; and
- Newspaper publisher's affidavit and tear sheet;

As part of the application process, the City of Galveston will carry out citizen participation procedures in accordance with this plan and will certify compliance with these requirements by signing the Application for Federal Assistance (SF-424) form.

CDBG-MIT Citizen Participation Plan

As part of the citizen participation process, the city will ensure that all citizens have equal access to information about project activities by ensuring documentation of the following:

(1) Outreach Efforts: The city will provide reasonable public notice, appraisal, examination, and comment on the activities proposed for the use of CDBG-MIT funds. These efforts shall:

(a) Provide for and encourage citizen participation, particularly by low- and moderate-income persons, and areas in which CDBG-MIT funds are proposed to be used;

(b) Ensure that citizens will be given reasonable and timely access to local meetings, information, and records relating to an entity's proposed and actual use of CDBG-

MIT funds;

(c) Furnish citizens information, including, but not limited to:

i. The amount of CDBG-MIT funds expected to be made available;

ii. The range of activities that may be undertaken with the CDBG-MIT funds;

iii. The estimated amount of the CDBG-MIT funds proposed to be used for activities that will meet the national objective of benefit to low- and moderate-income persons; and

iv. If applicable, the proposed CDBG-MIT activities likely to result in displacement and the entity's anti-displacement and relocation plan;

(d) Provide citizens with reasonable advanced notice of, and opportunity to comment on, proposed activities in an application to GLO and, for grants already made, activities which are proposed to be added, deleted, or substantially changed from the city's application to the state. "Substantially changed" means changes made in terms of purpose, scope, location, or beneficiaries as defined by criteria established by GLO;

(e) These city's outreach efforts will be accomplished through one or more of the following methods:

i. Publication of notice in a local newspaper (a published newspaper article may also be used, so long as it provides sufficient information regarding program activities and relevant dates);

ii. Notices prominently posted in public buildings and distributed to local public housing authorities and other interested community groups;

iii. Posting of notice on the local entity website (if available);

iv. Public hearing; or

v. Individual notices to interested citizen organizations, advisory groups, and other entities as applicable using one or more of the following methods:

- Certified mail;
- Electronic mail or fax;
- First-Class (regular) mail; or
- Personal delivery (e.g., at a council of governments meeting).

Along with the application certification and documentation, the city will retain any notices of public hearings that the city may have that relate to the application and administration of CDBG-MIT funds. In addition, the city will undertake the following:

(2) Adoption of CBDG-MIT Complaint Procedures: These written citizen complaint procedures will provide a timely written response (within 15 working days) to complaints and grievances. Citizens will be made aware of the location and the days and hours when

the location is open for business so they may obtain a copy of these written procedures.

(3) Technical Assistance: When requested, the city shall provide technical assistance to groups representative of persons of low and moderate income in developing proposals for the use of CDBG-MIT funds. The level and type of assistance shall be determined by the specific needs of the community's residents, agencies, and organizations.

(4) Public Hearing Provisions: For each public hearing scheduled and conducted the following all public hearing provisions listed in 1 (c) listed above will be observed in addition to the following:

(a) Public notices for any hearings will be published at least seventy-two (72) hours prior to the scheduled hearing. The public notice will be published in a local newspaper. Each public notice will include the DATE, TIME, LOCATION, and TOPICS to be considered at the public hearing. A published newspaper article may also be used to meet this requirement so long as it meets all content and timing requirements. Notices will also be prominently posted in public buildings and distributed to local public housing authorities and other interested community groups.

(b) Each public hearing shall be held at a time and location convenient to potential or actual beneficiaries and will include accommodation for persons with disabilities. Persons with disabilities must be able to attend the hearings, and an applicant must make arrangements for individuals who require auxiliary aids or services if contacted at least 2 days prior to each hearing.

(c) When a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, an interpreter will be present to accommodate the needs of the non-English speaking residents.

(d) Due to local COVID-related restrictions, the city may conduct a public hearing via webinar if a physical location with associated reasonable accommodations will be made available, to ensure that those individuals without the necessary technology are able to participate.

More specifically, the following actions will be undertaken to implement the citizen participation plan in order to encourage citizen participation at all stages of the city's CDBG-MIT projects

(1) Subsequent to the posting and publication of CDBG-MIT applications, the city will provide a reasonable opportunity of at least 14 days and have a method(s) for receiving comments for substantially complete applications. Substantially complete applications will include, at a minimum, a scope of work, budget, identification of all sources of funding, and maps to identify the project location and beneficiaries. Citizens with disabilities or those who

need technical assistance can contact the city's office for assistance, either via calling (409) 797-3546 or through the Federal Information Relay Service (1-800-877-8339) for TTY/Voice Communication.

All CDBG-MIT public notices will be published in the Galveston Daily News, posted on the city's website, and may be posted and/or distributed on social media, at city hall, public works department, public library, community centers, and Public Housing Authority. In addition, hard copies of the substantially complete CDBG-MIT applications, and free copies thereof, will be available at:

Galveston City Secretary Office
823 Rosenberg
Galveston, TX 77550

Upon request, the Galveston Community Outreach Department will make the applications and program related materials available in a form accessible to persons with disabilities.

(2) Public comments will be collected via USPS mail, fax, email, or through the city's website as follows:

City of Galveston
Community Outreach
823 Rosenberg
Galveston, TX 77550

Phone: 409.797.3546

Email: publicinformationoffice@galvestontx.gov
Website: www.galvestontx.gov

(3) Affected citizens will receive notifications through electronic mailings, press releases, statements by public officials, media advertisements, public service announcements, newsletters, contacts with neighborhood organizations, and/or through social media.

(4) All citizens have equal access to information about the programs, including persons with disabilities and limited English proficiency (LEP). In addition, the city will ensure that program information is available in the appropriate languages for the geographic area served by the jurisdiction. To ensure that program information is available to LEP populations, the city will utilize HUD's *Final Guidance to Federal Financial Assistance Recipients Regarding Title VI, Prohibition Against National Origin Discrimination*

Affecting Limited English Proficient Persons in the Federal Register notice published January 22, 2007 (72 FR 2732).

(5) Stakeholder consultation: The city will consult and conduct outreach for affected local governments, Indian Tribes, public housing authorities, nongovernmental organizations, the private sector, and other stakeholders and affected parties.

(6) Consideration of public comments: The city will consider all written comments regarding specific applications for CDBG-MIT assistance. A summary of the comments and the city's response to each will be included in the relevant application submitted to GLO for approval.

(7) Citizen complaints: The city will provide a timely written response to every citizen complaint received. The response will be provided within 15 working days of the receipt of the complaint, if practicable. In addition, citizens will be made aware of the city location, days, and hours when copies of the procedures will be available. Complaints regarding fraud, waste, or abuse of government funds will be forwarded to the HUD OIG Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov).

(8) The city will assist GLO to maintain their public website that provides information accounting for how all grant funds are used and managed/administered, including: links to all CDBG–MIT applications; performance reports; citizen participation requirements; and activity/program information for activities described in its application, including details of all contracts and ongoing procurement policies.

(9) All public notices, minutes, and attendance lists for any public hearings, meetings, or other citizen participation opportunities will be retained and submitted to GLO.

Post-Funding Citizen Participation Efforts

Upon GLO approval for CDBG-MIT funding, the city will:

(e) Maintain a compliant Citizen Participation File for each funded project.

(f) Hold a public hearing any time a substantial change in use of CDBG-MIT funds from one eligible activity to another is proposed. GLO will determine when a change is substantial.

(g) Hold public hearings to review the recovery program's performance, including the actual use of CDBG-MIT funds upon completion of all CDBG-MIT project activities prior to requesting closeout.

(h) Retain all documentation of the hearing notice(s), attendance lists, minutes of the hearing(s), and any other records concerning the actual use of funds. In addition, the

city's Record Retention Policy (regarding federal grants) will include language requiring the retention of all its grant-related documentation for 3 years from the date GLO closes the city's related disaster grant with HUD.

Post-funding, all CDBG-MIT records will be made available to the public in accordance with Chapter 552, Government Code and the city's records retention requirements.

CDBG-MIT Citizen Participation Files

For each application, the City of Galveston will provide documentation that the citizen participation requirements were met in accordance with 84 FR 45838, 24 CFR 570.486, and GLO CDBG-MIT Application Guide. In addition, the city's Citizen Participation File for each project will include, at a minimum, the following:

1. A copy of the CDBG-MIT Citizen Participation Plan meeting all GLO CDBG-MIT requirements;
2. CDBG-MIT Complaint Procedures, Compliant Log, and copies of all Compliant Responses;
3. Detailed listing of all Technical Assistance (TA) provided during the administration of CDBG-MIT project activities; and
4. Public notices, minutes, and attendance lists for any public hearings, meetings, or other citizen participation opportunities.

Adoption

The City of Galveston CDBG-MIT Citizen Participation Plan is hereby adopted by the City Council

in regular session on this _____ day of _____, 2020.

_____	_____
[WITNESS SIGNATURE]	[CHIEF ELECTED OFFICIAL SIGNATURE]
_____	_____
[PRINTED NAME]	[PRINTED NAME]
_____	_____
[DATE]	[DATE]

City of Galveston

DEPARTMENT OF DISASTER RECOVERY

Tesa Wrobleski, FEMA Public Assistance Program Manager
twrobleski@galvestontx.gov | Office Number: (409) 797-3517 | www.galvestontx.gov

August 18, 2020

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: Tesa Wrobleski, FEMA Public Assistance Program Manager

RE: Consider for approval the funding of a grant in the amount of $50,000 to the Galveston Economic Development Partnership (GEDP) for the collection, analysis, and provision of local business and economic loss and recovery data for the determination of economic recovery needs due to COVID-19, and authorize the City manager to complete the grant utilizing CARES ACT funding.

I. Background

A. The City of Galveston declared a local Disaster Declaration on March 16, 2020 due to the COVID-19 Pandemic. The City continues to be impacted by the ongoing events due to COIVD-19, including economic and financial impacts to local businesses.

B. The State of Texas Corona Relief Fund (CRF) was established under the CARES ACT, and authorized reimbursement of eligible expenses incurred during the incident period of March 1, 2020 through December 30, 2020 for COVID-19.

C. Economic recovery and support activities are an allowable use of the City's CARES Act funding, as confirmed by the Texas Division of Emergency Management.

D. There is currently no means for the City of Galveston to collect and analyze data related to local business and economic losses resulting from disasters and emergencies. This data point is often required to support requests for funding and programs to both the State of Texas and various federal disaster recovery funding agencies.

II. Current Situation

A. The City has evaluated several possibilities for ways to collect and analyze local business and economic loss data, and has determined the best methodology to be

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twrobleski@galvestontx.gov | Office Number: (409) 797-3517 | www.galvestontx.gov

through a partnership with the Galveston Economic Development Partnership (GEDP).

B. GEDP has existing relationships with local businesses and other providers of data that make it ideally situated to assume this task and to provide analyzed data and reports to the City upon request.

C. GEDP requires start-up funding of $50,000 in the form of a one-time grant from the City in order to undertake this task, but is prepared to fund the ongoing maintenance costs of this task in future year budgets.

III. Issues

A. CARES Act funding must be expended by December 30, 2020 in order to comply with the CARES ACT funding provisions.

IV. Alternatives in order of priority

A. Approve the issuance of this one-time grant of $50,000 to GEDP for the stated purpose, and authorize the City Manager to complete the purchase utilizing CARES ACT funding.

1. Cost – $50,000 CARES ACT Funding
2. Timing – Funds must be expended by December 30, 2020
3. Impact or Ramifications – The City will gain the ability to make requests for additional emergency or disaster funding or programs based on business and economic losses due to COVID-19 impacts.

B. Do not approve the issuance of this one-time grant of $50,000 to GEDP for the state purpose.

1. Cost – No additional cost at this time.
2. Timing – No timing issues
3. Impact or Ramifications – The City will continue to lack the ability to make requests for additional emergency or disaster funding or programs based on business and economic losses due to COVID-19.

Tesa Wrobleski, FEMA Public Assistance Program Manager
twrobleski@galvestontx.gov | Office Number: (409) 797-3517 | www.galvestontx.gov

V. **Recommendation**

Concur with Alternative A and approve issuance of a one-time grant of $50,000 to GEDP, and authorize the City manager to complete the grant utilizing CARES ACT funding.

Respectfully Submitted,

Tesa Wrobleski

Tesa Wrobleski
FEMA Public Assistance Program Manager

Grant Contract: Terms and Provisions

This grant contract ('the Agreement') is entered into between the City of Galveston, acting by and through the City Council, hereinafter referred to as 'City', and the Galveston Economic Development Partnership (GEDP), hereinafter referred to as 'Grantee'.

Grantee: Galveston Economic Development Partnership
PO Box 8029
Galveston, Texas 77553

Approved: August 27, 2020

Amount: $50,000

Period: Upon approval through December 15, 2020

Purpose: The purpose of the grant is to provide the GEDP with funding from the CARES ACT to coordinate a focused effort in the Galveston business community to develop a Comprehensive COVID-19 Business Impact Report (CCBIR) to quantify the impacts on the business community in the City of Galveston resulting from the COVID-19 pandemic to date.

Responsibilities of Grantee:

1. The Grantee will be responsible for the capturing, coordinating, and cataloging reported business losses to the City of Galveston businesses and developing a reporting capability to capture business economic impacts due to the COVID-19 Pandemic. The reporting capability will include, analyzing and reporting on data points related to the economic impact of COVID-19 on local businesses.

2. The Grantee will be responsible for coordinating business public outreach to encourage that businesses participate in the data gathering process and that data will be readily available to determine the economic viability of the business community.

Specific Conditions:

1. All funds must be used for the purposes defined in this document.

2. Grantee agrees to recognize the City as a partner in this project.

3. Grant will be paid in one (1) installment upon receipt of a written request for payment.

4. The period of funds availability for this grant cannot be extended unless the period of availability and use of CARES Act funding is extended by the US Department of Treasury and/or the Texas Division of Emergency Management.

5. Grantee agrees to comply with all general conditions of this agreement.

General Conditions:

1. COVID-19 Report to the City: The Grantee will provide the City with a CCBIR written report of the specific, quantified impacts of COVID-19 on local businesses, with recommendations, strategies, actions, or programs that could be created or implemented to aid economic recovery and stabilization. This CCBIR report will be provided to the City no later than December 15, 2020.

2. Other Reports to the City: The Grantee will provide monthly updates during the term of this agreement to the City related to the progress and status of data/information collected related to the Galveston business community.

3. Use of Grant Funds: All funds awarded by the City under this Agreement must be used for the purposes summarized previously. No changes or modifications may be made without the City's knowledge and approval. All grant funds must be returned to the City if the funds are not expended for the purposes of the grant within the stated period of time.

4. Payment: The City will make payment in a single installment upon request from the Grantee.

5. Public Announcements: The City may, at their discretion, release information regarding this grant to the media, including the City's social media platforms. Should the Grantee wish to release additional information after accepting the grant, they may do so without additional or prior clearance from the City. However, the City shall be furnished with copies of all news releases and any other published materials, pictures, etc. with may develop in connection with this grant award.

6. City Logo and Seal: The use of the City of Galveston Seal and any logos from and third party vendor is strictly prohibited without the written authorization from the City of Galveston Legal Department.

Oher Provisions:

1. This grant award has been approved by the City Council and is accepted by the Grantee with the understanding that the City is not obligated to provide additional support.

2. It is understood that this grant is limited to the use previously defined.

3. Except as otherwise provided herein, to the full extent possible,

    a. All representations, obligations, and undertakings of each of the parties to this Agreement shall be performable in Galveston, Texas; and

b. The proceeds of this Grant shall be funded in Galveston, Texas.

4. This contract is executed in Galveston County, Texas this _____ day of August, 2020.

Acceptance:

We accept this grant subject to the terms and provisions stated above.

8-18-20

_____ _____

Jeffrey Sjostrom, President Date
Galveston Economic Development Partnership

_____ _____

Brian Maxwell, City Manager Date
City of Galveston

Report Content and Outline

This information is provided to provide guidance in the development of the required reports. The information provided to the City will serve several important functions. It will provide the City with documentation of losses and damages to support requests for assistance to the State of Texas related to COVID-19. It will also provide the City with valuable data and information to determine possible ways to help local businesses – and by extension the community – related to COVID-19.

Please provide the following with each report:

1. A one-page summary of the contents of the report.
2. Details of the data collected and analyzed, including date ranges of data collected.
3. A description of the analysis or assessment methodology and any assumptions.
4. A description of the current impacts to businesses, and those projected to occur without assistance or support. Includes topics such as how many employees were laid off, how many businesses closed, how many have re-opened, how many may never re-open, and how many may have received business loans.
5. Specific recommendations or strategies for projects or programs to support or assist local businesses with their recovery.
6. Visual aids and references to illustrate the findings and/or recommendations of the report.
7. Visual aids can be provided upon request that are reflective of the City Council Districts or any specific area requested.

City of Galveston

HUMAN RESOURCES DEPARTMENT
P. O. Box 779 | Galveston, TX 77553-0779
409.797.3650 (Office) | 409.356.4003 (Facsimile)

To: Honorable Mayor and Members of the City Council

From: Kent Etienne, Jr. – Executive Director

Date: August 27, 2020

RE: Consider for approval a recommendation from the Chapter 172 Health Benefits Plan Board of Trustees to renew Blue Cross Blue Shield of Texas as the carrier for Specific and Aggregate Stop Loss Coverage effective October 1, 2020, through December 31, 2021.

I. BACKGROUND

A. Blue Cross Blue Shield of Texas (BCBSTX) serves as the City's Third Party Administrator (TPA) and currently manages employee healthcare and pharmacy benefits. The TPA also oversees the City's Specific and Aggregate stop loss coverage.

B. The City and the Board of Trustees for the Galveston Wharves entered into an Interlocal Agreement effective January 1, 2016, wherein employees of the Port of Galveston and their dependents became participants in the City's current plan for medical and pharmacy benefits and stop loss coverage.

C. The City and the Board of Trustees for the Park Board entered into an Interlocal Agreement effective January 1, 2017, wherein employees of the Park Board and their dependents became participants in the City's current plan for medical and pharmacy benefits and stop loss coverage.

D. Stop Loss Coverage has historically been renewed each fiscal year. The Health Benefits Plan Board considered the recommendations from its Health Benefits Consultants to transition the Specific and Aggregate Stop loss contract effective periods to align with the medical Plan Year (January 1st – December 31st of each year).

E. Following review of the Consultant's recommendation and the renewal proposals from BCBSTX, the Board unanimously voted to renew Aggregate and Specific Stop Loss Coverage through BCBSTX and to transition the Stop loss contract effective periods to align with the medical Plan Year.

II. CURRENT SITUATION

A. The City must continue contractual services from a carrier for the administration of Stop Loss Coverage for eligible employees of the City, Port of Galveston, and the Park Board and dependents that are enrolled in the City's Health Plan.

B. The Plan Board ultimately seeks to renew for a 15-month period. This will be inclusive of a short 3-month contract period, which will be followed by a 12-month

contract period beginning January 1, 2021, and ending December 31, 2021.

III. ISSUES

A. Whether to accept the recommendation from the Chapter 172 Health Benefits Plan Board of Trustees to renew Blue Cross Blue Shield as the carrier for Specific and Aggregate Stop Loss Coverage effective October 1, 2020, through December 31, 2021.

IV. ALTERNATIVES IN ORDER OF PRIORITY

A. Alternative #1: Approve the recommendation.
B. Alternative #2: Take no action.

V. RECOMMENDATION

Concur with Alternative A. Accept the recommendation from the Chapter 172 Health Board of Trustees approving renewal of BCBSTX as the carrier for Specific and Aggregate Stop Loss Coverage effective October 1, 2020, through December 31, 2021.

VI. FISCAL NOTE

Funding Source: 50303- Health and Life Insurance Fund

Total Projected Cost October 1, 2020 – December 31, 2020
Specific Stop Loss Premiums: Monthly Premiums amounts are obtained by multiplying the number of Individual and Family Coverage Units for a particular month by: **$108.57**
Aggregate Stop Loss Premiums: Monthly Premiums amounts are obtained by multiplying the number of Individual and Family Coverage Units for a particular month by: **$1.87**

PPO	Fee	Total Cost
Projected Net Paid Claims		$2,321,357
Individual Stop Loss ($200,000 Level)	$108.57	$310,076
Aggregate Stop Loss 125% Attachment Point	$1.87	$5,341
Administration Fee	$46.68	$133,318
Prescription Drug Rebate Credit	($37.93)	($108,328)
Traditional Select Network / Basic Drug List		
Total Projected Cost		$2,661,764
Run-Off Administration	$16.28	$46,496
Run-Off Claim Liability	$330.12	$942,823

City of Galveston

HUMAN RESOURCES DEPARTMENT
P. O. Box 779 | Galveston, TX 77553-0779
409.797.3650 (Office) | 409.356.4003 (Facsimile)

Total Projected Cost January 1, 2021 – December 31, 2021
Specific Stop Loss Premiums: Monthly Premiums amounts are obtained by multiplying the number of Individual and Family Coverage Units for a particular month by: **$116.87**
Aggregate Stop Loss Premiums: Monthly Premiums amounts are obtained by multiplying the number of Individual and Family Coverage Units for a particular month by: **$1.87**

PPO	Fee	Total Cost
Projected Net Paid Claims		$9,568,818
Individual Stop Loss ($200,000 Level)	$116.87	$1,305,672
Aggregate Stop Loss 125% Attachment Point	$1.87	$20,892
Administration Fee	$46.68	$521,509
Prescription Drug Rebate Credit	($40.08)	($447,774)
Traditional Select Network / Basic Drug List		
Total Projected Cost		$10,969,117
Run-Off Administration	$16.28	$45,470
Run-Off Claim Liability	$330.12	$922,025

Respectfully submitted,

Kent Etienne Jr., Executive Director

City of Galveston

Community Outreach Department
PO Box 779 | Galveston, TX 77553-0779
| 409-797-3546

August 17, 2020

To: Brian Maxwell, City Manager
Honorable Mayor and City Council

RE: Discuss and consider a contract for video streaming services between the City of Galveston and Swagit Productions, LLC

I. Current Situation

A. The City of Galveston has utilized the video streaming services of Swagit Productions LLC since 2010.
B. The City of Galveston uses Swagit Productions LLC to stream on Channel 16, the website and also to live-stream on the City of Galveston Facebook page. The company also indexes the meetings.
C. The City of Galveston in 2010 installed video equipment to provide these services. The last upgrade to the equipment was completed in 2015.

II. Proposed Contract

The proposed contract with Swagit Productions, LLC before the Galveston City Council continues existing services with additional features to meet certain ADA accessibility requirements and provides for a necessary equipment upgrade.

The current monthly cost is $1,795. The proposed changes would increase the monthly cost to $4,195 because of the addition of a captioning service ($2,400 per month.) This includes post-meeting closed captioning to provide a transcript of meetings, in an effort to comply with ADA accessibility requirements for the hearing-impaired. The proposal also includes an equipment upgrade. The equipment in the AV room was last updated in 2015. The new contract provides for the equipment and installation of a broadcast system and hardware upgrade.

The City of Galveston issued an RFP for video streaming services and necessary equipment upgrades in 2019. The City of Galveston received two formal bids, one from the existing provider (Swagit) and another from a media company (CReed Global Enterprises.) A committee made up of members of the Community Outreach and Information Technology departments determined the Swagit proposal demonstrated a better ability to meet the services as requested.

This is a three-year contract with two options for one-year renewals.

III. Recommendation

Staff recommends renewal of this contract.

IV. Fiscal Impact Report

Requested By: Barbara Sanderson, Executive Director Community Outreach; Marissa Barnett, Public Information Officer

Funding Source: Monthly Fee - General Fund – Community Outreach Department Budget
Equipment – Public Education Grant funds

Commodity: Technology Service

Cost: $4,195 monthly for service; $63,492 one-time expense for equipment and installation

Respectfully Submitted

Marissa Barnett

Marissa Barnett, Public Information Officer

Barbara Sanderson

Barbara Sanderson, Executive Director Community Outreach

AGREEMENT FOR
VIDEO STREAMING SERVICES

CITY OF GALVESTON
and
SWAGIT PRODUCTIONS, LLC

This Agreement for Video Streaming Services ("Agreement") is made by and between the City of Galveston, Texas ("City"), a municipal corporation with offices at 823 Rosenberg, Galveston, Texas 77553, and Swagit Productions, LLC, ("Provider") a Texas Limited Liability Company, with offices at 12801 N. Central Expressway, Suite 900, Dallas, Texas 75243 effective as of the date written below. By entering into this Agreement, Provider agrees that City is entering into this agreement in its governmental capacity, and not a proprietary one.

RECITALS

A. The City desires to enter into this Agreement in order to obtain video streaming services for scheduled meetings as outlined in the Scope of Services attached as Exhibit "A"; and

B. Provider has available and offers to provide the personnel necessary to provide said services in accordance with the Scope of Services included in this Agreement (see Exhibit A attached hereto and incorporated herein); and

C. Provider is in the business of providing video streaming services for businesses and governmental entities, and represents and warrants that it has the skills, qualifications, expertise and experience necessary to perform the work and services to provide and implement video streaming services as described herein in an efficient, cost-effective manner with a high degree of quality and responsiveness and has performed and continues to perform the same and similar services for other buyers; and

D. On the basis of and in reliance upon such representations by Provider and others made herein and in Provider's proposal, the City desires to engage Provider to provide the work and services described herein under the terms and conditions of this Agreement.

For the reasons recited above, and in consideration of the mutual covenants contained in this Agreement, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Provider agree as follows:

1. SERVICES TO BE PERFORMED BY PROVIDER

Provider agrees to perform the following work and services for the City:

1.1 Provider agrees to provide the work and services as set forth in the Scope of Services.

1.2 Without limiting the foregoing provisions of Section 1.1, the services to be provided by the Provider include the installation ("Installation") by Provider of all hardware, software, cameras, wiring, and related equipment and materials identified and described in the Scope of Services (collectively, the "Equipment") within the City of Galveston's Chambers located at City Hall, 823 Rosenberg, Galveston, Texas 77553 (the "Site"). Before installing the same, Provider shall deliver to the City, for review and consideration of approval, drawings or plans and specifications for such Installation. The City's approval of any Installation or related plans does not and shall not constitute a representation or warranty by the City that the Installation or related plans comply with any specifications therefor or with any applicable governmental laws, rules, codes, standards, or regulations.

2. COMPENSATION OF PROVIDER

2.1 Provider agrees to provide all of the services and Equipment set forth in the Scope of Services and as described herein for the following amounts:

(a) A one-time charge not to exceed:

(i) **Five Thousand Eight Hundred Ninety and No/100 Dollars** ($5,890.00) for Swagit EASE hardware/software and other related (including, without limitation, Installation) costs (as identified and detailed on the attached Exhibit "A", page 3, "*Streaming Video Hardware*"); and

(ii) **Fifty-Seven Thousand Six Hundred Two and No/100 Dollars** ($57,602.00) for broadcast system hardware/software and other related (including, without limitation, Installation) costs (as identified and detailed on the attached Exhibit "A", page 5, "*Avior Broadcast System*"); and

(b) Following the Installation at the Site of all Equipment by Provider and the acceptance thereof by the City, the City shall pay to Provider a monthly fee in the amount of **Four Thousand One Hundred Ninety-Five and No/100 Dollars** ($4,195.00) for on-demand streaming, live video streaming, social media eXstream, sound search, VOD closed captions and remote switching (as identified and described on the attached Exhibit "A", page 3, "*Streaming Video Monthly Managed Services*").

(c) The City shall pay to the Provider an optional yearly fee in the amount of **Six Hundred Ninety-Five and No/100 Dollars** ($695.00) for Playout Annual Support and Maintenance Fee (as identified and described on the attached Exhibit "A", page 3, "*Playout System Support & Annual Maintenance*").

2.2 (a) Payment for the work, services, and Equipment described in Section 2.1(a)(i)

and 2.1(a)(ii), above, shall be due and payable following the completion of the Installation of the Equipment by Provider, the acceptance thereof by the City, and the receipt by the City of an invoice from Provider for such work, service and Equipment; provided, however that with respect to the work, service and Equipment described in Section 2.1(a)(ii), fifty percent (50%) of the not-to-exceed amount set forth therein (or $28,801.00) shall be due and payable not later than fifteen (15) days following the date Agreement has been signed by both parties.

(b) Payment balance for the work, services, and Equipment described in Section 2.1(a)(ii) shall be due and payable following the completion of the Installation of the Equipment by Provider and the acceptance thereof by the City.

(c) Except as set forth herein, payments will be processed on a monthly basis (the City may elect annual basis) with payment available within 30 days after receipt of an invoice for the previous month's service. All payments pursuant to this Agreement shall be paid in accordance with the Texas Prompt Payment Act, Texas Gov't Code Chapter 2251.

(d) Should the City fail to pay any invoice that is outstanding more than 60 days, a 5% service fee will be applied to the total amount of that invoice, not including any shipping or sales tax.

3. RIGHTS, OBLIGATIONS AND REPRESENTATIONS OF PROVIDER

3.1 Independent Contractor. The parties agree that Provider performs specialized services and that Provider enters into this Agreement with the City as an independent contractor. Nothing in this Agreement shall be construed to constitute Provider or any of Provider's agents or employees as an agent, employee or representative of the City. Further, nothing in this Agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, a joint enterprise, or to allow the City to exercise discretion or control over the manner in which Provider performs the work and services, which are the subject matter of this Agreement. As an independent contractor, Provider is solely responsible for all labor and expenses in connection with this Agreement and for any and all damages arising out of Provider's performance under this Agreement.

3.2 Provider's Control of Work. All services to be provided by Provider shall be performed in accordance with the Scope of Services. Provider shall furnish the qualified personnel, materials, equipment and other items necessary to carry out the terms of this Agreement. Provider shall be responsible for and in full control of the work of all such personnel. Provider warrants and represents that all Equipment and other goods and materials provided by Provider shall be safe, fully operational, and will not cause injury or damage to any person or property, and that all persons provided by Provider to perform the work and services under this Agreement shall be adequately trained and capable of performing the work and services.

3.3 Reports to the City. Although Provider is responsible for control and supervision of work and services performed under this Agreement, the work and services provided shall be acceptable to the City and shall be subject to a general right of inspection and supervision to ensure satisfactory completion. This right of inspection and supervision shall include, but not be limited to, all reports to be provided by Provider to the City and the right of the City, as set forth in the Scope of Services.

3.4 Compliance with All Laws. Provider shall comply with all applicable laws, statutes, ordinances, rules, regulations, standards, codes, and executive orders of the federal, state and local government, which may affect the performance of this Agreement.

3.5 Organization and Authorization. Provider warrants and represents that: (i) it is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Texas, and which shall remain in good standing throughout the term of this Agreement; (ii) it has the requisite power and authority to carry on its business as it is now being conducted; (iii) it has the legal capacity to enter into this Agreement; (iv) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement have been authorized and approved by all action required on the part of Provider; (v) has the right and authority to sell the hardware and software to the City; (vi) all hardware and software shall be in good working order; and, (vii) all licenses and warranties regarding the software and hardware shall be conveyed to the City.

3.6 No Conflict. Provider warrants and represents that the execution and delivery of this Agreement and ancillary agreements hereto by Provider does and will not: (i) conflict with, or result in any violation or breach of, any provision of Provider's charter documents; (ii) result in any violation or breach of, or constitute a default under, or require a consent or waiver under, any of the terms, conditions or provisions of any license, contract or other agreement to which Provider is a party; or (iii) conflict with or violate any franchise, license, judgment, order, statute, law, rule or regulation applicable to Provider.

3.7 Camera and Broadcast Operations. Although Provider is responsible for control and supervision of work and services performed under this Agreement, the City understands that the operation of the camera and broadcast system can be done remotely. Such remote operation requires access via inbound TCP port 2001, outbound TCP ports 21, 80, 443, 1935, 5721, and outbound UDP ports 53, 123. The City will need to supply the Provider with access to such TCP and UDP ports with respect to the City's Internet connection. If, such access is not given or the City's Internet connection fails during operations, the Provider will not be held responsible for remote camera operations. Additionally, in the event the Provider decides to operate such system manually, the City shall provide access to the equipment (as identified and described in the Scope of Services, page 5, "*Avior Broadcast System*") at the Site described in Section 1.2, above.

3.8 Warranty. Provider warrants that: (i) any streaming server hardware provided by Swagit not in good working order and used under normal operating conditions, will be fully replaced for a period of three (3) years; (ii) thereafter, all costs of streaming

server hardware replacement due to any failure or caused by normal wear and tear, shall be at the City's expense; (iii) all operating and proprietary software for any streaming server shall be fully replaced or upgraded, at no cost to the City, for the life of the contract; and, (iv) all hardware and software for the broadcasting equipment (as identified and described in the Scope of Services, page 5, "*Avior Broadcast System"*), shall be replaced or fixed with respect to each components manufacturer's warranties.

3.9 Provider's Service Network. Provider's content delivery network and service level represents that: (i) it maintains full N+1 redundancy on all service critical-infrastructure in order to protect against outages. Multiple mirror facilities provide diverse geographic redundancy. Within each facility servers have multiple power supplies, network interfaces and RAID protected storage. Provider is connected to upstream bandwidth providers by multiple gigabit uplinks, transitioning to gigabit and ten-gigabit connections to multiple "tier 1" bandwidth providers, offering route diversity and redundancy. These bandwidth providers maintain 24/7 staffs familiar with mitigating Denial of Service attacks, should the need arise, which they have sufficient capacity to absorb-and-filter; (ii) Provider utilizes external, 3rd party monitoring services to track server availability metrics. This service tracks availability from approximately 30 international points which helps isolate regional networking issues, in addition to any centralized failures; (iii) Content is stored and viewable to the public on the Provider's networks for a period of three years or as defined by the managed services agreement. All Content is stored and backed up offline indefinitely for the life of the Agreement. Content can also be stored locally on the City's network for an indefinite period of time limited only by storage capacity, with the added benefit of cached delivery to local users. City is consulted before they exceed any storage horizon and may extend the window for additional years; (iv) Content is stored in widely accessible formats and is available for export at any time. Exported data will include multimedia content and associated documents in their native format as well as any structured metadata in XML format. Access to exported content can be via FTP but in such an event the City is encouraged to provide a portable hard drive to ease the transition of storage and bandwidth intensive content; and (v) the City may verify compliance with these policies at any time in consultation with Provider engineers and officers.

4. NOTICE PROVISIONS

Notice. Any notice concerning this Agreement shall be in writing and (i) sent by certified or registered mail, return receipt requested, postage prepaid, (ii) delivered personally, or (iii) placed in the custody of Federal Express Corporation or other nationally recognized carrier to be delivered overnight; and addresses for such notice are as follows:

To the City's Authorized Representative:	To Provider:
Jeff Ammerman Asst. Director of Technology Services	David Owusu Director of Streaming

City of Galveston 823 Rosenberg Galveston, TX 77553 409-797-3748	Swagit Productions, LLC 12801 N. Central Expressway, Suite 900 Dallas, Texas 75243 800-573-3160

Notice shall be deemed given upon receipt by the party to whom it is sent.

5. INDEMNIFICATION

Provider (hereinafter referred to as “Indemnitor”) agrees to indemnify, save and hold harmless the City, any jurisdiction or agency issuing permits for any work under this Agreement, and their respective directors, officers, officials, agents, employees and volunteers (hereinafter referred to as "Indemnitee") from and against any and all liabilities, damages, losses, or expenses (including court costs, attorney's fees, and costs of claim processing, investigation and litigation) (hereinafter collectively referred to as "Claims") for personal injury (including death) or property damage to the extent caused by the negligent act, omission, negligence or misconduct of the Indemnitor, or any of Indemnitor’s directors, officers, agents, employees or volunteers. This indemnity includes any claim or amount arising or recovered under the Workers' Compensation Law or arising out of the failure of Provider to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree in effect at the time services are rendered. Provider shall be responsible for defense, and judgment costs where this indemnification is applicable.

6. INSURANCE

Provider and its subcontractors shall procure and maintain in a company or companies lawfully authorized to do business in Texas and until all of their obligations have been discharged and satisfied (and including during any warranty periods under this Agreement), insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the services and work hereunder by Provider, its agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits contained herein are sufficient to protect Provider from liabilities that may arise out of the performance of the services and work under this Agreement by Provider, its agents, representatives, employees or subcontractors and Provider is free to purchase additional insurance as may be determined necessary.

A. <u>Minimum Scope and Limits of Insurance.</u> Provider shall provide coverage at least as broad and with limits of liability not less than those stated below.

1. <u>Commercial General Liability</u> - Occurrence Form
(Form CG 0001, ed. 10/93 or any replacements thereof)

General Aggregate	$2,000,000
Products-Completed Operations Aggregate	$1,000,000
Personal & Advertising Injury	$1,000,000
Each Occurrence	$1,000,000
Fire Damage (Any one fire)	$ 50,000
Medical Expense (Any one person)	Optional

(This coverage must be amended to provide for an each-project aggregate limit of insurance)

2. Workers' Compensation and Employer's Liability

Workers' Compensation	Statutory
Employer's Liability: Each Accident	$ 500,000
Disease-Each Employee	$ 500,000
Disease-Policy Limit	$ 500,000

3. Professional Liability $1,000,000

4. Cyber-Liability

Each Occurrence	$1,000,000
Aggregate	$2,000,000

B. OTHER INSURANCE REQUIREMENTS: The foregoing insurance policies shall be endorsed to contain the following provisions:

1. The City of Galveston, its officers, officials, agents, employees and volunteers shall be named as additional insureds with respect to general liability, including liability arising out of activities performed by, or on behalf of, the Provider; products and completed operations of the Provider, and automobiles owned, leased, hired or borrowed by the Provider.

2. The Provider's insurance shall contain broad form contractual liability coverage.

3. The City of Galveston, its, officers, officials, agents, employees and volunteers shall be additional named insureds to the full limits of liability purchased by the Provider even if those limits of liability are in excess of those required by this Agreement.

4. The Provider's insurance coverage shall be primary insurance with respect to the City, its, officers, officials, agents, and employees (and must be endorsed to read as primary coverage regardless of the application of other insurance). Any insurance or self-insurance maintained by the City, its officers, officials, agents, employees, or volunteers shall be in excess to the coverage of the Provider's insurance and shall not contribute to it.

5. The Provider's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6. Coverage provided by the Provider shall not be limited to the liability assumed under the indemnification provisions of this Agreement.

7. The policies shall contain a waiver of subrogation in favor of the City, its officers, officials, agents, and employees.

8. All liability policies shall contain no cross liability exclusions or insured versus insured restrictions applicable to the claims of the City of Galveston.

9. All insurance policies shall be endorsed to require the insurer to immediately notify the City of Galveston, Texas of any material change in the insurance coverage.

10. Provider may maintain reasonable and customary deductibles, subject to approval of the City.

11. Insurance must be purchased from insurers that are financially acceptable to the City and licensed to do business in the State of Texas.

6.1 Notice of Cancellation. Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided or canceled, or not renewed, except after sixty (60) days prior written notice has been given to the City, except when cancellation is for non-payment of premium, then at least ten (10) days prior notice shall be given to the City. Such notice shall be sent directly to:

Jeff Ammerman
Asst. Director of Technology Services
City of Galveston
823 Rosenberg
Galveston, TX 77553

6.2 Acceptability of Insurers. Insurance shall be placed with insurers duly licensed or authorized to do business in the State of Texas and with an "A.M. Best" rating of not less than A- VII, or receiving prior approval by the City. The City in no way warrants that the above-required minimum insurer rating is sufficient to protect Provider from potential insurer insolvency. All insurance must be written on forms filed with and approved by the Texas Department of Insurance.

6.3 Verification of Coverage. Prior to commencing work or services, Provider shall furnish the City with certificates of insurance (ACORD form or equivalent approved by the City) as required by this Agreement (and update the same as needed to

comply with this Agreement). The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf.

Certificates of Insurance shall:

1. List each insurance coverage described and required herein. Such certificates will also include a copy of the endorsements necessary to meet the requirements and instructions contained herein.

2. Specifically set forth the notice-of-cancellation or termination provisions to the City of Galveston.

All certificates and any required endorsements shall be received and approved by the City before work commences. Each insurance policy required by this Agreement shall be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of this Agreement. Failure to maintain the insurance policies as required by this Agreement or to provide evidence of renewal shall constitute a material breach of contract.

All certificates required by this Agreement shall be sent directly to **Jeff Ammerman, Asst. Director of Technology Services, City of Galveston, 823 Rosenberg, Galveston, TX 77553.** The City reserves the right to request and receive within ten (10) days, complete copies of all insurance policies (certified to be true and correct by the insurance carrier) required by this Agreement at any time**.** The City shall not be obligated, however, to review same or to advise Provider of any deficiencies in such policies and endorsements, and such receipt shall not relieve Provider from, or be deemed a waiver of the City's right to insist on, strict fulfillment of Provider's obligations under this Agreement.

6.4 Subcontractors. Providers' certificate(s) shall include all subcontractors as additional insureds under its policies or Provider shall furnish to the City separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements and all provisions identified above.

6.5 Approval. Any modification or variation from the insurance requirements in this Agreement shall be made by the City's risk manager, whose decision shall be final. Such action shall not require a formal amendment to this Agreement, but may be made by administrative action.

7. DEFAULT AND TERMINATION

Events of Default Defined. The following shall be Events of Default under this Agreement:

7.1.1 Any material misrepresentation made by Provider to the City;

7.1.2 Any failure by Provider to perform its obligations under this Agreement including, but not limited to, the following:

7.1.2.1 Failure to commence work at the time(s) specified in this Agreement due to a reason or circumstance within Provider's reasonable control;

7.1.2.2 Failure to perform the work with sufficient personnel and equipment or with sufficient equipment to ensure completion of the work within the specified time due to a reason or circumstance within Provider's reasonable control;

7.1.2.3 Failure to perform the work in a manner reasonably satisfactory to the City;

7.1.2.4 Failure to promptly correct or re-perform within a reasonable time work that was rejected by the City as unsatisfactory or erroneous;

7.1.2.5 Discontinuance of the work for reasons not beyond Provider's reasonable control;

7.1.2.6 Failure to comply with a material term of this Agreement, including, but not limited to, the provision of insurance; and

7.1.2.7 Any other acts specifically stated in this Agreement as constituting a default or a breach of this Agreement.

7.2 Remedies. The following shall be remedies under this Agreement.

7.2.1 Upon the occurrence of any Event of Default, the City may declare Provider in default under this Agreement. The City shall provide written notification of the Event of Default and any intention of the City to terminate this Agreement. Upon the giving of notice, the City may invoke any or all of the following remedies:

7.2.1.1 The right to cancel this Agreement as to any or all of the services yet to be performed;

7.2.1.2 The right of specific performance, an injunction or any other appropriate equitable remedy;

7.2.1.3 The right to monetary damages;

7.2.1.4 The right to withhold all or any part of Provider's compensation under this Agreement;

7.2.1.5 The right to deem Provider non-responsive in future contracts to be awarded by the City; and

7.2.1.6 The right to seek recoupment of public funds spent for impermissible purposes.

7.2.2 The City may elect not to declare an Event of Default or default under this Agreement or to terminate this Agreement upon the occurrence of an Event of Default. The parties acknowledge that this provision is solely for the benefit of the City, and that if the City allows Provider to continue to provide the services despite the occurrence of one or more Events of Default, Provider shall in no way be relieved of any of its responsibilities or obligations under this Agreement, nor shall the City be deemed to waive or relinquish any of its rights under this Agreement. The City may, in the absence of a default, choose to terminate this agreement on a no default basis, with 30 days' notice to Provider.

7.3 Right to Offset. Any excess costs incurred by the City in the event of termination of this Agreement for default, or in the event the City exercises any of the remedies available to it under this Agreement, may be offset by use of any payment due for services completed before termination of this Agreement for default or the exercise of any remedies. If the offset amount is insufficient to cover excess costs, Provider shall be liable for and shall remit promptly to the City the balance upon written demand from the City.

8. GENERAL PROVISIONS

8.1 Headings. The section and subsection headings contained herein are for convenience only and shall not be used in interpretation of this Agreement and are not intended to define or limit the scope of any provision of this Agreement.

8.2 Governing Law and Venue. This Agreement shall be governed by and administered and interpreted under the laws of the State of Texas, without regard to any conflict of laws provisions. Venue for any action, cause or action or proceeding under this Agreement lies exclusively in the State District Court of Galveston County, Texas, and the parties agree to submit to the personal and subject matter jurisdiction of said court.

8.3 Severability. The sections, paragraphs, sentences, phrases, words, and all other provisions of this Agreement are severable, and if any part of this Agreement is determined by a court of competent jurisdiction to be illegal, unlawful, unconstitutional, or void for any reason, the parties intend that the remaining provisions of this Agreement shall remain in full force and effect unless the stricken provision leaves the remaining Agreement unenforceable.

8.4 Attorney's Fees. If suit or action is initiated in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in event of appeal as allowed by the appellate court.

8.5 Assignment. This Agreement is binding on the heirs, successors and assigns of the parties hereto. This Agreement may not be sold, assigned, pledged, subcontracted, transferred or otherwise conveyed by any means whatsoever by either the City or

Provider without prior written consent of the other, and any sale, assignment, pledge, subcontract, transfer or other conveyance by either party without the other party's prior written consent shall be null and void.

8.6 Conflict of Interest. Provider covenants that Provider presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of the work and services required to be performed under this Agreement. Provider further covenants that in the performance of this Agreement, Provider shall not engage any employee or apprentice having any such interest.

8.7 Authority to Contract. The undersigned officers and/or representatives of the parties hereto are the properly authorized persons and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that it has taken all actions necessary to authorize entering into this Agreement.

8.8 Integration; Modification. This Agreement represents the entire understanding of City and Provider as to those matters contained in this Agreement, and no prior oral or written understanding shall be of any force or effect with respect to those matters. This Agreement may not be modified or altered except in writing signed by duly authorized representatives of the parties.

8.9 Non-appropriation. If the City Council does not appropriate funds to continue this Contract and pay for charges hereunder, the City may terminate this Agreement at the end of the then current fiscal year, or at the time that funds are no longer available to meet the City's payment obligations hereunder. The City agrees to give written notice of termination to the Provider at least sixty (60) days prior to any termination for non-appropriation of funds and will pay the Provider in accordance with this Agreement through the date of termination of this Agreement.

8.10 Subcontractors. This Agreement or any portion hereof shall not be sub-contracted without the prior approval of the City. No subcontractor shall, under any circumstances, relieve Provider of its liability and obligation under this Agreement. The City shall deal through Provider and any subcontractor shall be dealt with as a worker and representative of Provider. Provider assumes responsibility to the City for the proper performance of the work and service of all subcontractors and any acts and omissions in connection with such performance. Nothing in this Agreement shall, or is intended or deemed to, create any legal, contractual or other relationship between the City and any subcontractor or sub-subcontractor.

8.11 No Waiver. The failure by the City to exercise any right, power, or option given to it by this Agreement, or to insist upon strict compliance with the terms of this Agreement, shall not constitute a waiver of the terms and conditions of this Agreement for any reason whatsoever, including with respect to any such right, power or option or to such compliance or to any other or subsequent default or breach hereof, nor a waiver by the City of its rights at any time to exercise any such right, power or option or to require exact and strict compliance with all the

terms hereof. Any rights and remedies the City may have arising out of this Agreement shall survive the cancellation, expiration or termination of this Agreement.

8.12 No Third Party Beneficiaries. This Agreement and all of its provisions are solely for the benefit of Provider and the City and are not intended to and shall not create or grant any rights, contractual or otherwise, to any third person or entity.

8.13 "Includes". For purposes of this Agreement, "includes" and "including" are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded.

8.14 Incorporation of Recitals and Exhibits. The Exhibits and Recitals to this Agreement are incorporated herein and made a part hereof for all purposes.

9. DISCLOSURE OF AGREEMENT; INTERLOCAL ARRANGEMENTS.

9.1 Disclosure of Agreement Terms. The terms and conditions of this Agreement may be disclosed by either party to other public agencies for the purpose of such other agencies purchasing services under this Agreement pursuant to an interlocal or cooperative arrangement with the City. In addition, Provider may disclose the terms and conditions of this Agreement in an effort to show that the terms offered to another public agency are fair and reasonable or to determine the best value. It is understood that the Provider shall not be precluded from disclosing the terms and conditions of its form of Service Agreement to any other third party at Provider's sole discretion and for any reason.

9.2 Included Parties; Interlocal Agreement. Pursuant to any interlocal, intergovernmental, or other such cooperative agreement with the City, Provider will accept orders from, and will furnish the Provider's Software, Hardware, Professional Services, and Managed Services as outlined in the Proposal to any governmental agency or other public entity authorized by the City to use the Proposal, based upon substantially the same terms and conditions of this Agreement, with the exception of price schedules.

9.3 Political Subdivision Participation. The Provider agrees to supply, sell, and contract separately with other similar or related political subdivisions (i.e., colleges, school districts, counties, cities, etc.) of the City, based upon substantially the same terms and conditions of this Agreement, with the exception of price schedules, in an effort to establish the terms and conditions as fair and reasonable.

10. DURATION

This Agreement shall become effective on the last day of execution by the parties, and shall continue in force for an initial term of thirty-six (36) months, unless sooner terminated as provided above. All pricing is to remain firm during the contract period. This Agreement

will automatically renew for additional one-year terms unless this Agreement is terminated by either party providing written notice of its intent to terminate the Agreement to the other party not less than sixty (60) days prior to the end of the then current term.

11. SURVIVAL OF COVENANTS

Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

12. COUNTERPARTS

This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

City of Galveston	**Swagit Productions, LLC**
Brian Maxwell, City Manager	Bryan R. Halley, President
Attest:	
City Secretary	
Approved as to form:	
City Attorney	Date of Execution:

EXHIBIT A

SCOPE OF SERVICES

City of Galveston

DEPARTMENT OF INFORMATION TECHNOLOGY

STAFF REPORT

August 27, 2020

To: Brian Maxwell, City Manager
Honorable Mayor and City Council

From: Hope Dean, Executive Director & CITO

RE: Staff recommends that the City Council approve the purchase of Microsoft Office 365 licenses and implementation services from Sequel Data Systems in an amount not to exceed $170,049 for a one (1) year term with the option to extend the agreement for an additional 1 year term.

I. BACKGROUND

The City has successfully utilized on premise Microsoft Office, and Exchange technology for well over a decade. As technology moves to more cloud based solutions, staff has begun to identify new functionality, applications, services, time, and cost effective benefits to the migration of the City's current desktop applications and on premises Exchange Server to a cloud based Office 365 Platform. In pursuit of this, staff is now recommending the purchase of new Office 365 licenses, as well contracting for the necessary professional services to implement the licenses.

II. CURRENT SITUATION

1. Microsoft licensing is purchased through authorized Microsoft third party resellers. Staff requested and received bids as follows:

Description	Sequel Data Systems	Presidio	Centre Technologies
License Fees/Monthly (542 Users)	$10,108.30	$11,154	$11,564
Implementation Fees	$35,000	No Bid	$82,540

2. At present the City utilizes on premise Microsoft products with staff equipment running a variety of Microsoft office versions; Office 2013, Office 216, and Office 2019, making it difficult to support. A migration to Office 365 will encompass both Police Department and City Hall, allowing all staff to be on the same version of software and collaboration tools. This will reduce support time and issues for IT. Implementation of this transition will include the purchase of a license itself and the professional services for implementation.

3. The IT team currently supports 542 active email users. The existing email system is on premise and running Microsoft 2010 which will soon no longer be supported.

4. The license portion of this purchase is expected to cost $121,299.60 annually at the current licensing required as identified in item 3 above. Staff requests additional purchase authority of $5,000 to accommodate growth in staff numbers, making the total request one (1) year licensing to not exceed $126,299.

5. The professional installation and implementation services are $35,000. Staff requests an additional $8,750 (25%) in contingency funds for additional professional services to accommodate any unexpected costs, making the total requested of $43,750.

6. The City currently does not use Sharepoint but has an identified the need for its implementation, which is included in the licensing cost. The City's migration to Office 365 will include a full version of SharePoint which allows for Team Sites, a Microsoft collaboration and meeting program, improved workflow capabilities, record retention policies, online collaboration, and greater usability which will greatly increase the City's usage of the City's intranet.

III. ISSUES

1. The City's current on premise exchange server is version 2010 and is nearing end of life.

2. At present the City utilizes on premise Microsoft products with staff equipment running a variety of Microsoft office versions; Office 2013, Office 216, and Office 2019, making it difficult to support.

3. Locally installed office products are not eligible for upgrade without and additional cost. Migrating to O365 will resolve inconsistent version issues, and staff all Microsoft products will be maintained at the same version.

IV. ALTERNATIVES

1. An alternative to this recommendation is to not proceed with the migration to Office 365. This is not desirable, as the City will be working with applications that are nearing Microsoft's end of support date. It is important to receive software updates to prevent security risks and receive updates to the software. The software industry is migrating to cloud and online solutions, and eventually the City's current products will not be available in a stand-alone form.

2. Do not approve the O365 migration, and seek quotes to upgrade the City's on premise Exchange server.

V. RECOMMENDATION

Staff recommends that the City Council approve the purchase of Microsoft Office 365 licenses and implementation services from Sequel Data Systems in an amount not to exceed $170,049 for a one (1) year term with the option to extend the agreement for an additional 1 year term.

VI. FISCAL IMPACT REPORT

Requested by:	Hope Dean Executive Director & CITO
Funding Source:	Technology Operating Budget
Costs of implementation:	$170,049

Quote Number: OP-200722.4

Sequel Data Systems Incorporated

11824 Jollyville Rd. Suite 400

Austin, Tx 78759

Microsoft Office 365

Sales Quote

Today's Date : 8/17/2020

Customer:

City of Galveston
Jeff Ammerman
JAmmerman@GalvestonTX.gov

Account Manager:

Erik Buscha
Sequel Data Systems
erik.buscha@sequeldata.com
Office: 512-918-8841

Item	Product ID	Qty.	Description	Monthly Price	Ext. Monthly Price	Ext. Yearly Price
			O365 Licenses			
1	1084192	65	Office 365 GCC F3	$ 3.61	$ 234.72	**$ 2,816.67**
2	1084186	65	Office 365 Advanced Threat Protection (Plan 1) for GCC	$ 1.80	$ 117.00	**$ 1,404.00**
3	1084188	10	Office 365 GCC G1	$ 7.22	$ 72.22	**$ 866.67**
4	1084186	10	Office 365 Advanced Threat Protection (Plan 1) for GCC	$ 1.80	$ 18.00	**$ 216.00**
5	1084189	467	Office 365 GCC G3	$ 18.04	$ 8,426.76	**$ 101,121.07**
6	1084186	467	Office 365 Advanced Threat Protection (Plan 1) for GCC	$ 1.80	$ 840.60	**$ 10,087.20**
7	SCS	1	Sequel Cloud Services Microsoft Monthly Support Agreement – 3 hours every month of Microsoft support – after three hours, support will be billed at $218.50 per hour Monday-Friday: 8 AM to 5 PM and after hours will be billed at $327.75 per hour	$ 399.00	$ 399.00	**$ 4,788.00**
			Total Monthly Reocurring Cost		**$ 10,108.30**	
					Yearly Total	**$ 121,299.60**

Phone: *512-918-8841* Fax: *512.519.7868*

Prices Good for 30 Days

Quote Number : OP-200722.4

Sequel Data Systems Incorporated

11824 Jollyville Rd. Suite 400
Austin, Tx 78759

Quoted under Texas DIR Contract. Please note DIR-TSO-4160 on your purchase order.

Sales Quote

Today's Date : 08/18/2020

Customer:

Jeff Ammerman
City of Galveston
JAmmerman@GalvestonTX.gov

Account Manager:

Erik Buscha
Sequel Data Systems
erik.buscha@sequeldata.com
Office: 512-918-8841
Cell : 512-656-4282

Item	Part #	Qty.	Description	Unit Price	Ext. Price
			SOW 0365		
1	HA334A1	22	Sequel Professional Services - One day of Remote Tech Assistance. Scope of work with hourly breakdown attached.	$ 1,590.91	**$ 35,000.00**
				Total	**$35,000.00**

Phone: *512-918-8841* Fax: *512.918.8843*

Prices Good for 30 Days

Galveston Fire Department

STAFF REPORT

August 5, 2020

To: Dan Buckley, Deputy City Manager
Honorable Mayor and City Council Members

Subject: Consider for approval awarding Bid 20-016 Personal Protective Equipment (PPE) to U.R.W., Inc in the amount of $100,000.00 for first responders during the COVID-19 pandemic. Authorizing City Manager to execute all necessary documents upon final approval by the City Attorney

I. Background

A. The City of Galveston received a grant from the Moody Endowment in the amount of $ 100,000 dollars for the purchase of PPE equipment for first responders.
B. The City if currently responding to the COVID-19 pandemic that has resulted in a threat to the Public Health and Safety wellbeing of our first responders.
C. The COVID-19 pandemic has left the City with a shortfall in much needed Personal Protective Equipment (PPE) for first responders.
D. The City requested funding from the Moody Endowment for assistance in the form of grant funding for the purchase of PPE for the first responders.

II. Current Situation

A. The money received by the City of Galveston in the said grant shall only be used for the purchase PPE for first responders employed by the City of Galveston.
B. The City advertised BID 20-016 Personal Protective Equipment on June 30, 2020. Sealed bids were opened on July 20, 2020, at 10:00am. There were 20 bid items listed for BID 20-016.
C. The City received 16 responsive Bids: Atlantic Trading, Benchmark Professionals LLC, BuildWise Group, LLC, CATALYST PR INC, Chefs Corner Foods, Competitive Choice Inc, Daniel Xu, Henry Schein, Inc, Orr Safety Corporation, Performance Safety Group, ProcureNet America, U.R.W., Inc, Unipak Corp, UWePort, LLC, Vertex Packaging Supplies, Wright Consultants & Associates LLC.
D. After thorough review, and contacting references, it was determined U.R.W., Inc was the lowest bid on the most items.

III. Alternatives in order of priority

A. Approve the award for Bid 20-016 Personal Protective Equipment in the amount of $100,000.00 to U.R.W. Inc to ensure the safety of the City's first responders.
B. Do not approve the purchase which would hinder the health of the City's first responders.

IV. Recommendation

A. Proceed with the purchase of PPE for our first responders.

V. Fiscal Impact Report

Requested by	Charles Olsen Sr GFD Fire Chief
Funding Source	Moody Endowment Grant
Grant Amount	$100,000.00

Respectfully Submitted,

Chief Charles Olsen Sr

CONTRACT FOR SUPPLY OF COMMODITIES
PERSONAL PROTECTIVE EQUIPMENT

This Contract (the "Contract") is made and entered into this 5th day of August, 2020, by and between the City of Galveston (the "City"), a Texas home-rule municipality, and **U.R.W., INC**, ("Company") a Corporation, located at 360 Stacey Ann Cove, Dripping Springs, Texas 78620. By entering into this Agreement, Company agrees that City is entering into this agreement in its governmental capacity, and not a proprietary one.

WHEREAS, the City of Galveston desires to obtain commodity supply services in connection with Personal Protective Equipment within the City of Galveston ("City") and U.R.W., INC ("Company") desires to provide such services; and

WHEREAS, this Agreement between the Parties consist of the terms and conditions set forth herein, and that documents, attached and incorporated for all purposes; Exhibit A identified as the proposal from Company for the following services:

Personal Protective Equipment

Response to Bid 20-016

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter set forth, the parties do mutually agree as follows:

1. SCOPE OF SERVICES: Company will provide supplies and services (the "Work**"**) to the City in connection with the Project, such Work more specifically described in Exhibit A, attached and fully incorporated for all intents and purposes.

2. STANDARD OF CARE: The standard of care for all contractual and related services performed or furnished by Company under this agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality.

3. COMPLIANCE WITH LOCAL, STATE AND FEDERAL LAWS – Company shall comply with all applicable laws, ordinances, and codes of the federal, state, and local governments.

4. CHANGES: The City may request changes in the scope of the services to be performed hereunder. Such changes, including any increase or decrease in the amount of compensation to Company, which are mutually agreed upon by and between the City and Company, shall be incorporated in written amendments to this Contract. No changes in the terms of this contract shall be binding unless it is in writing and signed by an authorized representative of both parties.

5. TERM: This contract shall be effective for one (1) year upon execution by the City of Galveston. The City anticipates the contract shall be renewed pursuant to the availability of funds and at the discretion of the City. It is agreed that City will have the option to extend the contract for up to for (4) additional years, in one-year intervals. To exercise this option, the City shall serve notice thirty (30) days prior to contract termination or to the end of any extension. No option to extend will be considered without the availability of funds, or if the contractor's past performance is not up to industry standard.

6. DELIVERY TIME OF COMMODITIES: Supplies shall be delivered to, and if necessary installed, by Company at the request of City within with the schedules/timetables described in greater detail in the attached **Exhibit A**. It is expressly understood and agreed, by and between Company and the City, that the time for the completion of the work described is a reasonable time for the completion of the same, taking into consideration the average climatic change and conditions and usual industrial

conditions prevailing in this locality.

7. ACCESS TO INFORMATION: It is agreed that all information, data, reports and records and maps as are existing, available, and necessary for the carrying out of the work shall be furnished to Company by the City and its agencies. The City and its agencies will cooperate with Company in every way possible to facilitate the performance of the work described in the contract.

8. SCHEDULE AND DELIVERABLES: Company will perform the Work in accordance with the schedules/timetables described in greater detail in the attached Exhibit A. All of Company's reports and data will be submitted to the City in electronic format, using Microsoft Word, Excel, Access, and/or other computer software applications, as specified in Exhibit A. There is no minimum amount of commodities to be supplied for this contract. City is only responsible for commodities supplied by Company, at the rate described in greater detail in the attached Exhibit A.

9. APPROPRIATIONS: The obligations of the City to make payment under this Contract are expressly subject to appropriations by the City of funds that are lawfully available to be applied to such purpose.

10. COMPENSATION: The City shall compensate Company at a price per unit supplied to the City. Such prices are detailed in Exhibit A. City shall compensate Company only for units supplied to the City. Company will furnish an invoice to the City detailing activities performed and reflecting actual time and expenses incurred during the preceding month. All invoices are due under Government Code Sec. 2251.021, and are payable to Company 360 Stacey Ann Cove, Dripping Springs, Texas, 78620. The City shall not be responsible for any payment to Company for any additional services or expenses not specifically included in Exhibit A, except upon execution of an amendment to this Contract in writing by both parties. Parties shall attempt to resolve any payment disputes within thirty (30) days after the invoice date.

11. DEFECTS AND THEIR REMEDIES: It is further agreed that if any part of the work or any material brought on the site for use in the work, is deemed by the City or City's Representative as unsuitable or not in conformity with plans, specifications, and contract documents, the Company shall, after receipt of written notice from the City's Representative, immediately remove such material and rebuild or otherwise remedy such work so that it shall be in full accordance with this contract. It is further agreed that any remedial action shall be at Company's expense. No final payment shall be made to Company until that remedial action takes place.

12. INSURANCE REQUIREMENTS: Company shall provide all required City of Galveston certificates of coverage and all renewals throughout the duration of the Project. For each policy except Workers' Compensation protection, Company shall name the City as an additional insured and shall provide that the policy require the insurance carrier to notify the City a minimum of thirty days (30) in advance of cancellation of all or part of the policy. All insurance policies are to be issued by an insurance company authorized to do business in the State of Texas and using an insurance company with an A.M. Best rating of B+ or better. All subcontractors utilized must also comply with these specifications as if they were the winning proposer. Specific details of coverage limits and conditions are listed below. Company is responsible for ensuring all required insurance policies are valid for the duration of the contract.

Required Insurance: The required insurance must be maintained throughout the duration of the work under this contract.

a. Commercial general liability insurance, naming the City of Galveston as an additional insured and as certificate holder, and waiving subrogation per the contractual requirements of this project. Limits are to be equal to or greater than:

$2,000,000 general liability (includes products and personal, etc.)
$1,000,000 fire damage
$1,000,000 automobile damage
$500,000 workers compensation employers' liability
Statutory limits for workers compensation

Insurance coverage shall be on an "**occurrence basis**".

13. TERMINATION: This Contract shall terminate upon the expiration of one year from the date of execution of this Contract. This Contract may be terminated prior to completion of the Work by either party upon 30 days' written notice to the other. If, through any cause, Company shall fail to fulfill in a timely and proper manner his/her obligations under this contract, the City shall thereupon have the right to terminate this Contract by giving written notice to Company of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In the event of early termination, City shall pay Company for all work performed and expenses incurred to the date specified in the notice of termination, and Company shall turn over to the City all documents, information, and Work produced to said date relating to the Project. Notwithstanding the above, Company shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Contract by Company or its subordinates and the City may withhold any payments to Company for the purpose of set-off until such time as the exact amount of damages due the City from Company is determined.

The City may terminate this contract at any time by giving at least ten (10) days' notice in writing to Company. If the contract is terminated by the City as provided herein, Company will be paid for the time provided and expenses incurred up to the termination date.

14. FORCE MAJEURE: No party to this agreement shall be deemed in violation if it is prevented from timely performing any of its obligations by reason of labor disputes, acts of God, acts of the public enemy, acts of superior governmental authority, or other circumstances for which the party is not responsible or which is not in its control.

15. **INDEMNIFICATION. FOR CONSIDERATION RECEIVED, Company shall, to the extent allowable, indemnify, save and hold the City of Galveston harmless, including City's officers, agents, employees and servants, from any claims, actions, lawsuits, proceedings, damages, loss, judgments, liabilities or expense on account of damage to property and injuries, including death, to the extent caused by any negligent act, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier of Company or those acting under Company's supervision or control. Company shall not be responsible, however, for any loss, damage, liability or expense on account of damage to property and injuries, including death, by which may arise from the negligence of the city. Company shall comply with the requirements of all current applicable laws, rules and regulations and shall indemnify and hold harmless the City and its agency members from and against the failure to comply with those laws, and shall assume full responsibility for payments of Federal, State and local taxes on contributions imposed or required under the Social Security, worker's compensation and income tax laws.**

16. REPORTS AND INFORMATION: Company, at such times and in such forms as the City may require, shall furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Contract, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Contract.

17. INDEPENDENT CONTRACTORS: The parties are independent contractors as to each other. Nothing in this Contract shall be construed as creating any agency or employment relationship. Neither Party shall make any representations tending to create an apparent or implied agency or employment relationship; neither party has the authority to act for the other or to create obligations or debts binding on the other; and neither party shall be responsible for any obligations or expenses incurred by the other.

18. SUBCONTRACTOR: The term "Subcontractor", includes only those having a direct contract with the Company for performance of work on the project contemplated by these documents. Company shall submit the names and addresses of all proposed subcontractors to the City. Subcontractors may be disqualified by City for the same reason that a Contractor may be disqualified. City shall have no responsibility to any Subcontractor employed by Company for performance of work on the project contemplated by these contract documents, but Subcontractors will look exclusively to Company for any payments due to the Subcontractor.

19. ASSIGNMENT: Neither party hereto may assign its rights or delegate its obligations hereunder without the written consent of the other party.

20. CONSTRUCTION: In the event that any provision of this Contract is held by a court of competent jurisdiction to be invalid or unenforceable for any reason, such provision shall be modified to the minimum extent necessary to make such provision valid and enforceable, and the remaining provisions shall be affected thereby to the least extent possible.

21. NO WAIVER: The failure of any party to enforce any provision of this Contract shall not be construed as a waiver or limitation of that party's right to subsequently enforce that or any other provision of this Contract.

22. ENTIRE AGREEMENT: This Contract incorporates all provisions of the attached proposal for Personal Protective Equipment within the City of Galveston, Texas in Exhibit A and constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Contract.

23. SEVERABILITY CLAUSE: The phrases, clauses, sentences, paragraphs or sections of these conditions are severable. If any phrase, clause, sentence, paragraph, or section of these conditions should be declared invalid by the final decree or judgment of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of these conditions.

24. ATTORNEY'S FEES: In the event there is a dispute concerning this Contract, each party shall be responsible for its own costs and expenses including attorneys' fees and court costs incurred in the course of any dispute, mediation, or legal proceeding.

25. APPLICABLE LAW, VENUE, AND JURISDICTION: This Contract shall be construed under and in accordance with the laws of the State of Texas, with jurisdiction in the courts of the State of Texas and venue in Galveston, County regardless of where the obligations of the parties were performed. By execution of this Contract, the parties agree to subject themselves to the jurisdiction of the Courts of the State of Texas in all matters relating to or arising out of this Contract or the Work. By entering into this Contract, Company acknowledges that City is entering into this contract in its governmental capacity, and not a proprietary capacity.

26. COPYRIGHT: No report, maps, or other documents produced in whole or in part under this Contract shall be subject of an application for copyright by or on behalf of Company.

27. NOTICES: All notices required or permitted under this Contract shall be in writing and shall

be deemed given when delivered in person or three days after deposit in the United States Mail, postage prepaid, addressed to the party's address reflected at the end of this Contract. A party's notice address may be changed from time to time by that party's providing written notice to the other. A copy of the notice to the City shall be sent to:

City Attorney City of Galveston 823 Rosenberg, Suite 203 P. O. Box 779 Galveston, Texas 77553	U.R.W., INC. 360 Stacey Ann Cove Dripping Springs, Texas, 78620

[SIGNATURES FOLLOW ON NEXT PAGE]
[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the day and year first above written.

CITY OF GALVESTON, TEXAS

By: _____
Brian Maxwell, City Manager

U.R.W., INC.

By: _____
Dante Cullari- President

ATTEST:

_____
Janelle Williams, City Secretary

APPROVED AS TO FORM

_____
Assistant City Attorney

BY EXECUTION OF THIS AGREEMENT, Company ACKNOWLEDGES RECEIPT OF A COPY OF THIS CONTRACT.

THE STATE OF TEXAS §
§
Hays **COUNTY** §

On this day, BEFORE ME, the undersigned, personally appeared Dante Cullari **of U.R.W. INC.,** personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted executed the instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 5 day of August, 2020.

_____
Notary Public in and for
The State of Texas

JUSTIN MICHAEL TETLEY
Notary Public, State of Texas
Comm. Expires 10-31-2023
Notary ID 132233778

Appendix A – Bid Document

Submittal Checklist: (To determine validity of bid)

Appendix A (pages _9_ through _18_) must be included in the bid submittal.

Appendix B – G (pages_20_ through _26_) all forms must be complete and included in the bid submittal.

By checking the below box(es), you are acknowledging the contents of the document(s) relating to the listed appendices, and agreeing to their terms:

- ☑ Appendix B – Conflict of Interest
- ☑ Appendix C – House Bill 89 Verification
- ☑ Appendix D – Property Tax Statement
- ☑ Appendix E – Nepotism Statement
- ☑ Appendix F – Non-Collusion Statement
- ☑ Appendix G – Certification Regarding Debarment

Appendix J (pages _30_ through _48_) must be included in the bid submittal.

All bids submitted to the City of Galveston shall include this page with the submitted Bid.			
ITB Number:	**20-016**		
Project Title:	**Personal Protective Equipment**		
Submittal Deadline:	**10:00 A.M.(CST), Tuesday, July 28, 2020**		
Submit Electronically: **Click Here to Upload Submittal**			
Bidder Information:			
Bidder's Legal Name:	U.R.W., INC.		
Address:	360 Stacey Ann Cv		
City, State & Zip	Dripping Springs, Texas 78620		
Federal Employers Identification Number #	47-1416141		
Phone Number:	512-276-2447	**Fax Number:**	
E-Mail Address:	sales@apogeesupplies.com		

Bidder Authorization

I, the undersigned, have the authority to execute this Bid in its entirety as submitted and enter into a contract on behalf of the Bidder.

Printed Name and Position of Authorized Representative: Dante Cullari - President

Signature of Authorized Representative: _____

Signed this 28th (day) of July (month), 2020 (year)

Appendix A – Bid Document (continued)

I. *REQUIRED BID INFORMATION. IN ORDER FOR A BID TO BE CONSIDERED COMPLETE, AND TO BE EVALUATED FOR A CONTRACT AWARD BY THE CITY, BIDDER MUST SUBMIT ALL OF THE FOLLOWING INFORMATION*

1. Proposed Products and/or Services

A. Product or Service Description: Bidders should utilize this section to describe the technical aspects, capabilities, features and options of the service or product and/or service proposed in accordance with the required Scope of Services as identified in Appendix J. Promotional literature, brochures, or other technical information may be used.

B. Additional Hardware Descriptions: Bidders should also include in this section a detailed description of what additional hardware and/or software, if any, would be required by the City in order to fully utilize the goods and/or services proposed.

C. Material Safety Data Sheets (MSDS): If applicable, the successful Bidder shall provide the City with applicable MSDS documentation as required by applicable laws and regulations.

D. Guarantees and Warranties: Each Bidder shall submit a complete copy of any warranties or guarantees provided by the manufacturer or Bidder with the Bid submitted.

E. Project Schedule/Delivery Date: Bidder must provide a project schedule noting all projected completion dates for segments of the Project, from start-up to completion, and all delivery dates for goods covered by the ITB. The Bid Document must show the number of days required to deliver and install the product or equipment after the receipt of the City's Purchase Order.

2. Cost of Proposed Products and/or Services

A. Pricing: Pricing shall reflect the full Scope of Services defined herein, inclusive of all associated cost for delivery, labor, insurance, taxes, overhead, and profit.

B. Schedule of Pricing: Bidder shall quote unit pricing in accordance with the itemized listing of products or contract segments stated in the Scope of Services and using the following format:

Item #	Quantity	Description of Products/Services	Unit Cost	Extended Price
			$	$
			$	$
			$	$
		TOTAL ALL LINE ITEMS	$	$

3. Bidder's Experience / Staff

A. Project Team: Identify all members of the Bidder's team (including both team members and management) who will be providing any services proposed and include information which details their experience.

B. Removal or Replacement of Staff: If an assigned staff person must be removed or replaced for any reason, the replacement person must be approved by City prior to joining the project.

C. Business Establishment: State the number of years the Bidder's business has been established and operating. If Bidder's business has changed names or if the principals operating the business operate any similar businesses under different names, or have operated any other businesses or changed the legal status or form of the business within the last five (5) years, all names, of predecessor business names, affiliated entities, and previous business entities operated by the principals, if different than present, must be provided;

State the number of years' experience the business has: __6___; and the number of employees: ___10___.

D. Project Related Experience: All Bids must include detailed information that details the Bidder's experience and expertise in providing the requested services that demonstrates the Bidder's ability to logically plan and complete the requested project.

4. References

Bidder shall provide three (3) references where Bidder has performed similar to or the same types of services as described herein. Bidder shall provide references not affiliated with the City of Galveston, or any of its employees.

Reference #1:

Client / Company Name: Texas Police Association	
Contact Name: Erwin Ballarta	Contact Title: Director
Phone: 512-663-1470	Email: erwin@armatek-usa.com
Date and Scope of Services Provided: March 2020 - July 2020 - Online E-commerce Services and Product Fulfillment	

Reference #2:

Client / Company Name: Texas Department of Public Safety	
Contact Name: D'Ann Baker	Contact Title: Contract Specialist
Phone: 512-424-2534	Email: DAnn.Baker@dps.texas.gov
Date and Scope of Services Provided: May 11th 2020 - 3 Ply Protective Mask Procurement	

Reference #3:

Client / Company Name: Molly Tommy LLC	
Contact Name: Steve Kaudy	Contact Title: SVP Lending Point
Phone: 770-876-9699	Email: kaudysteve@gmail.com
Date and Scope of Services Provided: October 2019 - July 2020 - Software Platform Architecture and Development MGMT	

5. Trade Secrets and/or Confidential Information

Trade Secrets and/or Confidential Information: This bid ___ (does) ✓ (does not) contain trade secrets and/or confidential information. If applicable, describe such trade secrets and confidential information, and the basis for your assertion that such material qualifies for legal protection from disclosure.

6. Federal, State and/or Local Identification Information

A. Centralized Master Bidders List registration number: 524009.

B. Prime contractor HUB / MWBE registration number: _____.

C. An individual Bidder acting as a sole proprietor must also enter the Bidder's Social Security Number: #_____-_____-_____.

D. Dun and Bradstreet Number - Data Universal Numbering System (DUNS): 117546294.

E. All vendors contracting with the City of Galveston may be required to register, or have an active registration with the System for Award Management (SAM.gov). Registration is free. The System for Award Management (SAM) is the official registration required prior to bidding on a contract with any federal government agency, including local governments who receive federal funds. Registration must be completed prior to contract award by City Council. Registering online is accomplished on the SAM website here: https://www.sam.gov/portal/SAM/##11#1.

7. Cooperative Governmental Purchasing Notice

Other governmental entities maintaining interlocal agreements with the City, may desire, but are not obligated, to purchase goods and services defined in this ITB from the successful Bidder. All purchases by governmental entities, other than the City, will be billed directly to and paid by that governmental entity. The City will not be responsible for another governmental entity's debts. Each governmental entity will place their own orders with the successful Bidder and be responsible for ensuring full compliance with the ITB specifications. Prior to other governmental entities placing orders, the City will notify the successful Bidder of their intent.

Please indicate below if you will permit other governmental entities to purchase from your agreement with the City.

[✓] Yes, Others can purchase [ ] No, Only the City can purchase.

8. Term of Contract and Option to Extend: Any contract resulting from this ITB shall be effective for one (1) year upon execution by the City of Galveston. The City anticipates that contract shall be renewed pursuant to the availability of funds and at the discretion of the City. The following clauses shall be included in the contract:

A. Option Clause: It is agreed that City will have the option to extend the contract for up to four (4) additional years, in one-year intervals. To exercise this option, the City shall serve notice 30 days prior to contract termination or to the end of any extension. The Option to Extend will not be considered if funding is unavailable or if the contractor's past performance is not within the industry standard.

B. Escalation Clause: Should market conditions prevail which dictate an increase, the successful contractor may submit documentation requesting permission to increase pricing no later than 30 days after receiving notice from the City of its intent to extend the agreement. Escalation may only occur at the time of renewal and only upon securing the approval of the City in writing. Requests for price adjustments must be solely for the purpose of accommodating an increase in the contractor's cost, not profits.

Vendors shall show in this quote their anticipated percent of escalation if/when the option to extend is exercised. The percent quoted will be a maximum. In addition, the percentage proposed will be a factor in determining the best value to the City. It is the average price over the period of the contract that will be the price factor considered in the evaluation of this quote. Quotes in which negative or no escalation is shown will be considered as 0% escalation.

C. Price Increases Upon Extension: If approved by the City, the Contractor shall modify the rates charged by the Contractor to reflect any changes shown in the comparative statement delivered to the City. The maximum increase allowed under this provision shall be four percent (4%) per year. The City of Galveston will not accept, or agree, to any escalation clause higher than four percent (4%) per year. If an escalation clause of greater than the maximum allowed by the City, as stated previously, is inserted in the blanks below, the City will consider that the amount of escalation is 0%. The City shall have authority, in its reasonable discretion, to determine the validity of any change in Contractor's rates. City cannot exercise the Option to Extend with any price increases unless the Vendor completes the section of the Quote requesting anticipated percentage of annual escalation. The escalation time frame will be determined by the City's Fiscal Year which begins in October and ends the following September. (example: FY 2017 October 1, 2016 – September 30, 2017)

FIRST ADDITIONAL YEAR (FY 2021) ESCALATION ..... __1__%

SECOND ADDITIONAL YEAR (FY 2022) ESCALATION..... __2__%

THIRD ADDITIONAL YEAR (FY 2023) ESCALATION ..... __3__%

FOURTH ADDITIONAL YEAR (FY 2024) ESCALATION ..... __4__%

9. Emergency Business Services Contact Notice

During a natural disaster, or homeland security event, there may be a need for the City of Galveston to access your business for products or services after normal business hours and/or holidays. The City may request City employee pick up or vendor delivery of product or services.

For this purpose, a primary and secondary emergency contact name and phone number are required. It is critical the vendor's emergency contact information remains current. City shall be contacted by E-mail with any change to a contact name or phone number of these emergency contacts. Updates may be emailed to **purchasing@galvestontx.gov**.

All products or services requested during an emergency event are to be supplied as per the established contract prices, terms and conditions. The vendor shall provide the fee (pricing) for an after-hours emergency opening of the business, if any. In general, orders will be placed using a City of Galveston procurement card (Master Card) or City issued Purchase Order. The billing is to include the emergency opening fee, if applicable.

The contractor shall provide the names, phone numbers and fee (pricing), if any, for an after-hours emergency opening of the business listed below.

Business Name: U.R.W., INC.

Contract #: _____

Description: _____

Primary Contact (Name): Dante Cullari

Primary Contact Phone Numbers: Home: 512-276-2447 Cell: 717-805-4608

Secondary Contact (Name): Chad Koss

Secondary Contact Phone Numbers: Home: _____ Cell: 512-667-8815

After Hours emergency opening fee, if applicable: $_____

II. ***CONTRACT TERMS AND CONDITIONS. EXCEPT WHERE BIDDER MAKES SPECIFIC EXCEPTION IN THE SUBMITTED BID, ANY CONTRACT RESULTING FROM THIS ITB WILL CONTAIN THE FOLLOWING TERMS AND CONDITIONS, WHICH BIDDER HEREBY ACKNOWLEDGES, AND TO WHICH BIDDER AGREES BY SUBMITTING A BID:***

1. Delivery of Products and/or Services

A. Payment Terms: Unless otherwise specified in the Scope of Services or otherwise agreed to in writing by the City, payment terms for the City are Net 30 days upon receipt of invoice. Refer to Texas Local Government Code 2251, Payment for Goods and Services. Otherwise known as the Prompt Payment Act. Send all invoices to City of Galveston Attention: Accounts Payable, PO Box 779, Galveston, Texas 77553 or email: accountspayable@galvestontx.gov. See Appendix I for ACH Payment Information, if you elect to receive your payments according to Appendix I, fill out the form and return with your documents.

B. Warranty of Products and Services: All products furnished under this contract shall be warranted to be merchantable and good quality and fit for the purposes intended as described in this Bid, to the satisfaction of City and in accordance with the specifications, terms, and conditions of the Scope of Services, and all services performed shall be warranted to be of a good and workmanlike quality, in addition to, and not in lieu of, any other express written warranties provided.

C. Late Delivery or Performance: If Bidder fails to deliver acceptable goods or services within the timeframes established in the Project Schedule, the City shall be authorized to purchase the goods or services from another source and assess any increase in costs to the defaulting Bidder, who agrees to pay such costs within ten days of invoice.

D. FOB (delivery charges): All products offered shall be FOB final destination, with all delivery charges to be prepaid by the Bidder. The City does not accept C.O.D. or collect shipments. The contract price shall include all charges, including delivery, installation and set-up fees. All packing, crating, or other debris resulting from the delivery or set-up of

the commodity purchased shall be removed and properly disposed by the successful Bidder at no additional cost to the City.

E. Excess or Incorrect Commodities: Products or materials delivered in error or in excess of the quantity ordered shall be returned at the successful Bidder's expense, unless otherwise agreed to in writing by the City.

F. Title to Goods and Risk of Loss: For goods to be provided by Bidders hereunder, if any, the title and risk of loss of the goods shall not pass to City until City actually receives, takes possession, and accepts the goods and the installation of such goods, has tested the system, and determined that it is in good and acceptable working order.

G. Force Majeure: If by reason of Force Majeure either party shall be rendered unable, wholly or in part, to carry out its responsibilities under this contract by any occurrence by reason of Force Majeure, then the party unable to carry out its responsibility shall give the other party notice and full particulars of such Force Majeure in writing within a reasonable time after the occurrence of the event, and such notice shall suspend the party's responsibility for the continuance of the Forced Majeure claimed, but for no longer period. Force Majeure means acts of God, floods, hurricanes, tropical storms, tornadoes, earthquakes, or other natural disasters, acts of public enemy, acts of terrorism, sovereign conduct, riots, civil commotion, strikes or lockouts, and other causes that are not occasioned by either Party's conduct which by the exercise of due diligence the party is unable to overcome and which substantially interferes with operations.

H. Liquidated Damages: The parties agree that, if the Project is not completed within the time specified plus any extensions of time allowed pursuant thereto, the actual damages sustained by the Owner because of any such delay will be uncertain and difficult of ascertainment, and that the reasonable foreseeable value of the use of said project by the Owner would be the sum of $250.00 per calendar day. The Contractor therefore agrees to pay, and the Owner agrees to accept, as liquidated damages and not as a penalty, the sum of $250.00 per calendar pay for each day's delay in fully completing said project beyond the time specified in the Contract and any extensions of such time allowed there under.

I. Change Orders: per Texas Local Government Code - Sec. 252.048. CHANGE ORDERS.
(a) If changes in plans or specifications are necessary after the performance of the contract is begun or if it is necessary to decrease or increase the quantity of work to be performed or of materials, equipment, or supplies to be furnished, the governing body of the municipality may approve change orders making the changes.

(b) The total contract price may not be increased because of the changes unless additional money for increased costs is appropriated for that purpose from available funds or is provided for by the authorization of the issuance of time warrants.

(c) If a change order involves a decrease or an increase of $50,000 or less, the governing body may grant general authority to an administrative official of the municipality to approve the change orders.

(c-1) If a change order for a public works contract in a municipality with a population of 300,000 or more involves a decrease or an increase of $100,000 or less, or a lesser amount as provided by ordinance, the governing body of the municipality may grant general authority to an administrative official of the municipality to approve the change order.

(d) The original contract price may not be increased under this section by more than 25 percent. The original contract price may not be decreased under this section by more than 25 percent without the consent of the contractor.

2. Miscellaneous

A. Independent Contractor: Bidder agrees that Bidder and Bidder's employees and agents have no employer-employee relationship with City. Bidder agrees that if Bidder is selected and awarded a contract, City shall not be responsible for the Federal Insurance Contribution Act (FICA) payments, Federal or State unemployment taxes, income tax withholding, Workers Compensation Insurance payments, or any other insurance payments, nor will City furnish any medical or retirement benefits or any paid vacation or sick leave.

B. Assignments: The rights and duties awarded the successful Bidder shall not be assigned to another without the written consent of the Purchasing Supervisor. Such consent shall not relieve the assigner of liability in the event of default by the assignee.

C. Liens: Bidder shall indemnify and save harmless the City against any and all liens and encumbrances for all labor, goods, and services which may be provided to the City by Bidder or Bidder's vendor(s), and if the City requests, a proper release of all liens or satisfactory evidence of freedom from liens shall be delivered to the City.

D. Gratuities / Bribes: Bidder certifies that no bribes in the form of entertainment, gifts, or otherwise, were offered or given by the successful Bidder, or its agent or representative, to any City officer, employee or elected representative, with respect to this ITB or any contract with the City, and that if any such bribe is found to have been made this shall be grounds for voiding of the contract

E. Financial Participation: Bidder certifies that it has not received compensation from the City to participate in preparing the specifications or ITB on which the Bid is based and acknowledges that this contract may be terminated and/or payment withheld if this certification is inaccurate.

F. Required Licenses: Bidder certifies that he holds all licenses required by the State of Texas for a provider of the goods and/or services described by the Scope of Services herein.

G. Authority to Submit Bid and Enter Contract: The person signing on behalf of Bidder certifies that the signer has authority to submit the Bid on behalf of the Bidder and to bind the Bidder to any resulting contract.

H. Authority to Enter Contract – City: The City Manager is the only person authorized to execute contracts on behalf of the City. All signature pages must include "approved as to form" and be signed by the City Attorney before the City Manager will execute the contract. Neither department heads nor elected officials are authorized to sign any binding contracts or agreements prior to being properly placed on the City Councils agenda and approved in an open meeting. Department heads and other elected officials are not authorized to enter into any type of agreement or contract on behalf of the City of Galveston. Only the City Manager may enter into a contract on behalf of the City of Galveston as authorized by City Council and the City Charter. Additionally, department heads and other elected officials are not authorized to agree to any type of supplemental agreements or contracts for goods or services. Supplemental agreements are subject to review by the City's Legal Department prior to being signed by the City Manager, (City's authorized representative).

I. Compliance with Applicable Law: Bidder agrees that the contract will be subject to, and Bidder will strictly comply with, all applicable federal, state, and local laws, ordinances, rules, and regulations.

J. Non-Discrimination: During the performance of this contract, the contractor agrees as follows: (1) The contractor will not discriminate against any employee or applicant for employment because of race, age, disability, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants and employees are not discriminated against on the basis of race, age, disability, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause. (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, age, disability, color, religion, sex or national origin. (3) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

3. Financial Responsibility Provisions

A. Insurance: The Bidder, consistent with its status as an independent contractor, shall carry, and shall require any of its subcontractors to carry, at least the following insurance in such form, with such companies, and in such amounts (unless otherwise specified in the Scope of Services, Appendix J) as City may require, naming the City of Galveston as the additional insured:

i. Worker's Compensation and Employer's Liability insurance, including All States Endorsement, to the extent required by federal law and complying with the laws of the State of Texas;

ii. Commercial General Liability insurance for at least One Million Dollars ($1,000,000) on a per occurrence basis, with a Two Million ($2,000,000) aggregate. Blanket Contractual Liability, Broad Form Property Damage, Personal Injury, Completed Operations/Products Liability, Premises Liability, Medical Payments, and Broad Form General Liability Endorsements;

iii. Comprehensive Automobile Liability insurance covering all owned, non-owned or hired automobiles to be used by the Contractor, with coverage at the minimum State of Texas requirements;

iv. Professional Liability, Errors and Omissions in an amount to be determined in the Scope of Services.

Insurance coverage shall be on an "occurrence basis"

B. **Indemnification:** In Accordance with State Law, the contractor agrees to indemnify, save, and hold harmless the City of Galveston, Texas, its employees, officials, and agents from any and all claims, actions, damages, lawsuits, proceedings, judgements, or liabilities, for personal injury, death, or property damage resulting from the acts or omissions of anyone under the contractor's supervision or control.

In the event of any cause of action or claim asserted by a party to this agreement or any third party, the City will provide the contractor with timely notice of such claim, dispute or notice. Thereafter, the contractor shall at its own expense, faithfully and completely defend and protect the City against any and all liabilities arising from this claim, cause of action, or notice.

i. Indemnity for Intellectual Property: Bidder hereby warrants that the use or sale of the products, materials and services delivered hereunder will not infringe on the rights of any trade secrets, patent, copyright, registered trademark, or other intellectual property by right covering such materials and the successful Bidder agrees to indemnify and hold harmless the City for any and all costs, expenses, judgments, and damages which the City may have to pay or incur.

C. Bond Requirements: If applicable, **per the Scope of Work**, prior to the commencement of work on this Project, Bidder shall deliver to the City the following bonds issued by a good and sufficient surety licensed by the State of Texas and satisfactory to the City, unless otherwise stated below:

i. Bid bonds are required for bids over $25,000.00 in the amount of 5% of the total bid amount. This must be issued by a good and sufficient surety licensed by the State of Texas and satisfactory to the City, or a Cashier's Check.

ii. A payment bond in the amount of 100% of the total contract amount insuring the full and prompt payment of all persons performing labor and/or furnishing materials in connection with this Project;

iii. A performance bond in the amount of 100% of the total contract amount insuring full, faithful, and prompt performance of the responsibilities contained in this contract within the time parameters provided herein; and

iv. A maintenance bond insuring full and prompt maintenance, repair and/or replacement of the goods to be provided by Bidder for a period of two years from date of acceptance by the City.

Appendix B – Form CIQ

INFORMATION REGARDING VENDOR CONFLICT OF INTEREST QUESTIONNAIRE

WHO: The following persons must file a Conflict of Interest Questionnaire with the City if the person has an employment or business relationship with an officer of the City that results in taxable income exceeding $2,500 during the preceding twelve – month period, or an officer or a member of the officer's family has accepted gifts with an aggregate value of more than $250 during the previous twelve – month period and the person engages
in any of the following actions:

1. contracts or seeks to contract for the sale or purchase of property, goods or services with the City, including any of the following:
   a. written and implied contracts, utility purchases, purchase orders, credit card purchases and any purchase of goods and services by the City;
   b. contracts for the purchase or sale of real property, personal property including an auction of property;
   c. tax abatement and economic development agreements;
2. submits a bid to sell goods or services, or responds to a request for proposal for services;
3. enters into negotiations with the City for a contract; or
4. applies for a tax abatement and/or economic development incentive that will result in a contract with the City

THE FOLLOWING ARE CONSIDERED OFFICERS OF THE CITY:

1. Mayor and City Council Members;
2. City Manager;
3. Board and Commission members and appointed members by the Mayor and City Council;
4. Directors of 4A and 4B development corporations;
5. The executive directors or managers of 4A and 4B development corporations; and
6. Directors of the City of Galveston who have authority to sign contracts on behalf of the City.

EXCLUSIONS: A questionnaire statement need not be filed if the money paid to a local government official was a political contribution, a gift to a member of the officer's family from a family member; a contract or purchase of less than $2,500 or a transaction at a price and subject to terms available to the public; a payment for food, lodging, transportation or entertainment; or a transaction subject to rate or fee regulation by a governmental entity or agency.

WHAT: A person or business that contracts with the City or who seeks to contract with the City must file a "Conflict of Interest Questionnaire" (FORM CIQ) which is available online at www.ethics.state.tx.us and a copy of which is attached to this guideline. The form contains mandatory disclosures regarding "employment or business relationships" with a municipal officer. Officials may be asked to clarify or interpret various portions of the questionnaire.

WHEN: The person or business must file:

1. the questionnaire – no later than seven days after the date the person or business begins contract discussions or negotiations with the municipality, or submits an application, responds to a request for proposals or bids, correspondence, or other writing related to a potential contract or agreement with the City; and
2. an updated questionnaire – within seven days after the date of an event that would make a filed questionnaire incomplete or inaccurate.

It does not matter if the submittal of a bid or proposal results in a contract. The statute requires a vendor to file a FORM CIQ at the time a proposal is submitted or negotiations commence.

WHERE: The vendor or potential vendor must mail or deliver a completed questionnaire to the Finance Department. ***The Finance Department is required by law to post the statements on the City's website.***

ENFORCEMENT: Failure to file a questionnaire is a Class C misdemeanor punishable by a fine not to exceed $500. It is an exception to prosecution that the person files a FORM CIQ not later than seven business days after the person received notice of a violation.

NOTE: The City does not have a duty to ensure that a person files a Conflict of Interest Questionnaire.

CONFLICT OF INTEREST QUESTIONNAIRE **FORM CIQ**

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

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

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

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

OFFICE USE ONLY

Date Received

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

Dante Cullari

2. ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3. Name of local government officer with whom filer has employment or business relationship.

NA

Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

☐Yes ☑No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐Yes ☑No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐Yes ☑No

D. Describe each employment or business relationship with the local government officer named in this section.

4.

Signature of person doing business with the governmental entity

7/28/2020

Date

Adopted 06-29-2007

THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE ITB.

Appendix C - House Bill 89 Verification

Pursuant to Sections 2270.001, 2270.002, 808.001, Texas Government Code:

1. *"Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and*

2. *"Company" has the meaning assigned by Section 808.001, except that the term does not include a sole proprietorship.*

3. *Section only applies to a contract that is between a governmental entity and a company with 10 or more full-time employees; and has a value of $100,000 or more that is to be paid wholly or partly from pubic funds of the governmental entity.*

I, Dante Cullari (Person name), the undersigned representative of (Company or Businsess Name) U.R.W., INC. (hereinafter referred to as Company)

being an adult over the age of eighteen (18) years of age, after being duly sworn by the undersigned notary, do hereby depose and verify under oath that the company named-above, under the provisions of Subtitle F, Title 10, Government Code Chapter 2270:

a. **Does not boycott Israel currently; and**

b. **Will not boycott Israel during the term of the contract the above-named Company, business or individual with the City of Galveston, Texas.**

7/28/2020
DATE

SIGNATURE OF COMPANY REPRESENTATIVE

THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE ITB.

Appendix D – Property Tax Statement

FAILURE TO COMPLETE THIS ATTACHMENT SHALL RESULT IN THE PURCHASING SUPERVISOR DEEMING YOUR BID OR PROPOSAL "NON-RESPONSIVE."

The City of Galveston, Texas has adopted the following policy:

The City of Galveston will not do business with any person or business that owes delinquent property taxes to the City.

Please indicate whether you or your company, owe delinquent property taxes to the City whether an assumed name, partnership, corporation, or any other legal form.

__✓__ I do not owe the City property taxes that are delinquent.

_____ I owe City property taxes that are delinquent on property located at

_____

_____

Dante Cullari

Bidder's Printed or Typed Name

Bidder's Signature

7/28/2020

Date

THIS DOCUMENT MUST BE COMPLETED, SIGNED, AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE ITB.

Appendix E – Nepotism Statement

FAILURE TO COMPLETE THIS ATTACHMENT SHALL RESULT IN THE PURCHASING SUPERVISOR DEEMING YOUR BID OR PROPOSAL "NON-RESPONSIVE."

The Bidder or Proposer or any officer, if the Bidder or Proposer is other than an individual, shall state whether Bidder or Proposer has a relationship, either by blood or marriage, with any official or employee of the City of Galveston by completing the following:

If the Bidder or Proposer is an individual:

_____ I am not related by blood or marriage to any official or employee of the City of Galveston

_____ I am related by blood or marriage to the following official(s) or employee(s) of the City of Galveston

Name and title of City Official

Or employee: _____

Relationship: _____

If the Bidder or Proposer is **NOT** an individual:

__✓__ The officers of the company submitting this bid or proposal are not related by blood or marriage to any official or employee of the City of Galveston.

_____ The officers of the company submitting this bid are related by blood or marriage to the following official(s) or employee(s) of the City of Galveston.

Name and title of officer: __Dante Cullari - President_____

Employee and title of City Official or Employee: __NA_____

Relationship: __NA_____

THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE ITB.

Appendix F – Non-Collusion Statement

THE UNDERSIGNED AFFIRM THAT THEY ARE DULY AUTHORIZED TO EXECUTE THIS CONTRACT, THAT THIS COMPANY, FIRM, PARTNERSHIP OR INDIVIDUAL HAS NOT PREPARED THIS BID IN COLLUSION WITH ANY OTHER BIDDER, AND THAT THE CONTENTS OF THIS BID AS TO PRICES, TERMS OR CONDITIONS OF SAID BID HAVE NOT BEEN COMMUNICATED BY THE UNDERSIGNED NOR BY ANY EMPLOYEE OR AGENT TO ANY OTHER PERSON ENGAGED IN THIS TYPE OF BUSINESS PRIOR TO THE OFFICIAL OPENING OF THIS BID.

VENDOR U.R.W., INC.

ADDRESS 360 Stacey Ann Cv Dripping Springs, Texas 78620

PHONE 512-276-2447

FAX _____

BIDDER (SIGNATURE) _____

BIDDER (PRINTED NAME) Dante Cullari

POSITION WITH COMPANY President

SIGNATURE OF COMPANY OFFICIAL AUTHORIZING THIS BID _____

COMPANY OFFICIAL (PRINTED NAME) Dante Cullari

OFFICIAL POSITION Company President and Board Chairman

THIS DOCUMENT MUST BE COMPLETED, SIGNED, AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE ITB.

Appendix G – Document 00435
The City of Galveston, Texas

DOCUMENT 00435, REQUIRED BY ALL BIDDERS WHO WILL RECEIVE FEDRAL FUNDS IN PAYMENT OF PROCUREMENT.

BIDDER'S CERTIFICATION REGARDING DEB.ARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION (49 CFR PART 29)

The undersigned certifies, by submission of this Bid or acceptance of this contract, that neither Contractor nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntary excluded from participation in this transaction by any Federal department or agency. Bidder agrees that by submitting this proposal that Bidder will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the Bidder or any lower tier participant is unable to certify to this statement, that participant shall attach an explanation to this document.

Certification-the above information is true and complete to the best of my knowledge and belief.

Dante Cullari
(Printed or typed Name of Signatory)

(Signature)

7/28/2020
(Date)

NOTE: The penalty for making false statements in offers is prescribed in **18 U.S.C. 1001**

END OF DOCUMENT 00435-FAA

THIS DOCUMENT MUST BE COMPLETED, SIGNED, AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE ITB.

Appendix H – No Intent to Submit Form

If your firm has chosen <u>not</u> to submit a bid for this procurement, please complete this form and submit to:

City of Galveston
Purchasing Division
PO Box 779
Galveston, Texas 77553

City of Galveston
Purchasing Division
823 Rosenberg St. Room 300
Galveston, Texas 77550

Please check all items that apply:

- ☐ Do not sell the item(s) required
- ☐ Cannot be competitive
- ☐ Cannot meet specifications highlighted in the attached request
- ☐ Job too large
- ☐ Do not wish to do business with the City of Galveston
- ☐ Cannot submit electronically
- ☐ Cannot provide Insurance required
- ☐ Cannot provide Bonding required
- ☐ Cannot comply with Indemnification requirement
- ☐ Job too small
- ☐ Other: _____

COMPANY NAME (Please print)**:** _____

Authorized Officer Name (Please print): _____

Telephon**e: (____)** _____ Fax: **(_____)** _____

You may also email this form to: purchasing@galvestontx.gov.

Appendix I – ACH Form

The City of Galveston would like to thank you for the services you and your company have provided for us in the past, present, and in the future. For those services provided you have more than likely received payments via a paper check in the mail. As we all know, that process is slow, inefficient, and costly for us and for you as the recipient.

Mail can be delayed, lost, or even stolen causing payments to be late and we may then face penalties and late fees. The City of Galveston would like to streamline our payment process with electronic payments. These payments will be transferred electronically from our financial institute to your financial institute. The process will get your payments to you in a quicker, more reliable, and more efficient manner.

If you would like to sign up to start receiving all of your payments via ACH / Wire Transfers, please fill out the authorization forms and return to the City of Galveston Finance Department.

Please email to:

accountspayable@galvestontx.gov

Or mail to:

City of Galveston
Finance Department
P.O. Box 779
Galveston, TX 77553

If you have any questions or concerns, please do n

ot hesitate to call Accounts Payable at 409.797.3569. Please put the Purchase Order Number on your invoices to ensure prompt payment. Again, we appreciate you and the services your business provides for the City of Galveston.

Sincerely,

Michael W. Loftin
Assistant City Manager – Finance

ACH Payment Agreement Form

Authorization Agreement

I hereby authorize the City of Galveston to initiate ACH deposits to my account at the financial institution named below.
Further, I agree not to hold the City of Galveston responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me or by my financial institution, or due to an error on the part of my financial institution in depositing funds to my account.
This agreement will remain in effect until the City of Galveston receives a written notice of cancellation from me or my financial institution, or until I submit a new ACH Payment Agreement Form to the City of Galveston Finance Department.

Account Information

Name of Financial Institution: Horizon Bank Texas

Financial Institute Address: 600 Congress Ave, Suite 400 Austin, Texas 78701

Routing Number: 111907940

Account Number: 10223281

SWIFT Code: (if applicable) _____

Executed agreement must include a confirmation of the banking information from an Authorized Bank Official on bank letterhead with the Authorized Bank Official's business card.

Signature

Company Name: U.R.W., INC.

Authorized Signature: _____

Printed Name: Dante Cullari Title: President

Contact Phone Number: 717-805-4608 Date: 7/28/2020

FOR CITY USE ONLY:

Verified by: _____ Date Verified: _____

RETURN THIS FORM ONLY UPON AWARD.

Appendix J – Scope of Services

1. Project Title: Personal Protective Equipment

2. Scope of Services Contact

Questions about the technical nature of the Scope of Services will be directed to the **Purchasing Department**, Phone. 409.797.3579, e-mail: purchasing@galvestontx.gov.

3. Special Conditions

Proposal submittals must be uploaded to the City's online electronic submission portal here: Click Here to Upload Submittal. The file size limit is 256mg.

There are no Bond requirements for this solicitation

The following are required Federal Clauses that shall be returned with the Bid and are part of the contract documents herein.

CITY OF GALVESTON BID # 20-016
SPECIAL PROVISIONS FOR PROCUREMENT
FEDERAL REQUIREMENTS

CONTENTS

1. No Government Obligation to Third Parties
2. Program Fraud and False or Fraudulent Statements and Related Acts
3. Access to Records and Reports
4. Equal Employment Opportunity
5. Government-wide Debarment and Suspension (Nonprocurement)
6. Contract Work Hours and Safety Standards Act
7. Lobbying
8. Clean Air
9. Clean Water
10. Procurement of Recycled Materials
11. Department of Homeland Security Logo, Seal, and Flags
12. Compliance with Federal Law, Regulations, and Executive Orders

1. NO GOVERNMENT OBLIGATION TO THIRD PARTIES

The Owner and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to the Owner, Contractor, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.

It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

Dante Cullari
(printed name of signatory)

7/28/2020
(signature and date)

THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE BID.

2. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS 31 U.S.C. 3801 et seq.

Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq., "Administrative Remedies for False Claims and Statements," apply to its actions pertaining to this Project. Upon execution of the underlying contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract for which this contract work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Contractor to the extent the Federal Government deems appropriate.

Dante Cullari
(printed name of signatory)

7/28/2020
(signature and date)

THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE BID.

3. ACCESS TO RECORDS AND REPORTS

The following access to records requirements apply to this contract:

(1) The contractor agrees to provide (insert name of state agency or local or Indian tribal government), (insert name of recipient), the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.

(2) The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

(3) The contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract."

Dante Cullari

(printed name of signatory)

7/28/2020

(signature and date)

THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE BID.

4. EQUAL EMPLOYMENT OPPORTUNITY
29 CFR Part 1630, 41 CFR Parts 60 et seq.

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interests of the United States."

Dante Cullari	7/28/2020
(printed name of signatory)	(signature and date)

THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE BID.

5. GOVERNMENT-WIDE SUSPENSION AND DEBARMENT

By signing and submitting its bid or proposal, the bidder or proposer agrees to comply with the following:

(1) This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the contractor is required to verify that none of the contractor, its principals (defined at 2 C.F.R. §180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

(2) The contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

(3) This certification is a material representation of fact relied upon by (insert name of subrecipient). If it is later determined that the contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to (name of state agency serving as recipient and name of subrecipient), the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

(4) The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

Dante Cullari
(printed name of signatory)

7/28/2020
(signature and date)

THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE BID.

6. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT
29 CFR § 5.5(b)

(1) **Overtime requirements** - No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) **Violation; liability for unpaid wages; liquidated damages** - In the event of any violation of the clause set forth in paragraph (1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

(3) **Withholding for unpaid wages and liquidated damages** – The Owner shall, upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

(4) **Subcontracts** - Contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

Dante Cullari
(printed name of signatory)

7/28/2020
(signature and date)

THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE BID.

7. LOBBYING

Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

Contractors who apply or bid for an award of $100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

APPENDIX A, 44 C.F.R. PART 18 – CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

(To be submitted with each bid or offer exceeding $100,000)

The undersigned [Contractor] certifies, to the best of his or her knowledge, that:

1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

   This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

The Contractor,_____U.R.W., INC._____, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 *et seq* apply to this certification and disclosure, if any.

Executed this__28th___day of____July_____, 2020

By _____
Signature of Bidder/Contractor /Subcontractor's Authorized Official

__Dante Cullari_____
Printed Name of Bidder/Contractor /Subcontractor's Authorized Official

__President_____
Title of Authorized Official

THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE BID.

8. CLEAN AIR
42 U.S.C. § 7401 et seq.

Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq. The Contractor agrees to report each violation to the Owner and understands and agrees that the Owner will, in turn, report each violation as required to assure notification to the State of Texas, Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

Contractor also agrees to include these requirements in each subcontract exceeding $150,000 financed in whole or in part with Federal assistance provided by FEMA.

Dante Cullari
(printed name of signatory)

7/28/2020
(signature and date)

9. CLEAN WATER REQUIREMENTS
33 U.S.C. 1251 et seq.

Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 *et seq*. Contractor agrees to report each violation to the Owner and understands and agrees that the Owner will, in turn, report each violation as required to assure notification to the State of Texas, Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office. Contractor also agrees to include these requirements in each subcontract exceeding $150,000 financed in whole or in part with Federal assistance provided by FEMA.

Dante Cullari
(printed name of signatory)

7/28/2020
(signature and date)

THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE BID.

10. PROCUREMENT OF RECOVERED MATERIALS 42 U.S.C. 6962

(1) In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA- designated items unless the product cannot be acquired—

(i) Competitively within a timeframe providing for compliance with the contract performance schedule;

(ii) Meeting contract performance requirements; or

(iii) At a reasonable price.

(2) Information about this requirement, along with the list of EPA-designate items, is available at EPA's Comprehensive Procurement Guidelines web site, https://www.epa.gov/smm/comprehensive- procurement-guideline-cpg-program.

Dante Cullari
(printed name of signatory)

7/28/2020
(signature and date)

11. DEPARTMENT OF HOMELAND SECURITY SEAL, LOGO, AND FLAGS

The contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre- approval.

Dante Cullari
(printed name of signatory)

7/28/2020
(signature and date)

THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE BID.

12. COMPLIANCE WITH FEDERAL LAW, REGULATIONS, AND EXECUTIVE ORDERS

This is an acknowledgement that FEMA financial assistance will be used to fund the contract only. The contractor will comply will all applicable federal law, regulations, executive orders, FEMA policies, procedures, and directives.

Dante Cullari

(printed name of signatory)

7/28/2020

(signature and date)

THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE BID.

4. Bid Evaluation Factors

Factor
Price
Vendor Past Performance
Location of the Vendor
Meets Specifications

5. Brand Manufacture Reference

The City has determined that any manufacturer's brand defined in the Scope of Services meets the City's product and support need. The manufacturer's reference is not intended to be restrictive, and is only descriptive of the type and quality the City desires to purchase. Quotes for similar manufactured products of like quality will be considered if the Bid is fully noted with the manufacturer's brand name and model. The City reserves the right to determine products and support of equal value, and whether other brands or models meet the City's product and support needs.

6. Key Events Schedule

Bid Release Date	June 30, 2020
Deadline for Submittal of Written Questions	July 17, 2020 @ 2:00 p.m. CST
Sealed Bids Due to and Opened by City	July 28, 2020 @ 10:00 a.m. CST
Anticipated Committee Evaluation Review Date	August 2020
Anticipated Award Date	August 2020

7. Scope of Services

Introduction:
The City of Galveston is soliciting an invitation to bid to secure pricing of Personal Protective Equipment (PPE) for the City of Galveston. This purchase will provide protection from exposure to the COVID-19 virus, for both the public, first responders, and essential employees. This contract will be awarded to the lowest bid for quality PPE and utilized by various departments, including but not limited to both public safety departments.

Supply Categories - This bid is designed to identify core Personal Protective Equipment (PPE) needs for the Fire and Police Departments and various other departments.

1. N-95 Masks
2. Disposable Tri-fold Masks
3. Protective Glasses
4. Powder Free Nitrile Gloves (all sizes)
5. Tyvek Suits (all sizes)
6. Infrared Non-Contact Thermometers
7. Disposable Gowns
8. Face Shields

Clarification and Interpretation of BID:
The words "must" or "will" or "shall" in this RFP indicate mandatory requirements. Taking exception to any mandatory requirement will be grounds for rejection of the solicitation.

The City desires to avoid any misunderstanding where it is assumed that a feature is included in the solicitation as opposed to an optional, extra cost feature. As such, any question answered with an indication of compliance will be considered included at no additional cost. Any product / service that is referred to in the body of this response will be considered included in the basic offer.

Purpose:
The purpose of this BID is to provide minimum requirements, solicit BIDs and gain adequate information from which the City may accept the Offeror's products as they compare to other providers and as they pertain to the needs of the City's organization as defined in this document.

Qualifications:
All bidders must be stocking vendors, regularly engaged in supplying Personal Protective Equipment (PPE) and must be able to provide products no later than three business days, or as otherwise specified by the offeror.

Catalog
Vendor shall submit a reasonable itemized catalog/list of inventories of Personal Protective Equipment (PPE). Pricing for items must be provided at a per unit price for the specific item number.

Award:
In order to meet the needs of the City, as indicated in the scope of work, contract shall be awarded to the lowest responsive, responsible bidder/(s) meeting specifications, terms and conditions. Multiple vendors may be selected for contracting with the City. Award will not be based on any geographical preference. The submission of your bid constitutes a firm offer by the bidder. Unit prices must be stated in the space provided on the Pricing sheet. The City of Galveston is tax exempt; therefore, taxes should not be added to the price.

Quantities:
The City reserves the right to order such quantities of supplies as it requires, and the City also reserves the right not to order any, that is not required during the period of the agreement.

Delivery:
The contractor shall be required to have in its stock a sufficient quantity to supply the reasonable demands of the City promptly upon request. If unavailable from stock, it shall be the contractor's responsibility to obtain the same supplies from some other source. No order shall be processed by the contractor without first obtaining a purchase order from the City of Galveston. Upon receipt of purchase order, delivery shall be made no later than three (3) business day for ***in stock*** items by awardee(s).

If materials are not in stock, and cannot be delivered within 3 business days, the department identified in the body of the purchase order shall be notified. In the event the contractor fails to secure the required items within 48 hours, the City reserves the right to cancel orders and obtain the required supplies from an independent source. Any attempt by the contractor to substitute and make delivery of materials other than the brand or trade name proposed, without prior written approval by the City, will be sufficient grounds for immediate cancellation of the contract.

Items in the invitation to bid are for various departments and are not for delivery to any central location. Delivery shall be required at no additional cost to the City of Galveston and its desired City locations. Deliveries are to be FOB destination as per purchase order. All deliveries made to departments shall require inside delivery unless otherwise specified.

In case of an EMERGENCY, the City representative shall contact the awardee(s), however, if the awardee(s) cannot supply this item in times of emergencies, the City reserves the right to purchase from an alternate vendor or on the open market.

Unsatisfactory Service
In the event that the City of Galveston receives deliveries of unsatisfactory service that are not quickly and routinely corrected, the Vendor shall have fifteen (15) calendar days from the receipt of written notice to resolve said problems. If said problem is not resolved by the Vendor, the City of Galveston may then terminate this agreement for nonperformance with fifteen (15) day written notice.

Products:
Products provided by vendors shall and meet all federal, state and local standards for quality and safety. Products not meeting these standards will be deemed unacceptable and returned to the vendor for credit at no charge to the City. All products purchased must carry a standard manufacturer's warranty.

New/Upgraded Products:
During the contract period, if new and/or upgraded products are made available by the product manufacturer, the successful bidder of such items shall submit a written request for acceptance of such items, along with a price list. A reasonable price must be submitted for each item requested. In the event that any item's price is determined to be unreasonably high, the requested item may not be considered for addition to the contract.

Pricing:
Offeror must bid all items and provide a unit price. The unit price should include all fees and shipping. Every item must show a unit price with no minimum quantity. Vendor should not provide their own pricing sheet; the pricing sheet included is the only sheet that will be included in the contract. No extra lines or comments added will be accepted by the City and vendors' response may be considered non-responsive. All awarded pricing will remain fixed for a one-year term. The City reserves the right to make multiple awards and purchase from those vendors offering the lowest pricing and quickest delivery time, at time of order.

Questionnaire and Bid Form:
Offeror must return the solicitation with the all of the required forms, addenda, offeror questionnaire, and bid form.

OFFEROR QUESTIONNAIRE

1. Do any of the products listed in the vendor's offer qualify for environmental certifications?
   ____Yes _✓_No

   If yes, please provide or attach information regarding these certifications. _____
   _____

   _____

2. Does your company participate in environmental programs? ____Yes _✓_No

   If yes, please provide or attach information regarding these programs. _____
   _____

   _____

3. Can offeror meet or exceed normal delivery time requirement of three (3) business days after receipt of order for in-stock items? Delivery, shipping, freight and other related charges shall be at no cost to the City of Galveston with the exception of inbound/freight/shipping charges for expedited orders. _✓_Yes ____No

   If no, please explain in detail your delivery times. _____
   _____

   _____

4. What is the address of your company's facility? (no award will be made on the basis of location of facility)

   1415 W William Canon Dr Unit 102 Austin TX, 78745

5. In case of an emergency, please provide a contact name and number for procuring goods after designated working hours due to any emergency (i.e. Hurricane, Manmade Disaster)
   Dante Cullari - 717-805-4608

   _____

6. Are any of your products subject to tariffs imposed by the United States government in sections 232 or 301? ____Yes _✓_No
   If yes, and those tariffs are passed to the customer, provide a comprehensive list of those items. (this may be attached to your submittal on separate pieces of paper)

PRICING FORM

Category	Description	Unit Price
1	N-95 Masks	$ 2.85
2	Disposable Tri-fold Masks	$ 0.19
3	Protective Glasses	$ 6.59
4	Powder Free Nitrile Gloves	
	Small	$ 0.14
	Medium	$ 0.14
	Large	$ 0.14
	X-Large	$ 0.14
	XX-Large	$ 0.148
5	Tyvek Suits	
	Small	$ 10.10
	Medium	$ 10.10
	Large	$ 10.10
	X-Large	$ 10.10
	XX-Large	$ 10.65
6	Infrared Non-Contact Thermometers	$ 8.38
7	Disposable Gowns	
	Small	$ 1.83
	Medium	$ 1.83
	Large	$ 1.83
	X-Large	$ 1.83
	XX-Large	$ 1.97
8	Face Shields	$ 0.96

Honeywell N95 Masks with NIOSH

Product Overview

Apogee provides Honeywell Saf-T-Fit Plus (NIOSH) N1115 molded cup disposable respirators with boomerang molded nose seal and color nose clip. The ultimate in comfort and safety.

Usage:

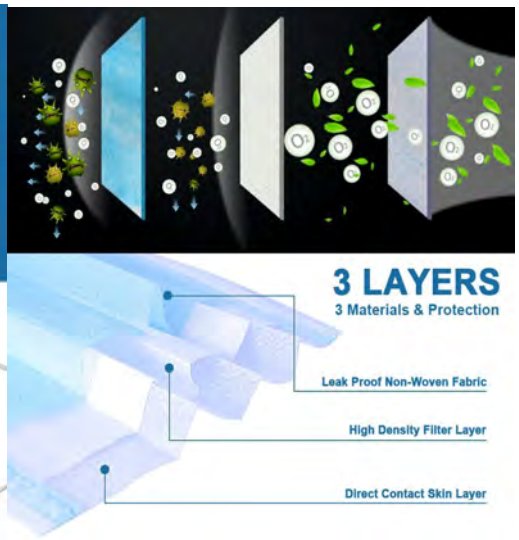
PM 2.5 Dust-Proof, Anti-pollution, Respirator-Type Mask

Delivery Timeframe: 7-21 Day Turnaround + 1-4 Day Delivery

Disposable Tri-fold Mask

Product Overview

Apogee's disposable protective masks are made from 3 layers of filtering fiber, non-woven fabric and are surgical grade PM2.5 Dust proof and antipollution. Active 2020 FDA Certificate



Packaging**:** 50pcs per Unit/Box/Bag

3 Layer Protection

1. Leak-proof, Non-woven Fabric
2. High-Density Filter Layer
3. Direct-Contact, Skin Layer

FDA: https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfRL/rl.cfm?lid=673360&lpcd=QKR

Delivery Timeframe : 14-30 Day Turnaround + 1-4 Day Delivery

FDA U.S. FOOD & DRUG ADMINISTRATION

FDA Home[3] Medical Devices[4] Databases[5]

Establishment Registration & Device Listing

New Search Back To Search Results

Proprietary Name:	Disposable protective mask, Disposable civil mask, Disposable Surgical Mask, Three layers mask,
Classification Name:	FACE MASK (EXCEPT N95 RESPIRATOR) FOR GENERAL PUBLIC/HEALTHCARE PERSONNEL PER IIE GUIDANCE
Product Code:	QKR[6]
Device Class:	Not Classified
Registered Establishment Name:	XIANTAO BONMED HEALTHCARE FACTORY[7]
Registered Establishment Number:	3016849546
Owner/Operator:	XIANTAO BONMED HEALTHCARE FACTORY[8]
Owner/Operator Number:	10066980
Establishment Operations:	Foreign Exporter; Manufacturer

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2. http://www.addthis.com/bookmark.php
3. https://www.fda.gov/
4. https://www.fda.gov/Medical-Devices
5. https://www.fda.gov/medical-devices/device-advice-comprehensive-regulatory-assistance/medical-device-databases
6. /scripts/cdrh/cfdocs/cfPCD/classification.cfm?ID=2913
7. /scripts/cdrh/cfdocs/cfRL/rl.cfm?rid=249879
8. /scripts/cdrh/cfdocs/cfRL/rl.cfm?start_search=1&OwnerOperatorNumber=10066980

Page Last Updated: 07/06/2020

Note: If you need help accessing information in different file formats, see Instructions for Downloading Viewers and Players.

Language Assistance Available: Español | 繁體中文 | Tiếng Việt | 한국어 | Tagalog | Русский | العربية | Kreyòl Ayisyer | Français | Polski | Português | Italiano | Deutsch | 日本語 | فارسی | English

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FDA

U.S. Food and Drug Administration
10903 New Hampshire Avenue
Silver Spring, MD 20993
Ph. 1-888-INFO-FDA (1-888-463-6332)
Contact FDA

USA.gov

For Government For Press

3-ply
Ear-loop
DISPOSABLE PROTECTIVE MASK
DISPOSABLE
FACE MASK
50
PCS

VENDOR PERFORMANCE REPORT

Return to Search List

WHAT TYPE:

Commodity/Service: Commodities
Purchase Type: Exempt
Purchase Order No: 20P9000932
PO Amount: $45,000.00
PO Date: 4/30/2020
Class/Item: 47562
Contract ID: 20P9000932

TO (CONTRACTOR):

Vendor ID: 14714161412
Contractor Name: URW Inc
Contact Name: Dante Cullari
Address: 360 Stacey Ann Cv ,
City/State/Zip: Dripping Springs/ Texas/ 78620-3242
Phone: 717-805-4608
Email: dante@thezyx.com

FROM (AGENCY/CO-OP MEMBER):

Agency ID: 405
Agency Name: Department Of Public Safety - 405
Contact Name: Philip Johnson
Address: 5805 North Lamar ,
City/State/Zip: Austin/ Texas/ 78752
Phone: 512-424-5255
Email: philip.johnson@dps.texas.gov

VENDOR COMMENT:

GENERAL PERFORMANCE CODE(S):

(305) Exceptional customer service response

SATISFACTORY RESOLUTION CODE(S):

UNSATISFACTORY RESOLUTION CODE(S):

RESOLUTION DATE:

GRADE: A

Anti-Fog Safety Goggles

Product Overview

High standard protective goggles, anti-fog and windproof. FDA certification. Fits over prescription glasses.

Usage:

Eye Protection, Lab, Cleaning

Delivery Timeframe: 10-21 Day

Turnaround + 1-4 Day Delivery

Product name:	Protective goggles	Model:	R101-1
Lens thickness:	2mm	Weight:	80g
Frame meterial:	PVC	Function:	Windproof, Anti-fog
Lens material:	PC		Dustproof, Anti-impact

Nitrile Disposable Gloves - Powder-Free

Product Overview

Durable, water-resistant, non-powder genuine nitrile gloves with choice of color - Blue, Black or White. Sizes S-2XL.100 pc / box. 3,4,5 and 6mil thickness available.

Usage:

Basic Cleaning, Indoor/Outdoor Use, Personal Use

Delivery Timeframe: 14-21 Day Turnaround for 3 and 4mil.

21-30 Day Production Time + 6-21 Day Travel + 1-4

Day Delivery to Door for production runs of 5 and 6 mil. Max 54 Day

Turnaround. Production capability still available.

Reliable, fast delivery

TYVEK Jumpsuit

Product Overview

High quality, durable waterproof TYVEK 1443R paper jumpsuit offering blood and fluid protection.

Usage:

Homecare, Lab, Hospital, Dental

Delivery Timeframe:

21-30 Day Turnaround + 1-4

Day Delivery

TYVEK
Tyvek
杜邦™ Tyvek®
有限次使用连体防护服
DUPONT
Tyvek.
DUPONT
Tyvek.

Xpert
2XL
DUPONT
Tyvek
Tyvek

Contactless Handheld Thermometer

Product Overview

Non-contact, high accuracy, hand-held infrared human temperature reader with fast temperature measurement. +-.036°F accuracy.

Usage:

Business, Schools, Public Transportation

Delivery Timeframe: 10-21 Day

Turnaround + 1-4 Day Delivery

Disposable Gown - Level 1

Product Overview

Apogee provides disposable hospital gowns made of high quality non-woven material with blood and fluid protection and elastic cuffs. Levels 1,2,3 and 4 available.

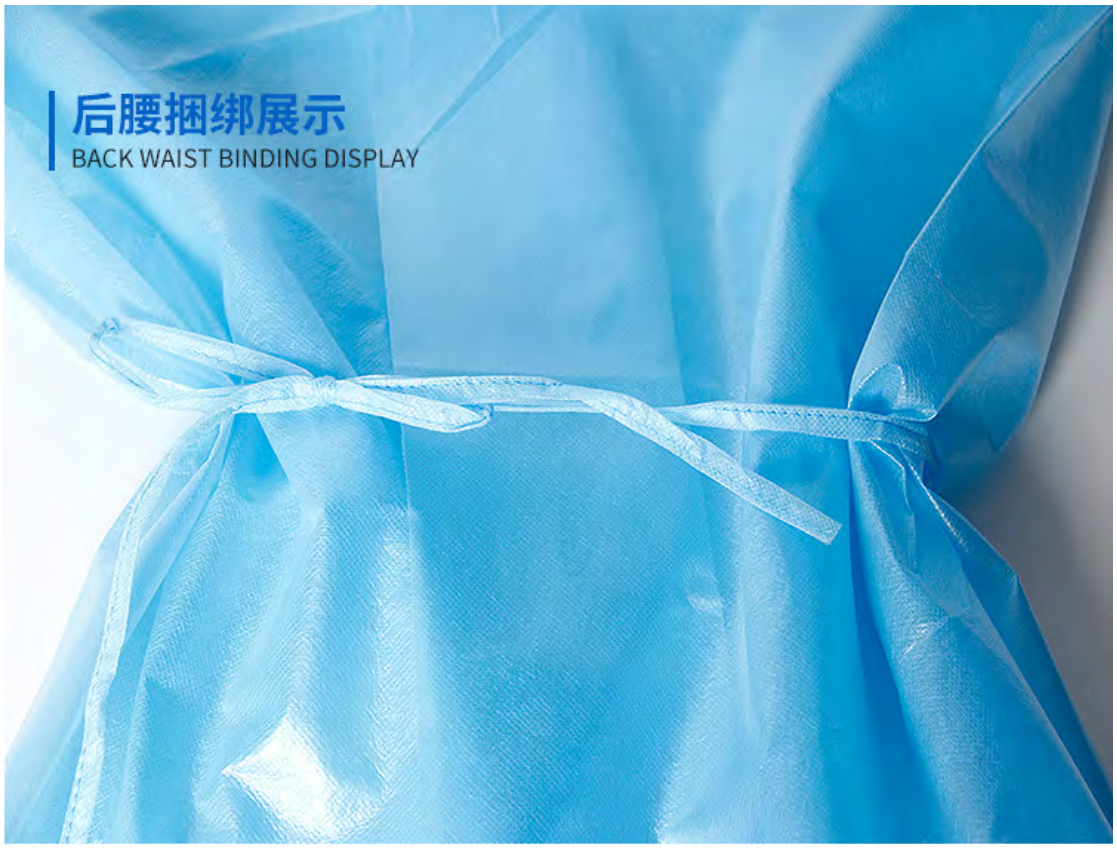
Usage:

Homecare, Lab, Hospital, Dental

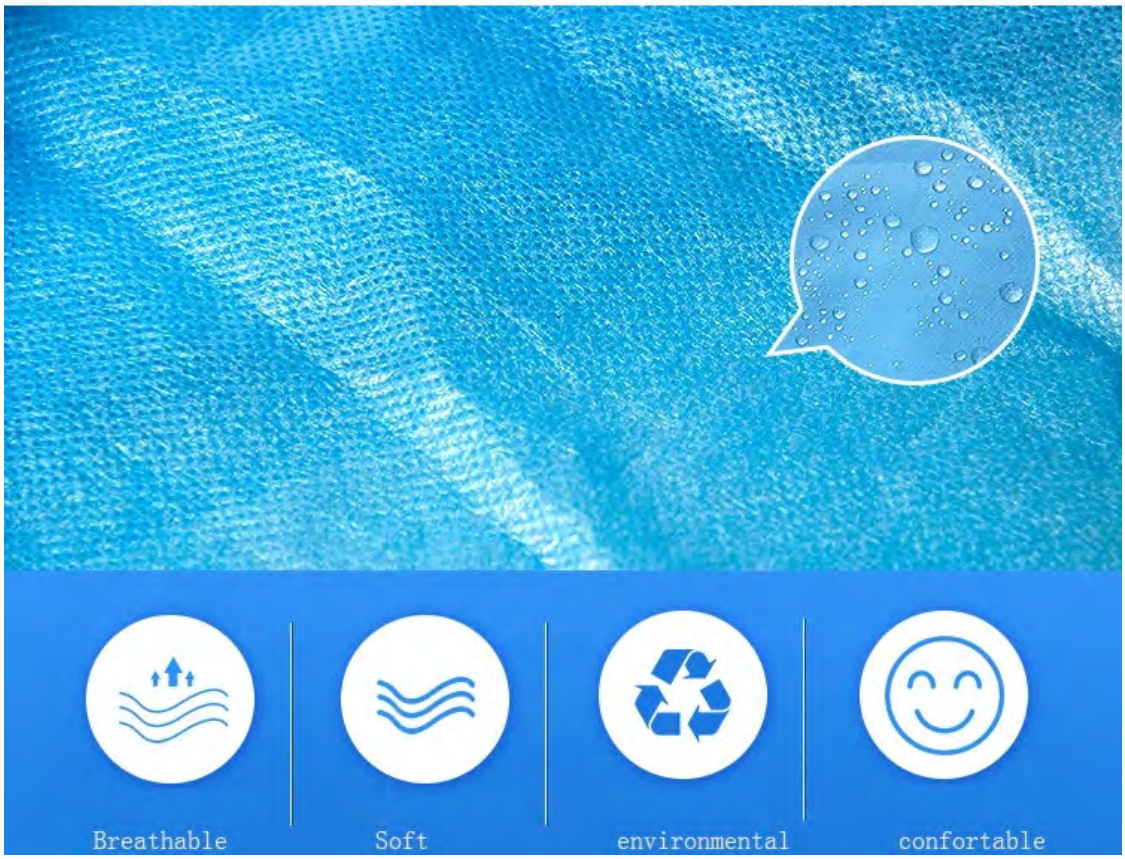
Delivery Timeframe:

21-30 Day Turnaround + 1-4

Day Delivery



FABRIC PARSING



Disposable Face Shield

Product Overview

Apogee provides high-quality disposable face shields with large radius for fluid and splash protection, with comfort foam strip. Good for all sizes with adjustable strap. Face shields measure 38cm(14.96in) x 22.5cm(8.5in).

Usage:

Homecare, Lab, Hospital, Dental

DeliveryTimeframe: 10-21 Day

Turnaround + 1-4 Day Delivery

Face Shield
Protective Isolation Mask
Warning:
It can only be used as Mask prevent to the liquid from overflowing

Face Shield
Protective Isolation Mask

THE HARTFORD
BUSINESS SERVICE CENTER
3600 WISEMAN BLVD
SAN ANTONIO TX 78251

August 5, 2020

City of Galveston
823 ROSENBERG ST RM 300
GALVESTON TX 77550-2103

Account Information:

Policy Holder Details :	URW INC

Contact Us

Business Service Center
Business Hours: Monday - Friday
(7AM - 7PM Central Standard Time)
Phone: (866) 467-8730
Fax: (888) 443-6112
Email: agency.services@thehartford.com
Website: https://business.thehartford.com

Enclosed please find a Certificate Of Insurance for the above referenced Policyholder. Please contact us if you have any questions or concerns.

Sincerely,

Your Hartford Service Team

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 08/05/2020

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 SUBROGATIONIS 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
BIN INSURANCE HOLDINGS LLC/PHS
46505500
The Hartford Business Service Center
3600 Wiseman Blvd
San Antonio, TX 78251

CONTACT NAME:
PHONE (A/C, No, Ext): (866) 467-8730
FAX (A/C, No): (888) 443-6112
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE		NAIC#
INSURER A :	Twin City Fire Insurance Company	29459
INSURER B :		
INSURER C :		
INSURER D :		
INSURER E :		
INSURER F :		

INSURED
URW INC
4809 S CONGRESS AVE # 4809-1
AUSTIN TX 78745-2566

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/Y YYY)	LIMITS	
A	COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [ ] OCCUR [X] [X] General Liability GEN'L AGGREGATE LIMIT APPLIES PER: POLICY [ ] PRO-JECT [ ] LOC [X] OTHER:			46 SBA AE0239	10/18/2019	10/18/2020	EACH OCCURRENCE	$1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$1,000,000
							MED EXP (Any one person)	$10,000
							PERSONAL & ADV INJURY	$1,000,000
							GENERAL AGGREGATE	$2,000,000
							PRODUCTS - COMP/OP AGG	$2,000,000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	
							BODILY INJURY (Per person)	
							BODILY INJURY (Per accident)	
							PROPERTY DAMAGE (Per accident)	
	UMBRELLA LIAB **EXCESS LIAB** OCCUR CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE	
							AGGREGATE	
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **Y/N** [ ] **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N/ A					PER STATUTE / OTH-ER	
							E.L. EACH ACCIDENT	
							E.L. DISEASE -EA EMPLOYEE	
							E.L. DISEASE - POLICY LIMIT	
A	EMPLOYMENT PRACTICES LIABILITY			46 SBA AE0239	10/18/2019	10/18/2020	Each Claim Limit Aggregate Limit	$10,000 $10,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES **(ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**
Those usual to the Insured's Operations.

CERTIFICATE HOLDER
City of Galveston
823 ROSENBERG ST RM 300
GALVESTON TX 77550-2103

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
Susan L. Castaneda

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AGENCY CUSTOMER ID: _____

LOC# : _____

ADDITIONAL REMARKS SCHEDULE

AGENCY		NAMED INSURED
BIN INSURANCE HOLDINGS LLC/PHS		URW INC 4809 S CONGRESS AVE # 4809-1 AUSTIN TX 78745-2566
POLICY NUMBER SEE ACORD 25		
CARRIER SEE ACORD 25	NAIC CODE	EFFECTIVE DATE: SEE ACORD 25

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM

FORM NUMBER: ACORD 25 **FORM TITLE:** CERTIFICATE OF LIABILITY INSURANCE

Certificate holder is an additional insured per the Business Liability Coverage Form SS0008 attached to this policy. Contractual Liability applies per the Business Liability Coverage Form SS0008, attached to this policy.

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CERTIFICATE OF INTERESTED PARTIES

FORM 1295

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2020-653603

Date Filed:
08/05/2020

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

U.R.W., Inc.
Dripping Springs, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Galveston

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

COG-CON-20-121
Personal Protective Equipment

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
Cullari, Dante	Dripping Springs, TX United States	X	

5 Check only if there is NO Interested Party. ☐

6 UNSWORN DECLARATION

My name is Dante Cullari, and my date of birth is 05/31/1988

My address is 360 Stacey Ann Cv (street), Dripping Springs (city) TX (state), 78620 (zip code), US (country).

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Hays County, State of Texas, on the 5th day of August (month), 2020 (year).

Signature of authorized agent of contracting business entity
(Declarant)

City of Galveston

P. O. Box 779 / Galveston, Texas 77553-0779

To: Hon. Mayor and City Council Members
Brian Maxwell City Manager

From: Robert Simmons – Risk Manager

RE: **Consider for approval the annual renewal of the Inter-local agreement with Texas Municipal League Intergovernmental Risk Pool for the 2020–2021 fund year for Workers Compensation TPA coverage. Authorizing the City Manager to execute all necessary documents upon final approval by the City Council.**

I. Background

A. The City of Galveston is a member of the Texas Municipal League Intergovernmental Risk Pool. Membership continues each year when the inter-local agreement is renewed.
B. Membership in the risk pool provides Third Party Administrative services and stop loss coverage required for the City of Galveston self-insured workers compensation program.
C. The City has received a renewal statement with the required contribution costs for the continued TPA workers compensation services.

II. Current Situation

A. The 2020-2021 Fund year contributions will be approximately $95,000.00 This amount does not reflect the 2% pre-payment discount.
B. TMLIRP is the third party administrator for the City of Galveston self-insured workers compensation program.
C. The annual contributions are for TPA services and stop loss coverage only. This amount does not take into consideration the cost to the City associated with having a self-insured workers compensation program

III. Issues

A. The City of Galveston needs to place the third party administrative services and stop loss coverage for the self-insured workers compensation program for FY19

IV. Alternatives in order of priority

A. City Council approves the expenditure.
B. City Council does not approve the expenditure.

V. Recommendation

Concur with Alternative A.

VI. Fiscal Impact Report

Requested by:	Robert Simmons – Risk Manager
Funding Source:	N/A
Costs of implementation:	Approximately $95,000.00
Estimated annual M&O costs:	N/A
Estimated cumulative M&O costs:	N/A
Additional Information:	N/A

Respectfully Submitted,

_____
Robert Simmons
Risk Manager

Approved,

_____
Brian Maxwell
City Manager

INTEGRITY • PUBLIC SERVICE • FISCAL RESPONSIBILITY • OPERATIONAL EXCELLENCE

PARTNERSHIP

TML
RISK POOL

Workers' Compensation Declarations Page

Member Name:	Galveston
Member ID:	6459
Fed ID No:	74-6000905
Effective Date:	10/01/2020
Anniversary Date:	10/01/2021

Workers' Compensation Coverage: This agreement applies to the Workers' Compensation laws of the State of Texas.

Coverage will be provided in accordance with the signed Workers' Compensation Interlocal Agreement on file with the Texas Municipal League Intergovernmental Risk Pool.

Accident Deductible: $500,000

Aggregate Deductible: $1,500,000

This contribution has been determined according to the Pool's manual of rules, classifications, rates and rating plans. Classifications and payrolls are subject to verification and change at audit.

Net Estimated Contribution: $94,727

Schedule of Applicable Documents

Member Name: Galveston
Member ID: 6459
Coverage Period: 10/01/2020 to 10/01/2021 Shown As of 06/24/2020

ID	Document Name	Revision Date
W101	WC Declarations Page	8/20/2010
X150	Schedule of Applicable Documents	6/1/2008
W102	WC Payroll Classification Schedule	9/24/2010
W133	Volunteer Endorsement to Interlocal Agreement	8/30/2010
E112	Retention Schedule	9/28/2015
W134	WC Payroll Adjustment Form	10/1/2014

Workers' Compensation
Payroll Schedule

Member Name:	Galveston
Member ID:	6459
Effective Date:	10/01/2020
Anniversary Date:	10/01/2021
Date Generated:	06/24/2020

Location 1: PO Box 779, Galveston, TX

Classification	Description	Estimated Payroll	Rate	# of Emp.	Estimated Contribution
4511	Building Inspectors, County Appraisal District, Analytical Chemists	1,390,041	0.87	27	12,093
5190	Radio & Electrical Installations and Traffic Signals and Controls	753,961	5.24	16	39,508
5506	Street & Road Repair	1,314,783	7.62	37	100,186
5606	Building Contractors	662,201	3.18	9	21,058
7382	Transit Authority	1,611,806	9.64	42	155,378
7423	Airport Operations	176,397	3.33	8	5,874
7520	Waterworks Operation, Flood Control System Maintenance, Irrigation Control	560,610	4.61	12	25,844
7550	Combined Utility Operations (Water and Sewer)	1,482,675	4.61	33	68,351
7580	Sewage Treatment & Collection	2,478,657	3.92	60	97,163
7704	Firefighters – Paid	8,554,170	4.92	121	420,865
7720	Police Officers – Paid (excluding Motorcycle Officers)	11,522,888	4.35	136	501,246
8385	Transit Garage	707,747	6.27	16	44,376
8391	Automobile Garage	816,813	4.18	20	34,143
8810	Clerical – Office	10,699,304	0.41	183	43,867
8831	Animal Shelters	134,172	6.25	4	8,386
8888	Motorcycle Police Officers - Paid	351,893	7.90	4	27,800
9015	Building Operations	279,934	5.52	3	15,452
9102	Parks & Recreation	1,163,364	3.60	33	41,881
9403	Refuse Collection & Disposal – Conventional	2,176,958	8.12	61	176,769
	Subtotals	46,838,374		825	1,840,240

Volunteers and Elected Officials:

3724O	Outside Volunteers	5,720	7.11	1	407
7704V	Volunteer Firefighters	No Exposure		0	Not Covered
7720E	Volunteer Ambulance/EMS	No Exposure		0	Not Covered
7720V	Police Reserves	16,117	4.92	6	793
8742E	Elected/Apptd Officials-Governing Board	No Exposure		0	Not Covered
8742F	Elected/Apptd Officials-All Boards/Commissions	91,800	0.39	153	358
8742I	Inside Volunteers	No Exposure		0	Not Covered

Workers' Compensation
Payroll Schedule

Member Name:	Galveston
Member ID:	6459
Effective Date:	10/01/2020
Anniversary Date:	10/01/2021
Date Generated:	06/24/2020

Volunteers and Elected Officials:

8888V	Police Reserves-Motorcycle		No Exposure	0	Not Covered
		Subtotals	113,637	160	1,558
		Totals	46,952,011	985	1,841,798

Workers' Compensation
Payroll Schedule

Member Name:	Galveston
Member ID:	6459
Effective Date:	10/01/2020
Anniversary Date:	10/01/2021
Date Generated:	06/24/2020

Total Manual Contribution	1,841,798
Experience Modifier	0.30
Total Standard Contribution	552,539
Fund Discount (20.00%)	0.80
Discounted Standard Contribution	442,031
Deductible Credit	-347,304
Net Contribution	94,727
Waiver of Subrogation	0
Total Contribution	94,727

VOLUNTEER ENDORSEMENT TO INTERLOCAL AGREEMENT

This endorsement forms a part of the **Declarations** to which attached, effective on the inception date of the coverage unless otherwise stated herein, and modifies such coverage as is afforded by the provisions of the coverage shown below:

WORKERS' COMPENSATION COVERAGE

Member Name: Galveston
Member ID: 6459
Effective Date: 10/01/2020

In consideration of the Employer Pool Member's request for payment of additional benefits and in further consideration of the Fund's agreement to pay such benefits, the Interlocal Agreement is amended by adding thereto the applicable coverages indicated below.

The Fund will pay on behalf of the Employer Pool Member if a volunteer employee in a classification for which coverage was accepted shall sustain injury, including death resulting therefrom, under circumstances which would have rendered the Employer Pool Member liable for compensation if the injured volunteer employee and the Employer Pool Member had been subject to the Texas Workers' Compensation Law with respect to such voluntary employment, an amount equal to the compensation and other benefits which would have been payable under such law had the injured volunteer and the Employer Pool Member been subject to such law with respect to such voluntary employment. The parties of this agreement do not by its use intend to make applicable to themselves any provision of the Texas Workers' Compensation Law not already in force and effect as to them. The reference to the Texas Workers' Compensation Law is intended as a measure and extent of benefits and the liability therefore and not an adoption of the law.

The Employer Pool Member agrees to pay the contribution for the volunteer employee classifications shown on the Payroll Schedule (W102). The information regarding coverages accepted or rejected has been derived from documentation on file including the signed acceptance executed by a representative of this entity duly authorized to accept or reject Workers' Compensation coverage for volunteers.

This agreement shall be subject to all the terms, provisions and conditions of the Interlocal Agreement, and nothing herein contained shall vary, alter or extend any term, provision or condition of the Interlocal Agreement except as herein specifically stated.

Workers' Compensation Retention Schedule

Member Name	:	Galveston
Member ID	:	6459
Effective Date	:	10/01/2020
Anniversary Date	:	10/01/2021
Date	:	06/24/2020

1. TOTAL ANNUAL CONTRIBUTION $ 94,727

The Member shall pay the TOTAL ANNUAL CONTRIBUTION shown in four equal quarterly payments, subject to adjustment based on the annual anniversary date payroll audit. The TML Workers' Compensation Joint Insurance Fund, hereinafter referred to as the FUND, shall make initial payment for all losses and allocated loss adjustment expenses which shall include, but not be limited to, attorney's fees, outside investigation and Texas Department of Insurance Division of Workers' Compensation representation charges.

2. PER OCCURRENCE RETENTION $ 500,000

OCCURRENCE is defined as an accident resulting in bodily injury to one or more employees at a specific place and time. Repetitive traumatic injury or occupational disease sustained by each employee shall be deemed to be one, separate OCCURRENCE and the OCCURRENCE shall be deemed to take place on the date upon which the employee is last exposed at work to conditions allegedly causing such traumatic injury or occupational disease.

3. ANNUAL AGGREGATE RETENTION $ 1,500,000

4. AGGREGATE LIMIT OF LIABILITY $ 1,000,000

After payments within the PER OCCURRENCE RETENTION exceed the ANNUAL AGGREGATE RETENTION, the FUND will pay all losses and allocated loss adjustment expenses, including those within the PER OCCURRENCE RETENTION, until the AGGREGATE LIMIT OF LIABILITY is exhausted

5. LOSS DEPOSIT FUND $ 46,000

The Member agrees to promptly reimburse monthly the FUND for any payments made on its behalf and to maintain a LOSS DEPOSIT FUND in the amount specified. The LOSS DEPOSIT FUND is an average of two months of the Member's paid losses and is evaluated annually. If the Member fails to reimburse the FUND within 15 days of the date of the invoice, the FUND shall notify the Member in writing of its non-compliance. If the Member fails to reimburse the FUND within five days of such notice, the FUND, at its discretion, may declare the Member in default and terminate the Interlocal Agreement by giving the Member 10 days' written notice of its intent to terminate as specified in paragraph 5 of the Workers' Compensation Interlocal Agreement. Interest charges of 1% per month shall be due on any bill not paid within 30 days.

6. SUBROGATION RECOVERIES:

Workers' Compensation Retention Schedule

The FUND shall be subrogated to all the Member's rights of recovery in a third-party action under Texas Labor Code Chapter 417. The FUND will act in concert with the Member in the exercise of such rights of recovery. If the FUND obtains a subrogation recovery of workers' compensation benefits, the proceeds of such subrogation recovery shall first be used by the FUND to pay its costs of recovery, and any excess shall be divided between the FUND and the Member to pay their losses in the proportion of their respective interests in benefits paid for the OCCURRENCE at the time of recovery. Any excess paid to the Member shall not be applied toward the Member's PER OCCURRENCE RETENTION for the workers' compensation claim and thus shall not be applied to reduce the amount of payments deemed paid by the Member within the PER OCCURRENCE RETENTION. If the FUND obtains an advance against future benefits under Section 471.002(b) of the Texas Labor Code, the advance shall first be applied toward the Member's PER OCCURRENCE RETENTION if not yet fully paid at the time of recovery, and any excess advance against future benefits shall be applied toward future benefits owed by the FUND.

Workers' Compensation
Payroll Adjustment Form

Member Name: Galveston
Member ID: 6459
Effective Date: 10/01/2020
Anniversary Date: 10/01/2021

The payrolls shown below by classification reflect the estimated values from the Payroll Schedule for the coverage period shown above. If adjustments are needed, please make changes in the blank spaces provided and return to the Pool. If volunteer classifications are being added or deleted, refer to page 2 for instructions and signature. If you have additional operations for classifications not shown below or questions regarding volunteer classifications, please contact your Member Services Manager or Underwriter at (800) 537-6655.

Location: PO Box 779, Galveston, Texas 77553-0779

Non-Volunteer:

Class code	Classification Description	Estimated Payroll	Req. Adjusted Payroll	Number of Employees
4511	Building Inspectors, County Appraisal District, Analytical Chemists	$1,390,041		
5190	Radio & Electrical Installations and Traffic Signals and Controls	$753,961		
5506	Street & Road Repair	$1,314,783		
5606	Building Contractors	$662,201		
7382	Transit Authority	$1,611,806		
7423	Airport Operations	$176,397		
7520	Waterworks Operation, Flood Control System Maintenance, Irrigation Control	$560,610		
7550	Combined Utility Operations (Water and Sewer)	$1,482,675		
7580	Sewage Treatment & Collection	$2,478,657		
7704	Firefighters – Paid	$8,554,170		
7720	Police Officers – Paid (excluding Motorcycle Officers)	$11,522,888		
8385	Transit Garage	$707,747		
8391	Automobile Garage	$816,813		
8810	Clerical – Office	$10,699,304		
8831	Animal Shelters	$134,172		
8888	Motorcycle Police Officers - Paid	$351,893		
9015	Building Operations	$279,934		
9102	Parks & Recreation	$1,163,364		
9403	Refuse Collection & Disposal – Conventional	$2,176,958		
	Subtotals	$46,838,374		

Workers' Compensation
Payroll Adjustment Form

Member Name: Galveston
Member ID: 6459
Effective Date: 10/01/2020
Anniversary Date: 10/01/2021

Volunteers and Elected Officials:

Class code	Classification Description	Estimated Payroll	Req. Adjusted Payroll	Number of Volunteers
3724O	Outside Volunteers	$5,720		
7704V	Volunteer Firefighters	Not Covered		
7720E	Volunteer Ambulance/EMS	Not Covered		
7720V	Police Reserves	$16,117		
8742E	Elected/Apptd Officials-Governing Board	Not Covered		
8742F	Elected/Apptd Officials-All Boards/Commissions	$91,800		
8742I	Inside Volunteers	Not Covered		
8888V	Police Reserves-Motorcycle	Not Covered		
	Subtotals	$113,637		

Total Estimated Payroll: $46,952,011

Workers' Compensation
Payroll Adjustment Form

Member Name:	Galveston
Member ID:	6459
Effective Date:	10/01/2020
Anniversary Date:	10/01/2021

Please note that a payroll amount must be shown on the previous page for all volunteer classifications for which coverage is desired. Payroll is estimated using hourly rates as follows (except for Elected & Appointed Officials):

Class code	Class Description	Hourly Rate
3724O	Outside Volunteers	$7.25
7704V	Volunteer Firefighters	$15.00
7720E	Volunteer Ambulance/EMS	$9.25
7720V	Police Reserves	$9.90
8742I	Inside Volunteers	$7.25
8888V	Police Reserves-Motorcycle	$9.90
If hourly records are not kept, a payroll of $110 per week or $5,720 annually per volunteer will be used.		

Amount applies per year per official or actual payroll, whichever is greater.

8742E	Elected/Apptd Officials - Governing Board Only	$600
8742F	Elected/Apptd Officials - All Boards/Comms	$600

Directions: Coverage is not provided for volunteers unless it is expressly accepted. It is important to evaluate these classifications on an annual basis to be certain the desired coverage is in place. Your Declarations Page assures the continuation of the volunteer coverage elected in the previous coverage period. If you wish to add or remove volunteer coverage, please indicate this change by adjusting the applicable classifications and signing below.

I, the undersigned, a duly authorized representative of this entity, do hereby ACCEPT Workers' Compensation coverage for Volunteers of this local government for which a value is shown on the previous page, and REJECT Workers' Compensation coverage for those that are shown as "Not Covered".

Name: _____

Title: _____

Signature: _____ Date: _____

It is only necessary* to *sign and return this form if you are making changes to payroll or classifications.

Texas Municipal League Intergovernmental Risk Pool
1821 Rutherford Lane, First Floor, Austin, Texas 78754
(512) 491-2300 | (800) 537-6655

2020-2021 Liability and Property Coverage TMLIRP								
50301-811566-xxxxxx-465300								
Vendor # 10013								
			2% prepayment	Adjusted		Equity		**2021**
Description	Account	Premium	discount	Premium			Balance Due	**Budget**
Automobile Liability	534026	$ 291,332.00	$ 5,826.64	$ 285,505.36	50.57%	$ -	**$ 285,505.36**	
Errors & Omissions Liability	534019	$ 92,115.00	$ 1,842.30	$ 90,272.70	15.99%	$ -	**$ 90,272.70**	
General Liability	534027	$ 49,712.00	$ 994.24	$ 48,717.76	8.63%	$ -	**$ 48,717.76**	
Law Enforcement Liability	534018	$ 141,131.00	$ 2,822.62	$ 138,308.38	24.50%	$ -	**$ 138,308.38**	
Aviation	534017	$ 1,818.00	$ 36.36	$ 1,781.64	0.32%	$ -	**$ 1,781.64**	
		$ 576,108.00	**$ 11,522.16**	**$ 564,585.84**	**100.00%**	**$ -**	**$ 564,585.84**	
				$ 564,585.84				
Automobile Physical Damage	534013	$ 192,811.00	$ 3,856.22	$ 188,954.78	54.66%	$ -	**$ 188,954.78**	
Automobile Catastrophic	534037	$ 26,104.00	$ 522.08	$ 25,581.92	7.40%	$ -	**$ 25,581.92**	
Public Employee Dishonesty	534028	$ 2,112.00	$ 42.24	$ 2,069.76	0.60%	$ -	**$ 2,069.76**	
Forgery & Alteration	534028	$ 302.00	$ 6.04	$ 295.96	0.09%	$ -	**$ 295.96**	
Computer Fraud	534028	$ 2,320.00	$ 46.40	$ 2,273.60	0.66%	$ -	**$ 2,273.60**	
Mobile Equipment	534015	$ 41,205.00	$ 824.10	$ 40,380.90	11.68%	$ -	**$ 40,380.90**	
Real & Personnel Property	534021	$ 87,880.00	$ 1,757.60	$ 86,122.40	24.91%	$ -	**$ 86,122.40**	
		$ 352,734.00	**$ 7,054.68**	**$ 345,679.32**	**100.00%**	**$ -**	**$ 345,679.32**	
				$ 345,679.32				
		$ 928,842.00	**$ 18,576.84**	**$ 910,265.16**			**$ 910,265.16**	**$ -**
				$ 910,265.16				
2020-2021 Workers Compensation Coverage TMLIRP								
50302-811566-xxxxxx-465300		Premium	2% Discount	Balance Due				
Workers Compensation Admin	534054	**$ 94,727.00**	**$ 1,894.54**	**$ 92,832.46**				
Workers Compensation	534022							
WKC Loss Deposit fund	**2015**	**$ 88,000.00**						
	2016	**$ 71,000.00**	**$ (17,000.00)**					
	2017	**$ 50,000.00**	**$ (21,000.00)**					
	2018	**$ 50,000.00**	**$ -**					
	2019	**$ 59,000.00**	**$ 9,000.00**					
	2020	**$ 59,000.00**	**$ -**					
	2021	**$ 46,000.00**	**$ (13,000.00)**					

TMLIRP		1.18%	1.20%	1.09%	0.96%	0.82%	1.05%	1.14%	1.36	1.32
Liability & Property										
50301-811566-xxxxxx-465300		2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021%
Description	Account	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21e
Automobile Liability	534026	$ 194,040.00	$ 205,997.00	$ 177,565.00	$ 192,840.00	$ 171,426.00	$ 230,221.00	$ 236,801.00	$ 291,332.00	$ 291,332.00
Errors & Omissions Liability	534019	$ 96,743.00	$ 93,347.00	$ 95,748.00	$ 78,322.00	$ 61,597.00	$ 71,598.00	$ 72,890.00	$ 89,432.00	$ 92,115.00
General Liability	534027	$ 52,917.00	$ 48,852.00	$ 45,556.00	$ 37,653.00	$ 34,260.00	$ 40,989.00	$ 44,273.00	$ 49,712.00	$ 49,712.00
Law Enforcement Liability	534018	$ 93,163.00	$ 94,245.00	$ 89,751.00	$ 81,106.00	$ 80,381.00	$ 105,060.00	$ 117,201.00	$ 128,301.00	$ 141,131.00
Aviation	534017	$ -	$ -	$ -	$ 2,243.00	$ 2,243.00	$ 2,031.00	$ 1,818.00	$ 1,818.00	$ 1,818.00
Automobile Physical Damage	534013	$ 127,894.00	$ 124,961.00	$ 119,526.00	$ 139,347.00	$ 146,848.00	$ 165,367.00	$ 180,085.00	$ 192,811.00	$ 192,811.00
Automobile Catastrophic	534037	$ 8,000.00	$ 8,000.00	$ 8,000.00	$ 8,000.00	$ 15,533.00	$ 15,533.00	$ 20,287.00	$ 26,104.00	$ 26,104.00
Public Employee Dishonesty	534028	$ 2,113.00	$ 2,348.00	$ 2,348.00	$ 2,348.00	$ 2,348.00	$ 2,348.00	$ 2,348.00	$ 2,112.00	$ 2,112.00
Forgery & Alteration	534028	$ 302.00	$ 335.00	$ 335.00	$ 335.00	$ 335.00	$ 335.00	$ 335.00	$ 302.00	$ 302.00
Computer Fraud	534028	$ 232.00	$ 258.00	$ 258.00	$ 258.00	$ 258.00	$ 258.00	$ 2,579.00	$ 2,320.00	$ 2,320.00
Mobile Equipment	534015	$ 23,714.00	$ 23,826.00	$ 19,467.00	$ 22,598.00	$ 23,537.00	$ 26,603.00	$ 29,691.00	$ 41,205.00	$ 41,205.00
Real & Personnel Property	534021	$ 73,960.00	$ 76,415.00	$ 69,406.00	$ 69,316.00	$ 73,293.00	$ 78,121.00	$ 84,661.00	$ 85,320.00	$ 87,880.00
Total		$ 673,078.00	$ 678,584.00	$ 627,960.00	$ 634,366.00	$ 612,059.00	$ 738,464.00	$ 792,969.00	$ 910,769.00	$ 928,842.00
2% Pre payment discount		$ 13,461.56	$ 13,571.68	$ 12,559.20	$ 12,687.32	$ 12,241.18	$ 14,769.28	$ 15,859.38	$ 18,215.38	$ 18,576.84
Liability and Property		**$ 659,616.44**	**$ 665,012.32**	**$ 615,400.80**	**$ 621,678.68**	**$ 599,817.82**	**$ 723,694.72**	**$ 777,109.62**	**$ 892,553.62**	**$ 910,265.16**
Workers Compensation TPA										
50302-800566-xxxxxx-465300	534054	$ 76,974.00	$ 54,608.88	$ 71,030.40	$ 82,132.00	$ 87,095.00	$ 86,172.00	$ 92,579.00	$ 96,273.00	$ 94,727.00
2% Pre payment discount		$ 1,539.48	$ 1,092.18	$ 1,420.61	$ 1,642.64	$ 1,741.90	$ 1,723.44	$ 1,851.58	$ 1,925.46	$ 1,894.54
Workers Comp TPA		**$ 75,434.52**	**$ 53,516.70**	**$ 69,609.79**	**$ 80,489.36**	**$ 85,353.10**	**$ 84,448.56**	**$ 90,727.42**	**$ 94,347.54**	**$ 92,832.46**
		$ 32,812,978.32	$ 34,754,575.86	$ 35,716,714.80	$ 37,756,934.51	$ 41,037,497.90	$ 42,960,773.25	$ 44,889,534.95		
		$ 2,452,120.08	$ 2,636,085.27	$ 2,712,493.67	$ 3,036,219.24	$ 3,424,851.47	$ 3,434,355.11	$ 3,304,050.67		
Total / Pre 2% Discount		**$ 750,052.00**	**$ 733,192.88**	**$ 698,990.40**	**$ 716,498.00**	**$ 699,154.00**	**$ 824,636.00**	**$ 885,548.00**	**$ 1,007,042.00**	**$ 1,023,569.00**
TOTAL NET CONTRIBUTIONS		**$ 735,050.96**	**$ 718,529.02**	**$ 685,010.59**	**$ 702,168.04**	**$ 685,170.92**	**$ 808,143.28**	**$ 867,837.04**	**$ 986,901.16**	**$ 1,003,097.62**

City of Galveston

P. O. Box 779 / Galveston, Texas 77553-0779

To: Hon. Mayor and City Council Members
Brian Maxwell City Manager

From: Robert Simmons – Risk Manager

RE: **Consider for approval the annual renewal of the Inter-local agreement with Texas Municipal League Intergovernmental Risk Pool for the 2020–2021 fund year for Liability and Property coverage. Authorizing the City Manager to execute all necessary documents upon final approval by the City Council.**

I. Background

A. The City of Galveston is a member of the Texas Municipal League Intergovernmental Risk Pool. Membership continues each year when the inter-local agreement is renewed.
B. Membership in the risk pool also includes participation in a self-insurance program that provides liability and property coverage that is almost non-existent except through government type risk pools.
C. The City will receive a renewal statement with the required contribution costs for the same level of coverage and deductibles as in previous years.

II. Current Situation

A. The 2020-2021 Fund year contributions will be approximately $928,842.00 This amount does not reflect the 2% pre-payment discount.
B. The contributions cover auto liability, errors and omissions liability, general liability, law enforcement liability and airport liability.
C. Contributions also provide auto physical damage, automobile catastrophic, public employee dishonestly, forgery and alteration, computer fraud, mobile equipment coverage and real and personnel property coverage.
D. Current billing does not take into consideration the increase in contributions as the City continues to add new facilities and vehicles during the fiscal year.

III. Issues

A. The City of Galveston needs to place annual liability, and property coverage for FY21

IV. Alternatives in order of priority

A. City Council approves the expenditure.
B. City Council does not approve the expenditure.

V. Recommendation

Concur with Alternative A.

VI. Fiscal Impact Report

Requested by:	Robert Simmons – Risk Manager
Funding Source:	N/A
Costs of implementation:	Approximately $929,000.00
Estimated annual M&O costs:	N/A
Estimated cumulative M&O costs:	N/A
Additional Information:	N/A

Respectfully Submitted,

_____
Robert Simmons
Risk Manager

Approved,

_____
Brian Maxwell
City Manager

2020-2021 Liability and Property Coverage TMLIRP								
50301-811566-xxxxxx-465300								
Vendor # 10013								
			2% prepayment	Adjusted		Equity		**2021**
Description	Account	Premium	discount	Premium			Balance Due	**Budget**
Automobile Liability	534026	$ 291,332.00	$ 5,826.64	$ 285,505.36	50.57%	$ -	**$ 285,505.36**	
Errors & Omissions Liability	534019	$ 92,115.00	$ 1,842.30	$ 90,272.70	15.99%	$ -	**$ 90,272.70**	
General Liability	534027	$ 49,712.00	$ 994.24	$ 48,717.76	8.63%	$ -	**$ 48,717.76**	
Law Enforcement Liability	534018	$ 141,131.00	$ 2,822.62	$ 138,308.38	24.50%	$ -	**$ 138,308.38**	
Aviation	534017	$ 1,818.00	$ 36.36	$ 1,781.64	0.32%	$ -	**$ 1,781.64**	
		$ 576,108.00	**$ 11,522.16**	**$ 564,585.84**	**100.00%**	**$ -**	**$ 564,585.84**	
				$ 564,585.84				
Automobile Physical Damage	534013	$ 192,811.00	$ 3,856.22	$ 188,954.78	54.66%	$ -	**$ 188,954.78**	
Automobile Catastrophic	534037	$ 26,104.00	$ 522.08	$ 25,581.92	7.40%	$ -	**$ 25,581.92**	
Public Employee Dishonesty	534028	$ 2,112.00	$ 42.24	$ 2,069.76	0.60%	$ -	**$ 2,069.76**	
Forgery & Alteration	534028	$ 302.00	$ 6.04	$ 295.96	0.09%	$ -	**$ 295.96**	
Computer Fraud	534028	$ 2,320.00	$ 46.40	$ 2,273.60	0.66%	$ -	**$ 2,273.60**	
Mobile Equipment	534015	$ 41,205.00	$ 824.10	$ 40,380.90	11.68%	$ -	**$ 40,380.90**	
Real & Personnel Property	534021	$ 87,880.00	$ 1,757.60	$ 86,122.40	24.91%	$ -	**$ 86,122.40**	
		$ 352,734.00	**$ 7,054.68**	**$ 345,679.32**	**100.00%**	**$ -**	**$ 345,679.32**	
				$ 345,679.32				
		$ 928,842.00	**$ 18,576.84**	**$ 910,265.16**			**$ 910,265.16**	**$ -**
				$ 910,265.16				
2020-2021 Workers Compensation Coverage TMLIRP								
50302-811566-xxxxxx-465300		Premium	2% Discount	Balance Due				
Workers Compensation Admin	534054	**$ 94,727.00**	**$ 1,894.54**	**$ 92,832.46**				
Workers Compensation	534022							
WKC Loss Deposit fund	**2015**	**$ 88,000.00**						
	2016	**$ 71,000.00**	**$ (17,000.00)**					
	2017	**$ 50,000.00**	**$ (21,000.00)**					
	2018	**$ 50,000.00**	**$ -**					
	2019	**$ 59,000.00**	**$ 9,000.00**					
	2020	**$ 59,000.00**	**$ -**					
	2021	**$ 46,000.00**	**$ (13,000.00)**					

TMLIRP		1.18%	1.20%	1.09%	0.96%	0.82%	1.05%	1.14%	1.36	1.32
Liability & Property										
50301-811566-xxxxxx-465300		2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021%
Description	Account	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21e
Automobile Liability	534026	$ 194,040.00	$ 205,997.00	$ 177,565.00	$ 192,840.00	$ 171,426.00	$ 230,221.00	$ 236,801.00	$ 291,332.00	$ 291,332.00
Errors & Omissions Liability	534019	$ 96,743.00	$ 93,347.00	$ 95,748.00	$ 78,322.00	$ 61,597.00	$ 71,598.00	$ 72,890.00	$ 89,432.00	$ 92,115.00
General Liability	534027	$ 52,917.00	$ 48,852.00	$ 45,556.00	$ 37,653.00	$ 34,260.00	$ 40,989.00	$ 44,273.00	$ 49,712.00	$ 49,712.00
Law Enforcement Liability	534018	$ 93,163.00	$ 94,245.00	$ 89,751.00	$ 81,106.00	$ 80,381.00	$ 105,060.00	$ 117,201.00	$ 128,301.00	$ 141,131.00
Aviation	534017	$ -	$ -	$ -	$ 2,243.00	$ 2,243.00	$ 2,031.00	$ 1,818.00	$ 1,818.00	$ 1,818.00
Automobile Physical Damage	534013	$ 127,894.00	$ 124,961.00	$ 119,526.00	$ 139,347.00	$ 146,848.00	$ 165,367.00	$ 180,085.00	$ 192,811.00	$ 192,811.00
Automobile Catastrophic	534037	$ 8,000.00	$ 8,000.00	$ 8,000.00	$ 8,000.00	$ 15,533.00	$ 15,533.00	$ 20,287.00	$ 26,104.00	$ 26,104.00
Public Employee Dishonesty	534028	$ 2,113.00	$ 2,348.00	$ 2,348.00	$ 2,348.00	$ 2,348.00	$ 2,348.00	$ 2,348.00	$ 2,112.00	$ 2,112.00
Forgery & Alteration	534028	$ 302.00	$ 335.00	$ 335.00	$ 335.00	$ 335.00	$ 335.00	$ 335.00	$ 302.00	$ 302.00
Computer Fraud	534028	$ 232.00	$ 258.00	$ 258.00	$ 258.00	$ 258.00	$ 258.00	$ 2,579.00	$ 2,320.00	$ 2,320.00
Mobile Equipment	534015	$ 23,714.00	$ 23,826.00	$ 19,467.00	$ 22,598.00	$ 23,537.00	$ 26,603.00	$ 29,691.00	$ 41,205.00	$ 41,205.00
Real & Personnel Property	534021	$ 73,960.00	$ 76,415.00	$ 69,406.00	$ 69,316.00	$ 73,293.00	$ 78,121.00	$ 84,661.00	$ 85,320.00	$ 87,880.00
Total		$ 673,078.00	$ 678,584.00	$ 627,960.00	$ 634,366.00	$ 612,059.00	$ 738,464.00	$ 792,969.00	$ 910,769.00	$ 928,842.00
2% Pre payment discount		$ 13,461.56	$ 13,571.68	$ 12,559.20	$ 12,687.32	$ 12,241.18	$ 14,769.28	$ 15,859.38	$ 18,215.38	$ 18,576.84
Liability and Property		**$ 659,616.44**	**$ 665,012.32**	**$ 615,400.80**	**$ 621,678.68**	**$ 599,817.82**	**$ 723,694.72**	**$ 777,109.62**	**$ 892,553.62**	**$ 910,265.16**
Workers Compensation TPA										
50302-800566-xxxxxx-465300	534054	$ 76,974.00	$ 54,608.88	$ 71,030.40	$ 82,132.00	$ 87,095.00	$ 86,172.00	$ 92,579.00	$ 96,273.00	$ 94,727.00
2% Pre payment discount		$ 1,539.48	$ 1,092.18	$ 1,420.61	$ 1,642.64	$ 1,741.90	$ 1,723.44	$ 1,851.58	$ 1,925.46	$ 1,894.54
Workers Comp TPA		**$ 75,434.52**	**$ 53,516.70**	**$ 69,609.79**	**$ 80,489.36**	**$ 85,353.10**	**$ 84,448.56**	**$ 90,727.42**	**$ 94,347.54**	**$ 92,832.46**
		$ 32,812,978.32	$ 34,754,575.86	$ 35,716,714.80	$ 37,756,934.51	$ 41,037,497.90	$ 42,960,773.25	$ 44,889,534.95		
		$ 2,452,120.08	$ 2,636,085.27	$ 2,712,493.67	$ 3,036,219.24	$ 3,424,851.47	$ 3,434,355.11	$ 3,304,050.67		
Total / Pre 2% Discount		**$ 750,052.00**	**$ 733,192.88**	**$ 698,990.40**	**$ 716,498.00**	**$ 699,154.00**	**$ 824,636.00**	**$ 885,548.00**	**$ 1,007,042.00**	**$ 1,023,569.00**
TOTAL NET CONTRIBUTIONS		**$ 735,050.96**	**$ 718,529.02**	**$ 685,010.59**	**$ 702,168.04**	**$ 685,170.92**	**$ 808,143.28**	**$ 867,837.04**	**$ 986,901.16**	**$ 1,003,097.62**

City of Galveston

DEPARTMENT OF MUNICIPAL UTILITIES

Trino Pedraza, Director of Municipal Utilities & Construction

tpedraza@galvestontx.gov| Office Number: (409) 797-3683 | www.galvestontx.gov

Date: August 27, 2020

To: Brian Maxwell, City Manager
Honorable Mayor and City Council Members

From: Trino Pedraza, Director of Municipal Utilities

RE: Consider approving a Resolution supporting the City of Galveston's $2,000,000 Grant application to the United States Department of the Interior, Bureau of Reclamation's (USBR) "WaterSMART Grants: Water and Energy Efficiency Grants for Fiscal Year 2021," including $4,500,000 in City matching funds to support the City's Sustainable Interactive Customer Connections project.

I. Background

A. In 2016, Staff initiated its Non-Revenue Water (NRW) program when the Gulf Coast Water Authority changed its contract from a "take or pay" contract to one based, in part, on variable water rates.

B. In 2017, the City discovered "the big leak" utilizing acoustic leak detection technology and eliminated a 3 Million Gallon per day loss.

C. In March 2018, the City of Galveston commissioned a Gap analysis of Non-Revenue Water (NRW) with Cavanaugh and Associates, P.A. (Cavanaugh) per the standards of the American Water Works Association's (AWWA) "Water Audit Method" and "The M36 Manual for Water Audits and Loss Control Programs." The results of this audit revealed substantial water loss at levels greater than optimal for a system with the characteristics and operation of the Galveston water utility. The report estimated NRW of 1,031 MG/year. Based on the findings, Cavanaugh recommended:

1. Implementation of a pro-active leak detection program;
2. Developing a system-wide asset management program;
3. Developing a District metering area program; and
4. Developing a methodology to manage and optimize pressure throughout the water delivery system.

C. On March 28, 2019 the City Council approved a Professional Services Agreement (Agreement) with Pure Technologies, U.S., Inc. in the amount of $395,100 for further implementation of a NRW program aimed at reducing water leakage and lost revenue in the Combined Utility System Fund. (RFP #19-09, "Water Loss Mitigation/Non-Revenue Water Loss Control Program Plan). The Agreement encompasses a Phase I Scope of work as follows:

Trino Pedraza, Director of Municipal Utilities & Construction
tpedraza@galvestontx.gov| Office Number: (409) 797-3683 | www.galvestontx.gov

1. A "Mass balance" of purchased water to monitor leakage in the primary water mains;
2. Identify customer meter inaccuracies with targeted algorithms in lieu of random metering sampling;
3. Establishment of District Metered Areas on the Island's west end; and
4. Conducting a City-wide leak inspection survey.

D. On March 28, 2019 the City Council approved an update to Galveston's Water Conservation Plan which provided for water loss reduction goals that are 40% greater than state recommended targets. These goals were crafted assuming that the NRW program would be implemented.

E. Most recent results from the NRW program indicated the largest amounts system water and revenue losses are being realized on meter inaccuracies, system data handling errors and unauthorized consumption.

II. Current Situation

A. On March 5th, the Staff scheduled an interview with the WaterSMART grant review committee and received feedback on changes needed to improve the grant application.
B. Parallel to this effort, the City of Galveston's metering infrastructure has reached end of life and is no longer being supported nor manufactured and will need to be replaced.
C. The City of Galveston will use the opportunity to develop and implement a Sustainable and Interactive Customer Connection project that will include the installation of new advanced metering infrastructure (AMI), Internet of Things (IoT) devices, advanced integrations into current city software applications, business process automation and a new customer facing portal.
D. Phase one of the project will include the purchase, the installation and integration of a new AMI network, a Meter Data Management System, and ~50% of the city's new smart water meters, including their remote disconnects.

III. Issues:

A. Cost: The city would provide 69% ($4,500,000) in matching funds for the $2,000,000 grant to support the estimated total cost of $6,500,000 of the Phase I project.

Trino Pedraza, Director of Municipal Utilities & Construction
tpedraza@galvestontx.gov| Office Number: (409) 797-3683 | www.galvestontx.gov

B. Timing: Approving the Resolution will confirm the City's commitment to provide 69% ($4,500,000) in matching funds for the USBR WaterSMART Grant application submission and enhance the probability of award.

C. Liability: The City does not have any foreseeable liability related to applying for or receiving the Grant.

D. Impact of Ramifications: Obtaining a $2,000,000 USBR WaterSMART Grant will reduce the City's cost of funding the Sustainable Interactive Customer Connection project.

IV. Alternatives in order of priority

A. Approve the Resolution for the $2,000,000 USBR WaterSMART Grant Application with 69% ($4,500,000) City participation for a total project cost of $6,500,000.

B. Do not approve the Resolution for the $2,000,000 USBR WaterSMART Grant Application with 69% ($4,500,000) City participation for a total project cost of $6,500,000.

V. Recommendation

Approve the Resolution for the $2,000,000 USBR WaterSMART Grant Application with 69% ($4,500,000) City participation for a total project cost of $6,500,000.

VI. Fiscal Impact Report

Requested by:	Trino Pedraza Director of Municipal Utilities & Construction
Funding Source:	Combined Utility System Fund, Water and Sewer Certificates of Obligation and potential WaterSMART Grant Funds.
Cost of Implementation	$4,500,000.00

City of Galveston

DEPARTMENT OF MUNICIPAL UTILITIES

Trino Pedraza, Director of Municipal Utilities & Construction

tpedraza@galvestontx.gov| Office Number: (409) 797-3683 | www.galvestontx.gov

Respectfully Submitted,

_____

Trino Pedraza, Director of Municipal Utilities & Construction

Forwarded for Approval,

_____

Brandon Cook, Assistant City Manager of Development and Municipal Services

RESOLUTION NO. 20-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, SUPPORTING A REQUEST TO THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION POLICY AND ADMINISTRATION FOR WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR FISCAL YEAR 2021 FUNDING IN THE AMOUNT OF TWO MILLION DOLLARS ($2,000,000) FOR VARIOUS WATER EFFICIENCY AND CONSERVATION PROJECTS WITHIN THE CITY OF GALVESTON; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO SUBMIT ALL REQUIRED GRANT APPLICATIONS, INFORMATION AND DATA TO SUPPORT SAME; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the United States Department of the Interior, Bureau of Reclamation Policy and Administration has announced the Fiscal Year 2021 grant program for "WaterSMART Grants: Water and Energy Efficiency Grants for Fiscal Year 2021"; and

WHEREAS, the grants available are calculated to improve water conservation and eligible projects include Municipal metering; and

WHEREAS, the "WaterSMART Grants" exclude normal operation and maintenance, water reclamation and groundwater reclamation among other things; and

WHEREAS, the City of Galveston has developed a WaterSMART application request for funds to install advanced water meter infrastructure, smart city platforms and install distribution systems meters associated with production and/or leakage quantification; and

WHEREAS, the City hereby commits to provide a local cash contribution in the amount of $4,500,000 (69%) to meet the phase one total project cost requirement of $6,500,000 in the event the grant application is successful; and

WHEREAS, the City is committed to maintaining the equipment purchased with WaterSMART funding throughout the useful life of the project; and

WHEREAS, the City Council of the City of Galveston deems it in the public interest to authorize the City Manager or his designee to take necessary actions to apply for funding from the United States Department of Interior, Bureau of Reclamation Policy and Administration's program for "WaterSMART Grants: Water and Energy Efficiency Grants for Fiscal Year 2021;

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

SECTION 1. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. The City Council of the City of Galveston hereby authorizes the City Manager to take the following actions in response to the United States Department of Interior, Bureau of Reclamation Policy and Administration's program for "WaterSMART Grants: Water and Energy Efficiency Grants for Fiscal Year 2021:

1. The City Manager's application, required documentation and data associated with the request for $2,000,000 of federal WaterSMART funding is hereby ratified;

The City Manager is authorized to represent that the City of Galveston will make $4,500,000 available to match the WaterSMART funding, if approved by Department of the Interior; and

The City Manager is authorized to represent that the City of Galveston agrees to maintain water distribution equipment purchased through the WaterSMART program for the entirety of its useful life.

SECTION 3. This Resolution shall be and become effective from and after its adoption.

APPROVED AS TO FORM

_____
Mehran Jadidi, Assistant City Attorney

I, Janelle Williams, Secretary of the City of Council of the City of Galveston, do hereby certify that the foregoing is true and correct copy of a Resolution adopted by the City Council of the City of Galveston at its Regular Meeting held on the ___th day of _____, 2020, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this ___th day of _____, 2020.

City of Galveston

DEPARTMENT OF MUNICIPAL UTILITIES

Trino Pedraza, Director of Municipal Utilities & Construction

tpedraza@galvestontx.gov| Office Number: (409) 797-3683 | www.galvestontx.gov

Date: August 27, 2020

To: Brian Maxwell, City Manager
Honorable Mayor and City Council Members

From: Trino Pedraza, Director of Municipal Utilities & Construction

RE: Consider for approval a proposal from Excergy for the City of Galveston Sustainable Interactive Customer Connections (SICC) project for a year one fee not to exceed $178,834. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney

I. Background

A. The City of Galveston currently utilizes and maintains a legacy Automatic Meter Reading (AMR) system that has reached its end of life.

B. The product manufacturer is no longer supporting their devices, and has developed a version of an Advanced Metering Infrastructure (AMI) system that is not backward compatible with their previous product line.

C. The City implemented a Non-Revenue Water Program (NRW) in 2016 aimed at reducing water leakage and lost revenue in the Combined Utility Fund. Recent results from the NRW program indicate the system's largest water and revenue losses are being realized on meter inaccuracies.

II. Current Situation

A. The City of Galveston AMR system has reached end of life, and replacement components are being phased out by the manufacturer. Network collectors are no longer manufactured, and metering registers are soon to follow. A full system replacement will soon be required.

B. The City of Galveston is using the opportunity to rebuild with an advanced dynamic system that will be sustainable, and incorporate technologies used to enhance City capabilities and improve efficiencies.

C. The technology will open new possibilities for prepaid metering, remote connect/disconnect, customer facing portals, Internet of Things (IoT) devices, near real time meter data, leak and pressure monitoring, and business process automation.

Trino Pedraza, Director of Municipal Utilities & Construction

tpedraza@galvestontx.gov| Office Number: (409) 797-3683 | www.galvestontx.gov

D. The integrated systems will allow the City to reduce truck rolls, improve billing efforts, provide customers with access to their individual data, and open the door to artificial intelligence systems.

E. The City of Galveston believes the project requires a special attention to detail in order to maximize the capabilities of the integrated systems, and to ensure project fiscal responsibility.

F. The total costs of the entire project are expected to be ~$12,500,000 over three years, which includes consulting fees, project management, software platforms, AMI network communication components, meter replacements, remote connect/disconnect devices and system integrations.

G. Excergy's estimated total costs for consulting and project management are $1,449,028 over three years, which includes Planning/Design, Vendor Selection/Procurement, Implementation and Support.

H. Year 1 will include Excergy performing a study of the City and developing a business case with a vision and strategy to move forward. In addition, Excergy will develop and guide the City through the procurement process.

I. Year 1 costs are $74,028 for planning & design, $75,000 for procurement processes and a contingency of $29,806 totaling $178,834.

J. The City of Galveston is applying for a $2,000,000 WaterSMART grant through the United States Department of the Interior, Bureau of Reclamation's. If approved the funds will be applied to year 2 (phase 1) of the SICC project.

K. The City of Galveston intends to apply for a second $2,000,000 WaterSMART grant to be applied to year 3 (phase 2) of the SICC project.

III. Issues:

A. Cost: The total estimated consultant costs for the 3-year project $1,449,028, with year 1 costs equaling $178,834.00

B. Timing: Three-year total, for planning & design, procurement and project management.

Trino Pedraza, Director of Municipal Utilities & Construction

tpedraza@galvestontx.gov| Office Number: (409) 797-3683 | www.galvestontx.gov

C. Impact of Ramifications: The City's current AMR system has reached end of life, and require a plan to move forward. The City working to obtaining a $2,000,000 USBR WaterSMART Grant to help reduce the City's cost of funding the Sustainable Interactive Customer Connection project.

IV. Alternatives in order of priority

A. Approve a proposal from Excergy for the City of Galveston Sustainable Interactive Customer Connections (SICC) project for a fee not to exceed $178,834. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

B. Do not approve a proposal from Excergy for the City of Galveston Sustainable Interactive Customer Connections (SICC) for a fee not to exceed $178,834.

V. Recommendation

Approve a proposal from Excergy for the City of Galveston Sustainable Interactive Customer Connections (SICC) project for a fee not to exceed $178,834. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

VI. Fiscal Impact Report

Requested by:	Trino Pedraza Director of Municipal Utilities & Construction
Funding Source:	Combined Utility System Fund, Certificates of Obligation and a potential WaterSMART Grant
Cost of Implementation	Year one costs = $178,834 Estimated total costs = $1,449,028

City of Galveston

DEPARTMENT OF MUNICIPAL UTILITIES

Trino Pedraza, Director of Municipal Utilities & Construction

tpedraza@galvestontx.gov| Office Number: (409) 797-3683 | www.galvestontx.gov

Respectfully Submitted,

Trino Pedraza, Director of Municipal Utilities
& Construction

Forwarded for Approval,

Brandon Cook, Assistant City Manager of
Development and Municipal Services

CITY OF GALVESTON
PROFESSIONAL SERVICES CONTRACT

THIS AGREEMENT is entered into this _____day of _____, 2020, by and between the City of Galveston, Texas, hereinafter called the "City", and Excergy Corporation hereinafter called "COMPANY", located at 501 South Cherry Street, Suite 1100, Denver, Colorado 80426 in connection with the following project:

Study and Recommendations for Automatic Meter Reading/Advanced Metering Infrastructure

This agreement between the Parties consist of the terms and conditions set forth herein, and in those documents, attached and incorporated for all purposes; Exhibit "A", identified as Responsive Proposal from COMPANY

WHEREAS, the City desires to engage COMPANY to render certain services in connection with the above stated project.

NOW THEREFORE, the parties do mutually agree as follows:

PART I

1. Scope of Services

   The Scope of Services shall be as set forth in the attached "Exhibit A".

1. Contract Term - Contract shall be effective for one (1) year upon execution by the City of Galveston. It is agreed that City will have the option to extend the contract for up to four (4) one (1) year terms. To exercise this option, the City shall serve notice 30 days prior to contract termination or to the end of any one-year extension. The Option to Extend will not be considered if funding is unavailable or if the contractor's past performance is not within the industry standard.

2. Independent Contractors – The parties are independent contractors as to each other. Nothing in this Contract shall be construed as creating any agency or employment relationship. Neither party shall make any representations tending to create an apparent or implied agency or employment relationship. Neither party has the authority to act for the other or to create obligations or debts binding on the other. Neither party shall be responsible for any obligations or expenses incurred by the other.

3. Standard of Care – The standard of care for all contractual and related services performed or furnished by COMPANY under this agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality.

4. Access to Information - It is agreed that all information, data, reports and records and maps as are existing, available and necessary for the carrying out of the work outlined above shall be furnished to COMPANY by the City and its agencies. The City and its agencies will cooperate with COMPANY in every way possible to facilitate the performance of the work described in the contract.

5. Appropriations - The obligations of the City to make payment under this Agreement are expressly subject to appropriations by the City of funds that are lawfully available to be applied to such purpose.

6. Compensation - The maximum amount of compensation and reimbursement to be paid hereunder shall not exceed the dollar amounts set forth in **EXHIBIT A.** Invoices are submitted by COMPANY each month (not necessarily falling on the first or last day of the month). City shall notify COMPANY in writing, of any and all objections, if any, to an invoice within ten (10) days of the date of invoice. Otherwise, the invoice shall be deemed proper and acceptable by the City. Amounts indicated on invoices are due and payable immediately upon receipt. City's account will be considered delinquent if COMPANY does not receive full payment within thirty (30) days after the invoice date.

7. The City shall not be responsible for payment to COMPANY for any additional services or expenses not specifically included in Exhibit "A", except upon execution of an amendment to this Agreement in writing by both parties. Parties shall attempt to resolve any payment disputes within sixty (60) days or the matter may be submitted to mediation

8. INDEMNIFICATION: FOR CONSIDERATION RECEIVED, COMPANY shall indemnify, defend, save and hold the City of Galveston harmless, including City's officers, agents, employees and servants, from any claims, actions, lawsuits, proceedings, damages, loss, damage, judgments, liabilities or expense on account of damage to property and injuries, including death, which may arise or result, in whole or in part from any negligent act or omission of COMPANY or those acting under COMPANY'S supervision or control. COMPANY shall not be responsible, however, for any loss, damage, liability or expense on account of damage to property and injuries, including death, which may arise from the sole negligence of the city. **COMPANY shall comply with the requirements of all current applicable laws, rules and regulations and shall indemnify, and hold harmless the City and its agency members from and against the failure to comply with those laws, and shall assume full responsibility for payments of Federal, State and local taxes on contributions imposed or required under the Social Security, worker's compensation and income tax laws.**

9. Construction – This Agreement shall be construed under and in accord with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Galveston County, Texas. Agreement shall be binding upon and insure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Agreement. In any case, if one or more of the provisions contained in this Agreement 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 provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

10. Termination of Contract for Cause. If, through any cause, COMPANY shall fail to fulfill in a timely and proper manner his/her obligations under this Contract, or if COMPANY shall violate any of the covenants, agreements, or stipulations of this Contract, the City shall thereupon have the right to terminate this Contract by giving written notice to COMPANY of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by COMPANY under this Contract shall, at the option of the City, become property of the City and the COMPANY shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, COMPANY shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Contract by COMPANY, and the City may withhold any payments to COMPANY for the purpose of set-off until such time as the exact amount of damages due the City from COMPANY is determined.

11. Termination for Convenience of the City. The City may terminate this Contract at any time by giving at least ten (10) days' notice in writing to COMPANY. If the Contract is terminated by the City as provided herein, COMPANY will be paid for the time provided and expenses incurred up to the termination date. If this Contract is terminated due to the fault of COMPANY, Paragraphs relative to termination shall apply.

12. Modification: No change in the terms of this Contract shall be binding unless it is in writing and signed by an authorized representative of both parties.

13. Force Majeure: No party to this agreement shall be deemed in violation if it is prevented from timely performing any of its obligations by reason of labor disputes, acts of God, acts of the public enemy, acts of superior governmental authority, or other circumstances for which the party is not responsible or which is not in its control.

14. Proof of Insurance: COMPANY shall maintain certain types of insurance protection throughout the duration of the project. All insurance policies are to be issued by an insurance company authorized to do business in the State of Texas, using an insurance company with an A.M. Best rating of a B+ or better.

15. Required Insurance: Commercial general liability insurance, naming the City of Galveston as an additional insured and as certificate holder, and waiving subrogation per the contractual requirements of this project; Automobile Liability Insurance, Worker's Compensation Insurance and Professional Liability Insurance. Limits are to be equal to or greater than:

    a. **Commercial general liability insurance**:

       $2,000,000 general liability (includes products and personal, etc.)

$1,000,000 fire damage
$1,000,000 automobile damage
$500,000 workers compensation employers' liability
Statutory limits for workers compensation

Insurance coverage shall be on an "**occurrence basis**"

16. Assignability: COMPANY shall not assign any interest on this Agreement, and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the City. Unless specifically stated to the contrary in any written consent to assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

17. Reports and Information: COMPANY, at such times and in such forms as the City may require, shall furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Contract, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Contract.

18. Findings Confidential: To the extent permitted by law, all of the reports, information, data, etc., prepared or assembled by COMPANY under this contract are confidential and COMPANY agrees that they shall not be made available to any individual or organization without the prior written approval of the City.

19. Copyright: No report, maps, or other documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of COMPANY.

20. Compliance with Local, State and Federal Laws: This Contract shall be construed under and in accordance with the laws of the State of Texas, with jurisdiction in the courts of the State of Texas and venue in Galveston, County regardless of where the obligations of the parties were performed. By execution of this Contract, the parties agree to subject themselves to the jurisdiction of the Courts of the State of Texas in all matters relating to or arising out of this Contract or the Work.

21. Notices: All notices required or permitted under this Contract shall be in writing and shall be deemed given when delivered in person or three days after deposit in the United States Mail, postage prepaid, addressed to the party's address reflected at the end of this Contract. A party's notice address may be changed from time to time by that party's providing written notice to the other. A copy of the notice to the City shall be sent to:

    City Attorney
    City of Galveston
    823 Rosenberg, Room 203
    P.O. Box 779
    Galveston, Texas 77553

22. Methodology: The COMPANY has developed numerous proven-proprietary products, software, processes, tools, materials, industry templates and data, concepts and knowledge that provide the methodologies for delivery of the Services (collectively, "Methodologies"). The City agrees that the COMPANY owns as its intellectual property all such Methodologies and any modifications or enhancements thereto and derivative works based thereon. The City agrees to use its best efforts to prevent the disclosure of any such proprietary Methodologies to external or third parties without the prior approval in writing from the COMPANY. Nothing in this Agreement shall restrict or prohibit the COMPANY's right to use concepts, techniques, know how or other intellectual property used or developed in the course of performing these Services. The COMPANY grants to the City a royalty free license to reproduce and use, for the City's business purposes only, any Methodologies included in the work product developed for the City related to this Agreement.

23. Limitation of Liability. The COMPANY's liability arising out of its performance under this Agreement shall be limited to the City's actual direct damages not to exceed the amount paid to COMPANY under this Agreement. This limitation is not applicable to the COMPANY's liability under the indemnification provisions of Section 9. In no event shall the COMPANY its employees or agents be liable for costs of procuring substitute goods or services; loss of earnings, profits or interest; judgments, awards or contribution thereto or any other special, indirect or consequential damage, however caused. Except for an obligation to make payments, neither party shall be in default to the extent any nonperformance is caused by a circumstance beyond such party's reasonable control. The warranties, obligations, liabilities and remedies of the parties, as provided herein, are exclusive and in lieu of any others available at law or in equity. To the fullest extent allowed by law, releases from, and limitations of liability shall apply notwithstanding the breach of contract, tort including negligence, strict liability or other theory of legal liability of the party released or whose liability is limited.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the day and year first above written.

CITY OF GALVESTON, TEXAS	EXCERGY CORPORATION
BY: _____	BY: _____
NAME: Brian Maxwell	NAME: James Ketchledge
TITLE: City Manager	TITLE: CEO & President
DATE: _____	DATE: 8/6/2020

Approved As To Form

_____
City Attorney's Office

BY EXECUTION OF THIS AGREEMENT, COMPANY ACKNOWLEDGES RECEIPT OF A COPY OF THIS CONTRACT.

THE STATE OF COLORADO §
§
Jefferson **COUNTY** §

On this day, BEFORE ME, the undersigned, personally appeared James Ketchledge **of Excergy Corporation,** personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted executed the instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 6 day of August, 2020

DONNA ANDERSON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174009227
MY COMMISSION EXPIRES 03/01/2021

Notary Public in and for
The State of Colorado

EXHIBIT A

excergy

Response to

CITY OF GALVESTON

Public Works Department

Request for Proposal

for

Study and Recommendations for Automatic Meter Reading/Advanced Metering Infrastructure

Proposal Reference Number: 20-04

February 12, 2020

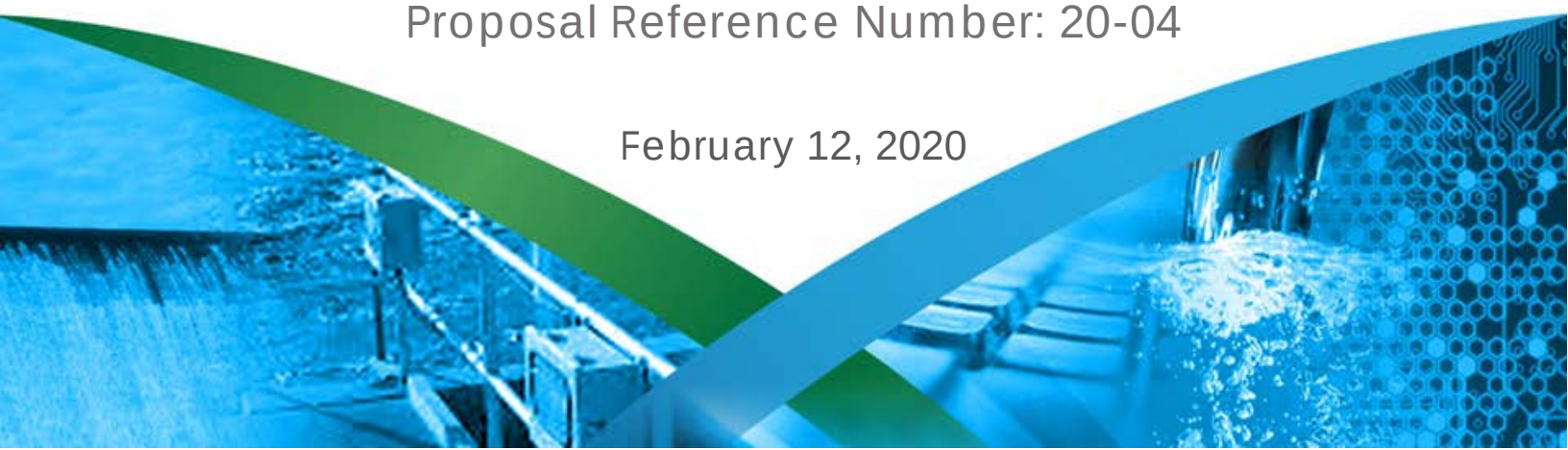


Table of Contents

Transmittal Letter 1
Required Forms 1
Appendix A 1
Appendix B 22
Appendix C 24
Appendix D 25
Appendix E 26
Appendix F 27
Appendix G 28
Signed Addendum 29
Qualifications and Experience 33
Key Personnel 34
Projects of Similar Size and Scope 36
References 37
Sample of Deliverables 39
Schedule 40
Appendix A: Additional Information 41

List of Figures

Figure 1. Business Case Incorporates Multiple Dimensions 3
Figure 2. Production vs. Consumption Using AMI Data 5
Figure 3. Example AMI Integration Plan 6
Figure 4. AMI Roadmap 6
Figure 5. Business Transformation Process 9
Figure 6. Example Reference Model Workflow 9
Figure 7. Draft Project Schedule 12
Figure 8. Excergy AMI Experience Spans North America 15
Figure 9. Proposed Project Organization Chart 34
Figure 10. Draft Project Schedule 40
Figure 11. Generic Example of Vendor Insight & Trends Available from Excergy 41
Figure 12. Excergy Core Selection Process 42

List of Tables

Table 1. Typical Elements of AMI Business Case 3
Table 2. Excergy AMI Project Experience 36

Transmittal Letter

work: 720.316.7006
fax: 877.982.1414

address: 501 South Cherry Street
Suite 1100
Denver, Colorado 80246

web: www.excergy.com

February 7, 2020

City of Galveston
Purchasing Division
823 Rosenberg Street, Room 300,
Galveston, Texas 77550

Re: Request For Proposal 20-04

Dear Members of the Selection Committee:

Excergy Corporation (Excergy) is pleased to respond to the City of Galveston's (City's) Request for Proposal for a Study and Recommendations for Automatic Meter Reading (AMR)/Advanced Metering Infrastructure (AMI).

Excergy will deliver on the promise of a well-executed AMR/AMI assessment and implementation support for the City. We know that your staff has many responsibilities and constraints on your time. Through our fine-tuned methodologies, we will help you efficiently and effectively evaluate AMR, AMI, and cellular alternatives through its many technical and financial dimensions, and deliver decisions and work products that you will have confidence in.

Our consultants have performed Smart Meter and AMI consulting services and feasibility studies directly related to those described in the RFP and proposed herein for many leading water, electric, and multi-service municipal utilities across North America. Our municipal water utility AMI experience includes the City of Newport News (VA), the City of Huntsville (AL), Halifax Regional Water Commission (NS), the Cities of Clearwater and Casselberry (FL), the Cities of Fort Collins, Loveland, and Thornton (CO), City of Greensboro (NC) and Contra Costa Water District (CA) to name a few.

The proposed Excergy team is comprised of expert consultants who bring unparalleled knowledge and experience in Water AMI as well as industry-leading expertise in all aspects of feasibility studies and vendor procurement. Excergy's world-class tools and processes have led to an unmatched record of successful project outcomes—and we will apply this expertise to the City's project.

Excergy Helps Galveston Focus on Key Benefit Areas

Smart meters both require and enable a utility to redesign its customer service processes. Beyond traditional benefits, AMI can help the City provide more customized and information-rich services to customers, improve cash flow, better manage demand and resources, better manage collections, improve fairness among customers, better manage assets, and provide other indirect benefits as well. We will work with City staff to efficiently quantify the potential of these benefits.

Excergy Helps Galveston Analyze and Address Key Issues

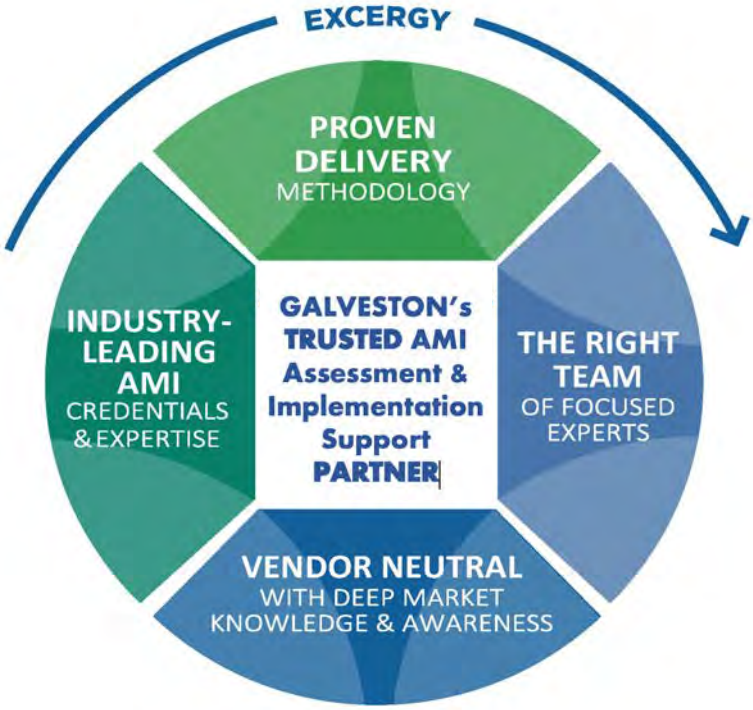
Excergy will guide the City in understanding metering technologies and trends, as well as the City's own drivers and their potential impact on your decisions. Issues may include:

- Deployment Strategy: Should you install a complete system rapidly throughout your service territory, or does a longer, phased strategy make the most sense?
- Product Evolution, Timing and Risk Minimization. Since these technologies are evolving, how can you best operate an AMI system for many years without fear of obsolescence?
- Impact on Policies. What customer service policies should be adjusted to accommodate and take advantage of a Smart Meter system?

- Organizational "Readiness." To what extent are your systems and organization prepared for AMI implementation? What other commitments do you have? What organizational development and change management is needed ensure success?
- Political and Public Relation Aspects. What sensitivities exist among customers and other stakeholders?
- Your Role in Implementation. Should you seek a turnkey solution or act as general contractor?
- Risk Protection. In what ways, and to what extent, can you mitigate and protect against project risks?
- Ownership and Financing Options. Should you own the system outright? Are there financing and ownership options, such as hosted AMI services, that might be optimal for the City?

Excergy Is Your Trusted AMI Support Services Partner

Our ***AMI credentials*** demonstrate an unmatched level of knowledge to successfully address the proposed project approach. Our ***proven delivery methodology*** uses an integrated task approach, which has led to 100% successful project outcomes, assures that all requested deliverables are thoroughly addressed. Our team of ***focused experts***, with an average of 25+ years of experience, have successfully completed hundreds of assessments, studies, business cases, specifications, strategic roadmaps, vendor selections, and AMI implementations. We pride ourselves on being ***vendor neutral***. This assures you that our recommendations are the very best for your needs and requirements. We have fine-tuned our methodologies over many engagements to produce world-class tools and processes that have led to an unmatched record of successful project outcomes—and we will apply this expertise to determine the feasibility of AMI for the City. Together, these elements form the foundation that makes Excergy the ***City of Galveston's trusted partner.***



We appreciate the opportunity to submit our proposal and look forward to discussing it with you in the coming weeks. In the meantime, should you have any questions or require additional information, please feel free to contact me at 720-988-4354 or via email at jketchledge@excergy.com.

Sincerely,

James A. Ketchledge
CEO & President, Excergy Corporation

Required Forms

Appendix A

Appendix A – Proposal Document

Submittal Checklist: (To determine validity of Proposal)

_X_ Appendix A (pages _9_ through _18_) must be included in the submittal.

_X_ Appendix B – G (pages_20_ through _26_) all forms must be complete and included in the submittal.

By checking the below box(es), you are acknowledging the contents of the document(s) relating to the listed appendices, and agreeing to their terms:

- ☒ Appendix B – Conflict of Interest
- ☒ Appendix C – House Bill 89 Verification
- ☒ Appendix D – Property Tax Statement
- ☒ Appendix E – Nepotism Statement
- ☒ Appendix F – Non-Collusion Statement
- ☒ Appendix G – Certification Regarding Debarment

_X_ Appendix J (pages_28_ through _36_) must be included in the submittal.

All Proposals delivered to the City of Galveston shall include this page with the submittal.			
RFP Number:	**20-04**		
Project Title:	**Study and Recommendations for Automatic Meter Reading and Advanced Metering Infrastructure**		
Submittal Deadline:	**Wednesday, February 12, 2020@ 2:00 p.m. CST**		
Submit in person: City of Galveston Purchasing Division, 823 Rosenberg St., Room 300, Galveston, Texas 77550 or by mail: City of Galveston Purchasing Division, PO Box 779, Galveston, Texas 77553			
Proposer Information:			
Proposer's Legal Name:	Excergy Corporation		
Address:	501 South Cherry Street, Suite 1100		
City, State & Zip	Denver, Colorado 80246		
Federal Employers Identification Number #	45-4478178		
Phone Number:	(720) 316-7006	**Fax Number:**	(877) 982-1414
E-Mail Address:	jketchledge@excergy.com		

Proposer Authorization

I, the undersigned, have the authority to execute this Proposal in its entirety as submitted and enter into a contract on behalf of the Offeror.

Printed Name and Position of Authorized Representative: James A. Ketchledge

Signature of Authorized Representative: _____

Signed this 6 (day) of February (month), 2020 (year)

Appendix A – Proposal Document (continued)

I. ***REQUIRED PROPOSAL INFORMATION. IN ORDER FOR A PROPOSAL TO BE CONSIDERED COMPLETE, AND TO BE EVALUATED FOR A CONTRACT AWARD BY THE CITY, PROPOSER MUST SUBMIT ALL OF THE FOLLOWING INFORMATION***

1. **Proposed Products and/or Services**

   A. Product or Service Description: Proposers should utilize this section to describe the technical aspects, capabilities, features and options of the service or product and/or service proposed in accordance with the required Scope of Services as identified in Appendix J. Promotional literature, brochures, or other technical information may be used.

In the following pages, Excergy will explain our detailed method of approach to study and recommend a replacement AMR, AMI, or Cellular based meter reading system, or combination of systems.

We understand that your key objectives, which our approach will accomplish, are

- Review the City's existing AMR system for efficacy, cost effectiveness and future application and support from current meter manufacturer.
- Study and compare current AMR, AMI and Cellular technology systems for possible adoption by the City, including a hybrid AMR/AMI of AMR/Cellular system.
- Compare capital and operation and maintenance costs (OM) of systems.
- Recommend the most cost effective and reliable commercially available system(s) to ensure timely and accurate meter readings, ease of use, reporting, interface with CUSI billing system, and service order interface as applicable. Estimate capital and OM costs of the recommended system.
- Recommended System that will be supported by manufacturer for the long term including being economically adaptable to new technologies.
- Recommended System should have ability to perform quality, timely and advanced data analytics and reporting for the Utility Billing Division and customers.
- Review advantages and disadvantages of real time customer service customer consumption and billing data provided by AMI and Cellular systems, including conservation and revenue effects.
- Evaluate impact of possible reduction in customer service billing inquiries due to real time consumption data being available through AMI and Cellular Systems.
- Estimate reduction in water loss due to real time high consumption or leak detection provided through AMI and Cellular Systems, including more timely customer repairs of service lines and/or City repair of leaking meters, meter boxes and appurtenances.
- It is desirable that recommended system(s) be available for purchase through cooperative purchasing agreements.
- Recommend an implementation strategy for the new system(s).
- Prepare final report with findings and recommendations, including Executive Summary.
-

Method of Approach

Excergy's proposed team has extensive experience creating AMI assessments, providing acquisition services, and planning for AMI implementations. We have developed numerous tools and methodologies to facilitate and accelerate the multi-dimensional process. The potential savings from AMI-based process improvements will enable us to suggest organizational and staffing changes. This would include reducing staff (e.g., meter reading) and realigning certain functional areas (e.g., field service). Other functions such as conservation, system planning, and code inspection might be enhanced; new functions tied to maintaining the AMI systems and analyzing consumption might be created.

The models will assess major technology and deployment scenarios and incorporate a number of variables (project start date, differential inflation rates, component and labor costs, equipment lives, etc.), which can be analyzed for sensitivity (see Figure 1). Excergy will calculate cash flow in each year of the planning period, net present value, and other measures. A list of typical elements is provided in Table 2.

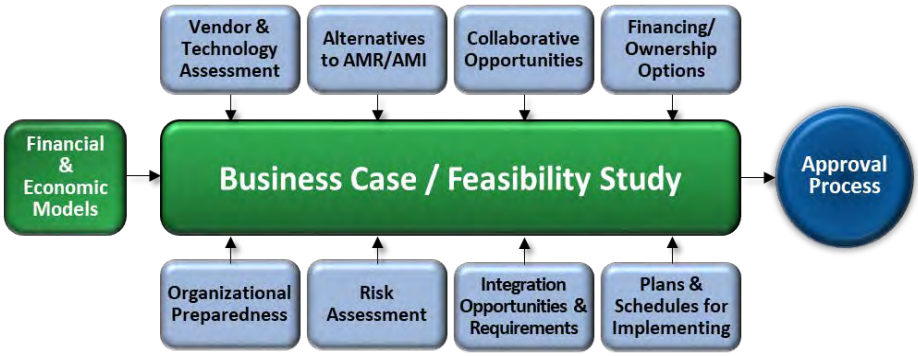


Figure 1. Business Case Incorporates Multiple Dimensions

While economic/financial models deal well with only hard, direct costs and benefits, the approach must also consider soft and indirect costs and benefits, such as enhanced customer satisfaction and confidence, and reduced environmental impact (for example, associated environmental savings result from the reduction in vehicle usage). As part of the business case, we will include a review of the non-economic factors.

Table 1. Typical Elements of AMI Business Case

Meters to be changed or retrofitted	Communications and publicity costs
No. of different meter situations for installation	Cost and savings impact (percentages) over time
Meter & MIU costs	Changes in adjustments
Annual O&M costs, license fees	Meter Data Management (MDMS)
Salvage on old meters	Installation Costs and Timing
Meter maintenance avoided during installation	"Environmental" savings (e.g., reduced congestion)
Meter reading collection equipment	Conservation savings shadow costs
Project Management	Multi-year parameters
Integration costs	Personnel Savings
Depreciation/residual values	Cash flow
Legal and consulting costs	Financing costs
Personnel displacement & training costs	Financing savings from CIP deferrals
Discounted cash flow/IRR	Vehicle and other savings
AMI head-end system	Customer/Utility Portal system

Technical Approach to Scope of Services

This scope of work defines the integrated process Excergy will use to complete the City's AMI Assessment. It identifies the workshops and deliverables we plan to complete during the engagement, as well as the City effort needed to support each task. This scope of work is intended to meet all requirements identified by the City. If a task is not clear or we have not interpreted the requirements correctly, we appreciate any opportunity to discuss modifying the scope of work to meet your original requirements.

Task 1: Project Assessment

Subtask 1-A: Project Management and Review of Existing Information

Immediately following the notice to proceed, Excergy will meet with the City's project team, in a Kick-Off meeting, to fine-tune project scope, requirements, deliverables, timetable and reporting relationships, and to discuss project issues and concerns. We will review the make-up of the City's project team and subject matter experts to achieve a broad representation. We will provide the City's team with a request for background information, including your current IT environment (e.g. operational systems such as the existing AUS Infinity CIS, Asset Management, GIS, maintenance planning, customer web portals, etc.), as well as any environment and integration diagrams that may exist, current conservation programs, current water rate sheets, capital investment plans, etc. We will review the data request with the City's project team to understand what information is readily available and who will compile it. We will establish a timetable, being mindful of any limits on readily available data and City staff members' time. The City may not have all requested information available in a form that can be easily delivered. Excergy does not expect the City to create this content if it is not easily available. Information that cannot be delivered in advance will be discussed in Subtask 1-B interviews. We will identify City staff members to be interviewed and establish an interview schedule that fits within the overall project schedule.

Excergy will employ our award-winning program management methodology over all of the project activities, which is modeled on the PMI's PMBOK® and Agile methodologies. The Excergy Project Lead will execute/maintain a compatible project management approach and methodology with the City, manage the project organization and quality assurance and control. He will plan for and anticipate issues and actively work for resolution of issues.

The Excergy Project Lead will manage the bi-weekly project status cycle for the City. This will include measurement of progress towards the plan, performance status, risk management, items of concern, and open action items. These items will be managed regularly and will be consistently tracked.

As a foundation for the economic and financial analyses and lead into the AMI requirements definition, we will lead the City staff in a series of short interviews and a set of workshops to identify key benefits to the areas of Customer Service, Distribution Operations, IT systems and AMI Strategy and Visioning.

Subtask 1-B: AMI Interviews

Based on the information provided and the areas typically impacted by AMI, Excergy will perform a series of up to 6 interviews of City staff to gather a more detailed background and understanding of the City's objectives for the project. This series of 45-minute interviews will be performed over the phone and typically include managers for Customer Service, Metering, Distribution Operations, Finance, IT, and the project leader. These interviews will result in a set of objectives that will be presented later in the Visioning and Strategy workshop.

Subtask 1-C: AMI Customer Service Process Analysis

Excergy will lead a set of workshops for Customer Service that include a discussion of metering and customer service processes and policies and will quantify benefits and ways AMI will streamline operations and enhance service. Areas to examine will include on-cycle meter reading, high bill investigations, move-ins and move-outs, and collections. The workshops will also explore enhanced services facilitated by AMI, such as "watchdog" services. These understandings are essential to building a comprehensive business case. We will benchmark such projections with the results obtained by other utilities that have implemented AMI.

We will provide a brief analysis of the data required to support specific customer service, operations, conservation, and non-revenue water (NRW) management functions. The data provided by AMI systems may be characterized by the frequency of meter sampling, the frequency of data transmission, latency (that is, the time it takes for a meter reading to be available to City employees), synchronization (for example, all readings at midnight), resolution, and reliability. The quality and quantity of data needed depends on the applications and functions (for example, "soft disconnects" or consumption profiling). In some cases, more discrete and immediate data enables higher quality value applications (e.g., leak detection).

Reductions in workload translate into labor savings. Our assessment of potential savings from AMI-based process improvements will enable us to suggest organizational and staffing adjustments. This would include reassigning staff

(e.g., meter readers) and re-engineering certain functional areas (e.g., field service). Staffing in other functions such leak detection, code enforcement and AMI system operation and maintenance might be increased.

Subtask 1-D: Distribution Operations Analysis

AMI can provide powerful new tools for nonrevenue water management. Data from acoustic leak detectors (ALDs) attached to service lines or valve stems (Figure 2) can be easily transmitted using the AMI system to provide the City with the earliest indications of leaks, when they cost less to repair and do less damage. With AMI, the City could also compare all of the consumption in a metered area over a specific period to net production, and focus NRW efforts on areas where the difference was relatively high or had changed.

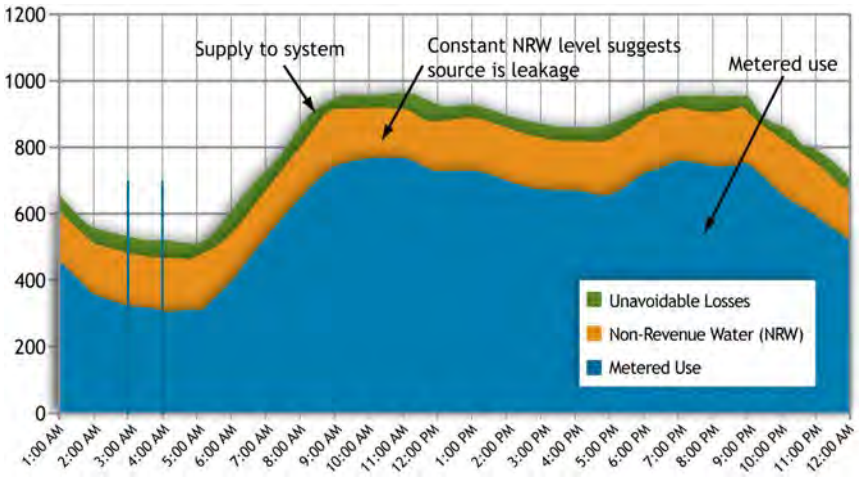


Figure 2. Production vs. Consumption Using AMI Data

AMI can be used to perform pressure zone non-revenue water assessments, since all of the meters in a pressure zone can be read at or close to the same time, and compared to production and storage figures for the same period. Large differences between production and consumption might demand priority attention. Changes in the difference between these two numbers can be monitored regularly. Analysis of the difference over the period could indicate whether the issue is leaks or meter inaccuracies. This analysis requires coordination among City production staff, IT staff, and AMI operators.

Excergy staff will conduct a workshop with the City's distribution system managers to review the potential costs, savings and other benefits of implementing AMI based distribution system monitoring and document the workshop. We will provide a brief assessment of the potential contribution to the business case.

Subtask 1-E: Current Technology & Systems Assessment

Achieving the full benefit of an AMI requires integrating the AMI system with other City information systems. For example, other processes and interfaces may automatically notify customers of anomalies via instant messaging, email or outbound dialing, based on account data in Harris. Linking consumption data from all the customers in a pumping district to production data from the SCADA system could (if applicable) help the City monitor and manage NRW.

Additionally, during the AMI field deployment, an AMI system may need to interact efficiently with several City information systems to manage the project and ensure accurate billing during the transition (Figure 3, next page). For example, meter and customer data must be generated out of AUS Infinity to create work orders, which in turn may be coordinated with the City's asset management system. Photographs and geo-positioning coordinates are likely to be part of the meter asset database. Meter register ID numbers may be different than meter base ID numbers if some meters are retrofitted. The CIS typically requires meter and Meter Interface Unit (MIU) ID numbers in inventory before they can be accepted in work orders.

We will review the City's existing information systems and associated business processes, to identify areas that must be modified for effective integration to achieve the benefits of AMI. This review will also provide input into IT costs for advanced metering to be included in the business case.

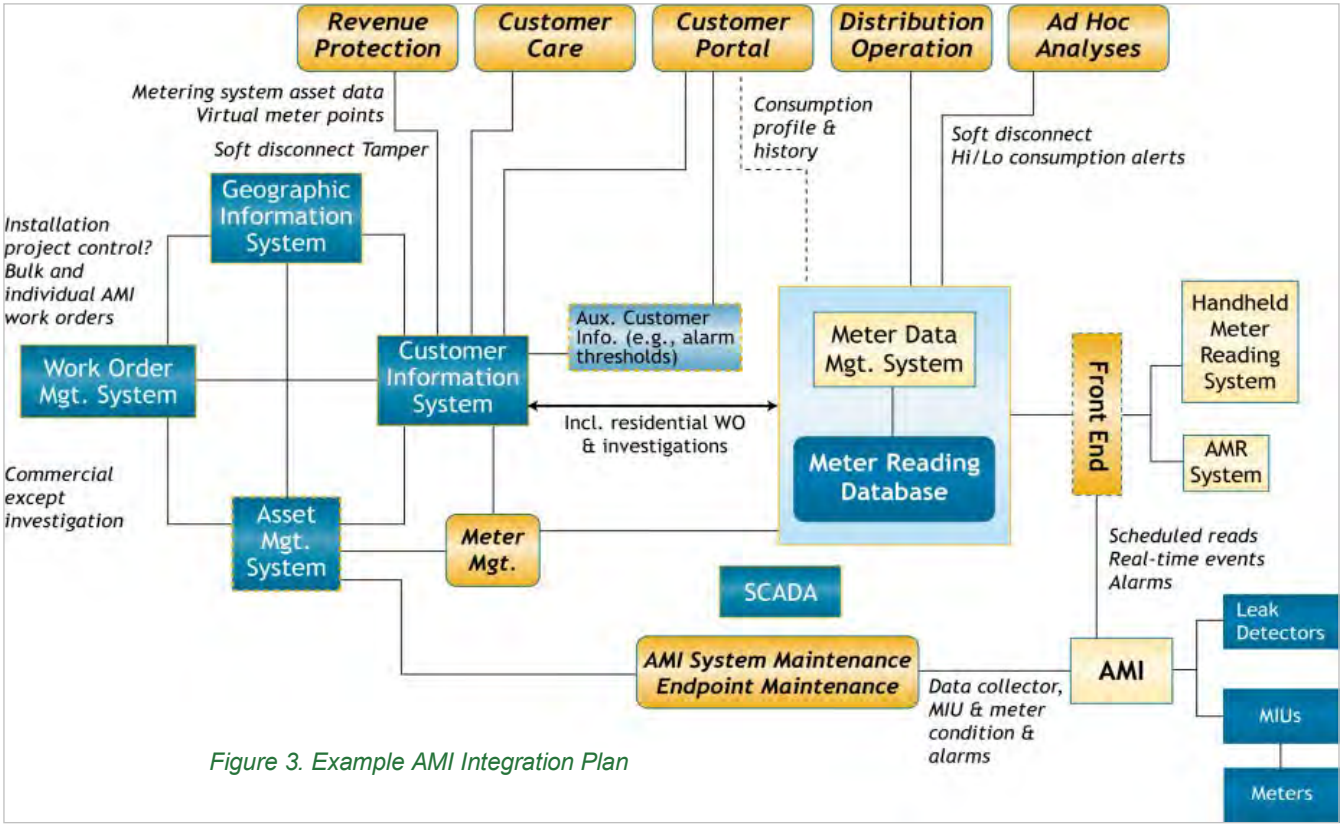


Figure 3. Example AMI Integration Plan

Subtask 1-F: Site Visits (Optional, not priced)

To enhance understanding and to provide a touchstone from other utility experiences, Excergy could arrange, support, and document site visits to other water utilities mutually agreed upon between Excergy and the City AMI project team. These visits will provide insight and additional exposure to help guide the development of the AMI strategy and vision, and to provide additional support to development of the financial modeling for the business case.

Subtask 1-G: Develop AMI Strategy

To ensure outcome compatibility with the City's expectations for AMI, Excergy will work with City staff to create a vision for the future of AMI at the City (a graphical example is shown in Figure 4). This vision will be based upon today's offerings and expected future enhancements to AMI as the industry grows.

Excergy will lead a workshop to review current and emerging AMI technologies and best practices, and their relative advantages and disadvantages for the City. We are familiar with every available

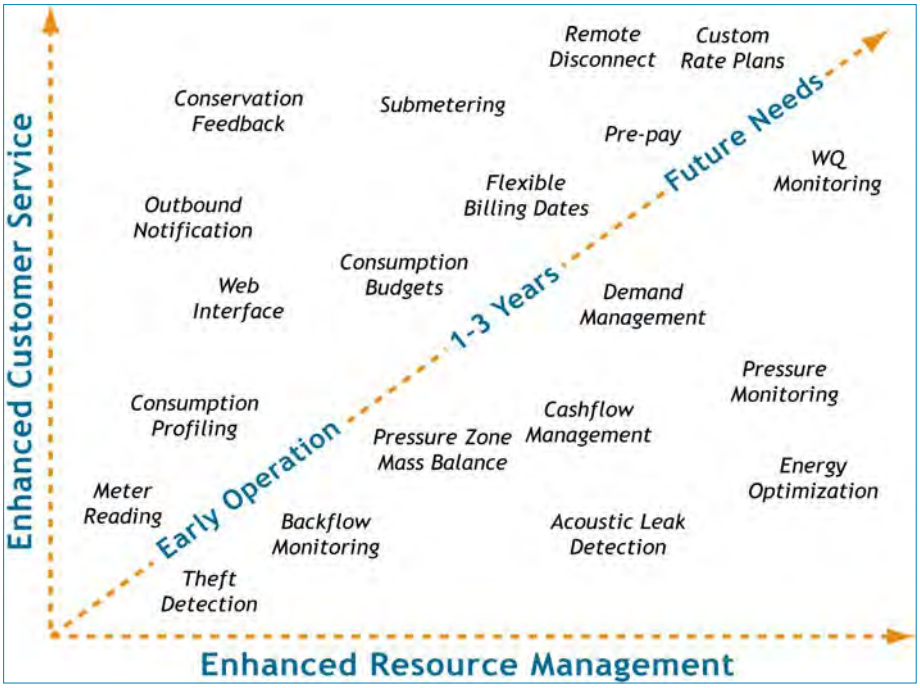


Figure 4. AMI Roadmap

technology and will suggest those that appear to be most aligned with the City's objectives and operating environment.

Excergy will also work with the City to develop strategies for deployment, including an evaluation of the meter population, meter deployment strategies, and AMI hosting options.

Based on the above efforts and the key strategies developed, we will develop draft recommendations regarding:

- How should the City build on or refine previously deployed AMI pilots
- What new technologies, if any, are appropriate for the City
- The rate(s) of deployment, and in particular, acceleration over normal meter replacement
- Project management and implementation support for AMI field deployment
- Prerequisites in such areas as information technology, staff organization, and customer service practices, etc.

We will present these draft recommendations in a memorandum and review it with the City's core team. Based on feedback and discussions with City staff, we will revise the recommendations memorandum.

TASK 1 DELIVERABLES

- Data Request
- Bi-weekly Status Reports
- Periodic updates for executive management and applicable governing board stakeholders
- Site Visit Memorandum (optional)
- Strategy Assessment Memorandum

TASK 1 WORKSHOPS

- Phone Interviews
- Customer Services process workshop
- Distribution Management workshop
- IT systems and integration workshop
- AMI Technology Overview Workshop
- AMI Strategy and Vision Workshop
- Site visits to 2-3 utilities (optional)

CITY EFFORT TO SUPPORT TASK 1

- The Kickoff Meeting will be approximately two hours. The ongoing effort to schedule workshops and interviews will be approximately one to two hours per task, depending on the final number of interviews in the schedule.
- City staff will spend approximately two days to gather and email the requested information to Excergy
- Support Workshop sessions and site visits as needed

Task 2: Financial Analysis

Following the efforts of the preceding tasks to gather preliminary cost information and potential business case benefits, additional data points will likely be needed to complete the financial analysis development. We will input into our model major technology and deployment scenarios that incorporate a number of variables (project start date, differential inflation rates, component/labor costs, equipment lives, deployment timeline, etc.) that can be analyzed for sensitivity. The model will calculate cash flow in each year of the planning period, present value, and other measures.

While economic/financial models deal well with only hard, direct costs and benefits, a business case must also consider soft and indirect costs and benefits, such as enhanced customer satisfaction and confidence, and reduced environmental impact. As part of the business case, we will include an explicit review of the non-economic factors.

With the City's team, we will review Triple Bottom Line objectives, and identify indicators for each component (social, environmental, customer service, employee development, etc.). We will endeavor to describe and evaluate the significant direct and indirect impacts of AMI strategies in these areas, focusing on the relevant indicators.

Direct Benefits

New Revenue

- Reduced read-to-pay time
- Monthly billing improves cash flow
- New customer services (usage information, selectable bill date, selectable bill frequency, bill aggregation, on-demand bill, customized bill, meter reading for other utilities, analysis/ conservation services, prepayment services)

One Time & Short Term

- Improved meter accuracy
- Sale of used meters (salvage)
- Ending / postponing Meter change outs
- Tamper detection and correction

Capital Reductions

- Load research equipment
- Meter reader vehicles
- Meter inventory

Reduced Expenses

- Reductions in Leak Adjustments
- Customer service Support (bill inquiries reduced, faster inquiry resolution)
- Field Services (reduced trips for customer site visits, remote service on/off)
- Billing (reduced manual processing, estimated bills, pre-bill audits, postage)
- Metering & reading (on-/off-cycle reads, meter reader safety/liability, meter reader training, reduced meter testing, direct access settlement, load research metering)
- Distribution operations (System Audits, Pressure Management, Quality Monitoring)

Avoided Losses

- Reduced non-billable consumption (leak detection/mitigation, tamper deterred, unoccupied premises)
- Distribution system optimization (pump station pressure/flow, end of line pressure)

Indirect Benefits

Customer Service Benefits

- Diverse customer services
- New rates possible
- Increased responsiveness to customer
- Less intrusive to customer

Strategic Benefits

- Storage & well monitoring
- Conservation program monitoring/enforcement
- Distribution automation
- Greater approved return
- Improved costs and pricing basis

- Improved load forecasting & system planning
- Improved system reliability
- Market segmentation & targeting
- Improved public/regulatory relations
- Improved customer satisfaction

TASK 2 DELIVERABLES

- Draft financial metrics, direct, and indirect benefits model

CITY EFFORT TO SUPPORT TASK 2

- There will be effort to collect data to support the City's component of the cost and benefit analysis. Excergy will provide industry metrics for many of the cost components; the City will give final approval on the actual values used.

Task 3: Business Process Transformation

A business process impact assessment can be conducted to identify the existing City organizations, business processes, and systems that will be impacted by the AMI implementation. This assessment will initiate the appropriate business process reengineering activities to prepare the City for the smart water solution.

Excergy will facilitate business process assessment sessions with the City to identify the day-to-day business processes that will be affected by the AMI project. The process is described in Figure 5.

Excergy has developed reference models of all applicable workflows for an AMI project. We start with these reference models and then fine-tune them based on the utility's particular needs. By using these proven models, the business transformation effort is both accelerated and low-risk. An example of such a process flow is shown in Figure 6.

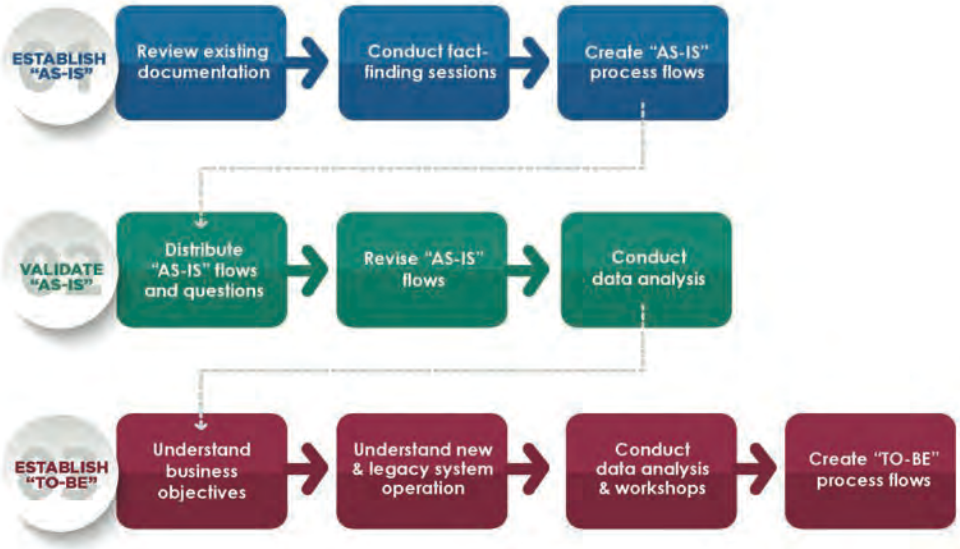


Figure 5. Business Transformation Process

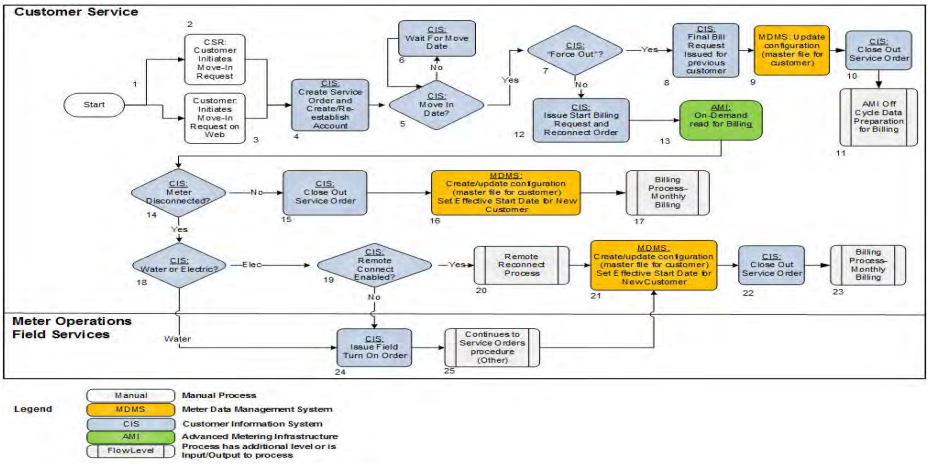


Figure 6. Example Reference Model Workflow

TASK 3 DELIVERABLES

- Draft and final business process analysis which includes current state and recommendations for future processes, practices and staffing changes/job description updates for AMI

CITY EFFORT TO SUPPORT TASK 3

- Onsite workshop of the business process will be one day.

- The project team to review and comment on the draft deliverables. One person on the project team will be responsible for consolidating all comments/edits.

Task 4: Project Implementation Planning

AMI implementation involves several coordinated dimensions. Astute implementation planning can mean the difference between a successful, well-accepted project and a poorly performing system. The integrity of the information created during AMI deployment is critical to employee and customer acceptance.

Major elements of successful AMI implementation planning entail: (1) a project schedule and management plan to govern contract management, field inspection, troubleshooting, data audit and acceptance testing; (2) a network deployment plan; (3) an installation control system to ensure data is captured correctly and invoices are correct; (4) a human resources plan to manage the transition of employees during and after the project; (5) a meter reading transition plan to ensure all meters are read smoothly as routes are converted to AMI; (6) a communications plan for customers, employees and the general public; (7) an IT integration plan covering key interfaces and initial applications; (8) an acceptance test plan for software, components and the overall system; (9) a training plan for all utility employees involved in installation, managing contractors, operating and maintaining the system, dealing with customers during installation and using the system data; and (10) a policy and procedure review, to ensure the City has the polices needed to ensure effective AMI deployment such as compelling access, handling inactive or delinquent accounts, and reconciling consumption concerns as old meters are replaced.

Implementing AMI requires coordination of thousands of work orders with customer service and billing operations. The integrity of the information created during AMI deployment is critical to project success. Implementation planning includes developing a deployment schedule, creating project control systems, establishing IT interfaces, enhancing field to office communications and redeploying staff. Several City departments, and multiple teams, would be involved in AMI implementation planning.

Based on the recommended strategies and business case, we will help the City's team prepare a draft project schedule in the form of a Gantt chart that shows the key tasks and milestones for project procurement and deployment. This will help identify the points at which monetary and staffing commitments are required. The draft implementation plan is usually revised once a vendor is selected and the particulars of the system are known.

The suggested project schedule will span from the start of procurement through deployment. All AMI elements, such as metering infrastructure installation, software applications, data management, business processes changes will be planned. At each stage, we will recommend the functions required for project management (for example, vendor selection, field inspections, programming, acceptance testing, etc.) and which functions could be outsourced, provided by the vendor, or should be handled by City staff.

TASK 4 DELIVERABLES

- Implementation considerations workshop; draft implementation planning memorandum.
- Draft project schedule

CITY EFFORT TO SUPPORT TASK 4

- Participation in workshops

Task 5: Results of Study

We will compile the components developed in the previous subtasks into a Draft AMI Assessment report. Most of the elements of this report will have already been reviewed by the City's staff in prior subtasks. The report will consolidate this work to comprise an organization-wide analysis of all costs and benefits of installing AMI. After a final review with staff, we will incorporate any appropriate changes and finalize the report.

This deliverable will consist of two documents. The first document will be assessment document of the AMI project and financial analysis. It will include:

- An overview of AMI and documented results of the process analysis

- A review business case inputs
- A detailed capital cost estimate of the project including:
  - Meter/Module Costs
  - Meter/Module Installation Costs (Internal labor versus third party)
  - AMI Communications Infrastructure Costs for field and backhaul
  - AMI Communications Infrastructure Deployment Costs (installation costs, site preparation and asset management, site lease negotiations)
  - Software Systems Implementation (license and implementation costs)
  - IT infrastructure
  - Project implementation personnel
  - Other outside consulting
- An O&M estimate reflecting the life-cycle of the project including:
  - Operations personnel
  - Communications equipment recurring costs (cellular, site lease payments, etc.)
  - Maintenance fees
- A modeling of all hard benefits (benefits that can be monetized)
- An overall ROI of the project based on present values of all costs and benefits
- Various charts and graphs to be used in other documentation and presentation materials

The second document will be a set of PowerPoint slides that utilize information from both the spreadsheet model and the Word document to provide presentation support for the study.

The business case analyses would be reviewed in a one-day workshop. Based on comments from the City's team, we would revise the model analyses where appropriate. The analyses and accompanying narrative will form the core of a business case report.

TASK 5 DELIVERABLES

- Draft and final Feasibility Study
- Onsite review of the Feasibility Study with the project team
- Summary feasibility Study presentation (PowerPoint)

CITY EFFORT TO SUPPORT TASK 5

- Onsite review of the business case will be one day. Estimate two-three days to wrap the loose ends identified during the review.
- The project team to review and comment on the draft deliverables. One person on the project team will be responsible for consolidating all comments/edits.

B. Material Safety Data Sheets (MSDS): If applicable, the successful Proposer shall provide the City with applicable MSDS documentation as required by applicable laws and regulations.

C. Guarantees and Warranties: Each Proposer shall submit a complete copy of any warranties or guarantees provided by the manufacturer or Proposer with the Proposal submitted.

D. Project Schedule/Delivery Date: Proposer must provide a project schedule noting all projected completion dates for segments of the Project, from start-up to completion, and all delivery dates for goods covered by the ITB. The Proposal Document must show the number of days required to deliver and install the product or equipment after the receipt of the City's Purchase Order.

Excergy's proposed project schedule is provided in Figure 10. A total duration of about 4 months is anticipated. At the project kickoff, we will work with the City to finetune the schedule, accounting for staff commitments and personnel availability for planned workshops, meetings, and reviews.

Excergy has adequate staff or other resources to perform the work within the time allotted. The proposed team members are available for the duration of the project; no conflicts are foreseen at this time. Excergy has additional resources if the scope changes or enlarges as well.

City of Galveston AMI

Task Name	Start Date	End Date
City of Galveston Study & Recomendations for AMR/AMI	5/4	9/4
Start Date	5/4	5/4
Task 1: Project Assessment	5/4	7/17
Subtask 1-A: PM and Review of Existing Information	5/4	5/8
Subtask 1-B: AMI Interviews	5/11	5/22
Subtask 1-C: AMI Customer Service Process Analysis	5/25	5/29
Subtask 1-D: Distribution Operations Analysis	6/1	6/5
Subtask 1-E: Current Technology & Systems Assessment	6/8	6/19
Subtask 1-F: Site Visits	6/22	7/3
Subtask 1-G: Develop AMI Strategy	7/6	7/17
Task 2: Financial Analysis	6/29	7/24
Task 3: Business Process Transformation	7/27	8/14
Task 4: Project Implementation Planning	8/10	8/21
Task 5: Results of Study	8/24	9/4

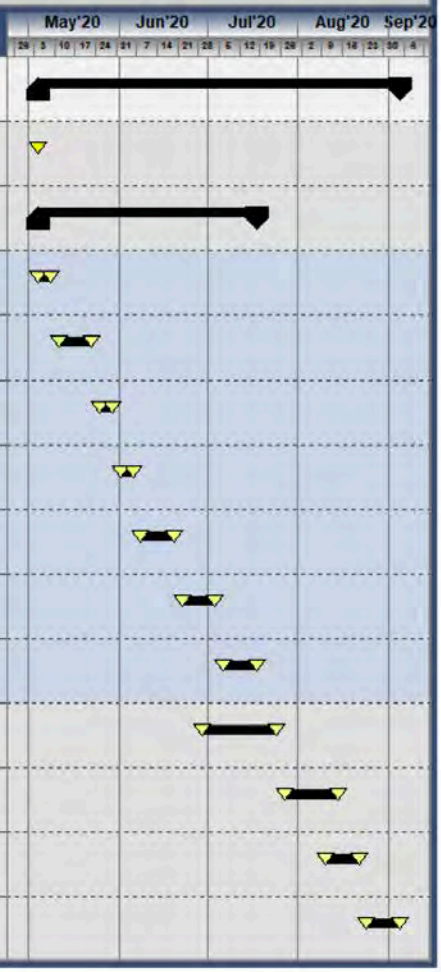


Figure 7. Draft Project Schedule

2. Cost of Proposed Products and/or Services

A. Pricing: Pricing shall reflect the full Scope of Services defined herein, inclusive of all associated cost for delivery, labor, insurance, taxes, overhead, and profit.

B. Schedule of Pricing: Proposer shall quote unit pricing in accordance with the itemized listing of products or contract segments stated in the Scope of Services and using the following format:

Item #	Quantity	Description of Products/Services	Unit Cost	Extended Price
			$	$
			$	$
			$	$
		TOTAL ALL LINE ITEMS	$	$

Excergy's pricing for this proposal is as follows:

Item #	Quantity	Description of Products/Services	Unit Cost	Extended Price
1	1	Study and Recommendations for Automatic Meter Reading/Advanced Metering Infrastructure as described in this proposal	$74,028	$74,028
		TOTAL FOR ALL LINE ITEMS	**$74,028**	**$74,028**

Taxes

These rates and estimates are exclusive of taxes. The taxes relating to applicable services are the sole responsibility of the City of Galveston.

Billing and Payment Terms

Payment terms are net thirty (30) days.

Assumptions

The following general assumptions apply to this proposal:

- Excergy's pricing to implement this Scope of Work is based on a timely start and timely completion of tasks and subtasks.
- Estimated period of performance for the project 4 months.
- Deliverable documents will be in Microsoft Office, including MS-Word, PowerPoint, Excel, MS-Project, Visio and Adobe PDF.
- The City's Project Manager will coordinate and consolidate all City comments on draft document deliverables to provide a single redline for Excergy to make updates to the final document deliverables.

3. Term of Contract and Option to Extend:

Any contract resulting from this RFP shall be effective for one (1) year upon execution by the City of Galveston. The City anticipates that contract shall be renewed pursuant to the availability of funds and at the discretion of the City. The following clauses shall be included in the contract:

A. Option Clause: It is agreed that City will have the option to extend the contract for up to four (4) one (1) year terms. To exercise this option, the City shall serve notice 30 days prior to contract termination or to the end of any one-year extension. The Option to Extend will not be considered if funding is unavailable or if the contractor's past performance is not within the industry standard.

B. Escalation Clause: Should market conditions prevail which dictate an increase, the successful contractor may submit documentation requesting permission to increase pricing no later than 30 days after receiving notice from the City of its intent to extend the agreement. Escalation may only occur at the time of renewal and only upon securing the approval of the City in writing. Requests for price adjustments must be solely for the purpose of accommodating an increase in the contractor's cost, not profits.

Vendors shall show in this quote their anticipated percent of escalation if/when the option to extend is exercised. The percent quoted will be a maximum. In addition, the percentage proposed will be a factor in determining the best value to the City. It is the average price over the period of the contract that will be the price factor considered in the evaluation of this quote. Quotes in which negative or no escalation is shown will be considered as 0% escalation.

C. Price Increases Upon Extension: If approved by the City, the Contractor shall modify the rates charged by the Contractor to reflect any changes shown in the comparative statement delivered to the City. The maximum increase allowed under this provision shall be two percent (2%) per year. The City of Galveston will not accept, or agree, to any escalation clause higher than two percent (2%) per year. If an escalation clause of greater than the maximum allowed by the City, as stated previously, is inserted in the blanks below, the City will consider that the amount of escalation is 0%. The City shall have authority, in its reasonable discretion, to determine the validity of any change in Contractor's rates. City cannot exercise the Option to Extend with any price increases unless the Vendor completes the section of the Quote requesting anticipated percentage of annual escalation. The escalation time frame will be determined by the City's Fiscal Year which begins in October and ends the following September. (example: FY 2017 October 1, 2016 – September 30, 2017)

FIRST ADDITIONAL YEAR (FY 2021) ESCALATION ..... 3 %
SECOND ADDITIONAL YEAR (FY 2022) ESCALATION ..... 3 %
THIRD ADDITIONAL YEAR (FY 2023) ESCALATION ..... 3 %
FOURTH ADDITIONAL YEAR (FY 2024) ESCALATION ..... 3 %

4. Proposer's Experience / Staff

A. Project Team: Identify all members of the Proposer's team (including both team members and management) who will be providing any services proposed and include information which details their experience.

The proposed team of Mr. Joel Westvold, Mr. Mark Johnson, and Ms. Neininger are identified, and their resumes provided as requested in Section 2, Qualifications and Experience, on Page 33.

B. Removal or Replacement of Staff: If an assigned staff person must be removed or replaced for any reason, the replacement person must be approved by City prior to joining the project.

C. Business Establishment: State the number of years the Proposer's business has been established and operating. If Proposer's business has changed names or if the principals operating the business operate any similar businesses under different names, or have operated any other businesses or changed the legal status or form of the business within the last five (5) years, all names, of predecessor business names, affiliated entities, and previous business entities operated by the principals, if different than present, must be provided;

Excergy Corporation has been operating for 8 years, was incorporated in 2012, and has 19 associates.

D. Project Related Experience: All Proposals must include detailed information that details the Proposer's experience and expertise in providing the requested services that demonstrates the Proposer's ability to logically plan and complete the requested project.

Excergy consultants have provided Smart Grid/Smart Meter and AMI consulting, planning, selection, and implementation services for electric, gas, water, and combined service utilities ever since these technologies first came about. Our team has successfully implemented AMI solutions across North America (Figure 8). In recent years we have focused on water and combined service utilities at locations such at the City of Fort Collins, Halifax Regional Water Commission, Huntsville Utilities, the City of Santa Clara, Burbank Water & Power, and Merced Irrigation District. We are in the process of implementing AMI solutions for Contra Costa Water District and nearby Newport News Waterworks.

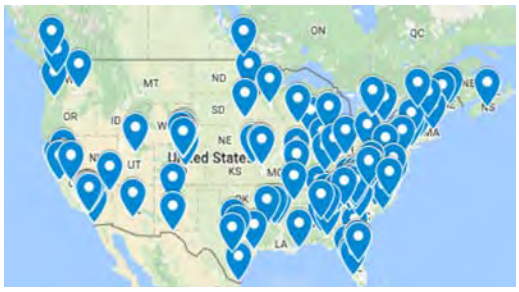


Figure 8. Excergy AMI Experience Spans North America

We provided details on our approach to accomplish the Study in Appendix A Paragraph 1.A and further Qualifications information is in Section 2, Qualifications and Experience, on Page 33

5. References – This section is required.

Proposer shall provide four (4) references where Proposer has performed similar to or the same types of services as described herein. Proposer shall provide references not affiliated with the City of Galveston, or any of its employees.

This information is provided in Section 2, Qualifications and Experience, on Page 33 as requested in the order of proposal and due to length is not repeated here.

6. Trade Secrets and/or Confidential Information

Trade Secrets and/or Confidential Information: This proposal __ (does) _X_ (does not) contain trade secrets and/or confidential information. If applicable, describe such trade secrets and confidential information, and the basis for your assertion that such material qualifies for legal protection from disclosure.

7. Federal, State and/or Local Identification Information

A. Centralized Master Bidders List registration number: _____n/a_____.

B. Prime contractor HUB / MWBE registration number: _____n/a_____.

C. An individual Proposer acting as a sole proprietor must also enter the Proposer's Social Security Number: #_____-_____-_____.

D. Dun and Bradstreet Number - Data Universal Numbering System (DUNS): _____054909490_____.

E. All vendors contracting with the City of Galveston may be required to register, or have an active registration with the System for Award Management (SAM.gov). Registration is free. The System for Award Management (SAM) is the official registration required prior to bidding on a contract with any federal government agency, including local governments who receive federal funds. Registration must be completed prior to contract award by City Council. Registering online is accomplished on the SAM website here: https://www.sam.gov/portal/SAM/##11#1.

8. Emergency Business Services Contact Notice

During a natural disaster, or homeland security event, there may be a need for the City of Galveston to access your business for products or services after normal business hours and/or holidays. The City may request City employee pick up or vendor delivery of product or services.

For this purpose, a primary and secondary emergency contact name and phone number are required. It is critical the vendor's emergency contact information remains current. City shall be contacted by E-mail with any change to a contact name or phone number of these emergency contacts. Updates may be emailed to **purchasing@galvestontx.gov**.

All products or services requested during an emergency event are to be supplied as per the established contract prices, terms and conditions. The vendor shall provide the fee (pricing) for an after-hours emergency opening of the business, if any. In general, orders will be placed using a City of Galveston procurement card (Master Card) or City issued Purchase Order. The billing is to include the emergency opening fee, if applicable.

The contractor shall provide the names, phone numbers and fee (pricing), if any, for an after-hours emergency opening of the business listed below.

Business Name: Excergy Corporation

Contract #: n/a

Description: Consulting Firm

Primary Contact (Name): James Ketchledge

Primary Phone: (720) 98804354

Secondary Contact: Kyle Peart

Secondary Phone (303) 522-1443

9. Cooperative Governmental Purchasing Notice

Other governmental entities maintaining inter-local agreements with the City, may desire, but are not obligated, to purchase goods and services defined in this RFP from the successful Proposer. All purchases by governmental entities, other than the City, will be billed directly to and paid by that governmental entity. The City will not be responsible for another governmental entity's debts. Each governmental entity will place their own orders with the successful Proposer and be responsible for ensuring full compliance with the RFP specifications. Prior to other governmental entities placing orders, the City will notify the successful Proposer of their intent.

Please indicate below if you will permit other governmental entities to purchase from your agreement with the City.

[X] Yes, Others can purchase **[ ] No, Only the City can purchase.**

II. *CONTRACT TERMS AND CONDITIONS. EXCEPT WHERE PROPOSER MAKES SPECIFIC EXCEPTION IN THE SUBMITTED PROPOSAL, ANY CONTRACT RESULTING FROM THIS RFP WILL CONTAIN THE FOLLOWING TERMS AND CONDITIONS, WHICH PROPOSER HEREBY ACKNOWLEDGES, AND TO WHICH PROPOSER AGREES BY SUBMITTING A PROPOSAL*:

1. Delivery of Products and/or Services

A. Payment Terms: Unless otherwise specified in the Scope of Services or otherwise agreed to in writing by the City, payment terms for the City are Net 30 days upon receipt of invoice. Refer to Texas Local Government Code 2251, Payment for Goods and Services. Otherwise known as the Prompt Payment Act. Send all invoices to City of Galveston Attention: Accounts Payable, PO Box 779, Galveston, Texas 77553 or email: accountspayable@galvestontx.gov. See Appendix H for ACH Payment Information, if you elect to receive your payments according to Appendix H, fill out the form and return with your documents.

B. Warranty of Products and Services: All products furnished under this contract shall be warranted to be merchantable and good quality and fit for the purposes intended as described in this Proposal, to the satisfaction of City and in accordance with the specifications, terms, and conditions of the Scope of Services, and all services performed shall be warranted to be of a good and workmanlike quality, in addition to, and not in lieu of, any other express written warranties provided.

C. Late Delivery or Performance: If Proposer fails to deliver acceptable goods or services within the timeframes established in the Project Schedule, the City shall be authorized to purchase the goods or services from another source and assess any increase in costs to the defaulting Proposer, who agrees to pay such costs within ten days of invoice.

D. FOB (delivery charges): All products offered shall be FOB final destination, with all delivery charges to be prepaid by the Proposer. The City does not accept C.O.D. or collect shipments. The contract price shall include all charges, including delivery, installation and set-up fees. All packing, crating, or other debris resulting from the delivery or set-up of the commodity purchased shall be removed and properly disposed by the successful Proposer at no additional cost to the City.

E. Title to Goods and Risk of Loss: For goods to be provided by Proposers hereunder, if any, the title and risk of loss of the goods shall not pass to City until City actually receives, takes possession, and accepts the goods and the installation of such goods, has tested the system, and determined that it is in good and acceptable working order.

F. Force Majeure: If by reason of Force Majeure either party shall be rendered unable, wholly or in part, to carry out its responsibilities under this contract by any occurrence by reason of Force Majeure, then the party unable to carry out its responsibility shall give the other party notice and full particulars of such Force Majeure in writing within a reasonable time after the occurrence of the event, and such notice shall suspend the party's responsibility for the continuance of the Forced Majeure claimed, but for no longer period. Force Majeure means acts of God, floods, hurricanes, tropical storms, tornadoes, earthquakes, or other natural disasters, acts of public enemy, acts of terrorism, sovereign conduct, riots, civil commotion, strikes or lockouts, and other causes that are not occasioned by either Party's conduct which by the exercise of due diligence the party is unable to overcome and which substantially interferes with operations.

G. Liquidated Damages: This section left intentionally blank.

H. Change Orders: per Texas Local Government Code Sec. 252.048. CHANGE ORDERS.

(a) If changes in plans or specifications are necessary after the performance of the contract is begun or if it is necessary to decrease or increase the quantity of work to be performed or of materials, equipment, or supplies to be furnished, the governing body of the municipality may approve change orders making the changes.

(b) The total contract price may not be increased because of the changes unless additional money for increased costs is appropriated for that purpose from available funds or is provided for by the authorization of the issuance of time warrants.

(c) If a change order involves a decrease or an increase of $50,000 or less, the governing body may grant general authority to an administrative official of the municipality to approve the change orders.

(c-1) If a change order for a public works contract in a municipality with a population of 300,000 or more involves a decrease or an increase of $100,000 or less, or a lesser amount as provided by ordinance, the governing body of the municipality may grant general authority to an administrative official of the municipality to approve the change order.

(d) The original contract price may not be increased under this section by more than 25 percent. The original contract price may not be decreased under this section by more than 25 percent without the consent of the contractor.

2. Miscellaneous

A. Independent Contractor: Proposer agrees that Proposer and Proposer's employees and agents have no employer-employee relationship with City. Proposer agrees that if Proposer is selected and awarded a contract, City shall not be responsible for the Federal Insurance Contribution Act (FICA) payments, Federal or State unemployment taxes, income tax

withholding, Workers Compensation Insurance payments, or any other insurance payments, nor will City furnish any medical or retirement benefits or any paid vacation or sick leave.

B. Assignments: The rights and duties awarded the successful Proposer shall not be assigned to another without the written consent of the Purchasing Supervisor. Such consent shall not relieve the assigner of liability in the event of default by the assignee.

C. Liens: Proposer shall indemnify and save harmless the City against any and all liens and encumbrances for all labor, goods, and services which may be provided to the City by Proposer or Proposer's vendor(s), and if the City requests, a proper release of all liens or satisfactory evidence of freedom from liens shall be delivered to the City.

D. Gratuities / Bribes: Proposer certifies that no bribes in the form of entertainment, gifts, or otherwise, were offered or given by the successful Proposer, or its agent or representative, to any City officer, employee or elected representative, with respect to this RFP or any contract with the City, and that if any such bribe is found to have been made this shall be grounds for voiding of the contract

E. Financial Participation: Proposer certifies that it has not received compensation from the City to participate in preparing the specifications or RFP on which the Proposal is based and acknowledges that this contract may be terminated and/or payment withheld if this certification is inaccurate.

F. Required Licenses: Proposer certifies that he holds all licenses required by the State of Texas for a provider of the goods and/or services described by the Scope of Services herein.

G. Authority to Submit Proposal and Enter Contract: The person signing on behalf of Proposer certifies that the signer has authority to submit the Proposal on behalf of the Proposer and to bind the Proposer to any resulting contract.

H. Authority to Enter Contract – City: The City Manager is the only person authorized to execute contracts on behalf of the City. All signature pages must include "approved as to form" and be signed by the City Attorney before the City Manager will execute the contract. Neither department heads nor elected officials are authorized to sign any binding contracts or agreements prior to being properly placed on the City Councils agenda and approved in an open meeting. Department heads and other elected officials are not authorized to enter into any type of agreement or contract on behalf of the City of Galveston. Only the City Manager may enter into a contract on behalf of the City of Galveston as authorized by City Council and the City Charter. Additionally, department heads and other elected officials are not authorized to agree to any type of supplemental agreements or contracts for goods or services. Supplemental agreements are subject to review by the City's Legal Department prior to being signed by the City Manager, (City's authorized representative).

I. Compliance with Applicable Law: Proposer agrees that the contract will be subject to, and Proposer will strictly comply with, all applicable federal, state, and local laws, ordinances, rules, and regulations.

J. Non-Discrimination: During the performance of this contract, the contractor agrees as follows: (1) The contractor will not discriminate against any employee or applicant for employment because of race, age, disability, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants and employees are not discriminated against on the basis of race, age, disability, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting

officer setting forth the provisions of this nondiscrimination clause. (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, age, disability, color, religion, sex or national origin. (3) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

3. Financial Responsibility Provisions

A. Insurance: The Proposer, consistent with its status as an independent contractor, shall carry, and shall require any of its subcontractors to carry, at least the following insurance in such form, with such companies, and in such amounts (unless otherwise specified in the Scope of Services, Appendix J) as City may require, naming the City of Galveston as the additional insured:

i. Worker's Compensation and Employer's Liability insurance, including All States Endorsement, to the extent required by federal law and complying with the laws of the State of Texas;

ii. Commercial General Liability insurance for at least One Million Dollars ($1,000,000) on a per occurrence basis, with a Two Million ($2,000,000) aggregate. Blanket Contractual Liability, Broad Form Property Damage, Personal Injury, Completed Operations/Products Liability, Premises Liability, Medical Payments, and Broad Form General Liability Endorsements;

iii. Comprehensive Automobile Liability insurance covering all owned, non-owned or hired automobiles to be used by the Contractor, with coverage at the minimum State of Texas requirements;

iv. Professional Liability, Errors and Omissions in an amount to be determined in the Scope of Services.

Insurance coverage shall be on an "occurrence basis"

B. **Indemnification:** In Accordance with State Law, the contractor agrees to indemnify, save, and hold harmless the City of Galveston, Texas, its employees, officials, and agents from any and all claims, actions, damages, lawsuits, proceedings, judgements, or liabilities, for personal injury, death, or property damage resulting from the acts or omissions of anyone under the contractor's supervision or control.

In the event of any cause of action or claim asserted by a party to this agreement or any third party, the City will provide the contractor with timely notice of such claim, dispute or notice. Thereafter, the contractor shall at its own expense, faithfully and completely defend and protect the City against any and all liabilities arising from this claim, cause of action, or notice.

i. Indemnity for Intellectual Property: Proposer hereby warrants that the use or sale of the products, materials and services delivered hereunder will not infringe on the rights of any trade secrets, patent, copyright, registered trademark, or other intellectual property by right covering such materials and the successful Proposer agrees to indemnify and hold harmless the City for any and all costs, expenses, judgments, and damages which the City may have to pay or incur.

C. Bond Requirements: If applicable, per the Scope of Work, prior to the commencement of work on this Project, Offeror shall deliver to the City the following bonds issued by a good and sufficient surety licensed by the State of Texas and satisfactory to the City, unless otherwise stated below:

i. Bid bonds are required for bids over $25,000.00 in the amount of 5% of the total bid amount. This must be issued by a good and sufficient surety licensed by the State of Texas and satisfactory to the City, or a Cashier's Check.

ii. A payment bond in the amount of 100% of the total contract amount insuring the full and prompt payment of all persons performing labor and/or furnishing materials in connection with this Project;

iii. A performance bond in the amount of 100% of the total contract amount insuring full, faithful, and prompt performance of the responsibilities contained in this contract within the time parameters provided herein; and

iv. A maintenance bond insuring full and prompt maintenance, repair and/or replacement of the goods to be provided by Bidder for a period of two years from date of acceptance by the City.

Appendix B

Appendix B – Form CIQ

INFORMATION REGARDING VENDOR CONFLICT OF INTEREST QUESTIONNAIRE

WHO: The following persons must file a Conflict of Interest Questionnaire with the City if the person has an employment or business relationship with an officer of the City that results in taxable income exceeding $2,500 during the preceding twelve – month period, or an officer or a member of the officer's family has accepted gifts with an aggregate value of more than $250 during the previous twelve – month period and the person engages in any of the following actions:

1. contracts or seeks to contract for the sale or purchase of property, goods or services with the City, including any of the following:
   a. written and implied contracts, utility purchases, purchase orders, credit card purchases and any purchase of goods and services by the City;
   b. contracts for the purchase or sale of real property, personal property including an auction of property;
   c. tax abatement and economic development agreements;
2. submits a Proposal to sell goods or services, or responds to a request for proposal for services;
3. enters into negotiations with the City for a contract; or
4. applies for a tax abatement and/or economic development incentive that will result in a contract with the City

THE FOLLOWING ARE CONSIDERED OFFICERS OF THE CITY:

1. Mayor and City Council Members;
2. City Manager;
3. Board and Commission members and appointed members by the Mayor and City Council;
4. Directors of 4A and 4B development corporations;
5. The executive directors or managers of 4A and 4B development corporations; and
6. Directors of the City of Galveston who have authority to sign contracts on behalf of the City.

EXCLUSIONS: A questionnaire statement need not be filed if the money paid to a local government official was a political contribution, a gift to a member of the officer's family from a family member; a contract or purchase of less than $2,500 or a transaction at a price and subject to terms available to the public; a payment for food, lodging, transportation or entertainment; or a transaction subject to rate or fee regulation by a governmental entity or agency.

WHAT: A person or business that contracts with the City or who seeks to contract with the City must file a "Conflict of Interest Questionnaire" (FORM CIQ) which is available online at www.ethics.state.tx.us and a copy of which is attached to this guideline. The form contains mandatory disclosures regarding "employment or business relationships" with a municipal officer. Officials may be asked to clarify or interpret various portions of the questionnaire.

WHEN: The person or business must file:

1. the questionnaire – no later than seven days after the date the person or business begins contract discussions or negotiations with the municipality, or submits an application, responds to a request for proposals or Proposals, correspondence, or other writing related to a potential contract or agreement with the City; and
2. an updated questionnaire – within seven days after the date of an event that would make a filed questionnaire incomplete or inaccurate.

It does not matter if the submittal of a Proposal or proposal results in a contract. The statute requires a vendor to file a FORM CIQ at the time a proposal is submitted or negotiations commence.

WHERE: The vendor or potential vendor must mail or deliver a completed questionnaire to the Finance Department. ***The Finance Department is required by law to post the statements on the City's website.***

ENFORCEMENT: Failure to file a questionnaire is a Class C misdemeanor punishable by a fine not to exceed $500. It is an exception to prosecution that the person files a FORM CIQ not later than seven business days after the person received notice of a violation.

NOTE: The City does not have a duty to ensure that a person files a Conflict of Interest Questionnaire.

CONFLICT OF INTEREST QUESTIONNAIRE **FORM CIQ**
For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

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

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

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

OFFICE USE ONLY
Date Received

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

2. ☐ Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3. Name of local government officer with whom filer has employment or business relationship.

_____
Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?
☐Yes ☐No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?
☐Yes ☐No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?
☐Yes ☐No

D. Describe each employment or business relationship with the local government officer named in this section.

4.

_____ _____
Signature of person doing business with the governmental entity Date Adopted 06-29-2007

Appendix C

Appendix C - House Bill 89 Verification

Pursuant to Sections 2270.001, 2270.002, 808.001, Texas Government Code:

1. *"Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and*

2. *"Company" has the meaning assigned by Section 808.001, except that the term does not include a sole proprietorship.*

3. *Section only applies to a contract that is between a governmental entity and a company with 10 or more full-time employees; and has a value of $100,000 or more that is to be paid wholly or partly from pubic funds of the governmental entity.*

I, _____ (Person name), the undersigned representative of (Company or

Businsess Name) _____(hereinafter referred to as Company)
being an adult over the age of eighteen (18) years of age, after being duly sworn by the undersigned notary, do hereby depose and verify under oath that the company named-above, under the provisions of Subtitle F, Title 10, Government Code Chapter 2270::

a. **Does not boycott Israel currently; and**
b. **Will not boycott Israel during the term of the contract the above-named Company, business or individual with the City of Galveston, Texas.**

_____ DATE

_____ SIGNATURE OF COMPANY REPRESENTATIVE

STATE OF _____ §
COUNTY OF _____ §

On this day, BEFORE ME, the undersigned, personally appeared _____, the _____ of Company, and personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual executed the instrument for purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, 20___.

[SEAL]

_____
NOTARY PUBLIC in and for the State of _____

Appendix D

Appendix D – Property Tax Statement

FAILURE TO COMPLETE THIS ATTACHMENT SHALL RESULT IN THE PURCHASING SUPERVISOR DEEMING YOUR BID OR PROPOSAL "NON-RESPONSIVE."

The City of Galveston, Texas has adopted the following policy:

The City of Galveston will not do business with any person or business that owes delinquent property taxes to the City.

Please indicate whether you or your company, owe delinquent property taxes to the City whether an assumed name, partnership, corporation, or any other legal form.

_____ I do not owe the City property taxes that are delinquent.

_____ I owe City property taxes that are delinquent on property located at

_____

_____

_____
Proposer's Printed or Typed Name

_____
Proposer's Signature

_____
Date

Appendix E

Appendix E – Nepotism Statement

FAILURE TO COMPLETE THIS ATTACHMENT SHALL RESULT IN THE PURCHASING SUPERVISOR DEEMING YOUR BID OR PROPOSAL "NON-RESPONSIVE."

The Bidder or Proposer or any officer, if the Bidder or Proposer is other than an individual, shall state whether Bidder or Proposer has a relationship, either by blood or marriage, with any official or employee of the City of Galveston by completing the following:

If the Proposer or Bidder is an individual:

_____ I am not related by blood or marriage to any official or employee of the City of Galveston

_____ I am related by blood or marriage to the following official(s) or employee(s) of the City of Galveston

Name and title of City Official

Or employee: _____

Relationship: _____

If the Bidder or Proposer is **NOT** an individual:

_____ The officers of the company submitting this bid or proposal are not related by blood or marriage to any official or employee of the City of Galveston.

_____ The officers of the company submitting this Proposal are related by blood or marriage to the following official(s) or employee(s) of the City of Galveston.

Name and title of officer: _____

Employee and title of City Official or Employee: _____

Relationship: _____

Appendix F

Appendix F – Non-Collusion Statement

THE UNDERSIGNED AFFIRM THAT THEY ARE DULY AUTHORIZED TO EXECUTE THIS CONTRACT, THAT THIS COMPANY, FIRM, PARTNERSHIP OR INDIVIDUAL HAS NOT PREPARED THIS PROPOSAL IN COLLUSION WITH ANY OTHER PROPOSER, AND THAT THE CONTENTS OF THIS PROPOSAL AS TO PRICES, TERMS OR CONDITIONS OF SAID PROPOSAL HAVE NOT BEEN COMMUNICATED BY THE UNDERSIGNED NOR BY ANY EMPLOYEE OR AGENT TO ANY OTHER PERSON ENGAGED IN THIS TYPE OF BUSINESS PRIOR TO THE OFFICIAL OPENING OF THIS PROPOSAL.

VENDOR_____

ADDRESS_____

_____

PHONE _____

FAX _____

PROPOSER (SIGNATURE) _____

PROPOSER (PRINTED NAME) _____

POSITION WITH COMPANY _____

SIGNATURE OF COMPANY OFFICIAL
AUTHORIZING THIS PROPOSAL

_____

COMPANY OFFICIAL
(PRINTED NAME) _____

OFFICIAL POSITION _____

Appendix G

Appendix G – Document 00435
The City of Galveston, Texas

PROPOSER'S CERTIFICATION REGARDING DEB.ARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION (49 CFR PART 29)

The undersigned certifies, by submission of this proposal or acceptance of this contract, that neither Contractor nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntary excluded from participation in this transaction by any Federal department or agency. Proposer agrees that by submitting this proposal that Proposer will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the Proposer or any lower tier participant is unable to certify to this statement, that participant shall attach an explanation to this document.

Certification-the above information is true and complete to the best of my knowledge and belief.

_____
(Printed or typed Name of Signatory)

_____
(Signature)

_____
(Date)

NOTE: The penalty for making false statements in offers is prescribed in **18 U.S.C. 1001**

END OF DOCUMENT 00435-FAA

Signed Addendum

CITY OF GALVESTON – RFP # 20-04
ADDENDUM # 1
STUDY AND RECOMMENDATIONS FOR AUTOMATIC METER READING/ADVANCED METERING INFRASTRUCTURE

Date: 1/30/2020

To: Prospective Proposers

Subject: Addendum No. 1
Questions and Answers

This addendum forms part of the proposal and contract documents and modifies the original solicitation documents dated 1/6/2020 Acknowledge receipt of this addendum in the space provided below. FAILURE TO DO SO WILL SUBJECT OFFEROR TO DISQUALIFICATION.

Questions and Answers:

Is Galveston requesting a general technology recommendation (e.g. AMR, AMI or cellular) or recommendation of specific vendor solution(s)? All of the above.

What Cooperative Purchasing Agreements does Galveston have in place today that could be utilized for Proposer's efforts? Not aware of any currently. There may be at the time of the study.

Does Galveston currently have any agreements with Comcast and/or AT&T that could be utilized as part of the proposed solution? Galveston has business relationships with Comcast, AT&T, and Verizon

What Galveston project personnel have been identified and assigned for this effort? Depends on the level of effort. Currently, two Assistant City Managers.

Will past AMR and AMI business cases studies be made available to the firm selected by this RFP? Any information that is relevant that will assist the firm selected will be provided by the City of Galveston.

Will the propagation study completed approximately 5 years ago be shared with the firm selected by this RFP? If the City of Galveston believes it is necessary for the selected firm to perform the work the study will be shared with the contracted company.

Appendix A – Proposal Document requests completion of Section 2 - Cost of Proposed Products and/or Services. Appendix J provides a Pricing Form for entry of total cost associated with proposed services. Should Proposers complete both sections? If so, what level of detail should be provided in response to Appendix A, Section 2? In Appendix A, Section 2, it indicates to only use that format if another price sheet has not been provided in the scope of work; in this RFP a pricing form was provided in Appendix J. Please utilize the form in Appendix J, with a total cost for all services associated with your submittal.

Is this RFP for an actual AMR/AMI system for the city of Galveston or is the RFP to solicit a Engineering firm/Consultant to perform a AMI/AMR feasibility study for the City of Galveston? The study is for an engineering firm to review our needs and make recommendations for the type and perhaps the brand of meter to select that most closely meets the City's needs from a cost benefit standpoint. Neither meter locations nor city-owned assets are necessarily to be used for pricing, propagation studies or any other consideration at this point.

CITY OF GALVESTON – RFP # 20-04
ADDENDUM # 1
STUDY AND RECOMMENDATIONS FOR AUTOMATIC METER READING/ADVANCED METERING INFRASTRUCTURE

The study is for an AMI solution. Will you be providing addresses of meter locations and city-owned properties/assets. We will need this to do a propagation study for your new solution. The City of Galveston has GIS shapefiles.

In addition to the AMI solution, are you looking for anything else that would require involvement of an Engineering firm? Nothing that is currently foreseeable; however, we are not opposed should the need arise.

Does the City intend to utilize engineering firms and their professional services for this contract, or is this RFP intended only for firms to recommend purchasing advice for the new systems? The City is not looking for a PE to design a new system at this time, but this doesn't preclude us from selecting a PE to perform the study. Cost is a consideration since we are not looking for engineering services. This successful respondent could be, for example, someone who has a finance background and a lot of experience in the industry. If professional engineering services are requested, will cost be removed from the selection criteria? Since the City is not seeking a professional service/engineering cost will continue to be in the RFP.

Is the City receiving bids for actual solution proposals (i.e. materials/installation) with this RFP or are they specifically seeking strictly a study of possible solutions to be solicited at a later date? Strictly a study of possible solutions to be solicited at a later date

Does the City want the responses to the questions/list contained in the RFP to be submitted manually via filling out the responses on a printed copy of the RFP and scanning it, or is it acceptable for us to respond to all items requested by the City, in the format specified within the body of our proposal? Respondents may use the forms provided in the RFP and manually fill them out, or respond to the items in the format of their own proposal as long as all of the documents that are required be included in a section of the proposal. No submittals will be accepted electronically via email or fax.

What is the intended purpose of Addendum 1? It is listed as a propagation study, but has a performance contract from 2015 included as the attachment. Was this an error of possibly attaching the wrong document? If not an error, could the City please explain the connection between the propagation study and the performance contract? This addendum was withdrawn by the City. Do not include it with your submittal. However, please look at the study as more of sales pitch than a propagation study.

Please clarify Addendum 1, the purpose of the Performance Contract with JCI? Is this an example only? This addendum was withdrawn by the City. Do not include it with your submittal. See the answer above.

CITY OF GALVESTON – RFP # 20-04
ADDENDUM # 1
STUDY AND RECOMMENDATIONS FOR AUTOMATIC METER READING/ADVANCED METERING INFRASTRUCTURE

Do you anticipate that all your meters will need to be replaced? The study is to review our needs and make recommendations for the type and perhaps the brand of meter to select that most closely meets the City's needs from a cost benefit standpoint. This is strictly a study of possible solutions to be solicited at a later date.

Do you anticipate that a % Large Meter Vaults will need to be replaced? Please see the above question.

Do you anticipate a % of meter boxes, curb stops, shut off valves, etc. will need to be replaced? Please see the above question.

What percentage of meter boxes is located in concrete or asphalt? Please see the above question.

What is the material of existing lids? Please see the above question.

Are there existing holes in the lid? Please see the above question.

Do all settings have shut off valves before the meters? Please see the above question.

Are all valves in the meter box? Please see the above question.

What is the primary service line make-up, i.e. plastic, copper, galvanized? Please see the above question.

Are the meters in setters, or are they connected with straight meter couplings? Please see the above question.

Are all the 3" and Larger Meters Badger? Please see the above question.

Do the existing 1 ½" and 2" meters have flanged or threaded ends? Please see the above question.

CITY OF GALVESTON – RFP # 20-04
ADDENDUM # 1
STUDY AND RECOMMENDATIONS FOR AUTOMATIC METER READING/ADVANCED METERING INFRASTRUCTURE

I hereby certify receipt of this addendum and have incorporated its information or changes in preparation of my submittal.

Authorized Signature	**Date**
Printed Name	**Company Name**

A COPY OF THE ADDENDUM MUST BE SIGNED AND RETURNED WITH YOUR PROPOSAL

Qualifications and Experience

Driven by a belief in the transformative power of utility technology to make people's lives more meaningful, sustainable, and enjoyable, Excergy provides utilities with world-class consulting and system implementation services on a wide range of technologies and business and customer matters to address the challenges that utilities face today. Our particular business focus is municipal utility AMI projects—from feasibility studies, strategic plans, business cases, vendor selection, and all phases of the system implementation life cycle. Formed in 2011, Excergy is a successful small business firm whose business model remains that of a highly skilled, senior team with professionals who are recognized leaders in the industry. We have attracted key leadership and talent from other consulting firms such as Black & Veatch, Utiliworks, and R.W. Beck (SAIC/Leidos), as well as directly from leading utilities.

Our team is known throughout the industry as AMI experts. Most of our AMI work in the past few years has been for water or combined electric/water utilities, including the City of Clearwater (FL), City of Casselberry (FL), Halifax Regional Water Commission (NS), the City of Huntsville (AL), the Cities of Fort Collins, Loveland, and Thornton (CO), Contra Costa Water District (CA), and the City of Newport News (VA). We've deployed dozens of MDMS and AMI projects, have won several "Project of the Year" awards, have been brought in to rescue troubled AMI projects for various utilities, and were asked by industry publishers to write the book, ***Successful Smart Grid Implementation***—the definitive guide on AMI project development and implementation.

With an average of ***25 years of utility experience,*** our skill set encompasses all phases of a utility AMI project, from the initial needs assessment and technology roadmap, to the vendor Requests for Proposal (RFP), all the way through to successful implementation and "go-live" of a holistic and integrated system. Our team of experts have implemented or integrated virtually every major utility information technology system in the past 20 years, including AMI, AMR, MDMS, CIS, Enterprise Asset Management (EAM), GIS, Mobile Workforce and Work Management System (MWFM/WMS), Outage Management System (OMS), and Customer Portal and Communications. ***We understand the entire utility "system of systems."*** Of particular note, we have also helped several utilities in evaluating the transition from AMR to AMI technologies, and can leverage this experience and the methodologies previously developed to lower both cost and risk for the City on this project.

Excergy brings unrivaled expertise in all areas of Strategy, Planning, and Implementation. Unlike other consultants with little to no successful implementation know-how and projects riddled with delays, Excergy's experts leverage our implementation expertise to enhance our strategy and planning projects to help ensure project excellence for the City. This experience is an important part of the value the Excergy team brings to the City. Our project team has not only delivered business cases, assessments, roadmaps, and plans, we have also gone on to implement these plans for utilities through our implementation and integration services. This has provided invaluable feedback and insight into what works (and what doesn't work), ***as well as very deep knowledge of the different vendors' strengths and weaknesses***. We apply these lessons learned in implementation back into our front end consulting to continually improve our offering.

We are familiar with virtually all current and emerging water AMI technologies as well as ancillary products and services. We are scrupulously ***vendor neutral*** and vendor independent, and have no "partnership" arrangements or

relationships with any vendors or other firms. This assures the City that our recommendations are the very best for your needs and requirements.

Key Personnel

Excergy's mission is to provide the right team of focused experts on each project we pursue—highly skilled senior consultants who are experts in their fields and understand the unique drivers, responsibilities, and needs of our clients. Our business model is that of a highly skilled, senior team with many individuals who are recognized leaders in the industry. With an average of 25 years of utility technology and AMI experience, most of Excergy's professionals have joined us from firms that have been providing the requested services since the technology was first introduced. Our key talent, which we are proposing below, brings more than 100 years of combined experience.

Project Organization Chart

Our proposed project organization chart in shown in Figure 9. We've selected three of our best personnel for your project, with a track record of dozens of successes in water AMI projects. All three are expected to contribute to Tasks 1-5 identified in Method of Approach section.

Excergy's significant expertise is a distinguishing characteristic of the Excergy team—industry-leading experts who have successfully planned, designed, and implemented over a hundred water AMI systems. The project teams can tap into the entire organization if needed.

Resumes

The following pages contain brief resumes of the team we are proposing. Full, multi-page resumes are available upon request.

Figure 9. Proposed Project Organization Chart

Todd Barlow has 25 years of experience guiding clients through the development and delivery of complex, infrastructure and IT projects in the utilities industry. His expertise includes evaluating project feasibility, defining requirements, procurement planning, vendor selection, project management and project quality assurance. Todd combines application knowledge with a practical understanding of commercial transactions involving all the stakeholders engaged in an end-to-end project delivery. Todd was the co-founder and COO of UtiliWorks, a business that he directed from startup to acquisition in 2014. He spends time engaging customers, partners and vendors to ensure that contract delivery fully supports the technical and business objectives for the project, Todd has served in this role for several Excergy clients throughout the southeastern United States and Canada, including Huntsville Utilities, Halifax Regional Water Commission, the City of Clearwater, the City of Newport News, the City of Casselberry, and Kissimmee Power Authority.

Mark Johnson is an expert at financial and economic models for water, electric and gas utility with more than 30 years of deep practical knowledge. He recently supported AMI and MDMS efforts at City of Clearwater, Huntsville Utilities, Halifax Regional Water Commission, and Fort Collins Utilities. Mark has 20 years of experience in smart grid, AMI, MDMS, field automation, and geospatial systems for water, gas and electric utility operation. His expertise

includes project management, strategic visioning, business process modeling, requirements definition, business case development, vendor selection, integration and implementation planning, system configuration, deployment strategies, and project audits. He has developed product roadmaps, project implementation methodologies, and is an expert at IT integrations. Mark's recent work includes creating the overall AMI vision, phased implementation schedule, business case development, vendor selection strategy, and RFP process for Huntsville Utilities' AMI and MDMS. Mark holds a Bachelor of Science degree in Human Resources Management from Colorado Christian University.

Kim Neininger, PMP, is a strategic, focused, and transformational leader with more than 25 years of solid, efficient business design and alignment expertise, providing an integrated and phased approach to digital business transformation. Her expertise includes operational alignment and execution of strategic corporate initiatives that facilitate sustainable growth. With decades of experience in strategic planning/facilitation, organizational development, business alignment, change leadership, business process management, and customer success engagement, Kim brings a proven ability to build and lead high-performing, complex organizations in a multi-cultural environment. She has built relationships and engaged key stakeholders to transform organizational culture and implement innovative program initiatives, including IT strategy road mapping, while introducing industry best practices to impact operations and employee engagement. Prior to joining Excergy in 2019, Kim provided expert strategy, organizational change, and business process management services to a number of large firms utilizing change management Prosci methodology and strategic planning workshop facilitation to guide project and transition deliverables with increased efficiency, continuous improvement, collaborative teamwork and consistent communication throughout the company. Kim holds a Master of Science degree in Organizational Leadership from Regis University.

Projects of Similar Size and Scope

For more than 20 years, Excergy consultants have been providing services on a variety of projects for water, electric, and gas utilities across North America as shown previously in Figure 8. We have fine-tuned methodologies over many engagements to produce world-class tools and processes that have led to an unmatched record of successful project outcomes.

As shown in Table 1, Excergy has provided directly relevant services to many municipal water and water-combined utilities where meter counts ranged from 38K to 4.7M.

Table 2. Excergy AMI Project Experience

Representative sample of Excergy Team AMI Projects.	Service Type			Project Management & Quality Assurance	Strategic Planning & Technology Roadmaps	Business Case / Feasibility Study	Pre-Implementation & Implementation Plans	Procurement & Vendor Management	Requirements & Specifications	System Integration, Test. & Deployment Mgmt.	Stakeholder Engagement & Org. Change Mgmt.	Business Process Design
AMI Projects	E	G	W									
Burbank Water and Power (CA)	■		■	■	■		■	■	■			■
City of Clearwater (FL)			■		■	■	■	■				■
City of Fort Collins (CO)	■		■	■	■	■	■	■	■	■	■	■
City of Loveland (CO)	■		■	■	■		■		■	■		
City of Newport News (VA)			■	■	■	■	■	■	■			
City of Santa Clara/SVP (CA)	■			■			■		■	■	■	■
City of Thornton (CO)			■	■		■						
Consolidated Edison of New York (NY)	■			■	■	■	■	■	■	■	■	■
Contra Costa Water District (CA)			■	■	■	■						
Halifax Regional Water Comm. (NS)			■	■	■	■	■	■	■	■	■	■
Huntsville Utilities (AL)	■	■	■	■	■	■	■	■	■	■	■	■
Intermountain Rural Electric Ass. (CO)	■			■			■	■	■		■	■
Kissimmee Utility Authority (FL)	■			■	■			■			■	
Memphis Light, Gas & Water	■	■	■	■	■							■
Merced Irrigation District (CA)	■			■	■		■	■	■	■	■	■
NV Energy (NV)	■			■			■	■	■	■		■
Portland General Electric (OR)	■			■	■		■	■	■	■		■
San Antonio Water System (TX)			■	■		■						
Santa Clara Valley Municipal Water District (CA)			■	■	■							
Tacoma Public Utilities (WA)	■		■	■	■		■	■	■		■	■

Our past performance on these projects is noteworthy, with all projects being completed at or below budget and either on or ahead of schedule. Please refer to the following References for details related to the scope of work performed for six of these projects most similar to the scope proposed herein.

References

As indicated throughout this proposal, Excergy consultants are AMI experts and assessments and implementation support are a core competence and deliverable for Excergy's proposed staff. We have performed similar work at many water and water-combined utilities. Because many of assessments have gone on to become actual implementation projects that we have either led or supported—which is a testament to our high-quality work—we have gained invaluable experience and lessons learned from various vendor systems and technologies that we use to fine tune our recommendations and approach. We know what works and what doesn't, and we have very deep knowledge of various vendor strengths and weaknesses.

As requested, the following paragraphs contain three brief project descriptions for our work with municipal water or water combined clients for whom we have performed similar services. Client reference information is also provided.

City of Newport News (VA)—AMI Business Case, Vendor Selection & Smart Cities Consulting

Newport News Waterworks (NNWW) supplies drinking water to approximately 400,000 people on the lower Virginia Peninsula, including the Cities of Newport News, Hampton, Poquoson, and parts of York County and James City County. NNWW contracted with Excergy to conduct an AMI Feasibility Study and provide vendor selection services (selection still underway). The scope of work included financial analysis, project management & implementation concepts, AMI technology assessment, SAP interface assessment, and a consolidated Final Report. Additionally, Excergy recently completed a Smart City Feasibility Study, which started with the City's initial wish list of applications that was expanded and then refined based on industry trends, City priorities, and available communication networks. This study was also integrated with the parallel AMI Feasibility Study for the water department identifying synergies between an AMI network buildout and Smart City applications. Following the study, the Excergy team helped procure and select vendors. Excergy is currently providing AMI implementation support with project management, solution architecture, test engineering, and stakeholder engagement services.

> *"Our experience with Excergy has been excellent. They efficiently mined our data, processes and customer needs, and provided Waterworks with an accurate, clear business analysis for our AMI transition alternatives."*
> — Ron Harris, PG, Newport News Waterworks

Reference: Shawn Rohrbach, Logistics Manager, 757-234-4838; SRohrbach@nnva.gov | Fee: $300K for Business Case and Vendor Selection; $1.6M for Implementation Support | November 2016 to Present (multiple project phases and work orders) | Excergy staff that are also on the Galveston proposal: Mark Johnson and Kim Neininger

Huntsville Utilities (AL)—AMI Business Case, Vendor Selection, & Implementation

Huntsville Utilities (HU) serves 179,000 electric, 93,000 water, and 51,000 gas customers. Excergy was contracted to assist HU with creating the feasibility/business case for AMI as well as vendor selection for contracts involving AMI, MDMS, and the Meter Installation Vendor (MIV). The project includes requirements definition and analysis of benefits, existing IT infrastructure, meter populations, and vendor compatibility to ensure the vendors selected will meet the requirements for Huntsville. Excergy guided HU through procurement evaluation and contract negotiations for AMI Systems (Landis+Gyr), Meter Data Management (Omnetrics/eMeter), Metering Equipment (Landis+Gyr), and Meter Installation Contractor (pending). We were also selected as the program/system integrator for the entire project.

> *"These [AMI] technologies will serve as a foundation to enable new customer benefits, operational improvements, and a platform for future initiatives. Excergy has the personnel, skills, vision, and client perspective to guide us in that planning and execution."*
> — Stacy Cantrell, Huntsville Utilities

Reference: Ms. Stacy Cantrell, VP Engineering/Engineering Services Manager, 256-535-1312; stacy.cantrell@hsvutil.org | Fee: $3.8M including implementation; $300K for Business Case and Vendor Selection | August 2014 to Present(multiple project phases and work orders) | Excergy staff that are also on the Galveston proposal: Joel Westvold and Mark Johnson

Halifax Regional Water Commission (Canada)—AMR to AMI Roadmap, Feasibility Study, Vendor Selection and Implementation

Halifax Water is the municipal water, wastewater, and stormwater utility serving the residents of the Halifax Regional Municipality in Nova Scotia. Halifax Water, with 88,000 meters, engaged Excergy to help them evaluate the technology and economic feasibility of their AMR Roadmap to move to AMI. Excergy completed a needs assessment of AMI requirements and developed economic/financial models for key strategies, including AMR throughout the system, and AMI. An important aspect of the business case was the conversion to monthly billing. Excergy developed a project timeline for AMI including deployment strategies, equipment, materials, financial and human resources implications, risk assessment, and mitigation. We delivered a comprehensive AMI technology assessment, business case and AMI Roadmap study report with conclusions, recommendations, future course(s) of action, and a procurement/deployment plan.

> *"Excergy has been a valuable partner as we have prepared for our AMI implementation. The Excergy team brought both a detailed knowledge of the technology, and a thorough understanding of how it will impact our organization. This, combined with an ability to work well with our staff, has positioned us well for a successful implementation."*
> — Reid Campbell, Halifax Water

Halifax re-engaged Excergy to develop AMI requirements and perform an AMI vendor selection (Itron) based upon the previous feasibility study. Excergy then provided implementation planning and implementation services. Activities include project management, vendor contracting support, business process definition, stakeholder engagement, system architecture and testing.

Reference: Reid Campbell, Director, Water Services, 902-490-4877; reid.campbell@halifaxwater.ca | Fee: $2M including implementation; $250K for Business Case and Vendor Selection | January 2014 to Present (multiple project phases and work orders) | Excergy staff that are also on the Galveston proposal: Joel Westvold and Mark Johnson

Merced Irrigation District (CA)—AMI Vendor Selection/Procurement & Implementation

Merced Irrigation District (MID) with 9,500 electric meter is the 25th largest public utility in California, supplying electric service to commercial, industrial and residential customers in Eastern Merced County. In 2017, Excergy was contracted to assist MID with vendor selection for contracts involving AMI and MDMS as well overall project management oversight of AMI and Customer Information System (CIS) vendor selection, procurement and implementation. Scope included requirements definition, existing and to be IT infrastructure identification, and vendor compatibility to ensure the vendors selected will meet the requirements for MID. Excergy guided MID through procurement evaluation and contract negotiations for AMI Systems, Meter Data Management, and Metering Equipment. Excergy will also serve as the program/ system integrator for the entire project, which will start deployment in early 2019 with a targeted completion date of third quarter 2020.

Reference: Juan Sandoval, Engineering and Operations Manager; 209-354-2814; JSandoval@mercedid.org | Dates 2017–Ongoing | January 2017 to Present (multiple project phases and work orders) | Excergy staff that are also on the Galveston proposal: Joel Westvold and Kim Neininger

City of Fort Collins (CO)—Smart Grid Solution and Maximo Implementation Services

Fort Collins Utilities is the second largest municipal electric system in Colorado, providing electric, water, wastewater, and storm water services to 141,000 residents (116,000 endpoints). Excergy personnel provided technical consultation, program management, and systems integration services for their AMI smart grid solution acquisition and deployment. Excergy's scope of work included business case update and validation; stakeholder outreach and communication; plan/ implementation; cyber security plan; smart grid/AMI vision; technical infrastructure/ architecture; program/project management; procurement (for AMI: Elster, MDMS: Siemens/eMeter, EPI: Corix, DR: Comverge, Web Portal: Siemens/eMeter); systems test plan/acceptance testing; implementation of multiple project components, including AMI, MDM, DR, Tropos Communications, Web Portal; Change Management Plan/Execution; Project Reporting; Transition/Training; Deployment Management; and Business Process.

> *"Excergy's people are the best I've worked with. They not only deliver outstanding results, but the entire group has blended seamlessly with Utilities department personnel and have become one team in delivering our award-winning Advanced Meter project to our community. They truly are completely dedicated to our success."*
>
> — Steve Catanach, City of Fort Collins (formerly)

As a testament to the quality of the services we provide, we were engaged to re-do the utility IT strategic roadmap plan in 2015; selected in 2016 to provide Maximo Consulting Services, and again in 2017 to support refresh the utility IT strategic roadmap and evaluate the current GIS systems and personnel that Excergy originally produced several years ago. Excergy helped implement the original roadmap recommendations including a new asset management system that will eventually be integrated with their Esri GIS platform. Excergy oversaw implementing IBM Maximo for work/asset/materials management (EAM) utilizing DataSplice as a GIS mobile field tool.

Reference: Mary Evans, Applications Manager, 970-221-6865; mevans@fcgov.com | Dates: 2010–2019 (AMI project ended 2016) | Excergy staff that are also on the Galveston proposal: Mark Johnson

City of Clearwater (FL)—AMI Feasibility Study

The City of Clearwater FL is the municipal water, wastewater, and stormwater utility serving the residents of west central Florida in northern Pinellas County. The City has a permanent population of approximately 110,000 residents as well as being a beach destination for tourists world-wide. Clearwater is a progressive city that is committed to enhancing residents' lives while preserving a heritage that is rich in culture and exquisite in landscape.

Clearwater has about 41,000 existing water and reclaimed water meters; all are manually read. The City engaged Excergy to help support investigation into and implementation of an AMI system such that the City can progress from initial feasibility analysis, business case and strategy to the development of requirements and vendor procurement and finally to AMI technology implementation. An important aspect in all phases of the project is for the AMI implementation and business processes to integrate seamlessly with the existing utility billing functions and ensure that neither customers nor the accuracy of meter reading and collections are impacted negatively by an AMI implementation. Excergy has developed a Communications Plan for the project; completed a needs assessment of AMI/MDMS requirements for multiple operational units; developed IT Systems, Integration and Data requirements and Roadmap; and developed key strategies and recommendations for implementation such as deployment and meter management and a risk assessment. Excergy completed development of economic/non-economic and financial models for the key strategies and project timeline and organization readiness. The final work product was a comprehensive AMR/AMI technology feasibility assessment and business case with an implementation roadmap to serve as the basis for planning subsequent work phases.

Reference: Glenn Daniel, Water, Reclaim & Wastewater Manager (727) 562-4960 ext: 7249; Glenn.Daniel@myClearwater.com | Dates: 10/2014 – 4/12015 | Excergy staff that are also on the Galveston proposal: Mark Johnson

Sample of Deliverables

Halifax Water, referenced above, put the AMI feasibility study Excergy developed on-line as part of their regulatory review process. The assessment study is available at:

https://www.halifax.ca/sites/default/files/documents/home-property/water/AMITechnology-FianlReport.pdf

Excergy's CEO was asked by industry publishers to write the book, ***Successful Smart Grid Implementation***—the definitive guide on AMI project development and implementation. The book describes the implementation phase of an AMI project and the nuances and approaches used by the Excergy team. The book is available at book sellers or from the publisher at:

https://www.pennwellbooks.com/power-generation-distribution/new-products/successful-smart-grid-implementation/

Schedule

Excergy's proposed project schedule is provided in Figure 10. A total duration of about 4 months is anticipated. At the project kickoff, we will work with the City to finetune the schedule, accounting for staff commitments and personnel availability for planned workshops, meetings, and reviews.

Excergy has adequate staff or other resources to perform the work within the time allotted. The proposed team members are available for the duration of the project; no conflicts are foreseen at this time. Excergy has additional resources if the scope changes or enlarges as well.

City of Chandler AMI System Assessment

Task Name	Start Date	End Date
City of Chandler AMI System Assessment	5/4	9/4
Start Date	5/4	5/4
Task 1: Project Assessment	5/4	7/17
Subtask 1-A: PM and Review of Existing Information	5/4	5/8
Subtask 1-B: AMI Interviews	5/11	5/22
Subtask 1-C: AMI Customer Service Process Analysis	5/25	5/29
Subtask 1-D: Distribution Operations Analysis	6/1	6/5
Subtask 1-E: Current Technology & Systems Assessment	6/8	6/19
Subtask 1-F: Site Visits	6/22	7/3
Subtask 1-G: Develop AMI Strategy	7/6	7/17
Task 2: Financial Analysis	6/29	7/24
Task 3: Business Process Transformation	7/27	8/14
Task 4: Project Implementation Planning	8/10	8/21
Task 5: Results of Study	8/24	9/4

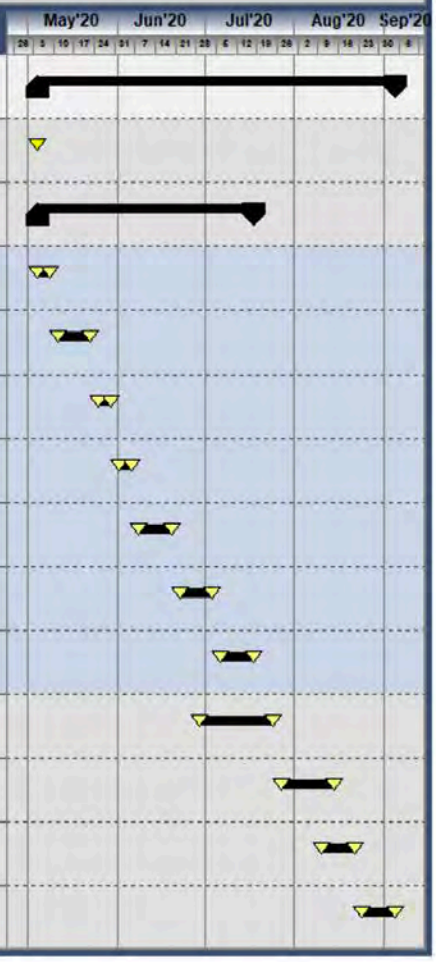


Figure 10. Draft Project Schedule

Appendix A: Additional Information

While not part of the proposed scope of services requested in the RFP, we are providing a description of our holistic project approach that many of our customers choose to follow during AMI system implementation, should the business case prove positive. This information is provided to assist the City in determining our full capabilities to support your AMI Assessment Services engagement.

Procurement and Vendor Selection

Few firms have Excergy's depth when it comes to assistance in selecting the optimal vendor(s) to implement an AMI based solution, including:

- Experience that spans technology solutions and producing RFPs in numerous domains (AMI, MDMS, Web Portal, ESB, Security, etc.)
- Experience that spans process. We help utilities with an end-to-end consideration (strategy, business case, regulatory plan, requirements definition, RFP development, contractor evaluation, contractor selection and contract negotiations, implementation planning).
- Our particular strength is in being able to properly construct contracts. We are able to expertly guide the utility in how to properly construct a good contract. We have deep knowledge of each contract element because we understand the nature of the systems, their capabilities, the operations they touch, and the costs and benefits of their use.
- Deep knowledge of the vendor community enables current knowledge of relevant, leading edge performance capabilities. Excergy has demonstrated an independent and unbiased approach to the vendor marketplace and our personnel have been involved with awards to most of the major smart grid vendors. These insights will be shared with the City to expedite and facilitate the vendor process.

A conceptual example is shown in Figure 11 below.

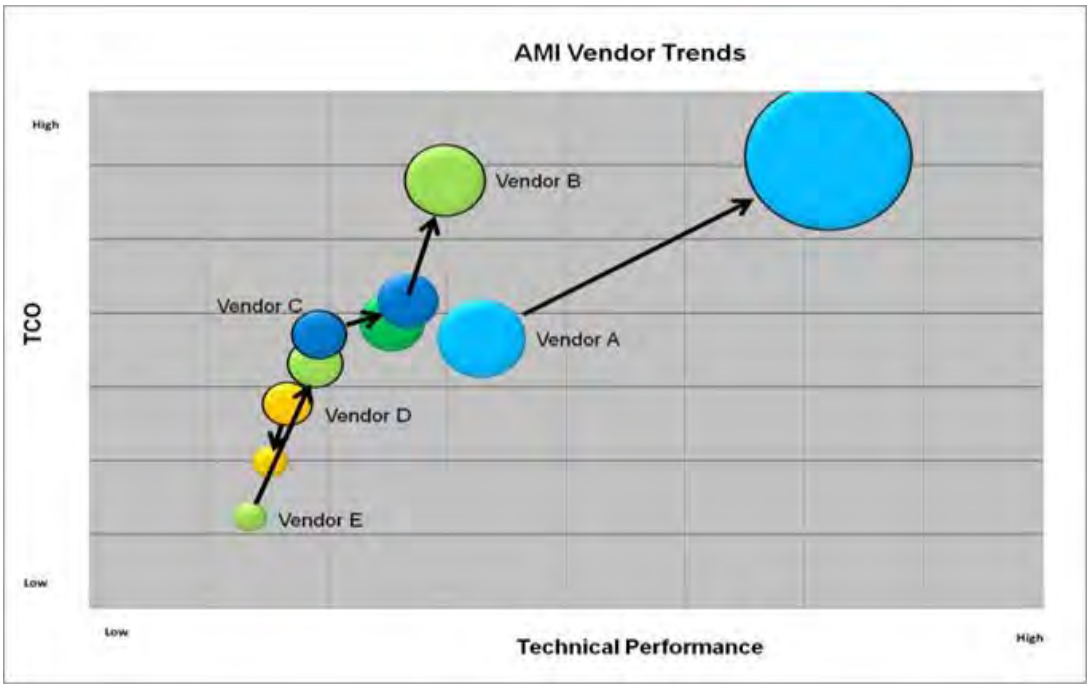


Figure 11. Generic Example of Vendor Insight & Trends Available from Excergy

We have expertise on how to facilitate each and every step of the process; this can include facilitation with outside parties such as City Council/Board and consumer advocacy groups.

We have been able to save utilities significant money in negotiations, through our past knowledge of what similar utilities have spent and negotiated for products and services. For example, at the City of Fort Collins we introduced a new "best and final offer" process that saved several millions of dollars in implementation costs. Our core selection process, shown in Figure 12, is modified as appropriate to meet the City's procurement methods.

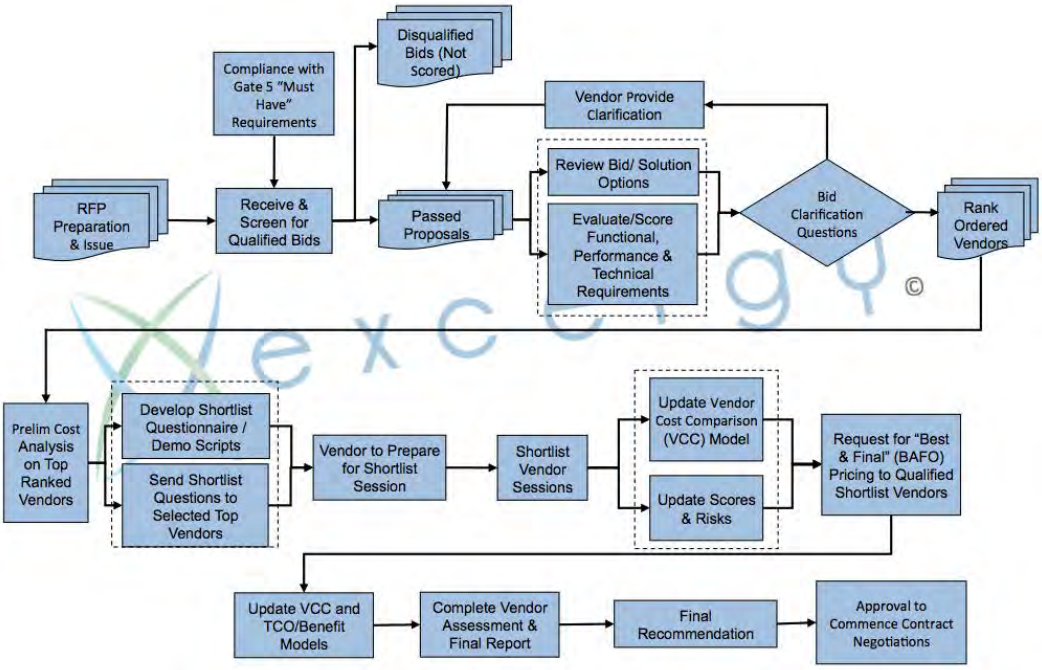


Figure 12. Excergy Core Selection Process

Excergy's approach to procurement includes an extensive set of deliverables including vendor qualification criteria, RFP specifications that are traceable to the business case, total cost comparisons for proposed solutions, and vendor negotiation strategies. Ultimately, these deliverables will facilitate the City's selection of vendors based on technical and risk assessments, commercial/cost evaluation, and reference checks/site visits. They will also provide key materials for negotiations with the vendors, including contract Statement of Work, technical specifications, and service level agreements.

Excergy personnel have extensive experience assisting municipalities and utilities in AMI/MDMS/MIV/SI vendor selection and procurement activities. We are familiar with virtually all of the vendor offerings and systems, often with direct implementation experience. Through this deep experience, our process has been fine-tuned to provide the best value and match of the vendor offerings with the City's needs.

AMI Implementation Methodology

Excergy developed its system implementation process—Integrated Delivery Methodology™ (IDM)—based on industry standards such as the PMBOK, Carnegie Mellon's Capability Maturity Model Integrated (CMMI), and Rational Unified Process (RUP). IDM was designed for establishing a documented, repeatable, and continuously improving delivery methodology. IDM emphasizes a strong project management and system engineering approach to implementing AMI projects. Internal and external processes are well defined, actively managed, and controlled to ensure that the overall development process, from initial requirements definition to acceptance testing, is performed smoothly and without surprises. Communication between all stakeholders is frequent and clear to facilitate common understandings and clear expectations.

Project Management

One of the primary factors that distinguish successful AMI projects is the quality of the overall project management. In the Excergy model, our Project Manager (PM) works very closely with the utility project manager and uses proven process, methodologies, and templates to produce a robust, flexible implementation approach. We have found most vendors and many utility owners do not have sufficient PM capabilities, and we are very experienced in helping a combined vendor team execute successfully to the project baseline.

Throughout all project phases, expert project management will be essential to meeting the "iron triangle" dimensions of cost, quality, and schedule. Project and program management is a core skill set for Excergy, and we pride ourselves on the advanced maturity of our capabilities. Excergy uses the Project Management Institute's (PMI's) PMBOK (Project Management Body of Knowledge) and Agile methodology approaches as the basis of our project management philosophy and practices.

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Testing

A graduated, thorough, and robust test program is needed for an AMI project, and Excergy has implemented hundreds of successful integrated technology testing programs for our clients that trust that both our processes and the experience of our people.

Typically, we develop an overall test strategy to provide high-level guidance for the execution of the project test program that summarizes the test goals and objectives, as well as all known constraints (time, budget, resources, etc.), and verifies the coordination mechanisms and timing with infrastructure and other system implementation activities. We also identify the necessary infrastructure, technology, communications, and IT requirements to execute the plan. In addition, the overall test strategy will define the approach to be used for ensuring cyber security for the project. The strategy will be developed via interactive workshops with the project team, the selected project vendors, and applicable business support groups. We will facilitate the workshops and provide the overall test strategy document. Our typical approach to a test strategy incorporates the following elements:

- Factory or Off-Site Testing – These are vendor-performed tests that verify functionality of the system and may involve standard integration checks with other systems.
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Vendor Management—Checking and Proofing Contractor's Due Diligence

Excergy has vast experience managing the myriad of vendors needed to implement an AMI project. Some of the due diligence we perform includes:

- Working with the AMI vendor to ensure that the meter configurations are identified and understood for mass manufacturing.
- Overseeing the vendor patch and upgrade process ensure the proper requirements, design, and development activities are followed, and that software/firmware release plans do not negatively impact the system acceptance testing or ongoing utility operations.
- Overseeing the vendor software design and development activities with our proven software engineering methodology.
- Holding design reviews at the appropriate times to ensure the vendors are properly interpreting the requirements.
- Providing system engineering oversight and activities needed to ensure that the vendor solutions are properly designed, developed, and unit tested prior to integration with the rest of the enterprise. A requirements update is necessary because despite the thoroughness of vendor RFP requirements, the vendors selected will most likely have additional constraints, limitations, unique strengths, and tradeoffs that need to be captured.
- Working with the City and the selected vendors to ensure that the project architectural, functional, performance, and integration specifications form the proper technical baseline for execution of the project. While most vendors have the basics for specifying their solution, we have found that there are inevitably gaps that need to be addressed, particularly at the integrated system level.
- Managing the baseline throughout the lifecycle of the project via our Requirements Management process using tools such as the Requirements Traceability Matrix (RTM). Ultimately, complete traceability is ensured so that a system level requirement can be followed through its breakdown into smaller requirements, into design

elements and modules, and ultimately to the particular test case in which it is verified that the vendor successfully met the requirement.

Deployment Management

The AMI project involves the installation of thousands of meters and devices, and the careful coordination of the materials, labor, and data. To accomplish this scope, Excergy has expertise in deployment planning and oversight to ensure the AMI meters and communications equipment are installed efficiently and with minimum disruption to existing utility systems and business processes.

Excergy personnel have decades of experience working closely with AMI and Meter Installation Vendor (MIV) contractors and even City crews through interactive workshops to present and refine the business processes, construction, labor standards and the high-level AMI communications network and meter installation. Excergy presents industry best practices for the planning and installation of AMI communications network and meters and will work with the City's project personnel to tailor these processes to the specific requirements and standards of the City if needed. Additionally, this includes refining and validating material procurement schedules for AMI network communications equipment, and meters; as well as identifying and documenting installation, construction, and customer contact standards as part of this implementation planning effort. Excergy can also provide advice and consulting to the City to leverage lessons learned on similar scale meter and endpoint deployment projects in North America.

Excergy's deployment expertise includes the various logistics and data management steps involved in the addition of a device on the AMI system from its manufacture or retrofit at the factory through delivery to the cross dock or depot, installation in the field, provisioning on the communications network, and the initiation of data transfer to the CIS for use in billing.

Once the overall deployment planning and logistics are established for the complete AMI system installation, the installation process will begin. Installation commences with the AMI network communications infrastructure prior to the AMI meters and modules. Based on the final deployment plan approved by the City, Excergy can supervise all subsequent work logistics and material planning and ordering to ensure a smooth roll out of the system.

Excergy can also oversee Endpoint Installation vendor activities including:

- Daily route management
- Quality assurance, controls and validation of all newly installed meters
- Tracking and assessment of all meter and module related exceptions encountered during installation
- Review and reporting to the City on a continuous basis the progress of installations
- Reporting to the City on revisits required for appointment setting
-

Solution Architecture

The Solution Architecture track emphasizes the information technology aspect of AMI planning and brings together all the technology initiatives that exist, are underway, or planned to be completed in the near term, into a cohesive and logical plan. The track also ensures that the architecture that will be built is complete, robust, scalable and extensible.

The People Side of Technology Projects

Many technology projects succeed or fail based not on our ability to implement technology, but rather on staff and customer understanding and acceptance of the associated change. Excergy uses industry-leading approaches for Stakeholder Engagement (SE) and Organizational Change Management (OCM) and Business Process Transformation.

Stakeholder Engagement & Communications

Of the many lessons learned in AMI projects over the past decade, one of the most important is how critical it is to plan, manage, and engage stakeholders to build understanding and align expectations. For municipal utilities, effective engagement is not only essential to successful project implementation, but also aligns with and enhances the historic relationship between the utility and the community it serves. Excergy staff managed the research and development of APPA's *Smart Grid Customer Engagement Essentials*. We also received recognition from the Department of Energy as best-in-class for ARRA smart grid communications efforts. This work combines with our planning and implementation experience for effective strategy and efficient implementation.

Both internal and external stakeholders need to be engaged to address the needs of the community and support successful project implementation. Working with staff, Excergy consultants assess overall stakeholder endorsement levels and methods used, then develop engagement strategies leveraging—and perhaps expanding—those methods.

The goal of stakeholder engagement is to effectively inform and engage the supporters while minimizing the impact of resistors, by offering factual responses to concerns and options to meet their needs. For example, there are four known topics of concern that must be addressed in AMI projects: (1) price/rates; (2) privacy and data security; (3) health; (4) safety. Although public resistance to AMI projects is minimal, recent experiences indicate that utilities must be prepared and address these issues nonetheless.

In addition, the industry has learned—and in some cases been mandated by governing bodies—that having a clear optional meter configuration policy is important. The details of that policy, including associated pricing and how it is referenced (i.e., "opt-out" versus optional, non-standard meter), are a key strategy developed at project outset. On the flip side, engaging those customers who are interested or even enthusiastic about the possibilities of new technology opts in early adopters and builds momentum for the entire effort.

Excergy develops clear plans for Stakeholder Engagement/ Communications that leverage existing utility practices and address both strategy and tactical implementation.

Organizational Change Management

The transformative nature of technology projects requires that staff adjust work processes and routines to effectively use the systems and realize the significant benefits both internal and external to the organization. This change needs to be handled efficiently and effectively thereby reducing staff apprehension and providing the tools they need to succeed. This task supports successful project implementation through internal OCM.

Effective OCM is grounded in basic human psychology, starting with addressing each individual's question, "What's in it for me?" Once that is addressed, there is receptivity to building the knowledge necessary to influence attitudes and support behavior change, such as a new way of performing job duties. For example, in the case of smart meter projects, displacement of certain staff (e.g., meter readers) is an issue that must be forthrightly addressed early in the process.

Over the past few years, effective OCM has been recognized as a critical success factor for technology project implementation. The job of change management is to fundamentally move people as efficiently and effectively from the current state to high performance in the new environment.

Excergy works with utilities to develop an OCM approach that includes practical and effective activities designed to support the transition of people and processes to realize the benefits of the new technology. This OCM plan provides strategies and details tactics that maximize performance prior to, during, and after the technology implementation.

Excergy uses a proprietary Alignment Optimization methodology, which is based on Nobel Prize-winning work on how individuals and teams make effective decisions and take coordinated action. This technology-enabled consulting methodology—combined with traditional consulting and facilitated workshops—creates both a unified vision and a powerful drive toward effective implementation.

Experience shows that having a clear and unified vision for a technology project from the outset greatly enhances project success.

In summary, our delivery model is an "integrated approach" that accommodates the tracks essential to proven technology implementations: project management, systems engineering (solution architecture, testing), deployment management, stakeholder engagement, organizational change management, and business process transformation. Our blueprint for delivery provides activities that may be managed by utility staff, by Excergy or by other parties. These activities can be expanded or reduced depending on project requirements, but in all cases, the activities need to be performed. Excergy stands ready to discuss any aspect of this methodology and how it may be adapted to the City of Galveston's AMI project.

Date: 2/25/2020

To: James A. Ketchledge – Excergy Corporation
Email: jketchledge@excergy.com

Subject: RFI No. 1
Study and Recommendations for Automatic Meter Reading/Advanced Metering Infrastructure

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The City of Galveston is requesting your company's methodology for arriving at the total cost for services. To answer this RFI, you may include the number of man hours that you expect to spend on each task and the hourly rate. This can be broken down by position if necessary. However, the columns associated with position, hourly rate, and number of hours anticipated, need not be filled out if your proposal is based on a fixed price for the deliverables, regardless of how many hours it will ultimately take to fulfill the terms of the contract. Fill out the attached cost sheet (it can be more than one page, but must be in the same format as attached-the form is fillable) and include the methodology as a separate document.

Thank you for your assistance. Provide the response in an email to purchasing@galvestontx.gov; on, or before March 3, 2020 at 2 pm. Send the acknowledgement of receipt of RFI #1 to purchasing@galvestontx.gov. Response to the RFI must include this form with a signature from the signer of the original solicitation document, Appendix A.

Authorized Signature

2/28/2020
Date

RFI Letter Response

work: 720.316.7006
fax: 877.982.1414

address: 501 South Cherry Street
Suite 1100
Denver, Colorado 80246

web: www.excergy.com

February 28, 2020

City of Galveston
Purchasing Division
823 Rosenberg Street, Room 300,
Galveston, Texas 77550

Re: Request For Proposal 20-04 RFI #1

Dear Members of the Selection Committee:

Thank you for the opportunity to bid on your project and respond to Request for Information (RFI) #1.

As requested in RFI #1, Excergy can confirm that our price proposal for RFP #20-04 was a firm fixed price. In a separate document, we have completed the pricing form included in the RFI.

Sincerely,

James A. Ketchledge
CEO & President, Excergy Corporation

Pricing Form – RFI #1

Task	Position	Number of Hours Anticipated	Hourly Rate	Extended Total
Task 1: Project Assessment				$29,200
Task 2: Financial Analysis				$18,252
Task 3: Business Process Transformation				$11,884
Task 4: Project Implementation Planning				$7,488
Task 5: Results of Study				$7,204

Response to

CITY OF GALVESTON

Public Works Department

RFI #2

for

Study and Recommendations for Automatic Meter Reading/Advanced Metering Infrastructure

Proposal Reference Number: 20-04

April 30, 2020

Table of Contents

Transmittal Letter 1
Planning/Design Phase 1
Vendor Selection/Procurement Phase 2
Implementation Plan Phase 4
- Project Management 4
- Testing 5
- Vendor Management 6
- Solution Architecture 6
- Business Design 8
- Stakeholder Engagement & Communications 8
- Organizational Change Management 9
- Deployment Management 9
- Operational Transition/Training 10

Support Phase 11
Fee Proposal 12
Signed RFI #2 Form 14

List of Figures

Figure 1. Generic Example of Vendor Insight & Trends Available from Excergy 2
Figure 2. Excergy Core Selection Process 3
Figure 3. Excergy Fills Project Gaps 4
Figure 4. Excergy's Integrated Delivery Methodology™ 4
Figure 5. Example of a System Context Diagram in the Solution Architecture Document 7

List of Tables

Table 1. Project Fee Proposal 12
Table 2. Hourly Rate Schedule 12

Transmittal Letter

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fax: 877.982.1414
address: 501 South Cherry Street
Suite 1100
Denver, Colorado 80246
web: www.excergy.com

April 30, 2020

City of Galveston
Purchasing Division
Ms. Susan Serrano
823 Rosenberg Street, Room 300
Galveston, TXs 77550

Re: Request for Proposal 20-04/RFI #2

Dear Ms. Serrano:

Thank you for your RFI#2 dated April 27, 2020, requesting additional information on our response for the City of Galveston's (City's) Request for Proposal for a Study and Recommendations for Automatic Meter Reading (AMR)/ Advanced Metering Infrastructure (AMI).

We understand that your selected consultant will participate in every phase of the AMI project. This includes aspects of, but not limited to, Meter Data Management (MDM), Customer Facing Platforms, Data Warehousing, Business Process Automation (BPA), Prepaid Metering Opportunities, Internet of Things (IoT) Devices, and Platform-to-Platform Integration Examples.

Per your request, in this document we list all of the components and/or concepts that will be included in each of the phases below with detailed descriptions. The signed RFI form is also contained as the last page of this document.

We appreciate the opportunity to submit our proposal and look forward to discussing it with you in the coming weeks. In the meantime, should you have any questions or require additional information, please feel free to contact me at 720-988-4354 or via email at jketchledge@excergy.com.

Sincerely,

James A. Ketchledge
CEO & President, Excergy Corporation

Planning/Design Phase

The Planning/Design phase can include items such as organizational changes, technology changes, employee/ stakeholder buy in, business processes, short- and long-term strategic visions, the business case, technology roadmap, scope of work development, etc.

It is Excergy's understanding that the scope of services for the Planning/Design phase was fully captured in Excergy's proposal for the "Study and Recommendations for Automatic Meter Reading/Advanced Metering Infrastructure," Proposal Reference Number: 20-04, dated February 12, 2020. Therefore, the details of that proposal will not be repeated here, and there is no change in the firm fixed price previously presented. That pricing is repeated in the Fee Proposal section in this document for completeness.

Vendor Selection/Procurement Phase

The Vendor Selection/Procurement phase can include meeting attendance (pre-proposals, negotiation, vendor presentations), reference checks, evaluations of solicitations, contract negotiations, and presentation to City Council.

Few firms have Excergy's depth when it comes to assistance in selecting the optimal vendor(s) to implement an AMI based solution, including:

- Experience that spans technology solutions and producing RFPs in numerous domains (AMI, MDMS, Web Portal, ESB, Security, etc.)
- Experience that spans process. We help utilities with an end-to-end consideration (strategy, business case, regulatory plan, requirements definition, RFP development, contractor evaluation, contractor selection and contract negotiations, implementation planning).
- Our particular strength is in being able to properly construct contracts. We are able to expertly guide the utility in how to properly construct a good contract. We have deep knowledge of each contract element because we understand the nature of the systems, their capabilities, the operations they touch, and the costs and benefits of their use.
- Deep knowledge of the vendor community enables current knowledge of relevant, leading edge performance capabilities. Excergy has demonstrated an independent and unbiased approach to the vendor marketplace and our personnel have been involved with awards to most of the major smart grid vendors. These insights will be shared with the City to expedite and facilitate the vendor process.

A conceptual example is shown in Figure 1 below.

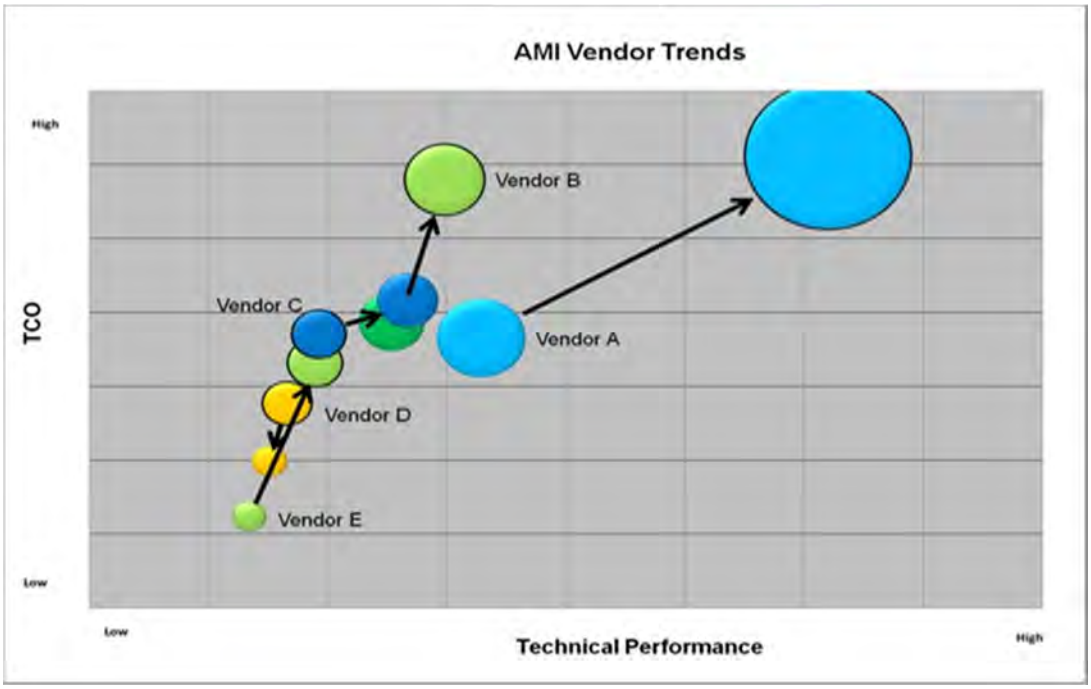

Figure 1. Generic Example of Vendor Insight & Trends Available from Excergy

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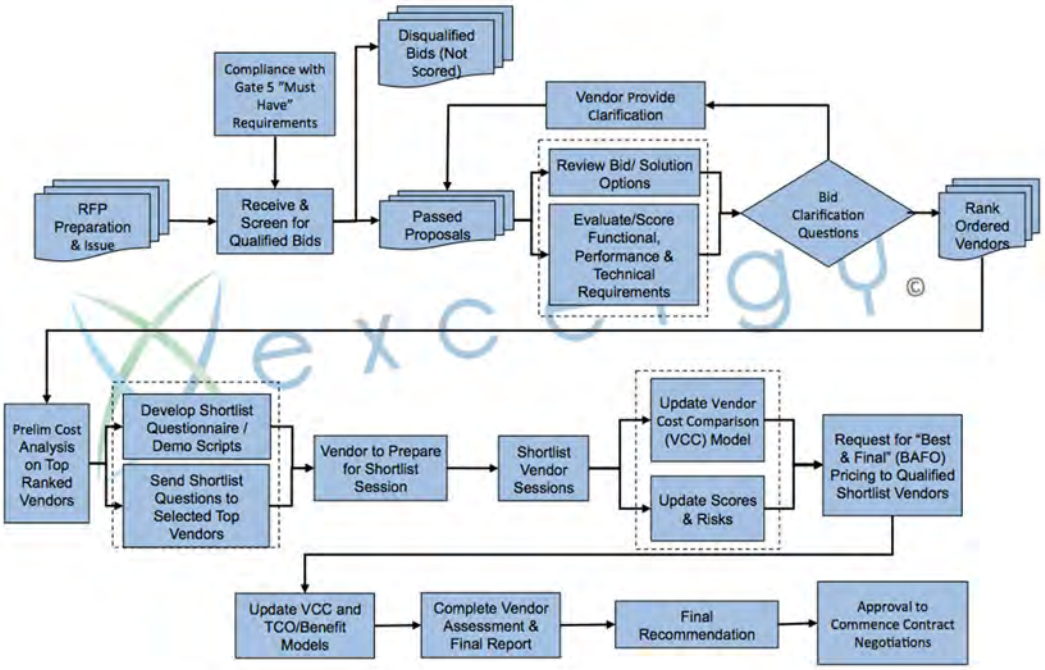

Figure 2. Excergy Core Selection Process

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Implementation Plan Phase

In this phase, Excergy is usually called to fill the gaps between what the vendor(s) can't due to their more siloed experience and what staff either isn't experienced in or doesn't have time for. The concept is illustrated in Figure 3, where the box represents the "scope" of all that needs to happen for a successful AMI project, the yellow bar of what staff does can move up or down, and the vendors do what they are good at (provide meters, configure their software, install networks, etc.). Excergy helps in the integration aspects between multiple new and legacy IT/OT systems and provides the overall services that vendors can't due because they don't understand utilities beyond their solutions.

Figure 3. Excergy Fills Project Gaps

Excergy developed its system implementation process—Integrated Delivery Methodology™ (IDM)—based on industry standards such as the PMBOK, Carnegie Mellon's Capability Maturity Model Integrated (CMMI), and Rational Unified Process (RUP) as shown in Figure 4. IDM was designed for establishing a documented, repeatable, and continuously improving delivery methodology. IDM emphasizes a strong project management and system engineering approach to implementing AMI projects. Internal and external processes are well defined, actively managed, and controlled to ensure that the overall development process, from initial requirements definition to acceptance testing, is performed smoothly and without surprises. Communication between all stakeholders is frequent and clear to facilitate common understandings and clear expectations.

Figure 4. Excergy's Integrated Delivery Methodology™

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- Holding design reviews at the appropriate times to ensure the vendors are properly interpreting the requirements.
- Providing system engineering oversight and activities needed to ensure that the vendor solutions are properly designed, developed, and unit tested prior to integration with the rest of the enterprise. A requirements update is necessary because despite the thoroughness of vendor RFP requirements, the vendors selected will most likely have additional constraints, limitations, unique strengths, and tradeoffs that need to be captured.
- Working with the City and the selected vendors to ensure that the project architectural, functional, performance, and integration specifications form the proper technical baseline for execution of the project. While most vendors have the basics for specifying their solution, we have found that there are inevitably gaps that need to be addressed, particularly at the integrated system level.
- Managing the baseline throughout the lifecycle of the project via our Requirements Management process using tools such as the Requirements Traceability Matrix (RTM). Ultimately, complete traceability is ensured so that a system level requirement can be followed through its breakdown into smaller requirements, into design elements and modules, and ultimately to the particular test case in which it is verified that the vendor successfully met the requirement.

Solution Architecture

The Solution Architecture track emphasizes the information technology aspect of AMI planning and brings together all the technology initiatives that exist, are underway, or planned to be completed in the near term, into a cohesive

and logical plan. The track also ensures that the architecture that will be built is complete, robust, scalable and extensible.

Excergy will assist Galveston in developing the AMI solution architecture based on the following:

- User data requirements
- User functional requirements
- User process flows
- Automation requirements
- Integration requirements
- Industry best practices
- The Excergy's Team's experience
- Implementation considerations and constraints
- Current and near term future capabilities of commercial AMI technologies
- Capabilities of commercial vendor software

One of the areas that is often not given enough emphasis, but is critical to the successful implementation of AMI initiatives, is the integration with all of the other information systems such as outage management, work management, and customer systems. Excergy's approach ensures that all of these critical integration points are identified, and impacts on other systems are factored into the strategy. An example of a system context diagram developed as part of the Solution Architecture Document is shown in Figure 5.

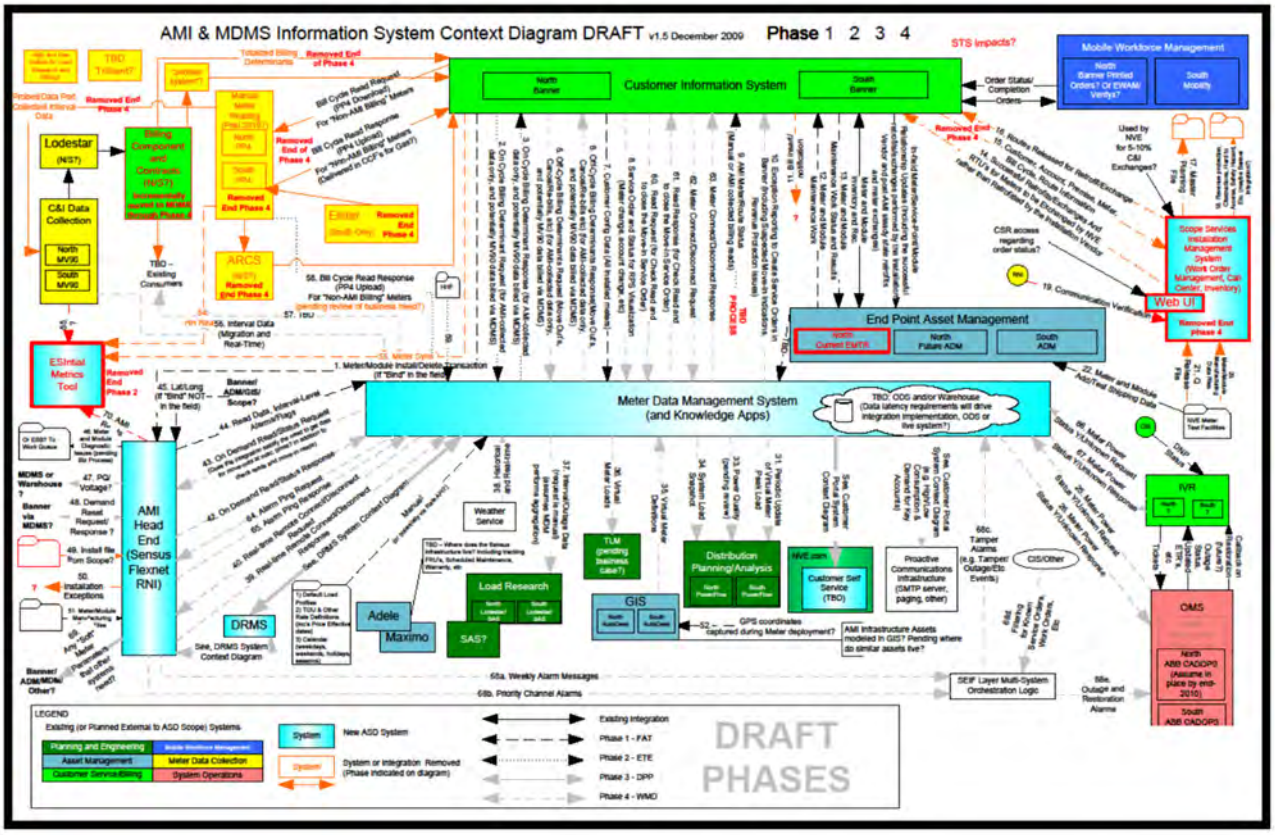

Figure 5. Example of a System Context Diagram in the Solution Architecture Document

Business Design

The utility of the future will be a fully digital system. This means that today's utilities face a digital transformation of their organization and business to help drive better performance. Utility Industry disruptive forces include:

- Customer expectations
- New market opportunities
- Integration of renewables onto the grid
- Market shifts
- Aging infrastructure
- Evolving workforce
- Rising cybersecurity threats
- Natural disasters & extreme weather

Galveston's AMI vision will enable new ways of working with end-to-end process thinking across functional silos to redesign and streamline processes. Our business process re-engineering (BPR) process will start with this broader vision to ensure a "system of systems" thinking in developing the AMI solution.

The Business Design work builds upon the initial work down in the Planning Phase and incorporates refinements needed for the particular vendor chosen in the Vendor Selection phase. The first stage prepares the project team for the vendor workshops and produces a high level end-to-end integrated business process model for the project and its impacted technologies and business. The second stage produces related AMI deeper dive process models. These models will be refined based on Design/Build Phase and development activities that occur as the vendor design decisions are finalized.

Stakeholder Engagement & Communications

Of the many lessons learned in AMI projects over the past decade, one of the most important is how critical it is to plan, manage, and engage stakeholders to build understanding and align expectations. For municipal utilities, effective engagement is not only essential to successful project implementation, but also aligns with and enhances the historic relationship between the utility and the community it serves. Excergy staff managed the research and development of APPA's *Smart Grid Customer Engagement Essentials*. We also received recognition from the Department of Energy as best-in-class for ARRA smart grid communications efforts. This work combines with our planning and implementation experience for effective strategy and efficient implementation.

Both internal and external stakeholders need to be engaged to address the needs of the community and support successful project implementation. Working with staff, Excergy consultants assess overall stakeholder endorsement levels and methods used, then develop engagement strategies leveraging—and perhaps expanding—those methods.

The goal of stakeholder engagement is to effectively inform and engage the supporters while minimizing the impact of resistors, by offering factual responses to concerns and options to meet their needs. For example, there are four known topics of concern that must be addressed in AMI projects: (1) price/rates; (2) privacy and data security; (3) health; (4) safety. Although public resistance to AMI projects is minimal, recent experiences indicate that utilities must be prepared and address these issues nonetheless.

In addition, the industry has learned—and in some cases been mandated by governing bodies—that having a clear optional meter configuration policy is important. The details of that policy, including associated pricing and how it is referenced (i.e., "opt-out" versus optional, non-standard meter), are a key strategy developed at project outset. On

the flip side, engaging those customers who are interested or even enthusiastic about the possibilities of new technology opts in early adopters and builds momentum for the entire effort.

Excergy develops clear plans for Stakeholder Engagement/ Communications that leverage existing utility practices and address both strategy and tactical implementation.

Organizational Change Management

The transformative nature of technology projects requires that staff adjust work processes and routines to effectively use the systems and realize the significant benefits both internal and external to the organization. This change needs to be handled efficiently and effectively thereby reducing staff apprehension and providing the tools they need to succeed. This task supports successful project implementation through internal OCM.

Effective OCM is grounded in basic human psychology, starting with addressing each individual's question, "What's in it for me?" Once that is addressed, there is receptivity to building the knowledge necessary to influence attitudes and support behavior change, such as a new way of performing job duties. For example, in the case of smart meter projects, displacement of certain staff (e.g., meter readers) is an issue that must be forthrightly addressed early in the process.

Over the past few years, effective OCM has been recognized as a critical success factor for technology project implementation. The job of change management is to fundamentally move people as efficiently and effectively from the current state to high performance in the new environment.

Excergy works with utilities to develop an OCM approach that includes practical and effective activities designed to support the transition of people and processes to realize the benefits of the new technology. This OCM plan provides strategies and details tactics that maximize performance prior to, during, and after the technology implementation.

Excergy uses a proprietary Alignment Optimization methodology, which is based on Nobel Prize-winning work on how individuals and teams make effective decisions and take coordinated action. This technology-enabled consulting methodology—combined with traditional consulting and facilitated workshops—creates both a unified vision and a powerful drive toward effective implementation.

Experience shows that having a clear and unified vision for a technology project from the outset greatly enhances project success.

Deployment Management

The AMI project involves the installation of thousands of meters and devices, and the careful coordination of the materials, labor, and data. To accomplish this scope, Excergy has expertise in deployment planning and oversight to ensure the AMI meters and communications equipment are installed efficiently and with minimum disruption to existing utility systems and business processes.

Excergy personnel have decades of experience working closely with AMI and Meter Installation Vendor (MIV) contractors and even City crews through interactive workshops to present and refine the business processes, construction, labor standards and the high-level AMI communications network and meter installation. Excergy presents industry best practices for the planning and installation of AMI communications network and meters and will work with the City's project personnel to tailor these processes to the specific requirements and standards of the City if needed. Additionally, this includes refining and validating material procurement schedules for AMI network communications equipment, and meters; as well as identifying and documenting installation, construction, and customer contact standards as part of this implementation planning effort. Excergy can also provide advice and consulting to the City to leverage lessons learned on similar scale meter and endpoint deployment projects in North America.

Excergy's deployment expertise includes the various logistics and data management steps involved in the addition of a device on the AMI system from its manufacture or retrofit at the factory through delivery to the cross dock or

depot, installation in the field, provisioning on the communications network, and the initiation of data transfer to the CIS for use in billing.

Once the overall deployment planning and logistics are established for the complete AMI system installation, the installation process will begin. Installation commences with the AMI network communications infrastructure prior to the AMI meters and modules. Based on the final deployment plan approved by the City, Excergy can supervise all subsequent work logistics and material planning and ordering to ensure a smooth roll out of the system.

Excergy can also oversee Endpoint Installation vendor activities including:

- Daily route management
- Quality assurance, controls and validation of all newly installed meters
- Tracking and assessment of all meter and module related exceptions encountered during installation
- Review and reporting to the City on a continuous basis the progress of installations
- Reporting to the City on revisits required for appointment setting

Operational Transition/Training

Excergy will work with the Galveston to develop an Operational Transition Plan in conjunction with the overall Change Management Plan, incorporating the "meter-to-cash" operations and the "go-live" process. Based on Excergy's experience, significant lessons learned and risk reduction strategies will be incorporated into the Plan. Excergy will then assist the City in the implementation of the Plan.

Excergy will:

- Seek an understanding of the Galveston's human resource strategy and current staffing plan, training plans and infrastructures.
- Seek understanding of any labor union and labor relations considerations and constraints.
- Help the team analyze new skill sets needed for AMI project impacted positions (for example: meter technicians, customer service representatives, etc.) and identify major gaps with existing job qualifications.
- Provide input to a workforce transition plan based on industry experience.
- Consolidate the above into an overall AMI Project Transition Plan.

Excergy will then work with Galveston to implement the Transition Plan so that City employees are ready for the ongoing support of all aspects of the solution by the end of the project.

Support Phase

The Support Phase includes items for after the project, such as audits, additional functionality testing on a schedule, additional integrations, and automation programming.

The scope of the Support phase will depend on needs that arise during the Implementation phase and Galveston operational considerations gained through experience building the solution. Therefore, the scope at present for the Support phase is not defined in detail. A budgetary placeholder is presented in the Fee Proposal section.

Fee Proposal

Excergy is able to offer a **firm fixed price** fee proposal for the Planning/Design and Vendor Selection/Procurement phases of the project, as outlined in Table 1.

Table 1. Project Fee Proposal

Phase	Fee Proposal Type	Travel	Fee	Billing
Planning/Design	Firm Fixed Price	Included	$74,028	Milestones, to be negotiated
Vendor Selection/ Procurement	Firm Fixed Price	Included	$75,000	Milestones, to be negotiated
Implementation Plan	Budgetary	Actual & Reasonable	$1,250,000	n/a
Support	Budgetary	Actual & Reasonable	$50,000	n/a

Implementation and Support Phases

The Implementation and Support phases, by nature, are difficult to define until vendors are chosen and more information is gathered in the Planning/Design phase. Some Excergy services in those phases may not even be needed depending on Galveston's vision and the selected vendor's capabilities.

Therefore, for the Implementation phase, we provide a budgetary figure based on our experience for the services described previously. We could offer those services as either fixed price or time and material with a not-to-exceed cap once the vendor(s) are chosen after the Vendor Selection phase.

For the Support phase, which is difficult to define what may be needed until well into the implementation, we offer our standard rate table shown in Table 2.

Table 2. Hourly Rate Schedule

Role	Hourly Rate
Executive Consultant	$ 234.00
Master Solution Architect	$ 234.00
Program Manager	$ 234.00
Principal Consultant	$ 219.00
Project Engineer	$ 219.00
Project Manager	$ 219.00
Solution Architect	$ 219.00
Tester	$ 209.00
Senior Consultant	$ 199.00
Business Analyst	$ 139.00

Taxes

These rates and estimates are exclusive of taxes. The taxes relating to applicable services are the sole responsibility of the City of Galveston.

Billing and Payment Terms

Payment terms are net thirty (30) days.

Assumptions

The following general assumptions apply to this proposal:

- Excergy's pricing to implement this Scope of Work is based on a timely start and timely completion of tasks and subtasks.
- No more than two (2) AMI-related RFPs will be produced in the Vendor Selection phase.
- Deliverable documents will be in Microsoft Office, including MS-Word, PowerPoint, Excel, MS-Project, Visio and Adobe PDF.
- The City's Project Manager will coordinate and consolidate all District comments on draft document deliverables to provide a single redline for Excergy to make updates to the final document deliverables.

Date: 4/27/2020

To: James A. Ketchledge, President
Excergy Corporation

Subject: RFI No. 2
Study and Recommendations for Automatic Meter Reading/Advanced Metering Infrastructure

---

The City of Galveston is requesting the following information:

The City of Galveston is expecting our selected consultant to participate in every phase of the AMI project. The finished response should include aspects of but not limited to Meter Data Management (MDM), Customer Facing Platforms, Data Warehousing, Business Process Automation (BPA), Prepaid Metering opportunities, Internet of Things (IoT) devices, and platform to platform integration examples. Under each category, list all of the components and/or concepts that will be included in each of the phases below with detailed descriptions. Additionally, include fixed costs for each of the phase below:

Planning/Design – these can include items such as organizational changes, technology changes, employee/stakeholder buy in, business processes, short and long-term strategic visions, the business case, technology roadmap, scope of work development, etc.

Vendor Selection/Procurement – this can include meeting attendance (pre-proposals, negotiation, vendor presentations), reference checks, evaluations of solicitations, contract negotiations, presentation to City Council

Implementation Plan – include items such as public communication and marketing, installation oversight, system integration, multiple platform to platform integrations as laid out in the Planning/Design phase (AMI-SCADA-Customer Information System-Customer Portal-CMMS-MDM-Business Intelligence Systems) overall project management activities, testing, performance.

Support – items for after the project, audits, additional functionality testing on a schedule additional integrations and automation programming.

Thank you for your assistance. Provide the response in an email to purchasing@galvestontx.gov; on, or before April 30, 2020 at 2 pm. Send the acknowledgement of receipt of RFI #2 to purchasing@galvestontx.gov. Response to the RFI must include this form with a signature from the signer of the original solicitation document, Appendix A.

James A. Ketchledge
Authorized Signature

April 29, 2020
Date

Response to

CITY OF GALVESTON

Public Works Department

RFI #3

for

Study and Recommendations for Automatic Meter Reading/Advanced Metering Infrastructure

Proposal Reference Number: 20-04

June 9, 2020

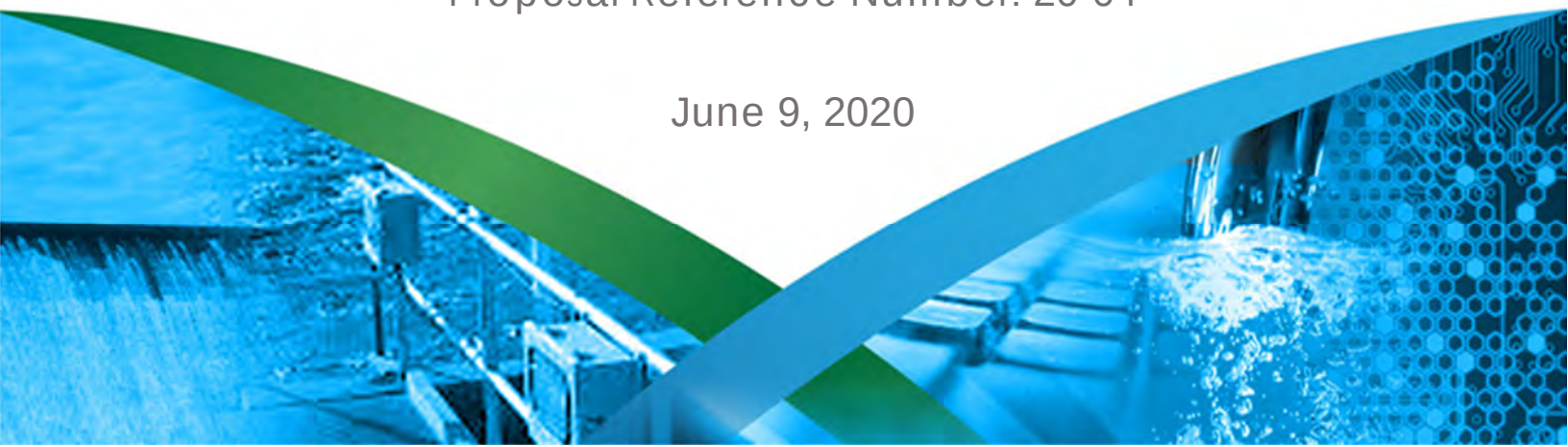

Table of Contents

Transmittal Letter
Response to Questions.....1
Signed RFI #3 Form.....2

Transmittal Letter

work: 720.316.7006
fax: 877.982.1414

address: 501 South Cherry Street
Suite 1100
Denver, Colorado 80246

web: www.excergy.com

June 9, 2020

City of Galveston
Purchasing Division
Ms. Susan Serrano
823 Rosenberg Street, Room 300
Galveston, TX 77550
via email to purchasing@galvestontx.gov

Re: Request for Proposal 20-04/RFI #3

Dear Ms. Serrano:

Thank you for your Request for Information (RFI) #3 dated June 2, 2020, requesting additional information on our response for the City of Galveston's (City's) Request for Proposal for a Study and Recommendations for Automatic Meter Reading (AMR)/ Advanced Metering Infrastructure (AMI).

Per your request, the attached document contains the answers your questions as well as our signed RFI form. .

As you will see, we were able to answer yes to all of your questions. Since most of your questions involved budget, we do think it is prudent to note that on these large AMI projects there are always unknowns, so a best practice is for you to have some management reserve to address any unforeseen issues that may arise.

We appreciate the opportunity to submit this response and look forward to discussing it with you in the coming weeks. In the meantime, should you have any questions or require additional information, please feel free to contact me at 720-988-4354 or via email at jketchledge@excergy.com.

Sincerely,

James A. Ketchledge
CEO & President, Excergy Corporation

Response to Questions

Question #1: In addition to the AMI software platform, the communication network, and the new metering equipment; does your all-inclusive pricing, provided in RFI #2 include procurement assistance and project management of installation and integration of the following:

- Meter Data Management System
- Customer facing platform
- Development of Business Process Automation after integrations
- Serve as the third-party validation of the complete system implementation to ensure that the installation is acceptable to the city and meets the terms of procurement?

Answer #1:

Meter Data Management System (MDMS): The need for an MDMS will be assessed with the City during the initial study work. We find that many water utilities can meet the business need through modern AMI systems that incorporate meter data processing capabilities and the separate MDMS cost can be avoided. We often write the specifications in the procurement phase to state the business need and let the AMI vendor determine whether their core system can meet the requirements, or if they need to augment their system by proposing a MDMS in conjunction with the basic AMI system. We do not anticipate creating a separate RFP just for the MDMS, rather incorporating the need into one AMI technology RFP. We have used this approach successfully for many water utilities. If a dedicated MDMS system is needed to meet the business requirements, then, yes, our all-inclusive pricing, provided in RFI #2, includes procurement assistance and project management of installation and integration of the MDMS.

Customer facing platform: Similar to the above, our approach is to capture business requirements around a customer facing platform, such as a web portal, into one AMI technology RFP and let the vendor community propose their solution to meet the need for AMI data presentment to the customer. Often this is accomplished by one solution; however, sometimes the vendor will augment their system with a third-party solution if there are special requirements. Our proposal for the customer facing platform is centered on AMI; that is, we did not include costs to do an enterprise web portal for the entire City that covers City functions outside of AMI.

Development of Business Process Automation after integrations: Yes, this is included in RFI#2. Our approach is to use our standard AMI reference business process models (developed over many years for dozens of water utilities), tune it for Galveston based on business design workshops, and tune it further based on the specific vendor chosen.

Serve as the third-party validation of the complete system implementation to ensure that the installation is acceptable to the city and meets the terms of procurement?: Yes, this is included in RFI#2.

Question #2: If the City decides to purchase and integrate additional IoT devices such as, acoustic leak detection equipment, pressure sensors, automatic valves, and other similar add on type components that will be considered as part of this contract; will the procurement and implementation services you may be asked to provide be covered under the current all-inclusive pricing provided in RFI #2?

Answer #2: Yes, we will work with you to determine the business requirements for IoT devices as part of the initial study work and then include any of those needs in the procurement and implementation services. We don't anticipate a separate RFP just for these IoT devices, rather the requirements will be part of the AMI technology RFP.

Question #3: Do your fees and scope include assisting the City in securing and/or the compliance with reporting requirements of a SMART Water Grant from the Department of Bureau and Reclamation?

Answer #3: Yes, we anticipated that during the study phase, we would advise, consult, and assist the City to obtain a SMART Water Grant. If received, reporting compliance support would be part of our project management services in implementation.

Signed RFI #3 Form

CITY OF GALVESTON – RFP # 20-04
REQUEST FOR INFORMATION # 3
STUDY AND RECOMMENDATIONS FOR AUTOMATIC METER READING/ADVANCED METERING INFRASTRUCTURE

Date: 6/2/2020

To: James A. Ketchledge, President
Excergy Corporation

Subject: RFI No. 3
Study and Recommendations for Automatic Meter Reading/Advanced Metering Infrastructure

---

The City of Galveston is requesting the following information:

In addition to the AMI software platform, the communication network, and the new metering equipment; does your all-inclusive pricing, provided in RFI #2 include procurement assistance and project management of installation and integration of the following:

- Meter Data Management System
- Customer facing platform
- Development of Business Process Automation after integrations
- Serve as the third-party validation of the complete system implementation to ensure that the installation is acceptable to the city and meets the terms of procurement?

If the City decides to purchase and integrate additional IoT devices such as, acoustic leak detection equipment, pressure sensors, automatic valves, and other similar add on type components that will be considered as part of this contract; will the procurement and implementation services you may be asked to provide be covered under the current all-inclusive pricing provided in RFI #2?

Do your fees and scope include assisting the City in securing and/or the compliance with reporting requirements of a SMART Water Grant from the Department of Bureau and Reclamation?

If you answered no to any of the questions, can you provide information about your ability to assist the City in this effort and provide any additional associated costs with performing these services?

Thank you for your assistance. Provide the response in an email to purchasing@galvestontx.gov; on, or before, June 9, 2020 at 2:00 pm. Send the acknowledgement of receipt of RFI #3 to purchasing@galvestontx.gov. Response to the RFI must include this form with a signature from the signer of the original solicitation document, Appendix A.

James A. Ketchledge

Authorized Signature

June 8, 2020

Date

Response to

CITY OF GALVESTON

Public Works Department

RFI #4

for

Study and Recommendations for Automatic Meter Reading/Advanced Metering Infrastructure

Proposal Reference Number: 20-04

July 20, 2020

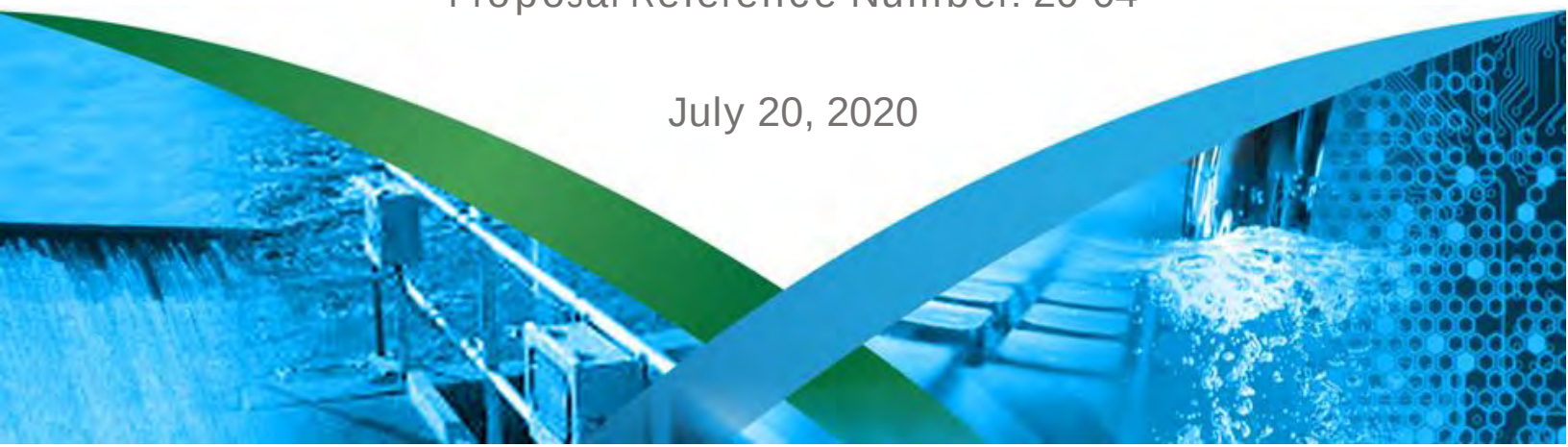

Table of Contents

Transmittal Letter
Detailed Approach to Scope of Work....1
Task 1: Project Assessment....1
Task 2: Financial Analysis....5
Task 3: Business Process Transformation....6
Task 4: Project Implementation Planning....7
Task 5: Results of Study....8
Task 6: Vendor Procurement....9
Task 7: Project Management....13
Task 8: Testing....15
Task 9: Vendor Management....17
Task 10: Solution Architecture....17
Task 11: Business Process Re-Engineering (BPR)....19
Task 12: Organizational Change Management & Stakeholder Engagement....23
Task 13: Deployment Management....26
Task 14: Operational Transition/Training....27
Task 15: Post Implementation Support (DRAFT)....28
Project Timeline....28
Signed RFI #4 Form

List of Figures and Tables

Figure 1. Excergy's Three-Phase AMI Approach for the City of Galveston....1
Figure 2. Production vs. Consumption Using AMI Data....2
Figure 3. Example AMI Integration Plan....3
Figure 4. AMI Roadmap....4
Figure 5. Business Transformation Process....7
Figure 6. Example Reference Model Workflow....7
Figure 7. Excergy's Core Selection Process....9
Figure 8. Excergy's Integrated Delivery Methodology™....13
Figure 9. Overall Testing Strategy Example....16
Figure 10. Example of a System Context Diagram in the Solution Architecture Document....18
Figure 11. Business Process Transformation....20
Figure 12. Digital Business Transformation....20
Figure 13. Example Reference Model Workflow....21
Figure 14. Meter-to-Cash End-to-End Process Flow....22
Figure 15. Phases of Individual Change....24
Figure 16. Draft Project Schedule....29
Table 1. Excergy Project Management Activities....13

Transmittal Letter

work: 720.316.7006
fax: 877.982.1414

address: 501 South Cherry Street
Suite 1100
Denver, Colorado 80246

web: www.excergy.com

July 20, 2020

City of Galveston
Purchasing Division
Ms. Susan Serrano
823 Rosenberg Street, Room 300
Galveston, TX 77550
via email to purchasing@galvestontx.gov

Re: Request for Proposal 20-04/RFI #4

Dear Ms. Serrano:

Thank you for your Request for Information (RFI) #4 dated July 10, 2020, requesting a complete and detailed response for the City of Galveston's (City's) Request for Proposal for a Study and Recommendations for Automatic Meter Reading (AMR)/ Advanced Metering Infrastructure (AMI).

Per your request, the attached document contains the statement of work, project timeline, as well as our signed RFI #4 form.

Please feel free to contact me at 720-988-4354 or via email at jketchledge@excergy.com should you have any questions or require further information.

Sincerely,

James A. Ketchledge
CEO & President, Excergy Corporation

Detailed Approach to Scope of Work

The scope of work (SOW) outlined below defines the integrated process Excergy will use to complete the three phases of the City's AMI Project as shown in Figure 1 below. It identifies the workshops and deliverables we plan to complete during the engagement, as well as the City effort needed to support each task. A project timeline is provided at the end of this SOW.

Figure 1. Excergy's Three-Phase AMI Approach for the City of Galveston

Phase 1: Planning/Design

Task 1: Project Assessment

Subtask 1-A: Project Management and Review of Existing Information

Immediately following the notice to proceed, Excergy will meet with the City's project team, in a Kick-Off meeting, to fine-tune project scope, requirements, deliverables, timetable and reporting relationships, and to discuss project issues and concerns. We will review the make-up of the City's project team and subject matter experts to achieve a broad representation. We will provide the City's team with a request for background information, including your current IT environment (e.g. operational systems such as the existing AUS Infinity CIS, Asset Management, GIS, maintenance planning, customer web portals, etc.), as well as any environment and integration diagrams that may exist, current conservation programs, current water rate sheets, capital investment plans, etc. We will review the data request with the City's project team to understand what information is readily available and who will compile it. We will establish a timetable, being mindful of any limits on readily available data and City staff members' time. The City may not have all requested information available in a form that can be easily delivered. Excergy does not expect the City to create this content if it is not easily available. Information that cannot be delivered in advance will be discussed in Subtask 1-B interviews. We will identify City staff members to be interviewed and establish an interview schedule that fits within the overall project schedule.

Excergy will employ our award-winning program management methodology over all project activities, which is modeled on the PMI's PMBOK® and Agile methodologies. The Excergy Project Lead will execute/maintain a compatible project management approach and methodology with the City, manage the project organization and quality assurance and control. He will plan for and anticipate issues and actively work for resolution of issues.

The Excergy Project Lead will manage the bi-weekly project status cycle for the City. This will include measurement of progress towards the plan, performance status, risk management, items of concern, and open action items. These items will be managed regularly and will be consistently tracked.

As a foundation for the economic and financial analyses and lead into the AMI requirements definition, we will lead the City staff in a series of short interviews and a set of workshops to identify key benefits to the areas of Customer Service, Distribution Operations, IT systems and AMI Strategy and Visioning.

Subtask 1-B: AMI Interviews

Based on the information provided and the areas typically impacted by AMI, Excergy will perform a series of up to 6 interviews of City staff to gather a more detailed background and understanding of the City's objectives for the project. This series of 45-minute interviews will be performed over the phone and typically include managers for Customer Service, Metering, Distribution Operations, Finance, IT, and the project leader. These interviews will result in a set of objectives that will be presented later in the Visioning and Strategy workshop.

Subtask 1-C: AMI Customer Service Process Analysis

Excergy will lead a set of workshops for Customer Service that include a discussion of metering and customer service processes and policies and will quantify benefits and ways AMI will streamline operations and enhance service. Areas to examine will include on-cycle meter reading, high bill investigations, move-ins and move-outs, and collections. The workshops will also explore enhanced services facilitated by AMI, such as "watchdog" services. These understandings are essential to building a comprehensive business case. We will benchmark such projections with the results obtained by other utilities that have implemented AMI.

We will provide a brief analysis of the data required to support specific customer service, operations, conservation, and non-revenue water (NRW) management functions. The data provided by AMI systems may be characterized by the frequency of meter sampling, the frequency of data transmission, latency (that is, the time it takes for a meter reading to be available to City employees), synchronization (for example, all readings at midnight), resolution, and reliability. The quality and quantity of data needed depends on the applications and functions (for example, "soft disconnects" or consumption profiling). In some cases, more discrete and immediate data enables higher quality value applications (e.g., leak detection).

Reductions in workload translate into labor savings. Our assessment of potential savings from AMI-based process improvements will enable us to suggest organizational and staffing adjustments. This would include reassigning staff (e.g., meter readers) and re-engineering certain functional areas (e.g., field service). Staffing in other functions such leak detection, code enforcement and AMI system operation and maintenance might be increased.

Subtask 1-D: Distribution Operations Analysis

AMI can provide powerful new tools for nonrevenue water management. Data from acoustic leak detectors (ALDs) attached to service lines or valve stems (Figure 2) can be easily transmitted using the AMI system to provide the City with the earliest indications of leaks, when they cost less to repair and do less damage. With AMI, the City could also compare all consumption in a metered area over a specific period to net production, and focus NRW efforts on areas where the difference was relatively high or had changed.

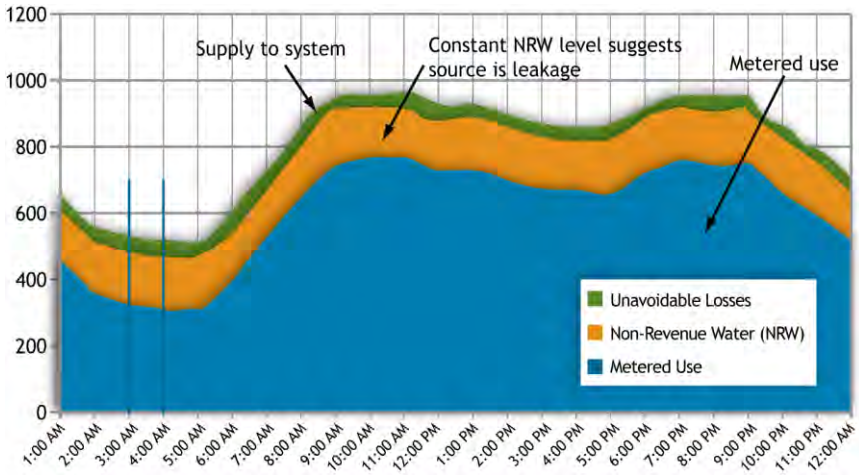

Figure 2. Production vs. Consumption Using AMI Data

AMI can be used to perform pressure zone non-revenue water assessments, since all of the meters in a pressure zone can be read at or close to the same time, and compared to production and storage figures for the same period. Large differences between production and consumption might demand priority attention. Changes in the difference between these two numbers can be monitored regularly. Analysis of the difference over the period could indicate whether the issue is leaks or meter inaccuracies. This analysis requires coordination among City production staff, IT staff, and AMI operators.

Excergy staff will conduct a workshop with the City's distribution system managers to review the potential costs, savings and other benefits of implementing AMI based distribution system monitoring and document the workshop. We will provide a brief assessment of the potential contribution to the business case.

Subtask 1-E: Current Technology & Systems Assessment

Achieving the full benefit of an AMI requires integrating the AMI system with other City information systems. For example, other processes and interfaces may automatically notify customers of anomalies via instant messaging, email or outbound dialing, based on account data in Harris. Linking consumption data from all the customers in a pumping district to production data from the SCADA system could (if applicable) help the City monitor and manage NRW.

Additionally, during the AMI field deployment, an AMI system may need to interact efficiently with several City information systems to manage the project and ensure accurate billing during the transition (Figure 3). For example, meter and customer data must be generated out of AUS Infinity to create work orders, which in turn may be coordinated with the City's asset management system. Photographs and geo-positioning coordinates are likely to be part of the meter asset database. Meter register ID numbers may be different than meter base ID numbers if some meters are retrofitted. The CIS typically requires meter and Meter Interface Unit (MIU) ID numbers in inventory before they can be accepted in work orders.

We will review the City's existing information systems and associated business processes, to identify areas that must be modified for effective integration to achieve the benefits of AMI. This review will also provide input into IT costs for advanced metering to be included in the business case.

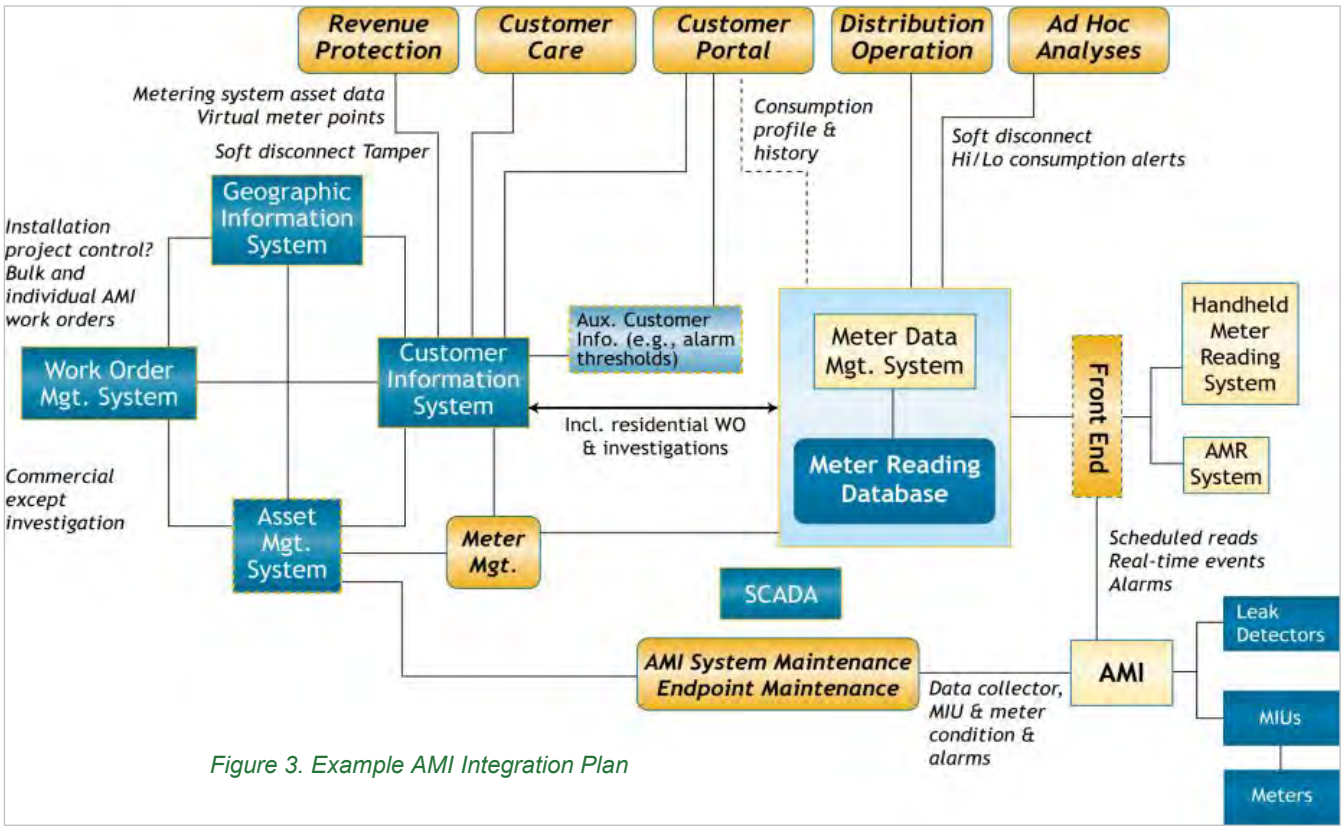

Figure 3. Example AMI Integration Plan

Subtask 1-F: Site Visits (Optional, not priced)

To enhance understanding and to provide a touchstone from other utility experiences, Excergy could arrange, support, and document site visits to other water utilities mutually agreed upon between Excergy and the City AMI project team. These visits will provide insight and additional exposure to help guide the development of the AMI strategy and vision, and to provide additional support to development of the financial modeling for the business case.

Subtask 1-G: Develop AMI Strategy

To ensure outcome compatibility with the City's expectations for AMI, Excergy will work with City staff to create a vision for the future of AMI at the City (a graphical example is shown in Figure 4). This vision will be based on today's offerings and expected future enhancements to AMI as the industry grows.

Excergy will lead a workshop to review current and emerging AMI technologies and best practices, and their relative advantages and disadvantages for the City. We are familiar with every available technology and will suggest those that appear to be most aligned with the City's objectives and operating environment. We will also work with the City to develop strategies for deployment, including an evaluation of the meter population, meter deployment strategies, and AMI hosting options.

Based on the above efforts and the key strategies developed, we will develop draft recommendations regarding:

- How should the City build on or refine previously deployed AMI pilots
- What new technologies, if any, are appropriate for the City
- The rate(s) of deployment and, in particular, acceleration over normal meter replacement
- Project management and implementation support for AMI field deployment
- Prerequisites in such areas as information technology, staff organization, and customer service practices, etc.

We will present these draft recommendations in a memorandum and review it with the City's core team. Based on feedback and discussions with City staff, we will revise the recommendations memorandum.

TASK 1 DELIVERABLES

- Data Request
- Bi-weekly Status Reports
- Periodic updates for executive management and applicable governing board stakeholders
- Site Visit Memorandum (optional)
- Strategy Assessment Memorandum

TASK 1 WORKSHOPS

- Phone Interviews
- Customer Services process workshop
- Distribution Management workshop
- IT systems and integration workshop
- AMI Technology Overview Workshop
- AMI Strategy and Vision Workshop
- Site visits to 2-3 utilities (optional)

CITY EFFORT TO SUPPORT TASK 1

- The Kickoff Meeting will be approximately two hours.

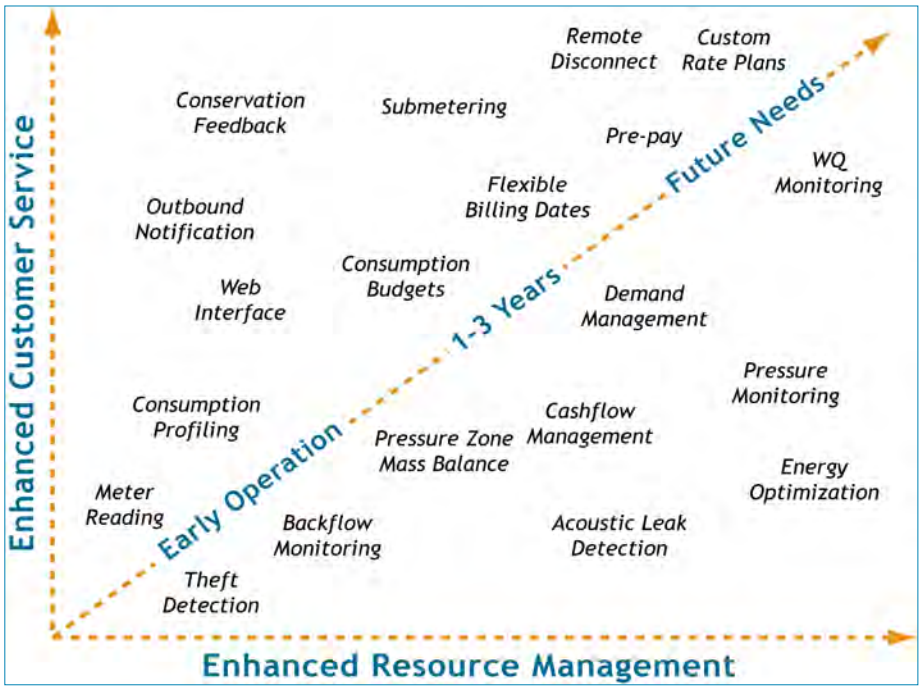

Figure 4. AMI Roadmap

The ongoing effort to schedule workshops and interviews will be approximately one to two hours per task, depending on the final number of interviews in the schedule.

- City staff will spend approximately two days to gather and email the requested information to Excergy
- Support Workshop sessions and site visits as needed

Task 2: Financial Analysis

Following the efforts of the preceding tasks to gather preliminary cost information and potential business case benefits, additional data points will likely be needed to complete the financial analysis development. We will input into our model major technology and deployment scenarios that incorporate a number of variables (project start date, differential inflation rates, component/labor costs, equipment lives, deployment timeline, etc.) that can be analyzed for sensitivity. The model will calculate cash flow in each year of the planning period, present value, and other measures.

While economic/financial models deal well with only hard, direct costs and benefits, a business case must also consider soft and indirect costs and benefits, such as enhanced customer satisfaction and confidence, and reduced environmental impact. As part of the business case, we will include an explicit review of the non-economic factors. With the City's team, we will review Triple Bottom Line objectives, and identify indicators for each component (social, environmental, customer service, employee development, etc.). We will endeavor to describe and evaluate the significant direct and indirect impacts of AMI strategies in these areas, focusing on the relevant indicators.

In addition, the City anticipates applying for a SWIFT grant from the State of Texas, using another consultant, to offset some of the costs for the AMI program. Excergy will review the draft application and provide comments and thoughts specific to AMI on the proposal.

Direct Benefits

New Revenue

- Reduced read-to-pay time
- Monthly billing improves cash flow
- New customer services (usage information, selectable bill date, selectable bill frequency, bill aggregation, on-demand bill, customized bill, meter reading for other utilities, analysis/ conservation services, prepayment services)

One Time & Short Term

- Improved meter accuracy
- Sale of used meters (salvage)
- Ending / postponing Meter change outs
- Tamper detection and correction

Capital Reductions

- Load research equipment
- Meter reader vehicles
- Meter inventory

Reduced Expenses

- Reductions in Leak Adjustments
- Customer service Support (bill inquiries reduced, faster inquiry resolution)
- Field Services (reduced trips for customer site visits, remote service on/off)
- Billing (reduced manual processing, estimated bills, pre-bill audits, postage)

- Metering & reading (on-/off-cycle reads, meter reader safety/liability, meter reader training, reduced meter testing, direct access settlement, load research metering)
- Distribution operations (System Audits, Pressure Management, Quality Monitoring)

Avoided Losses

- Reduced non-billable consumption (leak detection/mitigation, tamper deterred, unoccupied premises)
- Distribution system optimization (pump station pressure/flow, end of line pressure)

Indirect Benefits

Customer Service Benefits

- Diverse customer services
- New rates possible
- Increased responsiveness to customer
- Less intrusive to customer

Strategic Benefits

- Storage & well monitoring
- Conservation program monitoring/enforcement
- Distribution automation
- Greater approved return
- Improved costs and pricing basis
- Improved load forecasting & system planning
- Improved system reliability
- Market segmentation & targeting
- Improved public/regulatory relations
- Improved customer satisfaction

TASK 2 DELIVERABLES

- Draft financial metrics, direct, and indirect benefits model
- Review and comment on SWIFT grant application

CITY EFFORT TO SUPPORT TASK 2

- There will be effort to collect data to support the City's component of the cost and benefit analysis. Excergy will provide industry metrics for many of the cost components; the City will give final approval on the actual values used.

Task 3: Business Process Transformation

A business process impact assessment will be conducted to identify the existing City organizations, business processes, and systems that will be impacted by the AMI implementation. This assessment will initiate the appropriate business process reengineering activities to prepare the City for the smart water solution.

Excergy will facilitate business process assessment sessions with the City to identify the day-to-day business processes that will be affected by the AMI project. The process is described in Figure 5, next page.

Excergy has developed reference models of all applicable workflows for an AMI project. We start with these reference models and then fine-tune them based on the utility's particular needs. By using these proven models, the business transformation effort is both accelerated and low risk. An example of such a process flow is shown in Figure 6.

TASK 3 DELIVERABLES

- Draft and final business process analysis which includes current state and recommendations for future processes, practices and staffing changes/job description updates for AMI

CITY EFFORT TO SUPPORT TASK 3

- Onsite workshop of the business process will be one day.
- The project team to review and comment on the draft deliverables. One person on the project team will be responsible for consolidating all comments/edits.

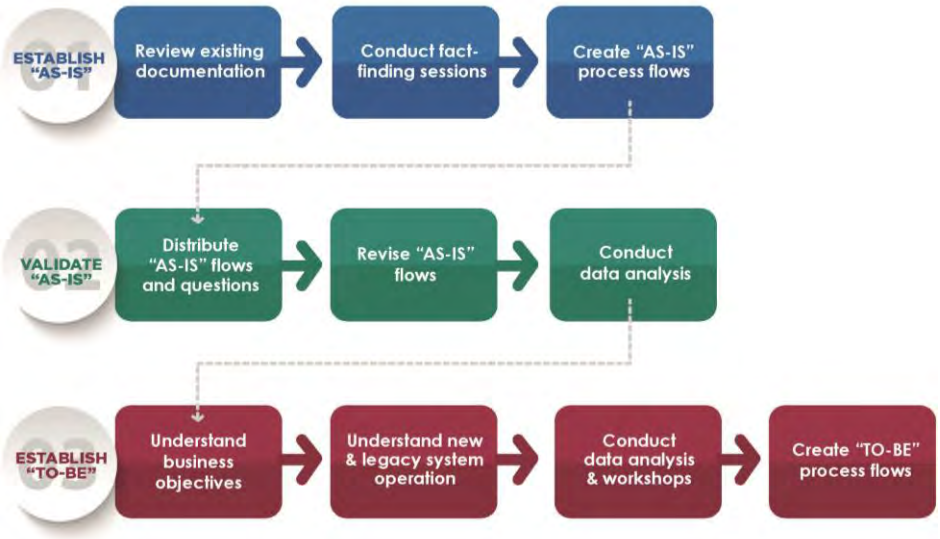

Figure 5. Business Transformation Process

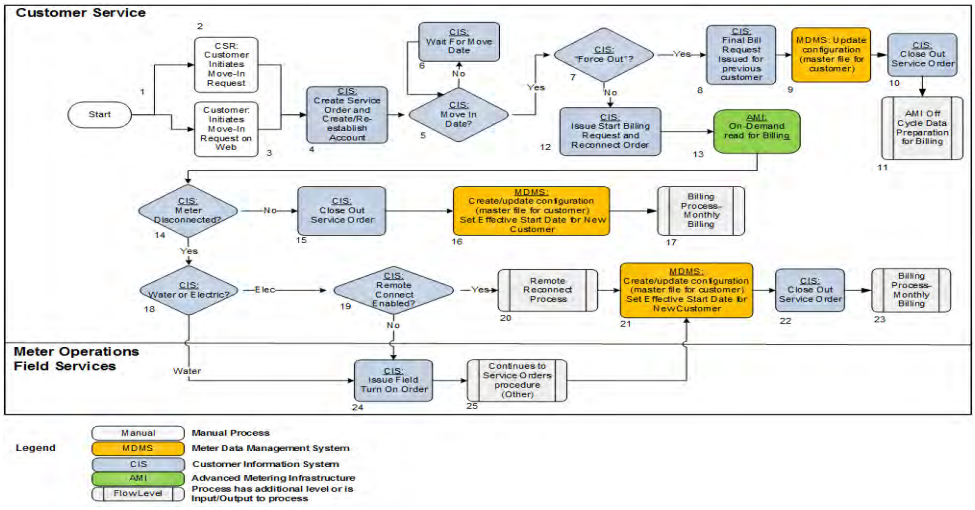

Figure 6. Example Reference Model Workflow

Task 4: Project Implementation Planning

AMI implementation involves several coordinated dimensions. Astute implementation planning can mean the difference between a successful, well-accepted project and a poorly performing system. The integrity of the information created during AMI deployment is critical to employee and customer acceptance.

Major elements of successful AMI implementation planning entail: (1) a project schedule and management plan to govern contract management, field inspection, troubleshooting, data audit and acceptance testing; (2) a network deployment plan; (3) an installation control system to ensure data is captured correctly and invoices are correct; (4) a human resources plan to manage the transition of employees during and after the project; (5) a meter reading transition plan to ensure all meters are read smoothly as routes are converted to AMI; (6) a communications plan for customers, employees and the general public; (7) an IT integration plan covering key interfaces and initial applications; (8) an acceptance test plan for software, components and the overall system; (9) a training plan for all utility employees involved in installation, managing contractors, operating and maintaining the system, dealing with customers during installation and using the system data; and (10) a policy and procedure review, to ensure the City has the polices needed to ensure effective AMI deployment such as compelling access, handling inactive or delinquent accounts, and reconciling consumption concerns as old meters are replaced.

Implementing AMI requires coordination of thousands of work orders with customer service and billing operations. The integrity of the information created during AMI deployment is critical to project success. Implementation planning includes developing a deployment schedule, creating project control systems, establishing IT interfaces, enhancing field to office communications and redeploying staff. Several City departments, and multiple teams, would be involved in AMI implementation planning.

Based on the recommended strategies and business case, we will help the City's team prepare a draft project schedule in the form of a Gantt chart that shows the key tasks and milestones for project procurement and deployment. This will help identify the points at which monetary and staffing commitments are required. The draft implementation plan is usually revised once a vendor is selected and the particulars of the system are known.

The suggested project schedule will span from the start of procurement through deployment. All AMI elements, such as metering infrastructure installation, software applications, data management, business processes changes will be planned. At each stage, we will recommend the functions required for project management (for example, vendor selection, field inspections, programming, acceptance testing, etc.) and which functions could be outsourced, provided by the vendor, or should be handled by City staff.

TASK 4 DELIVERABLES

- Implementation considerations workshop; draft implementation planning memorandum.
- Draft project schedule

CITY EFFORT TO SUPPORT TASK 4

- Participation in workshops

Task 5: Results of Study

We will compile the components developed in the previous subtasks into a Draft AMI Assessment report. Most of the elements of this report will have already been reviewed by the City's staff in prior subtasks. The report will consolidate this work to comprise an organization-wide analysis of all costs and benefits of installing AMI. After a final review with staff, we will incorporate any appropriate changes and finalize the report.

This deliverable will consist of two documents. The first document will be assessment document of the AMI project and financial analysis. It will include:

- An overview of AMI and documented results of the process analysis
- A review business case inputs
- A detailed capital cost estimate of the project including:
  - Meter/Module Costs
  - Meter/Module Installation Costs (Internal labor versus third party)
  - AMI Communications Infrastructure Costs for field and backhaul
  - AMI Communications Infrastructure Deployment Costs (installation costs, site preparation and asset management, site lease negotiations)
  - Software Systems Implementation (license and implementation costs)
  - IT infrastructure
  - Project implementation personnel
  - Other outside consulting
- An O&M estimate reflecting the lifecycle of the project including:
  - Operations personnel
  - Communications equipment recurring costs (cellular, site lease payments, etc.)

- Maintenance fees
- A modeling of all hard benefits (benefits that can be monetized)
- An overall ROI of the project based on present values of all costs and benefits
- Various charts and graphs to be used in other documentation and presentation materials

The second document will be a set of PowerPoint slides that utilize information from both the spreadsheet model and the Word document to provide presentation support for the study.

The business case analyses would be reviewed in a one-day workshop. Based on comments from the City's team, we would revise the model analyses where appropriate. The analyses and accompanying narrative will form the core of a business case report.

TASK 5 DELIVERABLES

- Draft and final Feasibility Study
- Onsite review of the Feasibility Study with the project team
- Summary feasibility Study presentation (PowerPoint)

CITY EFFORT TO SUPPORT TASK 5

- Onsite review of the business case will be one day. Estimate two-three days to wrap the loose ends identified during the review.
- The project team to review and comment on the draft deliverables. One person on the project team will be responsible for consolidating all comments/edits.

Phase 2: Vendor Selection/Procurement

Task 6 describes Excergy's effort to support Phase 2, Vendor Selection & Procurement. Our typical selection process, shown in Figure 7, will be modified as appropriate to meet the City's procurement methods.

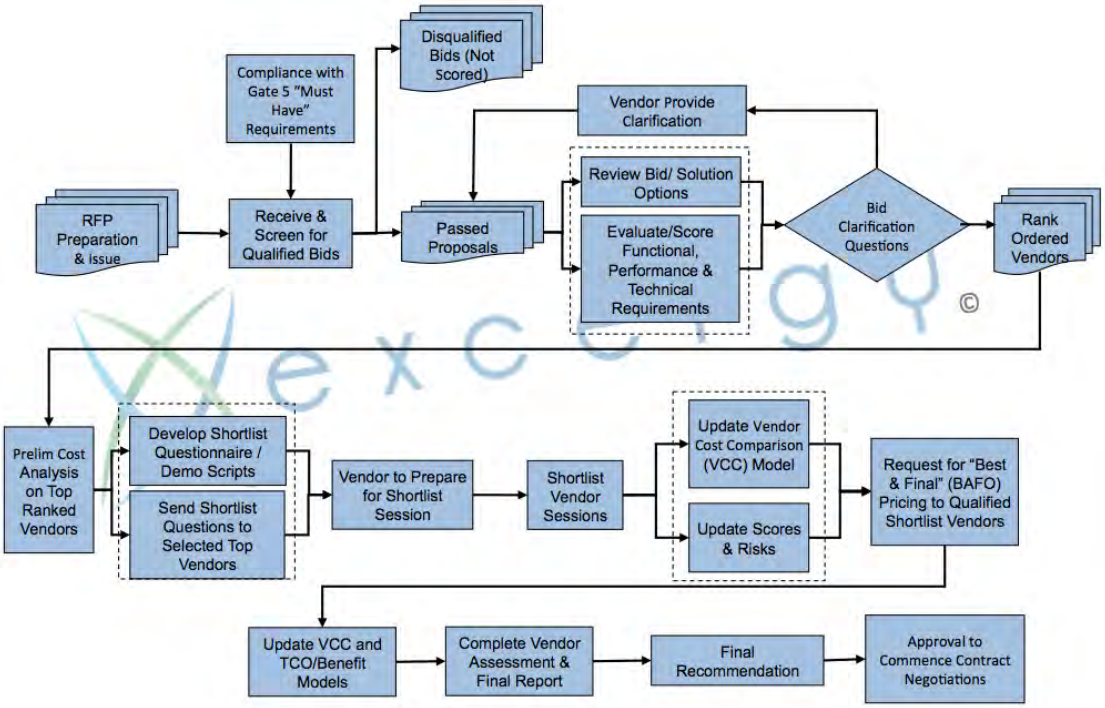

Figure 7. Excergy's Core Selection Process

Task 6: Vendor Procurement

Excergy's approach to procurement includes an extensive set of deliverables including vendor qualification criteria, RFP specifications that are traceable to the business case, total cost comparisons for proposed solutions, and vendor negotiation strategies. Ultimately, these deliverables will facilitate the City's selection of vendors based on technical and risk assessments,

commercial/cost evaluation, and reference checks/site visits. They will also provide key materials for negotiations with the vendors, including contract Statement of Work, technical specifications, and service level agreements.

Excergy personnel have extensive experience assisting municipalities and utilities in AMI/MDMS/MIV/SI vendor selection and procurement activities. We are familiar with virtually all of the vendor offerings and systems, often with direct implementation experience. Through this deep experience, our process has been fine-tuned to provide the best value and match of the vendor offerings with the City's needs.

Subtask 6.1: Requirements

Excergy will facilitate development of the City's MWM, MDM, and CWP requirements and RFP using Excergy's working list of requirements and templates for procurement, project management, and system implementation and integration support. Excergy will develop specific requirements, leveraging the work in the Task IA, and your procurement and/or implementation approach. Examples of possible discussion topics are:

- A discussion of the current marketplace, trends, and related issues such as standards, interoperability and obsolescence as they either support, or contradict, possible system drivers.
- Integrations and legacy system changes required to support these systems.
- New and emerging ancillary technologies and their implications for business operations and customer service.
- The role of data analysis in capturing the benefits of these systems.
- Ownership and financing options.

Following this assessment, Excergy will develop an initial, prioritized list of recommendations for your consideration. Excergy will facilitate a work session to review these with City staff.

Subtask 6.2: Procurement Strategy and Vendor Qualification Criteria

Excergy's approach to procurement includes an extensive set of deliverables including vendor qualification criteria, RFP specifications that are traceable to the feasibility study, total cost comparisons for proposed solutions, and vendor negotiation strategies. Ultimately, these deliverables will facilitate City's selection of vendors based on technical and risk assessments, commercial/cost evaluation, and reference checks/site visits. They will also provide key materials for negotiations with the vendors, including contract Statement of Work, technical specifications, and service level agreements.

Excergy personnel have extensive experience assisting municipalities and utilities in MDM/MWM/CWP vendor selection and procurement activities. We are familiar with virtually all of the vendor offerings and systems, often with direct implementation experience. Through this deep experience, our process has been fine-tuned to provide the best value and match of the vendor offerings with the City's needs.

We have a tailored and tuned approach, which will be based on the vision established from the feasibility study and previous tasks to ensure the best vendor suite for the City. In addition, we have extensive industry knowledge and contacts and know the "intangibles" that often affect project success.

Excergy will assist the City in developing the steps to be taken in the procurement process and facilitate the vendor procurements. This approach maximizes the City's personnel's learning opportunities around the technologies and provides the City with the information needed to select vendors with confidence. Our vendor procurement process approach builds on the business case, vision, and other factors, such as your Board and any applicable Public Utilities Commission (PUC) requirements.

With the overall process identified, Excergy will provide guidance and assist the City in selecting the best fit methodology for the structures of the RFPs (such as single or multiple vendor procurement RFPs). Excergy will assist the City in decisions involving the establishment of high level vendor qualification criteria. Besides the City's overall sourcing strategy, the criteria will to a large extent be based on the City's risk tolerance and risk management

experience. Based on the high-level criteria and RFP structure, we will provide input on qualified vendors to be invited to the RFP process.

Excergy will also assist the City in developing potential business structure options to refine the competitive solicitation options within the context of client's business and sourcing strategy. For instance, we introduced a Best and Final Offer (BAFO) process at the City of Fort Collins, which was new but consistent with their practices and this alone saved millions of dollars.

Excergy's Procurement Strategy and Vendor Qualification Criteria approach includes the following activities:

- Develop the steps for the vendor procurement process
- Facilitate the vendor procurement processes steps/tasks
- Develop the structure of the RFPs
- Develop high-level vendor qualification criteria
- Select qualified vendors to be invited to the RFP process
- Develop business structure options

Task 6.3: Vendor Selection

Excergy will assist the City in drafting RFPs in a cost and time effective manner by tailoring our existing, proven templates and baseline documents for competitive vendor solicitations to the City's specific objectives and requirements. These include the development of technical and commercial requirements, high-level solution architecture and an initial technology/vendor assessment against the City's requirements to identify qualified vendors to be invited to the RFP process.

Excergy will then develop the vendor RFPs and facilitate the City's proposal evaluation and vendor selection process, including the development of detailed score sheets for the RFPs with scoring criteria and weights for each requirement. Our scoring criteria approach reflects criticality, type, and relevance of each requirement. Weights reflect the relative importance or value of each requirement with respect to the rest, with traceability to the benefits impacted by the requirement.

During the vendor proposal evaluation, Excergy will help the City identify critical qualification or vendor pass/fail gates within the RFP specifications and assist with their evaluation. Additionally, the Excergy vendor proposal evaluation process includes methodical assessments of risks typically covering technology risks (bleeding edge or obsolescence), quality of delivery, vendor company viability and commitment to industry and product, project cost and schedule, and ongoing maintenance and support. These factors will then lead to the selection of the best vendor(s) for Statement of Work and Contract Negotiation.

Excergy's Vendor Selection approach involves the following activities:

- Develop and validate detailed requirements.
- Develop and validate detailed solution architecture.
- Perform initial technology/vendor assessment.
- Identify shortlist of vendors for RFP solicitation.
- Develop technical and commercial requirements for RFP.
- Issue RFP.
- Develop score sheets and risk assessment framework based on the City's specific needs.
- Evaluate vendor proposals and assess risks.
- Conduct vendor interviews and demonstration sessions.
- Conduct reference checks and facilitate site visits, as required.

- Create and present the Vendor Cost Comparison (VCC) Model for short listed vendors.
- Help the City select the best vendor(s) for Statement of Work and Contract negotiation.

Excergy's approach emphasizes "future proofing" to the extent possible the vendor solutions by emphasizing non-proprietary solutions and encouraging and scoring extensibility, scalability, and adaptability provisions in products and software.

Task 6.4: Contract Negotiations

Excergy will assist the City with contract negotiations with the selected vendors, from establishing a negotiations strategy through negotiations and contracting. Excergy personnel have negotiated technology contracts for dozens of clients and will use lessons learned to avoid pitfalls and leverage experience gained from actual implementations on how contract terms can ensure successful implementations and protect the City's interests if needed. Excergy will provide guidance to the City's project team in strategizing for contract negotiations and participate in key contract negotiation meetings and contract review if needed.

Excergy's Vendor Negotiations approach involves the following activities:

- Develop Vendor Negotiation Strategy.
- Conduct initial preparation of negotiations.
- Support SOW and Contract negotiation including Service Level Agreements (SLAs).
- Execute Vendor Contract(s).

An unbiased procurement process is a critical success factor for this task. As a testament to the unbiased nature of our approach, we have helped utilities select different technology vendors over the years within each technology vertical to accommodate their specific needs.

Since the RFP and vendors' responses are detailed, contract negotiations typically focus on installation protocols, performance requirements, defaults and cures, and pricing. The SOW attached to the draft contracts should convert all the promises of the proposal into specific provisions and deliverables. It should cover equipment delivery, training, "standard" and "non-standard" installations, acceptance criteria, installation data management and quality control, invoicing, customer communications (including any appointment scheduling), workload scheduling, and performance reporting. A Project Schedule exhibit should be attached to the contract to ensure installations proceed according to the desired schedule.

TASK 6 DELIVERABLES

- Clearly defined RFP selection process and criteria
- Potential MWM/MDM/CWP vendor list
- RFP business and technical requirement documents for three Vendor RFPs (MWM, MDM, CWP)
- Develop score sheets and risk assessment framework
- Evaluate vendor proposals and assess risks
- Conduct vendor interviews and demonstration sessions
- Conduct reference checks and facilitate site visits, as required
- Create and present the Vendor Cost Comparison (VCC) Model for short listed vendors

CITY EFFORT TO SUPPORT TASK 6

- Participation in workshops and review of draft documents
- Background on existing procurement practices and related data (e.g., organizational structure, training and performance management approach)
- Designate an internal procurement track lead

Phase 3: Implementation Plan Phase

Excergy developed its system implementation process—Integrated Delivery Methodology™ (IDM)—based on industry standards such as the PMBOK, Carnegie Mellon's Capability Maturity Model Integrated (CMMI), and Rational Unified Process (RUP) as shown in Figure 8. IDM was designed for establishing a documented, repeatable, and continuously improving delivery methodology. IDM emphasizes a strong project management and system engineering approach to implementing AMI projects. Internal and external processes are well defined, actively managed, and controlled to ensure that the overall development process, from initial requirements definition to acceptance testing, is performed smoothly and without surprises. Communication between all stakeholders is frequent and clear to facilitate common understandings and clear expectations.

Figure 8. Excergy's Integrated Delivery Methodology™

In summary, our delivery model is an "integrated approach" that accommodates the tracks essential to proven technology implementations: project management, systems engineering (solution architecture, testing), deployment management, stakeholder engagement, organizational change management, test engineering, and business process design. Our blueprint for delivery provides activities that may be managed by utility staff, by Excergy or by other parties. These activities can be expanded or reduced depending on project requirements, but in all cases, the activities need to be performed.

Task 7: Project Management

One of the primary factors that distinguish successful AMI projects is the quality of the overall project management. In the Excergy model, our Project Manager (PM) works very closely with the utility project manager and uses proven process, methodologies, and templates to produce a robust, flexible implementation approach. We have found most vendors and many utility owners do not have sufficient PM capabilities, and we are very experienced in helping a combined vendor team execute successfully to the project baseline.

Throughout all project phases, expert project management will be essential to meeting the "iron triangle" dimensions of cost, quality, and schedule. Project and program management is a core skill set for Excergy, and we pride ourselves on the advanced maturity of our capabilities. Excergy uses the Project Management Institute's (PMI's) PMBOK (Project Management Body of Knowledge) and Agile methodology approaches as the basis of our project management philosophy and practices.

The Excergy PM will be responsible for supporting the activities listed in Table 1. The Excergy PM will manage the monthly project status cycle for the City. This will include measurement of progress towards the plan, performance status, risk management, items of concern, and open action items. These items will be managed regularly and will be consistently tracked.

Table 1. Excergy Project Management Activities Ensure Quality Deliverables are Completed On-time/On-budget

PM ACTIVITY	DESCRIPTION
Scope Management	Ensure that the project plans outline all of the work required to complete the project successfully. Scope management consists of initiation, scope planning, scope definition, scope verification, and scope change control.
Change Management	Ensure that a baseline project plan is established at project initiation, and that a formal change control process is in place to control changes to the baseline project plan throughout the project lifecycle.
Integration Management	Ensure that the various elements of the project are properly coordinated. Integration management consists of project plan development, project plan execution, and overall change control.

PM ACTIVITY	DESCRIPTION
Cost Management	Ensure that the project is completed within the approved budget. Cost management consists of resource planning, cost estimating, cost budgeting, and cost control.
Procurement Support	Acquire goods and services from outside the performing organization. Procurement support consists of procurement planning, solicitation planning, solicitation, source selection, contract administration, and contract closeout.
Quality Management	Ensure that the project will satisfy the needs for which it was undertaken. Quality management consists of quality planning, quality assurance, quality control, and configuration management.
Reporting Management	Ensure timely and appropriate generation, collection, distribution, and storage of project information. The project manager also handles reporting and status information management consists of communications planning, information distribution, performance reporting, and administrative closure.
Time Management	Ensure the timely completion of the project. Time management consists of activity definition, activity sequencing, activity duration estimating, and schedule development and control.
Resource Management	Ensure that qualified resources are available to perform each task defined in this SOW in accordance with the baseline project schedule. As necessary, the project manager ensures that resources have been provided with training to establish particular expertise required to perform tasks within the SOW. The project manager reinforces the importance of establishing and maintaining professional working relationships among City and vendor team members, as well as monitors these relationships.
Risk Management	Identify and analyze project risks, and respond to those risks. The Excergy approach to risk management has three components—identification, prioritization, and mitigation. Risks are identified at project inception, and categorized based on probability and impact. A risk mitigation plan is defined to impacts should the risk occur. The risk mitigation plan is continuously re-evaluated during the project lifetime. Once a risk actually occurs, it is moved to the issue tracking process.

In the deployment phase, Excergy will lead the project team in implementing the project execution plan that will support the project vision and the future deployment of related systems. This plan documents the logical sequence for the deployment strategy, project schedule, business process change requirements, support requirements, and business case justification. Implementation responsibilities will be defined.

For all meetings, Excergy will provide agendas for City review one week prior to the meeting if possible. Within one week following meetings, Excergy will provide the meeting minutes for City review and approval.

TASK 7 DELIVERABLES

- Project Schedule, Workplan, and Budget
- Data Request
- Monthly Status Reports and Invoices
- Biweekly or periodic meetings with City Project Manager by phone or video conference
- Periodic updates for executive management and applicable governing board stakeholders
- Meeting Agendas and Minutes

CITY EFFORT TO SUPPORT TASK 7

- Assign a City project manager to coordinate internal activities
- Attend and participate in meetings
- Identify and secure meeting locations.
- Review monthly invoices and status reports and Project Work Plan
- Review agenda and meeting notes and provide comments/feedback within two (2) weeks of receipt of the meeting notes.

Task 8: Testing

A graduated, thorough, and robust test program is needed for an AMI project, and Excergy has implemented hundreds of successful integrated technology testing programs for our clients that trust that both our processes and the experience of our people.

Typically, we develop an overall test strategy to provide high-level guidance for the execution of the project test program that summarizes the test goals and objectives, as well as all known constraints (time, budget, resources, etc.), and verifies the coordination mechanisms and timing with infrastructure and other system implementation activities. We also identify the necessary infrastructure, technology, communications, and IT requirements to execute the plan. In addition, the overall test strategy will define the approach to be used for ensuring cyber security for the project. The strategy will be developed via interactive workshops with the project team, the selected project vendors, and applicable business support groups. We will facilitate the workshops and provide the overall test strategy document.

Our typical approach to a test strategy incorporates the following elements:

- Factory or Off-Site Testing – These are vendor-performed tests that verify functionality of the system and may involve standard integration checks with other systems.
- Commodity Acceptance Testing – This is often referred to as first article testing of field components for smart grid projects to ensure that endpoints are configured and programmed as specified.
- Field Acceptance Testing – This testing verifies that the technical, functional and performance, and commercial specifications of the vendor Statement of Work (SOW) have been realized as expected for a subset of endpoints strategically deployed within the Utility service territory.
- System Integration Testing – This brings all applicable systems together in testing to verify data sets are received and transformed properly, that data from a single source is properly routed to multiple destinations and that individual systems still perform as expected while integrated.
- User Acceptance or Business Process Testing – This testing verifies that the correct information flows through for a particular business process, including both mechanized and manual business processes. It is the final gate and ensures that the system functions and is aligned with requirements and processes that are used operationally. In this testing, a single trigger can initiate data transfers between multiple source and destination systems. It is the most comprehensive test of the complete set of business processes and maximizes to the extent possible the real-world use of the City's integrated systems. Test cases are executed by City users of the systems on a day-by-day basis.

Our test approach minimizes the City's risk by providing early validation of the technologies in steps, so that any problems are identified early and corrected. A Test Readiness Review (TRR) is held before each element to ensure that the system and personnel are prepared for the test. All discovered defects are formally logged, managed, and resolved as appropriate until acceptance is achieved. We will produce test plans and procedures that exercise the functionality of systems that must interface to meet business requirements. A Test Report is generated after each test is completed.

An important tool used throughout the testing process is the Requirements Traceability Matrix (RTM). The RTM is created as part of the initial project engineering portion of systems integration and clearly documents all system requirements. In the testing process, the RTM is used to create specific test cases that encompass each and every requirement to assure that the systems are fully tested. Excergy will use previously generated requirements developed in the procurement process in formulating this RTM.

Defects need to be managed in a concise and easily tracked manner. A defect tracking tool manages software defects, hardware problems, communication problems, and any change requests/enhancements, which may be found during the testing activities. An issue report (IR) is created for each defect that is encountered during testing. The tracking tool provides statistics for reporting, e.g. how many issues exist by component and by severity. A common reference is needed to assign severity levels to the defect which drive vendor and utility response time and effort.

Should issues be identified during the testing process, we are ready and able to work with applicable vendors and development teams to resolve those issues. The clear documentation of the relationship between the requirement and test case included within the RTM makes it easier to pinpoint the problem that needs to be addressed. Once that problem is identified, we follow a rigorous corrective action process that ensures the problem is documented, root-cause determined, corrective and preventive actions are taken, and retesting is performed to verify that the problem has been corrected.

An overall graphical representation of the testing program is provided below in Figure 9.

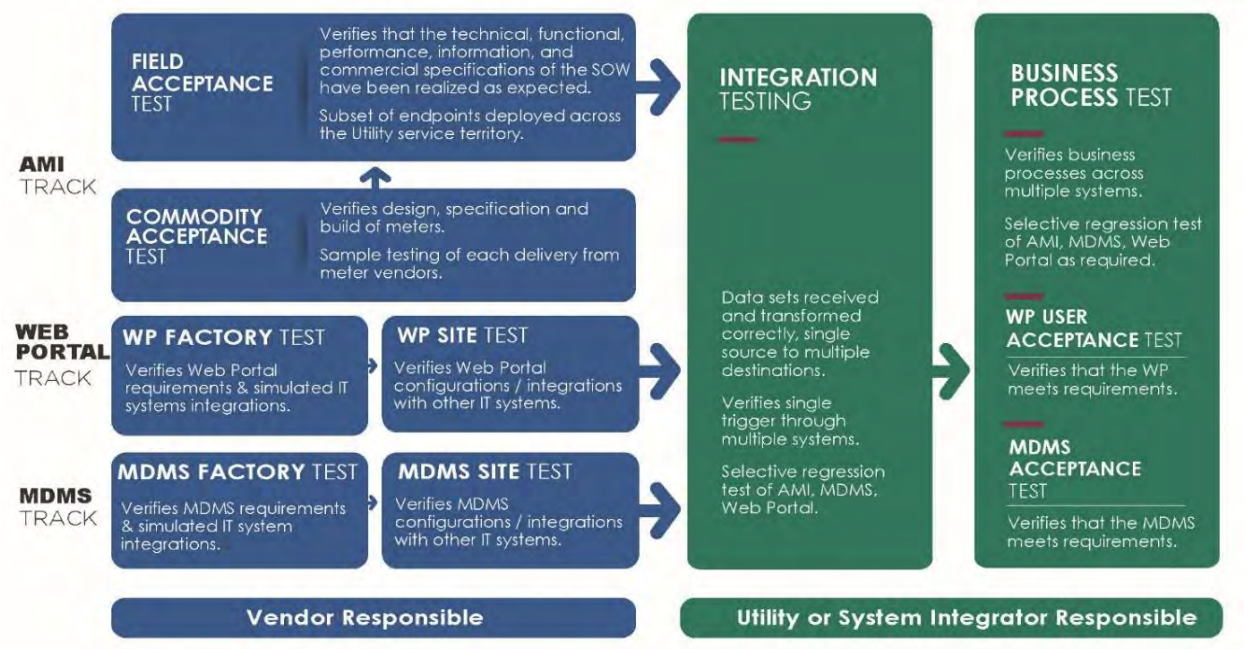

Figure 9. Overall Testing Strategy Example

TASK 8 DELIVERABLES

- Overall AMI Test Strategy Document.
- Validation Requirements & Specifications document for performance validation at the end of the task
- Test plans for all City-owned tests
- Field Test Progress Reports and result interpretation
- Reviewed test plans, procedures, results documentation
- End-to-End Testing Procedures, Results, and Recommendations
- UAT Procedures, Results, and Recommendations

CITY EFFORT TO SUPPORT TASK 8

- Identify field test constraints within existing project schedules, budgets, resource allocations, etc.
- Participate in workshops.
- Review measures of AMI technology performance.
- Identify City resources (field and office) to execute tests.
- Ensure availability of City resources (field and office) to execute tests.
- Approve the field test performance assessment.
- Maintain vendor relationships and provide lead contact for issue resolution.
- Approve the Legacy and New System Functional Testing results.

- Provide testers to exercise the End-to-End Testing procedures.
- Approve the End-to-End Testing results.
- Provide testers to exercise the Business Process Testing procedures.
- Approve the Business Process Testing results.

Task 9: Vendor Management

Excergy has vast experience managing the myriad of vendors needed to implement an AMI project. Some of the due diligence we perform includes:

- Working with the AMI vendor to ensure that the meter configurations are identified and understood for mass manufacturing.
- Overseeing the vendor patch and upgrade process ensure the proper requirements, design, and development activities are followed, and that software/firmware release plans do not negatively impact the system acceptance testing or ongoing utility operations.
- Overseeing the vendor software design and development activities with our proven software engineering methodology.
- Holding design reviews at the appropriate times to ensure the vendors are properly interpreting the requirements.
- Providing system engineering oversight and activities needed to ensure that the vendor solutions are properly designed, developed, and unit tested prior to integration with the rest of the enterprise. A requirements update is necessary because despite the thoroughness of vendor RFP requirements, the vendors selected will most likely have additional constraints, limitations, unique strengths, and tradeoffs that need to be captured.
- Working with the City and the selected vendors to ensure that the project architectural, functional, performance, and integration specifications form the proper technical baseline for execution of the project. While most vendors have the basics for specifying their solution, we have found that there are inevitably gaps that need to be addressed, particularly at the integrated system level.
- Managing the baseline throughout the lifecycle of the project via our Requirements Management process using tools such as the Requirements Traceability Matrix (RTM). Ultimately, complete traceability is ensured so that a system level requirement can be followed through its breakdown into smaller requirements, into design elements and modules, and ultimately to the particular test case in which it is verified that the vendor successfully met the requirement.

TASK 9 DELIVERABLES

- Periodic update reports on AMI vendor's progress
- Clarifications and answers to AMI vendor's requests for information
- Approved/rejected vendor submittals
- Approved/rejected vendor payment requests

CITY EFFORT TO SUPPORT TASK 9

- City participation in meetings as needed
- Final approval of vendor submittals and payment requests

Task 10: Solution Architecture

The Solution Architecture track emphasizes the IT aspect of AMI planning and brings together all the technology initiatives that exist, are underway, or planned to be completed in the near term, into a cohesive and logical plan. The

track also ensures that the architecture that will be built is complete, robust, scalable, and extensible. Excergy will assist Galveston in developing the AMI solution architecture based on the following:

- User data and functional requirements
- User process flows
- Automation requirements
- Integration requirements
- Industry best practices
- The Excergy's Team's experience
- Implementation considerations and constraints
- Current and near-term future capabilities of commercial AMI technologies
- Capabilities of commercial vendor software

The technologies and integrations necessary to achieve the AMI plan will be included in this reference architecture. One of the areas that is often not given enough emphasis, but is critical to the successful implementation of AMI initiatives, is the integration with all of the other information systems such as outage management, work management, and customer systems. Excergy's approach ensures that all of these critical integration points are identified, and impacts on other systems are factored into the strategy. The reference architecture will form the basis for the software, hardware, integration, implementation, services, and deployment costs components of the business case. The draft architecture will be reviewed with the AMI Project team during a two-day workshop. Excergy will update the architecture based on this review and prepare a final version. An example of a system context diagram developed as part of the Solution Architecture Document is shown in Figure 10.

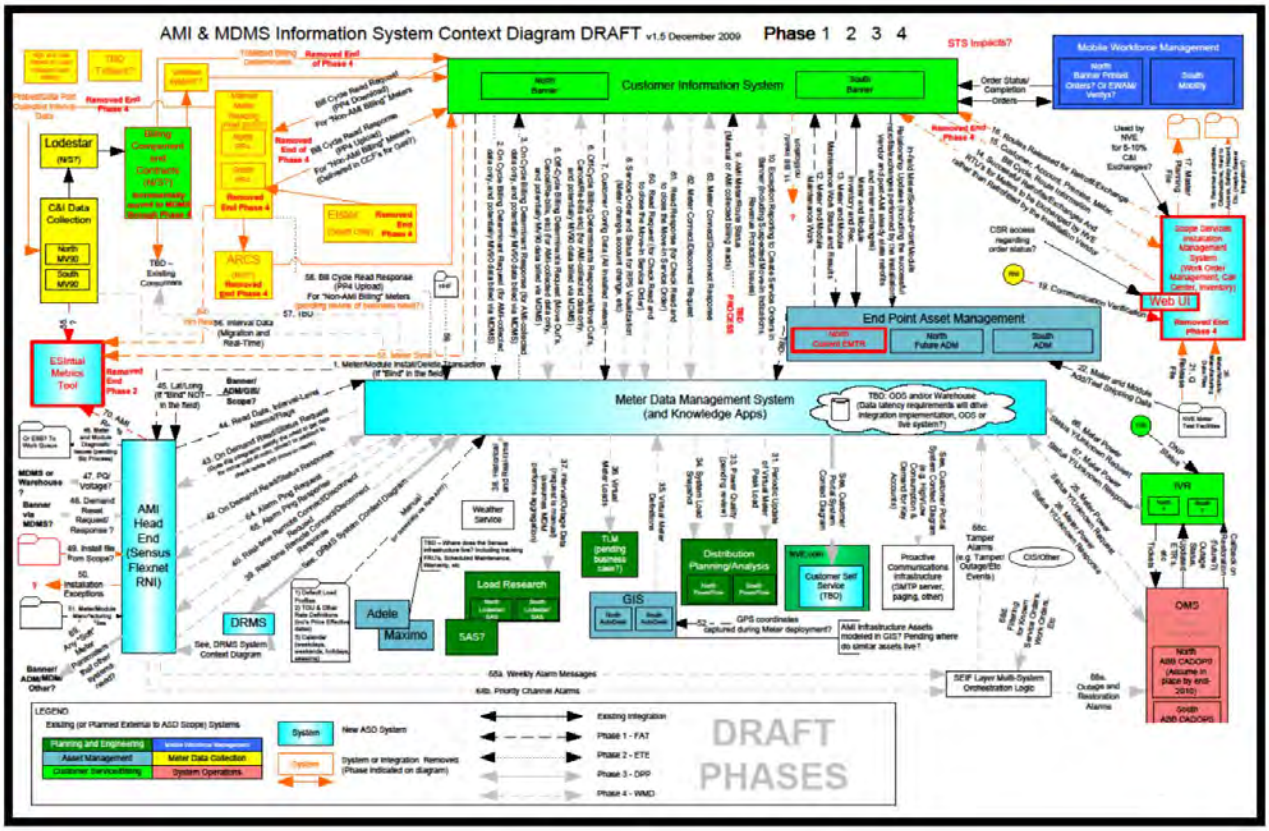

Figure 10. Example of a System Context Diagram in the Solution Architecture Document

Excergy and the City AMI Project team members will, through a facilitated discussion, develop the System Architecture/Technology Roadmap, through all of the subsequent phases, (Plan, Design, Build, Run, and Transfer) addressing the major characteristics (Objectives, Capabilities, Values, and Technology Focus).

Excergy will:

- Provide subject matter expertise and industry best practices.
- Provide project management support.
- Identify best practices for implementation and deployment.
- Assist in development implementation plans for deployment.
- Provide subject matter expertise on integration design.

TASK 10 DELIVERABLES

- Requirements Traceability Matrix
- As-Is and To-Be System Architecture in Report and Diagram Form
- Technology Roadmap covering all phases of the AMI Project

CITY EFFORT TO SUPPORT TASK 10

- Provide input to Requirements Traceability Matrix
- Participate in workshops
- Review draft architecture and roadmap documentation and provide feedback for finalization

Task 11: Business Process Re-Engineering (BPR)

The utility of the future will be a fully digital system. This means that today's utilities face a digital transformation of their organization and business to help drive better performance. Utility Industry disruptive forces include:

- Customer expectations
- New market opportunities
- Integration of renewables onto the grid
- Market shifts
- Aging infrastructure
- Evolving workforce
- Rising cybersecurity threats
- Natural disasters & extreme weather

Galveston's AMI vision will enable new ways of working with end-to-end process thinking across functional silos to redesign and streamline processes. Our business process re-engineering (BPR) process will start with this broader vision to ensure a "system of systems" thinking in developing the AMI solution.

The Business Design work builds upon the initial work done in the Planning Phase and incorporates refinements needed for the particular vendor chosen in the Vendor Selection phase. The first stage prepares the project team for the vendor workshops and produces a high level end-to-end integrated business process model for the project and its impacted technologies and business. The second stage produces related AMI deeper dive process models. These models will be refined based on Design/Build Phase and development activities that occur as the vendor design decisions are finalized. This process is illustrated in Figure 11, next page.

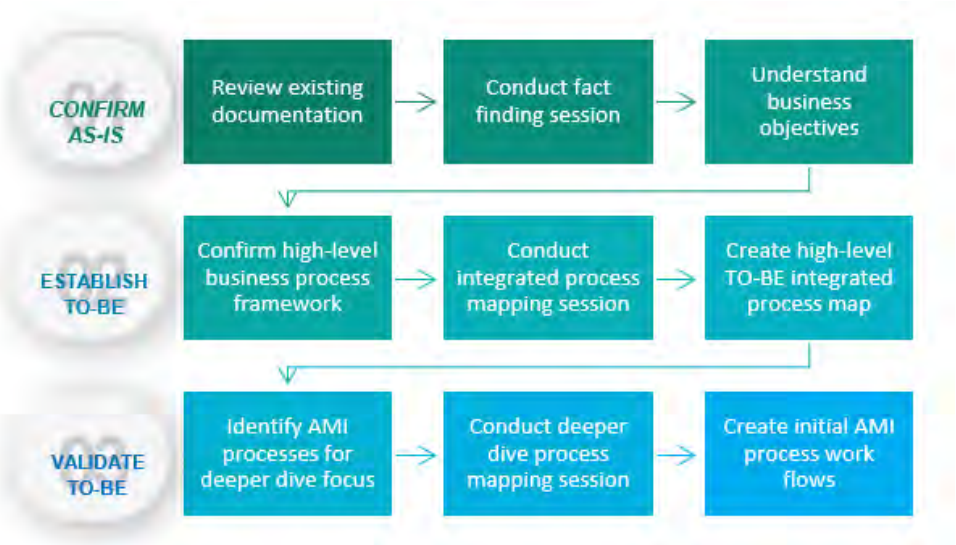

Figure 11. Business Process Transformation

Subtask 11.1: Current State

Excergy will conduct workshops and supplemental webinars as needed with the COG Core Team to map out the current business processes being used throughout the City. These activities will help the Excergy identify the potential problems or modifications to the City's processes created by the implementation of the AMI system. The business process impact assessment will be conducted to identify the existing departments, business processes, and systems that will be impacted by the AMI implementation. This assessment will initiate the appropriate business process reengineering activities to prepare the City for the AMI solution.

It is highly recommended to document thoroughly the existing utility business processes (the "as-is") because without that baseline, unique steps and understanding of the present business can be lost, creating gaps and problems with the re-designed process.

Subtask 11.2: Proposed Future State

Digital business transformation examines the greater need to holistically address people, process, and technology. It's more than just an AMI system. Accurate real time data is needed to enable better business decision making and build organizational capabilities to deliver innovative advantage.

Excergy's application of business process management (BPM) best practices break down an organization's functional silos to streamline and integrate value chain processes that create value for its customers. From a digital business transformation perspective, BPM discipline moves strategy into people and technology-based execution—***at a pace with certainty.***

Business design and alignment is the convergence of people, process, and technology, as illustrated in Figure 12. Organizational silo thinking leads to functional sub-optimization at the expense of the whole organization. Excergy utilizes a unique methodology to guide business process change which creates a top-down value chain framework that provides ***end-to-end*** process understanding, visibility and control while ensuring effective communication and engagement across an organization. Business process redesign optimization and improvements are then prioritized and scoped before implementing.

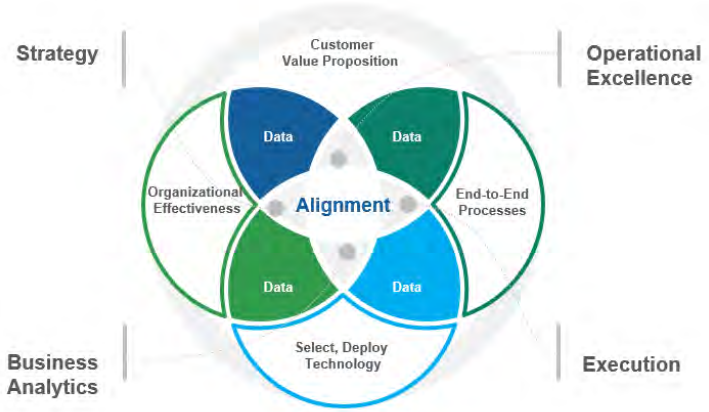

Figure 12. Digital Business Transformation

The transformative nature of an AMI Project today requires that staff adjust work processes and routines to effectively use new ways of doing business—often, but not solely, driven by the introduction of new technology—in order to realize significant benefits both internal and external to the organization. This change needs to be handled effectively thereby reducing staff apprehension and providing the tools they need to succeed. Excergy's approach to ***organizational effectiveness*** supports successful project implementation through effective and replicable organizational change management.

Excergy will conduct onsite workshops for the development of the Business Process Flow. These workshops shall focus on the development of the future state of each business process utilizing the new business applications (AMI headend, AMI infrastructure, and AMI meters) and the interfaces that will be deployed. The following business processes will be included:

- Single Meter Change-Out
- Validation, Estimating, Editing (VEE)
- Billing
- Customer Inquiry and Response
- Non-Pay Disconnect/Reconnect
- Move In/Out
- Theft Detection
- Outage Management
- Disaster Recovery
- Load Forecasting
- On Demand Read Collection
- Review System Analytic Reports
- Volt/VAR Control Program
- Voltage Conservation Program
- Leak Detection
- Pressure Monitoring
- Reverse Flow Detection
- AMI Opt-out Program for the City; using PUC's rules and recommendations

To accomplish this, Excergy will use industry process framework best practices, our reference models, vendor information, and past experience to facilitate these sessions. Process constraints and enablers will be identified, and gaps will be identified between each AMI enabled business process and the City's existing business processes. An example of an AMI enabled model workflow is shown below in Figure 13.

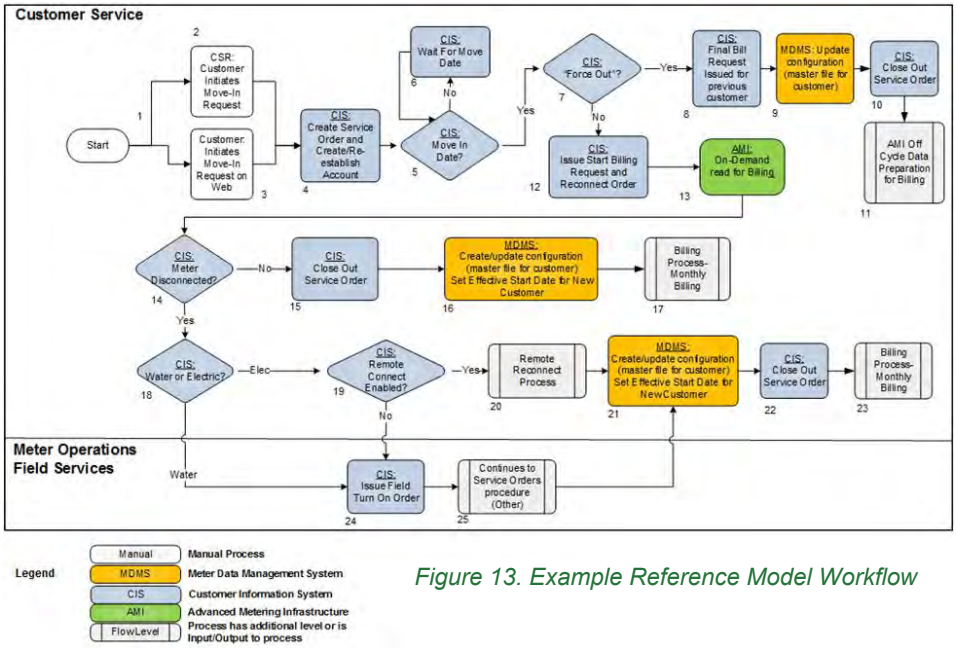

Figure 13. Example Reference Model Workflow

Our industry process frameworks and reference models will provide a baseline "to-be" state for the process workshops. We recommend that the to-be state be organized by the major value chain and Meter-to-Cash value stream process groupings as shown in an example in Figure 14.

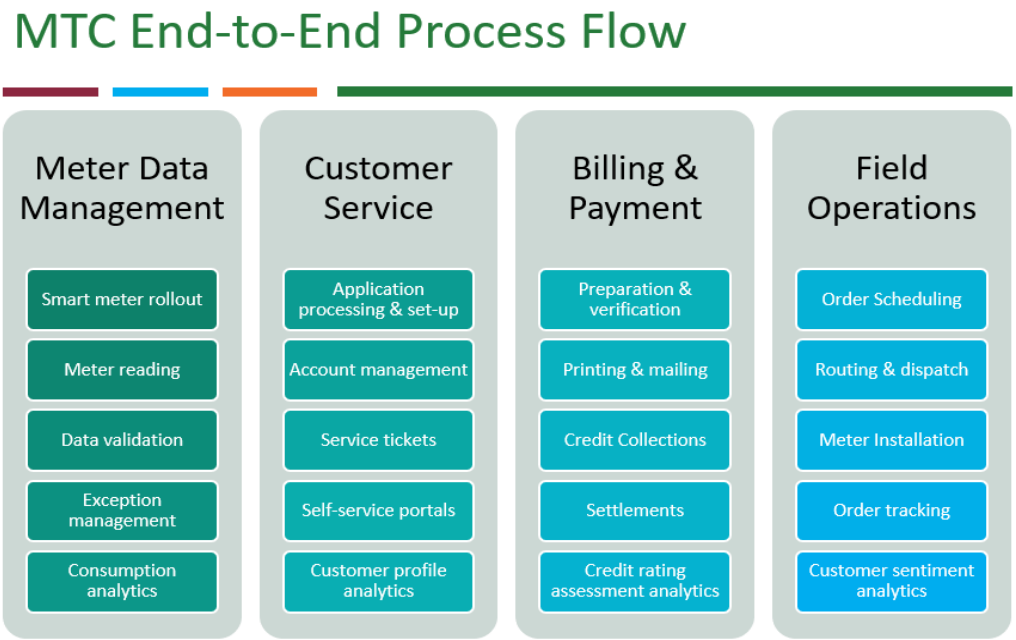

Figure 14. Meter-to-Cash End-to-End Process Flow

The goal of the sessions will be to assess the following:

- If the high-level integrated business processes accurately reflect the City's goals and vision and to ensure alignment with the culture, organization, and any other applicable process constraints and enablers.
- At a high-level, the major known gaps, benefits, and risk areas associated with the desired future state and AMI enabled, business processes.

Excergy will also lead the COG team in the creation of an AMI System Data Quality Assurance (QA) Responsibility Matrix during the business process development. The matrix shall identify the City process owners, priorities, schedules for various reports, alarms, and events.

Subtask 11.3: As-Built Future State

Subtask 11.3 will finalize the future state of each business process utilizing the new business applications and interfaces that will be deployed. It shall also review the "as-configured" processes as a final documentation of what ultimately is implemented into the operation environment. This work will occur after the specific vendor(s) are chosen and they conduct their workshops In order to capture any nuances and changes required in the business processes for their specific solutions.

Excergy will supply the City with documentation of each of the core business processes and the Data QA Responsibility Matrix. The Responsibility Matrix may be in a form of a RACI chart (Responsible, Accountable, Consulted and Informed). This matrix shall identify required personnel for an AMI deployment and current positions within the City that may transition into these new required roles.

TASK 11 DELIVERABLES

- Assessment of Business Processes in support of AMI, including a review of "As-Is" processes using existing process flows and development of "To-Be" integrated process map and initial deeper dive into AMI process workflows

- Business Requirements for use in RFP and subsequent testing
- Data QA Responsibility Matrix

CITY EFFORT TO SUPPORT TASK 11

- Staff time necessary to collect and provide requested information including "As-Is" documentation
- Staff time for workshops

Task 12: Organizational Change Management & Stakeholder Engagement

Subtask 12.1 Organizational Change Management (OCM)

AMI projects introduce massive organizational change, and the ability to achieve maximum benefits depends in large measure on how effectively a climate is created and maintained which minimizes resistant behavior and encourages acceptance and support.

The transformative nature of technology projects requires that staff adjust work processes and routines to effectively use the systems and realize the significant benefits both internal and external to the organization. This change needs to be handled effectively thereby reducing staff apprehension and providing the tools they need to succeed. This task supports successful project implementation through internal OCM.

Effective OCM is grounded in basic human psychology, starting with addressing each individual's question, "What's in it for me?" Once that is addressed, there is receptivity to building the knowledge necessary to influence attitudes and support behavior change, such as a new way of performing job duties. For example, in the case of smart meter projects, displacement of certain staff (e.g., meter readers) is an issue that must be forthrightly addressed early in the process.

Over the past few years, effective OCM has been recognized as a critical success factor for technology project implementation. The job of change management is to fundamentally assist both individuals and the organization as a whole as they transition from the current to a desired future state working as efficiently and productively as possible through the disruptive middle phases.

Excergy will work with the City to develop an AMI OCM approach that includes practical and effective activities designed to support the transition of people and processes to realize the benefits of the new AMI system. This OCM plan provides strategies and details tactics designed to prepare City personnel for change with the objective of maximizing performance prior to, during, and after the AMI implementation.

Excergy uses a proprietary Alignment Optimization methodology, which is based on Nobel Prize-winning work on how individuals and teams make effective decisions and take coordinated action. This technology-enabled consulting methodology—combined with traditional consulting and facilitated workshops—creates both a unified vision and a powerful drive toward effective implementation.

Experience shows that having a clear vision for a technology project from the outset greatly enhances project success. Research shows that this requires aligning the organization along four important parameters:

1. Alignment on vision and overarching goals
2. Understanding of unintended consequences, barriers and risks
3. Agreement on assumptions about the current state—drivers for new technology
4. Definition of metrics—how success is measured

During this step, we conduct an online virtual dialog that results in data-driven understanding to provide the following benefits:

- More Involvement in Less Time: Broader engagement and more productive work sessions leading to better organizational buy-in

- Clearer Input & More Complete Outcomes: More accurate and forthright inputs resulting in data-driven direction
- Support Change Necessary to Drive Implementation: Minimizes internal resistance and predisposes team to success

Specifically, Excergy develops a customized opinion/convergence assessment for distribution across any number of stakeholders (to be defined during project kickoff). This work is then analyzed for use in plan development and review sessions to provide collaboration and insights that are simply not possible using traditional consulting techniques alone. Additionally, utility staff has direct access to the software to view and mine the data.

The OCM development approach can be divided into three stages:

Stage 1: Prepare Strategy/Assess Change. This stage assesses the organization, details impacts, and outlines the overall OCM approach with an overall objective of preparing the organization for the upcoming change, and includes:

- Change Strategy
  - Use Alignment Optimization Technology (AOT) to conduct alignment cycle
  - Map change risk and readiness
  - Determine and document size and scope of change including impacted departments and employees
  - Outline team structure, roles and responsibilities
  - Define schedule for change

Stage 2: Manage/Implement Change. This work includes detailed sub-plans on the following topics:

- Internal Communications Plan
- Sponsorship & Engagement Plan
- Training, Knowledge Transfer & Performance Support Plan

Notably, Phase 2 includes the effort required to move employees through the phases of change as summarized in Figure 15 below.

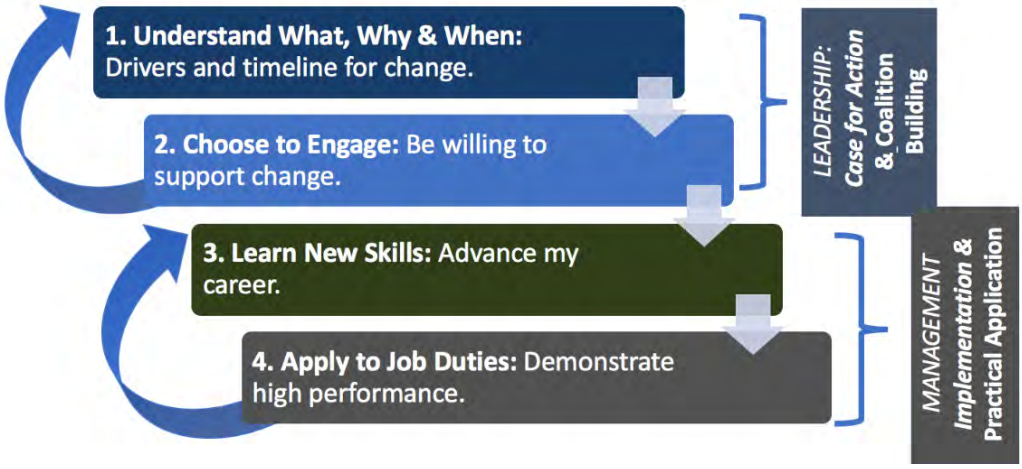

Figure 15. Phases of Individual Change

Stage 3: Reinforce/Sustain Change. This phase includes feedback mechanisms and assessing OCM results. Based on real performance and needs identified, the plan addresses how to design and implement corrective actions, align performance, and celebrate success. Importantly, this phase dovetails with existing performance management systems to close the accountability loop.

Following plan development, the heavy lift associated with plan implementation must start in a thorough and organized fashion. Unlike external engagement where utilities often have strong communications departments to implement the plans developed, OCM is more developmental in nature for many utilities. As such, Excergy is often asked to provide ongoing management of that function during implementation ranging from a less frequent coaching/advisory role to more frequent day-to-day management. During OCM plan development, Excergy will also assess the level of OCM maturity and provide a recommendation related to ongoing support needs. For the purposes of this proposal, we have assumed a mid-range level of effort on an ongoing basis.

Subtask 12.2 Stakeholder Engagement/Communications

Of the many lessons learned in AMI projects over the past decade, one of the most important is how critical it is to plan, manage, and engage stakeholders to build understanding and align expectations. For municipal utilities, effective engagement is not only essential to successful project implementation, but also aligns with and enhances the historic relationship between the utility and the community it serves. Excergy staff managed the research and development of APPA's *Smart Grid Customer Engagement Essentials*. We also received recognition from the Department of Energy as best-in-class for ARRA smart grid communications efforts. This work combines with our planning and implementation experience for effective strategy and efficient implementation.

Both internal and external stakeholders need to be engaged to address the needs of the community and support successful project implementation. Working with staff, our consultants assess overall stakeholder endorsement levels and methods used, then develop engagement strategies leveraging—and perhaps expanding—those methods.

The goal of stakeholder engagement is to effectively inform and engage the supporters while minimizing the impact of resistors, by offering factual responses to concerns and options to meet their needs. For example, there are four known topics of concern that must be addressed in AMI projects: (1) price/rates; (2) privacy and data security; (3) health; (4) safety. Although public resistance to AMI projects is minimal, recent experiences indicate that utilities must be prepared and address these issues nonetheless.

In addition, the industry has learned—and in some cases been mandated by governing bodies—that having a clear optional meter configuration policy is important. The details of that policy, including associated pricing and how it is referenced (i.e., "opt-out" versus optional, non-standard meter), are a key strategy developed at project outset. On the flip side, engaging those customers who are interested or even enthusiastic about the possibilities of new technology opts in early adopters and builds momentum for the entire effort.

Excergy develops clear plans for Stakeholder Engagement/ Communications that leverage existing utility practices and address both strategy and tactical implementation.

Subtasks include:

1. Kickoff & Data Request/Review
2. One-hour Interview with Stakeholder Engagement Lead (onsite)
3. Stakeholder Engagement Workshop – two hours (onsite)
4. Draft Communications Plan
5. Final Communications Plan
6. Assessment/Recommendation for Implementation Support

In this task, Excergy will also:

- Identify requirements (i.e., content, methodology, timing) for informing water customers and other stakeholders (i.e., Senior Management, Council) about the project before, during and after the transition to AMI technology considering information to share with the public and concerns/issues that have been raised by the public on other AMI projects and managing customer expectations.

- Identify the process for notifying property owners of the need to do work based on the complexity of the task, considering whether inside access is required.
- Provide a Radio Frequency (RF) technology and impacts (i.e. health) overview to the Project Team.
- Define a process to address customer non-compliance, including but not limited to, refusing to accept radio installation, poor plumbing that prevents work, refusing access to property. This should include a recommendation of approaches to deter refusal to participate (i.e. fines, fee/charges).
- Develop a communications plan (COM) that considers methodology, timing and content as described above.

TASK 12 DELIVERABLES

- AMI Organizational Change Management Plan
- Summary outputs of surveys and/or other information gathering efforts
- Implementation support for the change management effort (estimated at level of effort pending assessment during the planning phase noted above)
- Communications Plan
  - Strategy & Approach
  - Tactical Action Plan
- Health Overview (1 workshop)

CITY EFFORT TO SUPPORT TASK 12

- Background on existing OCM practices and related data (e.g., organizational structure, training and performance management approach)
- Designate an internal AMI OCM track lead
- Utility marketing/communication support of internal communications and materials development
- Utility identification of others to fulfill OCM roles, such as Sponsors and Change Agents
- Staff time necessary to collect and provide requested information
- Staff time for workshops
- Review and provide feedback on draft deliverables

Task 13: Deployment Management

The AMI project involves the installation of thousands of meters and devices, and the careful coordination of the materials, labor, and data. To accomplish this scope, Excergy has expertise in deployment planning and oversight to ensure the AMI meters and communications equipment are installed efficiently and with minimum disruption to existing utility systems and business processes.

Excergy personnel have decades of experience working closely with AMI and Meter Installation Vendor (MIV) contractors and even City crews through interactive workshops to present and refine the business processes, construction, labor standards and the high-level AMI communications network and meter installation. Excergy presents industry best practices for the planning and installation of AMI communications network and meters and will work with the City's project personnel to tailor these processes to the specific requirements and standards of the City if needed. Additionally, this includes refining and validating material procurement schedules for AMI network communications equipment, and meters; as well as identifying and documenting installation, construction, and customer contact standards as part of this implementation planning effort. Excergy can also provide advice and consulting to the City to leverage lessons learned on similar scale meter and endpoint deployment projects in North America.

Excergy's deployment expertise includes the various logistics and data management steps involved in the addition of a device on the AMI system from its manufacture or retrofit at the factory through delivery to the cross dock or

depot, installation in the field, provisioning on the communications network, and the initiation of data transfer to the CIS for use in billing.

Once the overall deployment planning and logistics are established for the complete AMI system installation, the installation process will begin. Installation commences with the AMI network communications infrastructure prior to the AMI meters and modules. Based on the final deployment plan approved by the City, Excergy will monitor all subsequent work logistics and material planning and ordering to ensure a smooth roll out of the system.

Excergy will also oversee Endpoint Installation vendor activities including:

- Daily route management
- Quality assurance, controls and validation of all newly installed meters
- Tracking and assessment of all meter and module related exceptions encountered during installation
- Review and reporting to the City on a continuous basis the progress of installations
- Reporting to the City on revisits required for appointment setting

TASK 13 DELIVERABLES

- Inspection reports on verification of vendor work
- Troubleshooting reports on fixes of data transmission issues

CITY EFFORT TO SUPPORT TASK 13

- Support, as necessary, for issues identified in inspection and troubleshooting

Task 14: Operational Transition/Training

Excergy will work with Galveston to develop an Operational Transition Plan in conjunction with the overall Change Management Plan, incorporating the "meter-to-cash" operations and the "go-live" process. Based on Excergy's experience, significant lessons learned and risk reduction strategies will be incorporated into the Plan. Excergy will then assist the City in the implementation of the Plan.

Excergy will:

- Seek an understanding of the Galveston's human resource strategy and current staffing plan, training plans and infrastructures.
- Seek understanding of any labor union and labor relations considerations and constraints.
- Help the team analyze new skill sets needed for AMI project impacted positions (for example: meter technicians, customer service representatives, etc.) and identify major gaps with existing job qualifications.
- Provide input to a workforce transition plan based on industry experience.
- Consolidate the above into an overall AMI Project Transition Plan.

Excergy will then work with Galveston to implement the Transition Plan so that City employees are ready for the ongoing support of all aspects of the solution by the end of the project.

TASK 14 DELIVERABLES

- Operational Transition Plan (OTP)
- Support Galveston's implementation of the OTP

CITY EFFORT TO SUPPORT TASK 14

- Support, as necessary, to develop the OTP
- Implement the Operational Transition Plan

Support Phase

The Support Phase includes items for after the project, such as audits, additional functionality testing on a schedule, additional integrations, and automation programming.

The scope of the Support phase will depend on needs that arise during the Implementation phase and Galveston operational considerations gained through experience building the solution. Therefore, the scope at present for the Support phase is not defined in detail. Task 15 is presented below as a draft to indicate what the support phase looked like at other Excergy clients.

Task 15: Post Implementation Support (DRAFT)

Once all testing and subsequent training discussed above is complete, the systems are ready for "Go-Live." Excergy will develop a "Go-Live" plan that provides a step-by-step guide to installing the AMI system and the revised CIS system now integrated to AMI. This plan will include, as necessary, back out plans to revert the CIS system to its pre-AMI status should there be a problem during installation. Excergy will oversee this whole "Go-Live" process.

After "Go-Live," Excergy will provide ongoing support for a period of 60 days to assure that the systems are operating as expected. Any issues identified during this period are addressed in the same manner as test deficiencies and require resolution prior to the completion of the post-implementation support phase.

TASK 15 DELIVERABLES

- "Go-Live" Plan
- Post Implementation Support Plan
- Documentation and resolution of issues identified in system operation after implementation.

CITY EFFORT TO SUPPORT TASK 15

- Review/approval of "Go-Live" and Post Implementation support plans
- Participation, as necessary, in resolution of post-implementation issues identified

Project Timeline

Excergy's proposed project schedule for all three phases is provided in Figure 16. This schedule is based on typical time durations for similar tasks at other utilities, and Galveston's need for a June 2021 Council go/no-go decision,

At the project kickoff, we will work with the City to fine tune the schedule, accounting for staff commitments and personnel availability for planned workshops, meetings, and reviews. Once the particular AMI vendor is chosen, it is likely that further schedule adjustments will be made based upon the vendor's input.

ID	Task Name	Duration	Start	Finish	Predecessors
1	**City of Galveston AMI Project**	**823 days**	**M 9/14/20**	**W 11/8/23**	
2	Start Date	0 days	M 9/14/20	M 9/14/20	
3	**Phase 1**	**823 days**	**M 9/14/20**	**W 11/8/23**	
4	**Task 1: Project Assessment**	**55 days**	**M 9/14/20**	**F 11/27/20**	
5	Subtask 1-A: PM and Review of Existing Information	5 days	M 9/14/20	F 9/18/20	2
6	Subtask 1-B: AMI Interviews	10 days	M 9/21/20	F 10/2/20	5
7	Subtask 1-C: AMI Customer Service Process Analysis	5 days	M 10/5/20	F 10/9/20	6
8	Subtask 1-D: Distribution Operations Analysis	5 days	M 10/12/20	F 10/16/20	7
9	Subtask 1-E: Current Technology & Systems Assessm	10 days	M 10/19/20	F 10/30/20	8
10	Subtask 1-F: Site Visits (Optional)	10 days	M 11/2/20	F 11/13/20	9
11	Subtask 1-G: Develop AMI Strategy	10 days	M 11/16/20	F 11/27/20	10
12	Task 2: Financial Analysis	20 days	M 11/9/20	F 12/4/20	11FF+5 days
13	Task 3: Business Process Transformation	15 days	M 12/7/20	F 12/25/20	12
14	Task 4: Project Implementation Planning	10 days	M 12/21/20	F 1/1/21	13FS-5 days
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16	**Phase 2**	**140 days**	**T 4/1/21**	**W 10/13/21**	
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20	*June 2021 Council Decision*	0 days	T 6/24/21	T 6/24/21	
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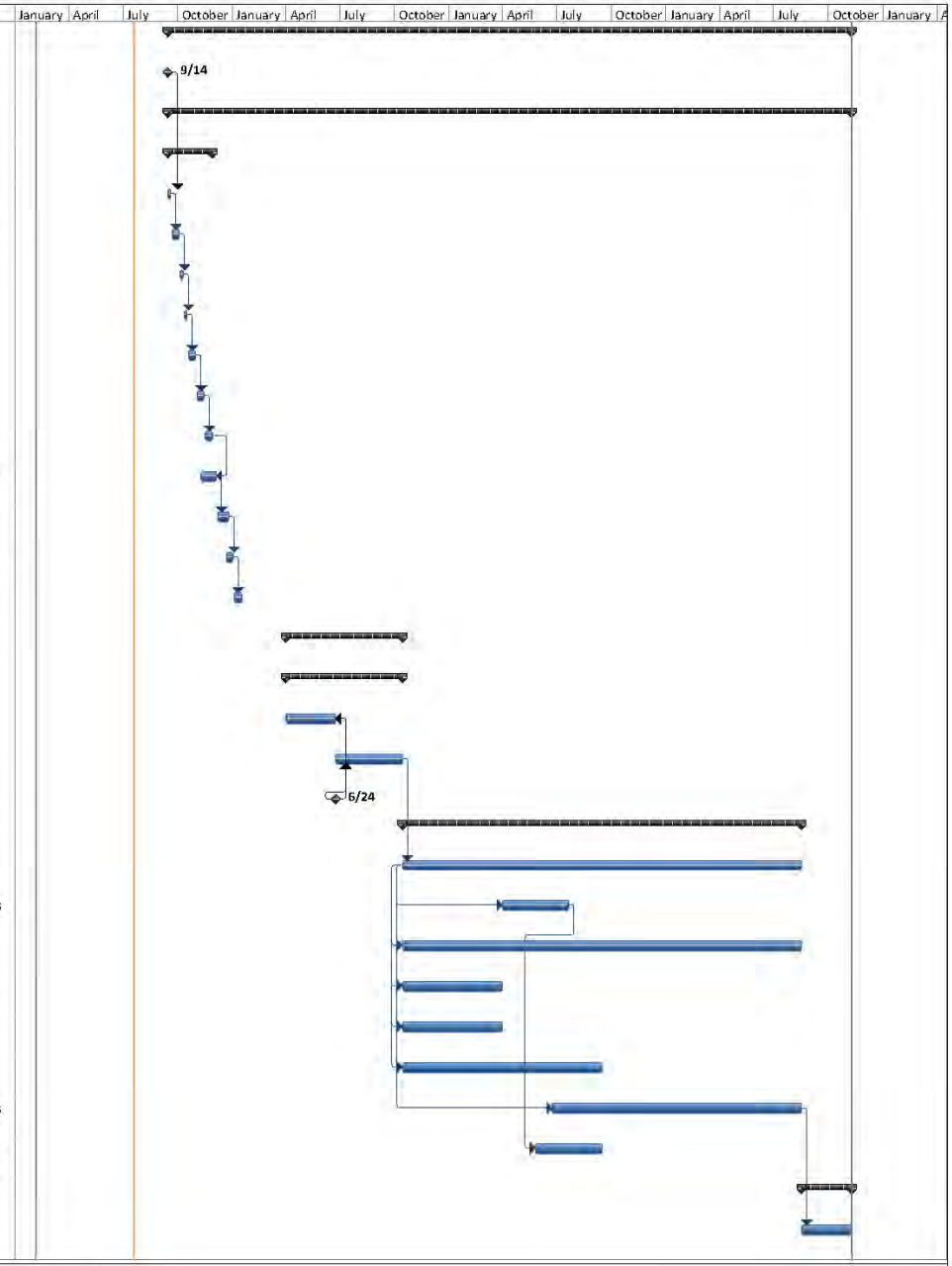
30	**Phase 3**	**60 days**	**T 8/17/23**	**W 11/8/23**	
31	Task 15: Post Implementation Support (DRAFT)	3 mons	T 8/17/23	W 11/8/23	28



Page 1

Figure 16. Draft Project Schedule

Date: 7/10/2020

To: James A. Ketchledge, President
Excergy Corporation

Subject: RFI No. 4
Study and Recommendations for Automatic Meter Reading/Advanced Metering Infrastructure

---

The City of Galveston is requesting the following information:

A complete and detailed Scope of Work. Please include each phase (1 through 3), in sequence. The milestones/deliverables should be listed along with the pricing for each phase, as well as a timeline.

Please include as much detail as necessary to describe each phase in the Scope of Work.

Thank you for your assistance. Provide the response in an email to purchasing@galvestontx.gov; on, or before, July 14, 2020 at 2:00 pm. Send the acknowledgement of receipt of RFI #4 to purchasing@galvestontx.gov. Response to the RFI must include this form with a signature from the signer of the original solicitation document, Appendix A.

James A. Ketchledge
Authorized Signature

July 10, 2020
Date

Response to

CITY OF GALVESTON

Public Works Department

RFI #5

for

Study and Recommendations for Automatic Meter Reading/Advanced Metering Infrastructure

Proposal Reference Number: 20-04

July 27, 2020

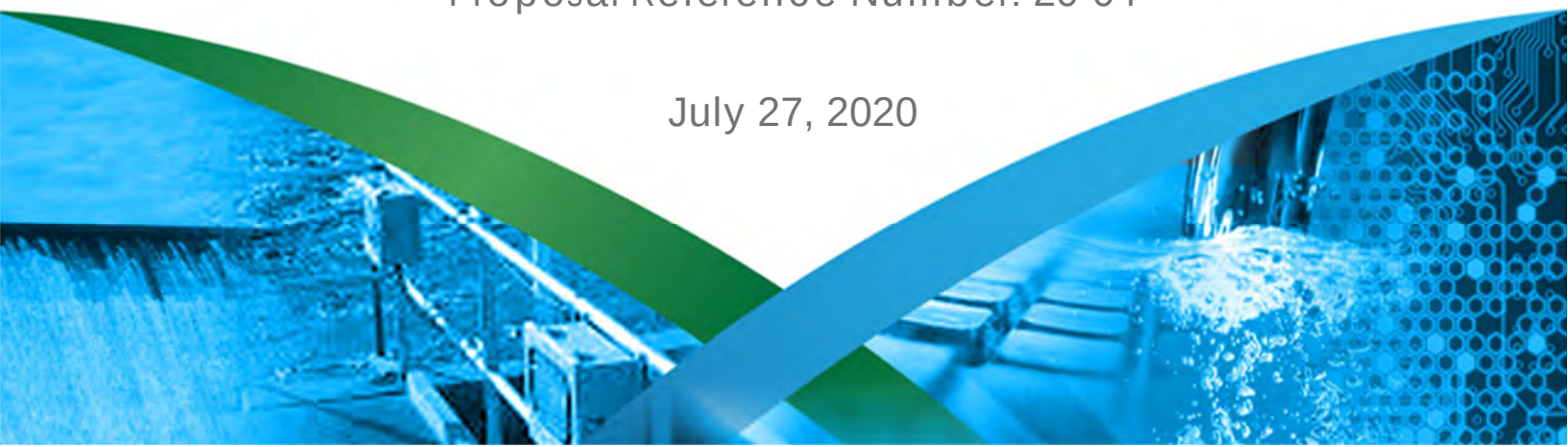


Table of Contents

Transmittal Letter
Scope of Work Clarification Questions 1
Project Timeline 2
Signed RFI #5 Form 4

List of Figures and Tables

Figure 1. Draft Project Schedule 3

Transmittal Letter

excergy

work: 720.316.7006
fax: 877.982.1414

address: 501 South Cherry Street
Suite 1100
Denver, Colorado 80246

web: www.excergy.com

July 27, 2020

City of Galveston
Purchasing Division
Ms. Susan Serrano
Ms. Ja'Nice Lockett
823 Rosenberg Street, Room 300
Galveston, TX 77550
via email to
purchasing@galvestontx.gov

Re: Request for Proposal 20-04/RFI #5

Dear Ms. Serrano and Ms. Lockett:

Thank you for your Request for Information (RFI) #5 dated July 23, 2020, requesting a further clarification of our response to the City of Galveston's (City's) Request for Proposal for a Study and Recommendations for Automatic Meter Reading (AMR)/ Advanced Metering Infrastructure (AMI), specifically RFI#4 Scope of Work, dated July 20, 2020.

Per your request, the attached document contains our response to the requested clarification points, as well as our signed RFI #5 form.

Please feel free to contact me at 720-988-4354 or via email at jketchledge@excergy.com should you have any questions or require further information.

Sincerely,

James A. Ketchledge
CEO & President, Excergy Corporation

Scope of Work Clarification Questions

The following pages provide our responses to the four (4) questions posed in the City's RFI #5. For your ease of reference, we have repeated the clarification question, and provided our response directly below each.

Provide clarity on task 5 deliverables presented in RFI #4 Scope of work. For example, will it include presenting findings to City of Galveston City Council?

The Task 5 deliverable will consist of two documents. The first document will be an assessment document of the AMI project and financial analysis. It will include:

- An overview of AMI and documented results of the process analysis
- A review business case inputs
- A detailed capital cost estimate of the project including:
  - Meter/Module Costs
  - Meter/Module Installation Costs (Internal labor versus third party)
  - AMI Communications Infrastructure Costs for field and backhaul
  - AMI Communications Infrastructure Deployment Costs (installation costs, site preparation and asset management, site lease negotiations)
  - Software Systems Implementation (license and implementation costs)
  - IT infrastructure
  - Project implementation personnel
  - Other outside consulting
- An O&M estimate reflecting the lifecycle of the project including:
  - Operations personnel
  - Communications equipment recurring costs (cellular, site lease payments, etc.)
  - Maintenance fees
- A modeling of all hard benefits (benefits that can be monetized)
- An overall ROI of the project based on present values of all costs and benefits
- Various charts and graphs to be used in other documentation and presentation materials

The second document will be a set of PowerPoint slides that utilize information from both the spreadsheet model and the Word document to provide presentation support for the study.

For both documents, Excergy will produce draft and final versions in order to incorporate Galveston comments. Note that the information will be not be presented for the very first time, as the content is mostly produced in previous tasks that the City will see and review when initially produced. Excergy did not plan to present the PowerPoint ourselves to City Council, but can if the City desires. Excergy would request that any new travel costs be reimbursed if presented in person.

Provide detailed explanation on the gap of time after 1/15, and its purpose. Explain reasoning for not moving into Task 6 immediately or shortly after Task 5.

The gap is present because it will take less time for Excergy to produce materials for the June 2021 council meeting. We could either work more slowly than planned or produce deliverables efficiently and then pause. It is more cost effective to pick the "pause" option in order to avoid level-of-effort activities continuing longer than necessary (i.e., project management work such as status reporting). Once the Study work initiates, it is more

efficient for Excergy to produce those deliverables and then pause before resuming procurement related work and have the total package ready for the council meeting in June 2021. One way to view the pause period is as a built-in schedule risk mitigation (i.e., slack in the schedule). If for any reason the work takes longer than similar projects, we would still be in a good position to make the June 2021 council meeting.

Include a review of the City's Grant application as the initial step of Scope of Work. To be completed no later than EOB 9/14/2020.

Task 2 previously had this item in it:

In addition, the City anticipates applying for a SWIFT grant from the State of Texas, using another consultant, to offset some of the costs for the AMI program. Excergy will review the draft application and provide comments and thoughts specific to AMI on the proposal.

We can move this up to Task 1; however, the requested date for completion of 9/14 is the start date for the project in the schedule (see Figure 1). In order to meet a 9/14/2020 deadline, we will have to receive contract authorization (such as a notice to proceed) and the draft application for review no later than August 28, 2020.

Describe process with helping the City of Galveston with the Grant application for 2021.

Task 2 previously had this item in it:

In addition, the City anticipates applying for a SWIFT grant from the State of Texas, using another consultant, to offset some of the costs for the AMI program. Excergy will review the draft application and provide comments and thoughts specific to AMI on the proposal.

Excergy anticipates that other consultants will have a draft work product ready for review by August 28, 2020. We will then analyze the application, compare it to other applications we have seen or completed in the past for AMI, and add suggested edits or content to improve the chances of approval. We anticipate that our focus will be on the benefits of AMI and adding subject matter expertise in reviewing the content with industry best practices and experiences of other water utilities. The review period will last approximately two weeks, and we will likely have questions for the City and other consultant that will require quick (1 day) turnaround to meet the due date of September 14, 2020.

Project Timeline

Excergy's proposed project schedule for all three phases is provided in Figure 1. This schedule is based on typical time durations for similar tasks at other utilities, and Galveston's need for a June 2021 Council go/no-go decision.

At the project kickoff, we will work with the City to fine tune the schedule, accounting for staff commitments and personnel availability for planned workshops, meetings, and reviews. Once the particular AMI vendor is chosen, it is likely that further schedule adjustments will be made based upon the vendor's input.

ID	Task Name	Duration	Start	Finish	Predecessors
1	**City of Galveston AMI Project**	**823 days**	**M 9/14/20**	**W 11/8/23**	
2	Start Date	0 days	M 9/14/20	M 9/14/20	
3	**Phase 1**	**823 days**	**M 9/14/20**	**W 11/8/23**	
4	**Task 1: Project Assessment**	**55 days**	**M 9/14/20**	**F 11/27/20**	
5	Subtask 1-A: PM and Review of Existing Information	5 days	M 9/14/20	F 9/18/20	2
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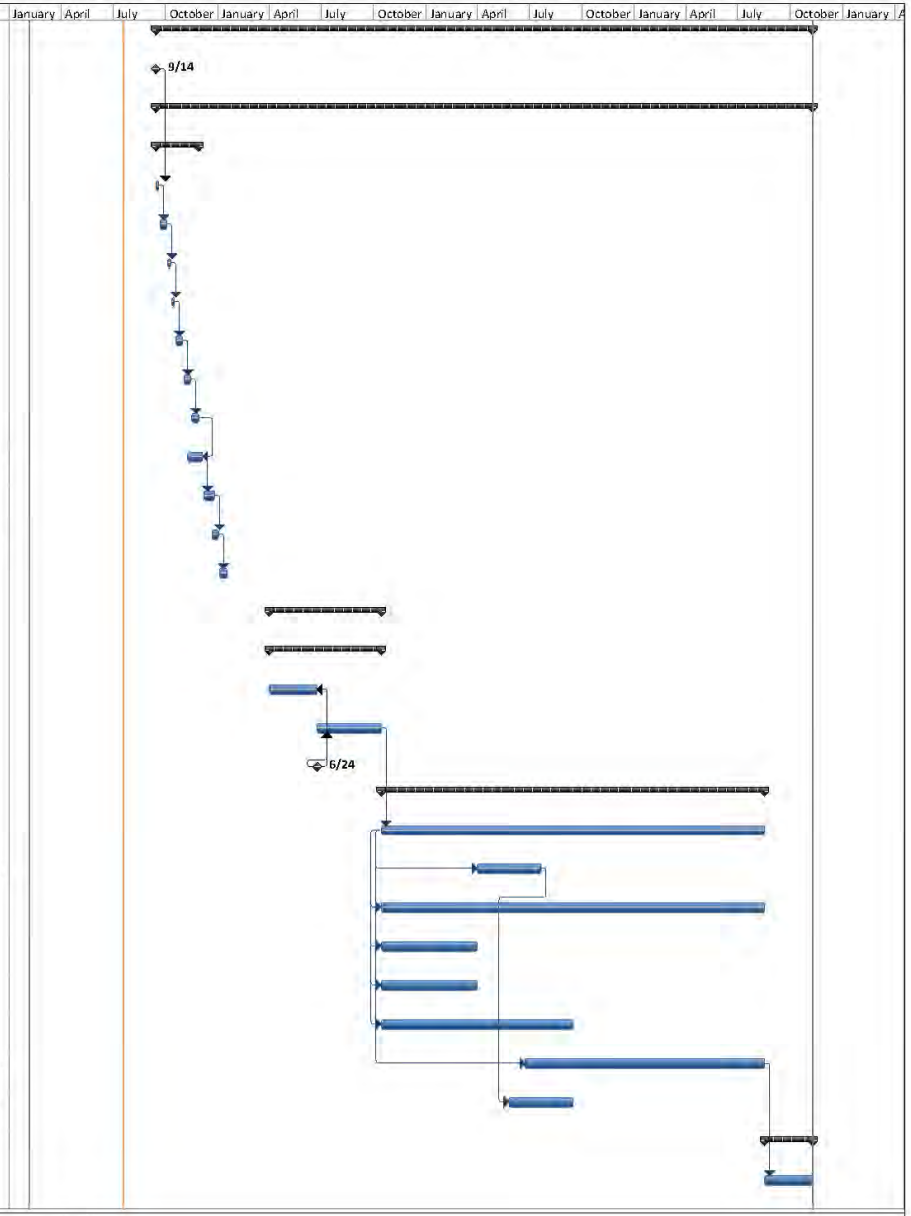

Page 1

Figure 1. Draft Project Schedule

Date: 7/23/2020

To: James A. Ketchledge, President
Excergy Corporation

Subject: RFI No. 5
Study and Recommendations for Automatic Meter Reading/Advanced Metering Infrastructure

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The City of Galveston is requesting the following information in regards to RFI #4 Scope of Work:

Provide clarity on task 5 deliverables presented in RFI #4 Scope of work. For example, will it include presenting findings to City of Galveston City Council.

Provide detailed explanation on the gap of time after 1/15, and its purpose. Explain reasoning for not moving into Task 6 immediately or shortly after Task 5.

Include a review of the City's Grant application as the initial step of Scope of Work. To be completed no later than EOB 9/14/2020.

Describe process with helping the City of Galveston with the Grant application for 2021.

Thank you for your assistance. Provide the response in an email to purchasing@galvestontx.gov; on, or before, July 27th, 2020 at 2:00 pm. Send the acknowledgement of receipt of RFI #4 to purchasing@galvestontx.gov. Response to the RFI must include this form with a signature from the signer of the original solicitation document, Appendix A.

James A. Ketchledge

Authorized Signature

July 27, 2020

Date

Response to

CITY OF GALVESTON

Public Works Department

Best and Final Offer (BAFO)

COST PROPOSAL

for

Study and Recommendations for Automatic Meter Reading/Advanced Metering Infrastructure

Proposal Reference Number: 20-04

August 3, 2020

Table of Contents

Transmittal Letter
Cost Proposal 1
Schedule A—Summary of Original Proposal 3
Schedule B—Detailed Approach to Scope of Work 7
Phase 1: Planning/Design 7
Phase 2: Vendor Selection/Procurement 15
Phase 3: Implementation Plan 19
Support Phase 34
Schedule C—Project Timeline 35

List of Figures and Tables

Figure 1. Proposed Project Organization Chart 4
Figure 2. Excergy's Three-Phase AMI Approach for the City of Galveston 7
Figure 3. Production vs. Consumption Using AMI Data 8
Figure 4. Example AMI Integration Plan 9
Figure 5. AMI Roadmap 10
Figure 6. Business Transformation Process 13
Figure 7. Example Reference Model Workflow 13
Figure 8. Excergy's Core Selection Process 15
Figure 9. Excergy's Integrated Delivery Methodology™ 19
Figure 10. Overall Testing Strategy Example 22
Figure 11. Example of a System Context Diagram in the Solution Architecture Document 24
Figure 12. Business Process Transformation 26
Figure 13. Digital Business Transformation 26
Figure 14. Example Reference Model Workflow 27
Figure 15. Meter-to-Cash End-to-End Process Flow 28
Figure 16. Phases of Individual Change 30
Figure 17. Draft Project Schedule 36
Table 1. Project Fee Proposal 1
Table 2. Hourly Rate Schedule 1
Table 3. Excergy AMI Project Experience 5
Table 4. Excergy Project Management Activities Ensure Quality Deliverables are Completed On-time/On-budget 19

Transmittal Letter

work: 720.316.7006
fax: 877.982.1414

address: 501 South Cherry Street
Suite 1100
Denver, Colorado 80246

web: www.excergy.com

August 3, 2020

City of Galveston
Purchasing Division
Ms. Susan Serrano
Ms. Ja'Nice Lockett
823 Rosenberg Street, Room 300
Galveston, TX 77550
via email to purchasing@galvestontx.gov

Re: Request for Proposal 20-04/Cost Proposal BAFO

Dear Ms. Serrano and Ms. Lockett:

Thank you for your Request for Best and Final Offer (BAFO) dated July 30, 2020, requesting an updated Cost Proposal for the City of Galveston's (City's) Request for Proposal for a Study and Recommendations for Automatic Meter Reading (AMR)/ Advanced Metering Infrastructure (AMI).

Per your request, please find attached our updated Best and Final Offer Cost Proposal, which includes the following items:

- Schedule A—Summary of original proposal
- Schedule B—Detailed description of services incorporating updated specifications and Scope of Work provided in Request for Information #1 through #5, removing SMART Water Grant review for September 2020.
- Schedule C—Updated timeline, reducing time gap allotted between Task 6 and Task 5.

Please feel free to contact me at 720-988-4354 or via email at jketchledge@excergy.com should you have any questions or require further information.

Sincerely,

James A. Ketchledge
CEO & President, Excergy Corporation

Cost Proposal

Excergy is able to offer a **firm fixed price** fee proposal for the Planning/Design and Vendor Selection/Procurement phases of the project, as outlined in Table 1.

Table 1. Project Fee Proposal

Phase	Fee Proposal Type	Travel	Fee	Billing
Planning/Design	Firm Fixed Price	Included	$74,028	Milestones, to be negotiated
Vendor Selection/ Procurement	Firm Fixed Price	Included	$75,000	Milestones, to be negotiated
Implementation Plan	Budgetary	Actual & Reasonable	$1,250,000	n/a
Support	Budgetary	Actual & Reasonable	$50,000	n/a

Implementation and Support Phases

The Implementation and Support phases, by nature, are difficult to define until vendors are chosen and more information is gathered in the Planning/Design phase. Some Excergy services in those phases may not even be needed depending on Galveston's vision and the selected vendor's capabilities.

Therefore, for the Implementation phase, we provide a budgetary figure based on our experience for the services described in Schedule B Tasks 7 through 14. We could offer those services as either fixed price or time and material with a not-to-exceed cap once the vendor(s) are chosen after the Vendor Selection phase.

For the Support phase, which we scoped as Task 15 in Schedule B, is difficult to define. We will not really know what may be needed until we are well into the implementation. Therefore, we offer our standard rate table shown in Table 2.

Table 2. Hourly Rate Schedule

Role	Hourly Rate
Executive Consultant	$ 234.00
Master Solution Architect	$ 234.00
Program Manager	$ 234.00
Principal Consultant	$ 219.00
Project Engineer	$ 219.00
Project Manager	$ 219.00
Solution Architect	$ 219.00
Tester	$ 209.00
Senior Consultant	$ 199.00
Business Analyst	$ 139.00

Taxes

These rates and estimates are exclusive of taxes. The taxes relating to applicable services are the sole responsibility of the City of Galveston.

Billing and Payment Terms

Payment terms are net thirty (30) days.

Assumptions

The following general assumptions apply to this proposal:

- Excergy's pricing to implement this Scope of Work is based on a timely start and timely completion of tasks and subtasks.
- No more than two (2) AMI-related RFPs will be produced in the Vendor Selection phase.
- Deliverable documents will be in Microsoft Office, including MS-Word, PowerPoint, Excel, MS-Project, Visio and Adobe PDF.
- The City's Project Manager will coordinate and consolidate all District comments on draft document deliverables to provide a single redline for Excergy to make updates to the final document deliverables.

Schedule A—Summary of Original Proposal

As requested, this section provides a summary of the original proposal Excergy submitted dated February 12, 2020, in response to the City's RFP (No. 20-04) for Study and Recommendations for Automatic Meter Reading/Advanced Metering Infrastructure. The following sections of our original response are summarized herein:

- *Transmittal Letter*
- *Qualifications and Experience*
- *Projects of Similar Size*
- *References*

We wish to state that this summary does not include the Required forms (Appendix A – G) and addendum acknowledgement, cost information, scope of work, project timeline, biographies, and other additional information originally contained in our response, as much of this information has been provided elsewhere in this BAFO document.

Transmittal Letter Summary

Our ***AMI credentials*** demonstrate an unmatched level of knowledge to successfully address the proposed project approach. Our ***proven delivery methodology*** uses an integrated task approach, which has led to 100% successful project outcomes, assures that all requested deliverables are thoroughly addressed. Our team of ***focused experts,*** with an average of 25+ years of experience, have successfully completed hundreds of assessments, studies, business cases, specifications, strategic roadmaps, vendor selections, and AMI implementations. We pride ourselves on being ***vendor neutral***. This assures you that our recommendations are the very best for your needs and requirements. We have fine-tuned our methodologies over many engagements to produce world-class tools and processes that have led to an unmatched record of successful project outcomes—and we will apply this expertise to determine the feasibility of AMI for the City. Together, these elements form the foundation that makes Excergy the ***City of Galveston's trusted partner.***

Qualifications and Experience Summary

Driven by a belief in the transformative power of utility technology to make people's lives more meaningful, sustainable, and enjoyable, Excergy provides utilities with world-class consulting and system implementation services on a wide range of technologies and business and customer matters to address the challenges that utilities face today. Our particular business focus is municipal utility AMI projects—from feasibility studies, strategic plans, business cases, vendor selection, and all phases of the system implementation life cycle. Excergy is a successful small business firm whose business model is that of a highly skilled, senior team with professionals who are recognized leaders in the industry. We have attracted key leadership and talent from other consulting firms such as Black & Veatch, Utiliworks, and R.W. Beck (SAIC/Leidos), as well as directly from leading utilities.

Our team is known throughout the industry as AMI experts. Most of our AMI work in the past few years has been for water or combined electric/water utilities, including the City of Clearwater (FL), City of Casselberry (FL), Halifax Regional Water Commission (NS), the City of Huntsville (AL), the Cities of Fort Collins, Loveland, and Thornton (CO), Contra Costa Water District (CA), and the City of Newport News (VA). We've deployed dozens of MDMS and AMI projects, have won several "Project of the Year" awards, have been brought in to rescue troubled AMI projects for various utilities, and were asked by industry publishers to write the book, ***Successful Smart Grid Implementation***—the definitive guide on AMI project development and implementation.

With an average of ***25 years of utility experience,*** our skill set encompasses all phases of a utility AMI project, from the initial needs assessment and technology roadmap, to the vendor Requests for Proposal (RFP), all the way through to successful implementation and "go-live" of a holistic and integrated system. Our team of experts have implemented or integrated virtually every major utility information technology system in the past 20 years, including AMI, AMR, MDMS, CIS, Enterprise Asset Management (EAM), GIS, Mobile Workforce and Work Management System (MWFM/WMS), Outage Management System (OMS), and Customer Portal and Communications. ***We understand the entire utility "system of systems."*** Of particular note, we have also helped several utilities in evaluating the transition from AMR to AMI technologies, and can leverage this experience and the methodologies previously developed to lower both cost and risk for the City on this project.

Our project team has not only delivered business cases, assessments, roadmaps, and plans, we have also gone on to implement these plans for utilities through our implementation and integration services. This has provided invaluable feedback and insight into what works (and what doesn't work), ***as well as very deep knowledge of the different vendors' strengths and weaknesses***. We apply these lessons learned in implementation back into our front-end consulting to continually improve our offering.

We are familiar with virtually all current and emerging water AMI technologies as well as ancillary products and services. We are scrupulously ***vendor neutral*** and vendor independent, and have no "partnership" arrangements or relationships with any vendors or other firms. This assures the City that our recommendations are the very best for your needs and requirements.

Key Personnel

Excergy's mission is to provide the right team of focused experts on each project we pursue. We've selected three of our best personnel for your project, as shown in Figure 1, with a track record of dozens of successes in water AMI projects. Excergy's significant expertise is a distinguishing characteristic of the Excergy team—industry-leading experts who have successfully planned, designed, and implemented over a hundred water AMI systems. This team brings more than 100 years of combined expertise and can tap into the entire organization if needed.

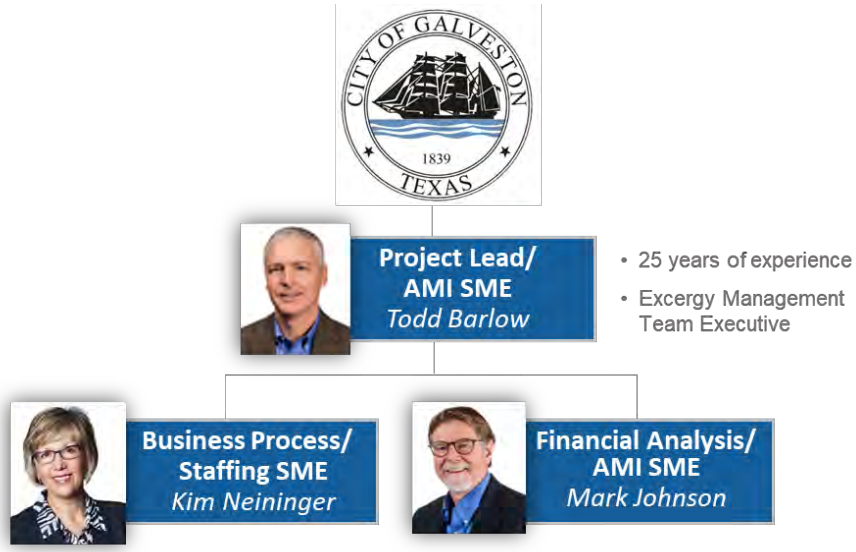


Figure 1. Proposed Project Organization Chart

Projects of Similar Size and Scope Summary

For more than 20 years, Excergy consultants have been providing services on a variety of projects for water, electric, and gas utilities across North America. As shown in Table 3, Excergy has provided directly relevant services to many municipal water and water-combined utilities where meter counts ranged from 38K to 4.7M. We have fine-tuned methodologies over many engagements to produce world-class tools and processes that have led to an unmatched record of successful project outcomes.

Table 3. Excergy AMI Project Experience

Representative sample of Excergy Team AMI Projects.	Service Type			Project Management & Quality Assurance	Strategic Planning & Technology Roadmaps	Business Case / Feasibility Study	Pre-Implementation & Implementation Plans	Procurement & Vendor Management	Requirements & Specifications	System Integration, Test. & Deployment Mgmt.	Stakeholder Engagement & Org. Change Mgmt.	Business Process Design
AMI Projects	E	G	W									
Burbank Water and Power (CA)	■		■	■	■		■	■	■			■
City of Clearwater (FL)			■		■	■	■	■				■
City of Fort Collins (CO)	■		■	■	■	■	■	■	■	■	■	■
City of Loveland (CO)	■		■	■	■		■		■	■		
City of Newport News (VA)			■	■	■	■	■	■	■			
City of Santa Clara/SVP (CA)	■			■			■		■	■	■	■
City of Thornton (CO)			■	■		■						
Consolidated Edison of New York (NY)	■			■	■	■	■	■	■	■	■	■
Contra Costa Water District (CA)			■	■	■	■						
Halifax Regional Water Comm. (NS)			■	■	■	■	■	■	■	■	■	■
Huntsville Utilities (AL)	■	■	■	■	■	■	■	■	■	■	■	■
Intermountain Rural Electric Ass. (CO)	■			■			■	■	■		■	■
Kissimmee Utility Authority (FL)	■			■	■			■			■	
Memphis Light, Gas & Water	■	■	■	■	■							■
Merced Irrigation District (CA)	■			■	■		■	■	■	■	■	■
NV Energy (NV)	■			■			■	■	■	■		■
Portland General Electric (OR)	■			■	■		■	■	■	■		■
San Antonio Water System (TX)			■	■		■						
Santa Clara Valley Municipal Water District (CA)			■	■	■							
Tacoma Public Utilities (WA)	■		■	■	■		■	■	■		■	■

References

The following contains references for our work with municipal water or water combined clients for whom we have performed similar services.

City of Newport News (VA)—AMI Business Case, Vendor Selection & Smart Cities Consulting

Reference: Shawn Rohrbach, Logistics Manager, 757-234-4838; SRohrbach@nnva.gov | Fee: $300K for Business Case and Vendor Selection; $1.6M for Implementation Support | November 2016 to Present (multiple project phases and work orders) | Excergy staff that are also on the Galveston proposal: Todd Barlow, Mark Johnson and Kim Neininger

> *"Our experience with Excergy has been excellent. They efficiently mined our data, processes and customer needs, and provided Waterworks with an accurate, clear business analysis for our AMI transition alternatives."*
>
> — Ron Harris, PG, Newport News Waterworks

Huntsville Utilities (AL)—AMI Business Case, Vendor Selection, & Implementation

Reference: Ms. Stacy Cantrell, VP Engineering/Engineering Services Manager, 256-535-1312; stacy.cantrell@hsvutil.org | Fee: $3.8M including implementation; $300K for Business Case and Vendor Selection | August 2014 to Present (multiple project phases and work orders) | Excergy staff that are also on the Galveston proposal: Todd Barlow and Mark Johnson

> *"These [AMI] technologies will serve as a foundation to enable new customer benefits, operational improvements, and a platform for future initiatives. Excergy has the personnel, skills, vision, and client perspective to guide us in that planning and execution."*
> — Stacy Cantrell, Huntsville Utilities

Halifax Regional Water Commission (Canada)—AMR to AMI Roadmap, Feasibility Study, Vendor Selection and Implementation

Reference: Reid Campbell, Director, Water Services, 902-490-4877; reid.campbell@halifaxwater.ca | Fee: $2M including implementation; $250K for Business Case and Vendor Selection | January 2014 to Present (multiple project phases and work orders) | Excergy staff that are also on the Galveston proposal: Todd Barlow and Mark Johnson

> *"Excergy has been a valuable partner as we have prepared for our AMI implementation. The Excergy team brought both a detailed knowledge of the technology, and a thorough understanding of how it will impact our organization. This, combined with an ability to work well with our staff, has positioned us well for a successful implementation."*
> — Reid Campbell, Halifax Water

Merced Irrigation District (CA)—AMI Vendor Selection/Procurement & Implementation

Reference: Juan Sandoval, Engineering and Operations Manager; 209-354-2814; JSandoval@mercedid.org | Dates 2017–Ongoing | January 2017 to Present (multiple project phases and work orders) | Excergy staff that are also on the Galveston proposal: Kim Neininger

City of Fort Collins (CO)—Smart Grid Solution and Maximo Implementation Services

Reference: Mary Evans, Applications Manager, 970-221-6865; mevans@fcgov.com | Dates: 2010–2019 (AMI project ended 2016) | Excergy staff that are also on the Galveston proposal: Mark Johnson

> *"Excergy's people are the best I've worked with. They not only deliver outstanding results, but the entire group has blended seamlessly with Utilities department personnel and have become one team in delivering our award-winning Advanced Meter project to our community. They truly are completely dedicated to our success."*
> — Steve Catanach, City of Fort Collins (formerly)

City of Clearwater (FL)—AMI Feasibility Study

Reference: Glenn Daniel, Water, Reclaim & Wastewater Manager (727) 562-4960 ext: 7249; Glenn.Daniel@myClearwater.com | Dates: 10/2014 – 4/12015 | Excergy staff that are also on the Galveston proposal: Mark Johnson

Schedule B—Detailed Approach to Scope of Work

As requested, this section contains a detailed description of services that incorporates updated specifications and Scope of Work as provided in response to RFI #1 through #5 and removing SMART Water Grant review for September 2020. Our updated project timeline is provided in Schedule C.

The scope of work (SOW) outlined below defines the integrated process Excergy will use to complete the three phases of the City's AMI Project as shown in Figure 2 below. It identifies the workshops and deliverables we plan to complete during the engagement, as well as the City effort needed to support each task. We have also provided SOW for the Support Phase as Task 15.

Figure 2. Excergy's Three-Phase AMI Approach for the City of Galveston

Phase 1: Planning/Design

Task 1: Project Assessment

Subtask 1-A: Project Management and Review of Existing Information

Immediately following the notice to proceed, Excergy will meet with the City's project team, in a Kick-Off meeting, to fine-tune project scope, requirements, deliverables, timetable and reporting relationships, and to discuss project issues and concerns. We will review the make-up of the City's project team and subject matter experts to achieve a broad representation. We will provide the City's team with a request for background information, including your current IT environment (e.g. operational systems such as the existing AUS Infinity CIS, Asset Management, GIS, maintenance planning, customer web portals, etc.), as well as any environment and integration diagrams that may exist, current conservation programs, current water rate sheets, capital investment plans, etc. We will review the data request with the City's project team to understand what information is readily available and who will compile it. We will establish a timetable, being mindful of any limits on readily available data and City staff members' time. The City may not have all requested information available in a form that can be easily delivered. Excergy does not expect the City to create this content if it is not easily available. Information that cannot be delivered in advance will be discussed in Subtask 1-B interviews. We will identify City staff members to be interviewed and establish an interview schedule that fits within the overall project schedule.

Excergy will employ our award-winning program management methodology over all project activities, which is modeled on the PMI's PMBOK® and Agile methodologies. The Excergy Project Lead will execute/maintain a compatible project management approach and methodology with the City, manage the project organization and quality assurance and control. He will plan for and anticipate issues and actively work for resolution of issues.

The Excergy Project Lead will manage the bi-weekly project status cycle for the City. This will include measurement of progress towards the plan, performance status, risk management, items of concern, and open action items. These items will be managed regularly and will be consistently tracked.

As a foundation for the economic and financial analyses and lead into the AMI requirements definition, we will lead the City staff in a series of short interviews and a set of workshops to identify key benefits to the areas of Customer Service, Distribution Operations, IT systems and AMI Strategy and Visioning.

Subtask 1-B: AMI Interviews

Based on the information provided and the areas typically impacted by AMI, Excergy will perform a series of up to 6 interviews of City staff to gather a more detailed background and understanding of the City's objectives for the project. This series of 45-minute interviews will be performed over the phone and typically include managers for Customer Service, Metering, Distribution Operations, Finance, IT, and the project leader. These interviews will result in a set of objectives that will be presented later in the Visioning and Strategy workshop.

Subtask 1-C: AMI Customer Service Process Analysis

Excergy will lead a set of workshops for Customer Service that include a discussion of metering and customer service processes and policies and will quantify benefits and ways AMI will streamline operations and enhance service. Areas to examine will include on-cycle meter reading, high bill investigations, move-ins and move-outs, and collections. The workshops will also explore enhanced services facilitated by AMI, such as "watchdog" services. These understandings are essential to building a comprehensive business case. We will benchmark such projections with the results obtained by other utilities that have implemented AMI.

We will provide a brief analysis of the data required to support specific customer service, operations, conservation, and non-revenue water (NRW) management functions. The data provided by AMI systems may be characterized by the frequency of meter sampling, the frequency of data transmission, latency (that is, the time it takes for a meter reading to be available to City employees), synchronization (for example, all readings at midnight), resolution, and reliability. The quality and quantity of data needed depends on the applications and functions (for example, "soft disconnects" or consumption profiling). In some cases, more discrete and immediate data enables higher quality value applications (e.g., leak detection).

Reductions in workload translate into labor savings. Our assessment of potential savings from AMI-based process improvements will enable us to suggest organizational and staffing adjustments. This would include reassigning staff (e.g., meter readers) and re-engineering certain functional areas (e.g., field service). Staffing in other functions such leak detection, code enforcement and AMI system operation and maintenance might be increased.

Subtask 1-D: Distribution Operations Analysis

AMI can provide powerful new tools for nonrevenue water management. Data from acoustic leak detectors (ALDs) attached to service lines or valve stems (Figure 3) can be easily transmitted using the AMI system to provide the City with the earliest indications of leaks, when they cost less to repair and do less damage. With AMI, the City could also compare all consumption in a metered area over a specific period to net production, and focus NRW efforts on areas where the difference was relatively high or had changed.

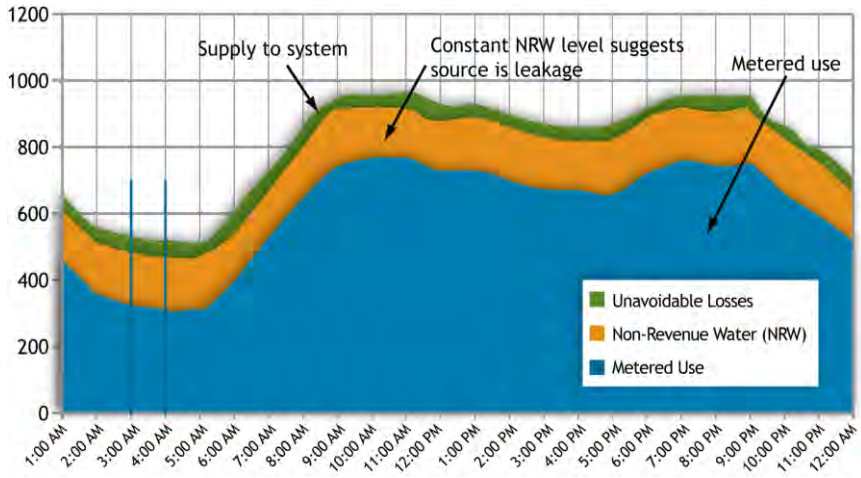


Figure 3. Production vs. Consumption Using AMI Data

AMI can be used to perform pressure zone non-revenue water assessments, since all of the meters in a pressure zone can be read at or close to the same time, and compared to production and storage figures for the same period. Large differences between production and consumption might demand priority

attention. Changes in the difference between these two numbers can be monitored regularly. Analysis of the difference over the period could indicate whether the issue is leaks or meter inaccuracies. This analysis requires coordination among City production staff, IT staff, and AMI operators.

Excergy staff will conduct a workshop with the City's distribution system managers to review the potential costs, savings and other benefits of implementing AMI based distribution system monitoring and document the workshop. We will provide a brief assessment of the potential contribution to the business case.

Subtask 1-E: Current Technology & Systems Assessment

Achieving the full benefit of an AMI requires integrating the AMI system with other City information systems. For example, other processes and interfaces may automatically notify customers of anomalies via instant messaging, email or outbound dialing, based on account data in Harris. Linking consumption data from all the customers in a pumping district to production data from the SCADA system could (if applicable) help the City monitor and manage NRW.

Additionally, during the AMI field deployment, an AMI system may need to interact efficiently with several City information systems to manage the project and ensure accurate billing during the transition (Figure 4). For example, meter and customer data must be generated out of AUS Infinity to create work orders, which in turn may be coordinated with the City's asset management system. Photographs and geo-positioning coordinates are likely to be part of the meter asset database. Meter register ID numbers may be different than meter base ID numbers if some meters are retrofitted. The CIS typically requires meter and Meter Interface Unit (MIU) ID numbers in inventory before they can be accepted in work orders.

We will review the City's existing information systems and associated business processes, to identify areas that must be modified for effective integration to achieve the benefits of AMI. This review will also provide input into IT costs for advanced metering to be included in the business case.

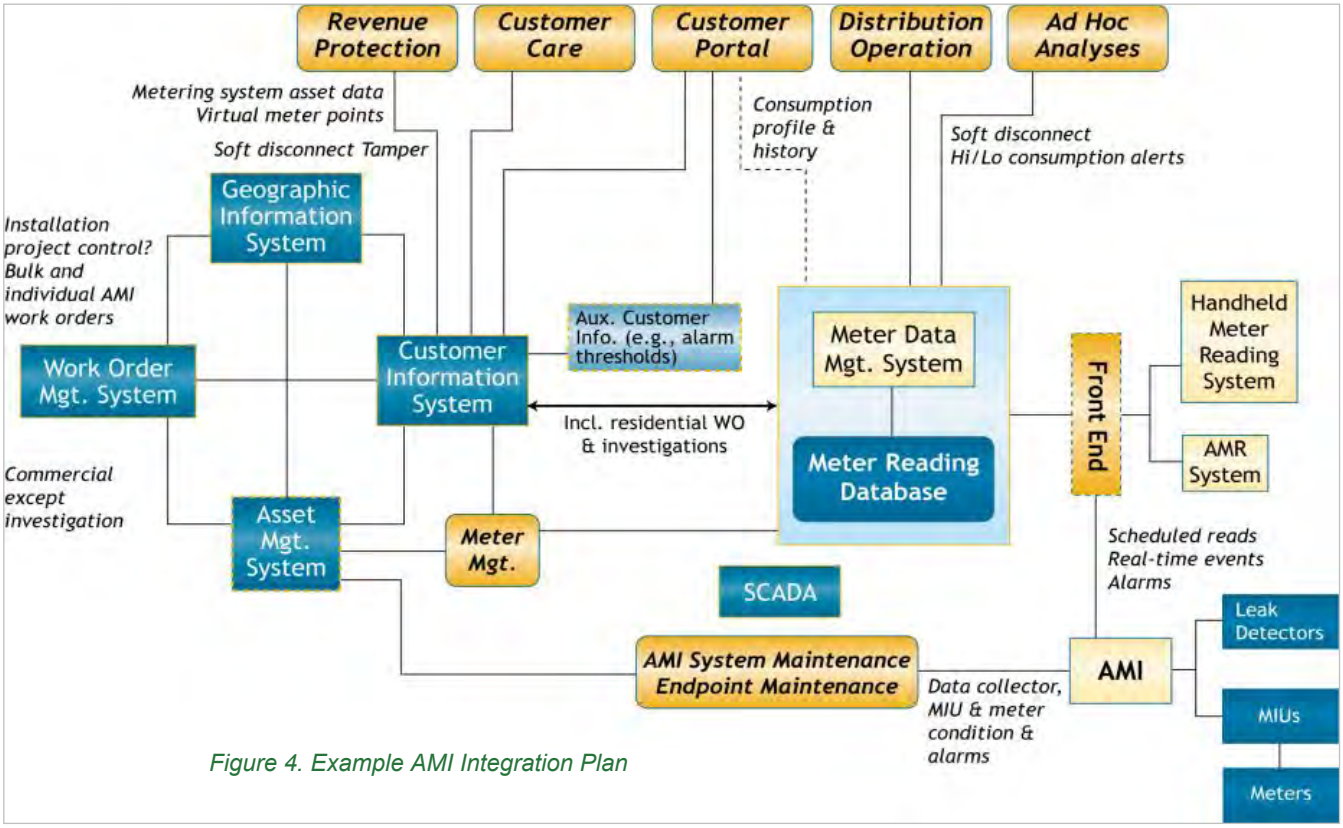


Figure 4. Example AMI Integration Plan

Subtask 1-F: Site Visits (Optional, not priced)

To enhance understanding and to provide a touchstone from other utility experiences, Excergy could arrange, support, and document site visits to other water utilities mutually agreed upon between Excergy and the City AMI project team. These visits will provide insight and additional exposure to help guide the development of the AMI strategy and vision, and to provide additional support to development of the financial modeling for the business case.

Subtask 1-G: Develop AMI Strategy

To ensure outcome compatibility with the City's expectations for AMI, Excergy will work with City staff to create a vision for the future of AMI at the City (a graphical example is shown in Figure 5). This vision will be based on today's offerings and expected future enhancements to AMI as the industry grows.

Excergy will lead a workshop to review current and emerging AMI technologies and best practices, and their relative advantages and disadvantages for the City. We are familiar with every available technology and will suggest those that appear to be most aligned with the City's objectives and operating environment. We will also work with the City to develop strategies for deployment, including an evaluation of the meter population, meter deployment strategies, and AMI hosting options.

Based on the above efforts and the key strategies developed, we will develop draft recommendations regarding:

- How should the City build on or refine previously deployed AMI pilots
- What new technologies, if any, are appropriate for the City
- The rate(s) of deployment and, in particular, acceleration over normal meter replacement
- Project management and implementation support for AMI field deployment
- Prerequisites in such areas as information technology, staff organization, and customer service practices, etc.

We will present these draft recommendations in a memorandum and review it with the City's core team. Based on feedback and discussions with City staff, we will revise the recommendations memorandum.

TASK 1 DELIVERABLES

- Data Request
- Bi-weekly Status Reports
- Periodic updates for executive management and applicable governing board stakeholders
- Site Visit Memorandum (optional)
- Strategy Assessment Memorandum

TASK 1 WORKSHOPS

- Phone Interviews
- Customer Services process workshop
- Distribution Management workshop
- IT systems and integration workshop
- AMI Technology Overview Workshop

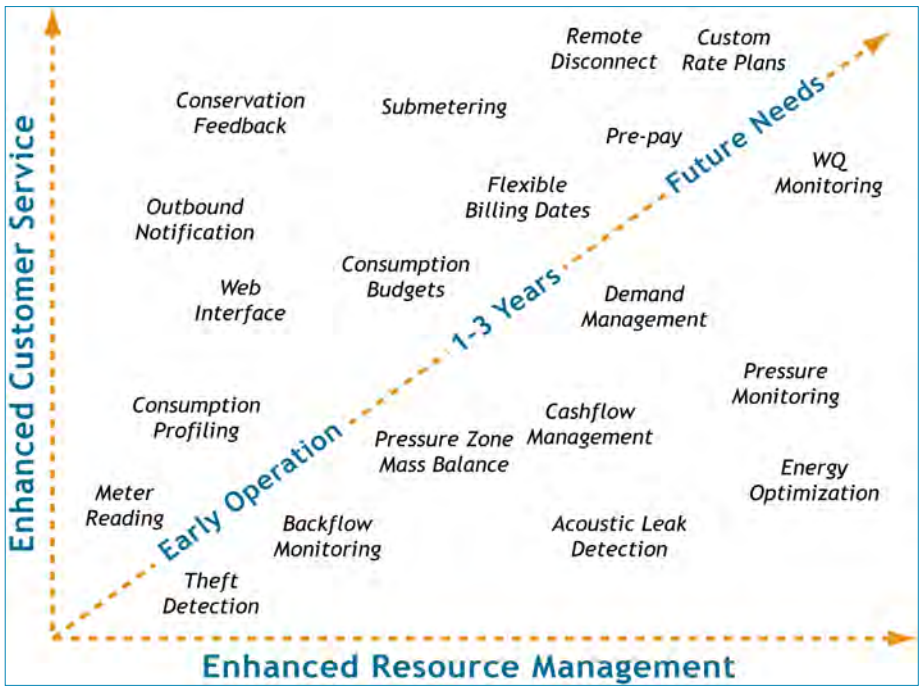


Figure 5. AMI Roadmap

- AMI Strategy and Vision Workshop
- Site visits to 2-3 utilities (optional)

CITY EFFORT TO SUPPORT TASK 1

- The Kickoff Meeting will be approximately two hours. The ongoing effort to schedule workshops and interviews will be approximately one to two hours per task, depending on the final number of interviews in the schedule.
- City staff will spend approximately two days to gather and email the requested information to Excergy
- Support Workshop sessions and site visits as needed

Task 2: Financial Analysis

Following the efforts of the preceding tasks to gather preliminary cost information and potential business case benefits, additional data points will likely be needed to complete the financial analysis development. We will input into our model major technology and deployment scenarios that incorporate a number of variables (project start date, differential inflation rates, component/labor costs, equipment lives, deployment timeline, etc.) that can be analyzed for sensitivity. The model will calculate cash flow in each year of the planning period, present value, and other measures.

While economic/financial models deal well with only hard, direct costs and benefits, a business case must also consider soft and indirect costs and benefits, such as enhanced customer satisfaction and confidence, and reduced environmental impact. As part of the business case, we will include an explicit review of the non-economic factors. With the City's team, we will review Triple Bottom Line objectives, and identify indicators for each component (social, environmental, customer service, employee development, etc.). We will endeavor to describe and evaluate the significant direct and indirect impacts of AMI strategies in these areas, focusing on the relevant indicators.

Direct Benefits

New Revenue

- Reduced read-to-pay time
- Monthly billing improves cash flow
- New customer services (usage information, selectable bill date, selectable bill frequency, bill aggregation, on-demand bill, customized bill, meter reading for other utilities, analysis/ conservation services, prepayment services)

One Time & Short Term

- Improved meter accuracy
- Sale of used meters (salvage)
- Ending / postponing Meter change outs
- Tamper detection and correction

Capital Reductions

- Load research equipment
- Meter reader vehicles
- Meter inventory

Reduced Expenses

- Reductions in Leak Adjustments
- Customer service Support (bill inquiries reduced, faster inquiry resolution)
- Field Services (reduced trips for customer site visits, remote service on/off)
- Billing (reduced manual processing, estimated bills, pre-bill audits, postage)

- Metering & reading (on-/off-cycle reads, meter reader safety/liability, meter reader training, reduced meter testing, direct access settlement, load research metering)
- Distribution operations (System Audits, Pressure Management, Quality Monitoring)

Avoided Losses

- Reduced non-billable consumption (leak detection/mitigation, tamper deterred, unoccupied premises)
- Distribution system optimization (pump station pressure/flow, end of line pressure)

Indirect Benefits

Customer Service Benefits

- Diverse customer services
- New rates possible
- Increased responsiveness to customer
- Less intrusive to customer

Strategic Benefits

- Storage & well monitoring
- Conservation program monitoring/enforcement
- Distribution automation
- Greater approved return
- Improved costs and pricing basis
- Improved load forecasting & system planning
- Improved system reliability
- Market segmentation & targeting
- Improved public/regulatory relations
- Improved customer satisfaction

TASK 2 DELIVERABLES

– Draft financial metrics, direct, and indirect benefits model

CITY EFFORT TO SUPPORT TASK 2

– There will be effort to collect data to support the City's component of the cost and benefit analysis. Excergy will provide industry metrics for many of the cost components; the City will give final approval on the actual values used.

Task 3: Business Process Transformation

A business process impact assessment will be conducted to identify the existing City organizations, business processes, and systems that will be impacted by the AMI implementation. This assessment will initiate the appropriate business process reengineering activities to prepare the City for the smart water solution.

Excergy will facilitate business process assessment sessions with the City to identify the day-to-day business processes that will be affected by the AMI project. The process is described in Figure 6, next page.

Excergy has developed reference models of all applicable workflows for an AMI project. We start with these reference models and then fine-tune them based on the utility's particular needs. By using these proven models, the business transformation effort is both accelerated and low risk. An example of such a process flow is shown in Figure 7 (next page).

TASK 3 DELIVERABLES

- Draft and final business process analysis which includes current state and recommendations for future processes, practices and staffing changes/job description updates for AMI

CITY EFFORT TO SUPPORT TASK 3

- Onsite workshop of the business process will be one day.
- The project team to review and comment on the draft deliverables. One person on the project team will be responsible for consolidating all comments/edits.

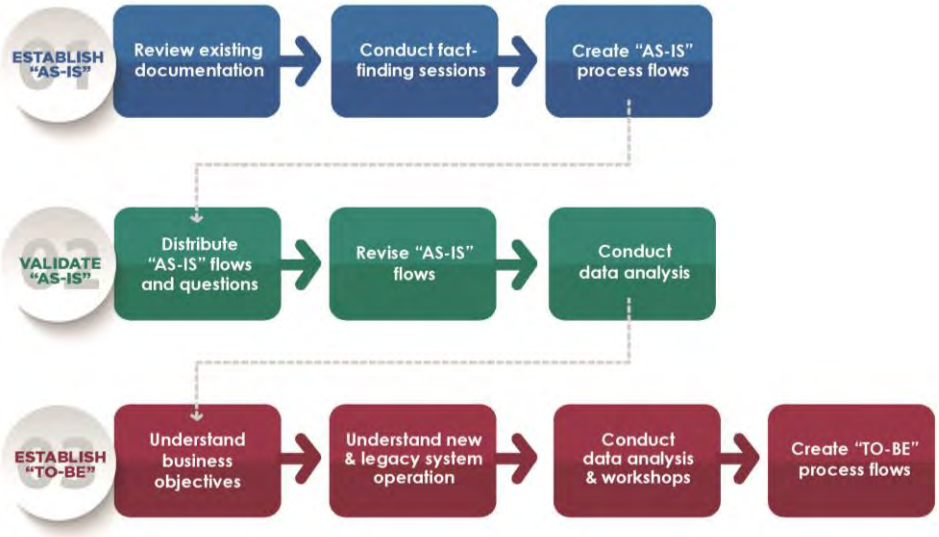


Figure 6. Business Transformation Process

Task 4: Project Implementation Planning

AMI implementation involves several coordinated dimensions. Astute implementation planning can mean the difference between a successful, well-accepted project and a poorly performing system. The integrity of the information created during AMI deployment is critical to employee and customer acceptance.

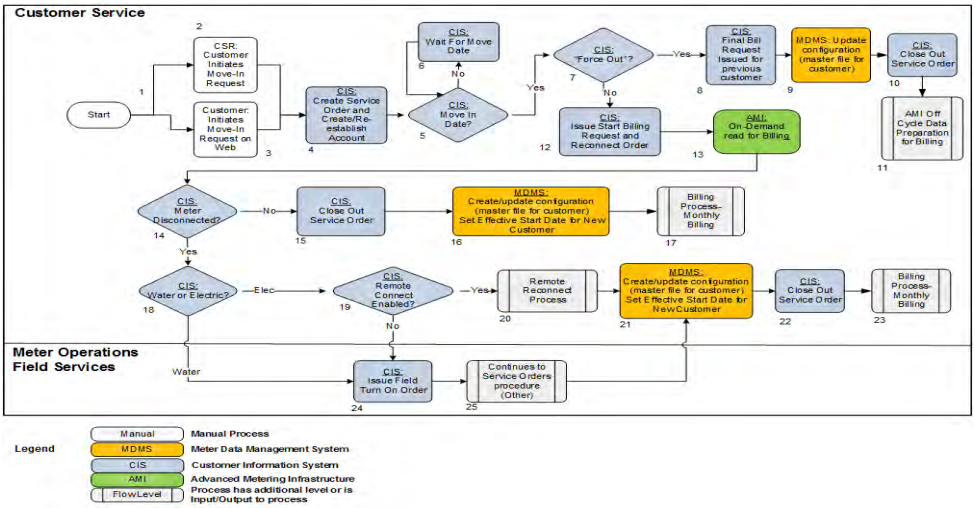


Figure 7. Example Reference Model Workflow

Major elements of successful AMI implementation planning entail: (1) a project schedule and management plan to govern contract management, field inspection, troubleshooting, data audit and acceptance testing; (2) a network deployment plan; (3) an installation control system to ensure data is captured correctly and invoices are correct; (4) a human resources plan to manage the transition of employees during and after the project; (5) a meter reading transition plan to ensure all meters are read smoothly as routes are converted to AMI; (6) a communications plan for customers, employees and the general public; (7) an IT integration plan covering key interfaces and initial applications; (8) an acceptance test plan for software, components and the overall system; (9) a training plan for all utility employees involved in installation, managing contractors, operating and maintaining the system, dealing with customers during installation and using the system data; and (10) a policy and procedure review, to ensure the City has the polices needed to ensure effective AMI deployment such as compelling access, handling inactive or delinquent accounts, and reconciling consumption concerns as old meters are replaced.

Implementing AMI requires coordination of thousands of work orders with customer service and billing operations. The integrity of the information created during AMI deployment is critical to project success. Implementation planning includes developing a deployment schedule, creating project control systems, establishing IT interfaces, enhancing field to office communications and redeploying staff. Several City departments, and multiple teams, would be involved in AMI implementation planning.

Based on the recommended strategies and business case, we will help the City's team prepare a draft project schedule in the form of a Gantt chart that shows the key tasks and milestones for project procurement and deployment. This will help identify the points at which monetary and staffing commitments are required. The draft implementation plan is usually revised once a vendor is selected and the particulars of the system are known.

The suggested project schedule will span from the start of procurement through deployment. All AMI elements, such as metering infrastructure installation, software applications, data management, business processes changes will be planned. At each stage, we will recommend the functions required for project management (for example, vendor selection, field inspections, programming, acceptance testing, etc.) and which functions could be outsourced, provided by the vendor, or should be handled by City staff.

TASK 4 DELIVERABLES

- Implementation considerations workshop; draft implementation planning memorandum.
- Draft project schedule

CITY EFFORT TO SUPPORT TASK 4

- Participation in workshops

Task 5: Results of Study

We will compile the components developed in the previous subtasks into a Draft AMI Assessment report. Most of the elements of this report will have already been reviewed by the City's staff in prior subtasks. The report will consolidate this work to comprise an organization-wide analysis of all costs and benefits of installing AMI. After a final review with staff, we will incorporate any appropriate changes and finalize the report.

This deliverable will consist of two documents. The first document will be assessment document of the AMI project and financial analysis. It will include:

- An overview of AMI and documented results of the process analysis
- A review business case inputs
- A detailed capital cost estimate of the project including:
  - Meter/Module Costs
  - Meter/Module Installation Costs (Internal labor versus third party)
  - AMI Communications Infrastructure Costs for field and backhaul
  - AMI Communications Infrastructure Deployment Costs (installation costs, site preparation and asset management, site lease negotiations)
  - Software Systems Implementation (license and implementation costs)
  - IT infrastructure
  - Project implementation personnel
  - Other outside consulting
- An O&M estimate reflecting the lifecycle of the project including:
  - Operations personnel
  - Communications equipment recurring costs (cellular, site lease payments, etc.)

  - Maintenance fees
- A modeling of all hard benefits (benefits that can be monetized)
- An overall ROI of the project based on present values of all costs and benefits
- Various charts and graphs to be used in other documentation and presentation materials

The second document will be a set of PowerPoint slides that utilize information from both the spreadsheet model and the Word document to provide presentation support for the study.

The business case analyses would be reviewed in a one-day workshop. Based on comments from the City's team, we would revise the model analyses where appropriate. The analyses and accompanying narrative will form the core of a business case report.

TASK 5 DELIVERABLES

- Draft and final Feasibility Study
- Onsite review of the Feasibility Study with the project team
- Summary feasibility Study presentation (PowerPoint)

CITY EFFORT TO SUPPORT TASK 5

- Onsite review of the business case will be one day. Estimate two-three days to wrap the loose ends identified during the review.
- The project team to review and comment on the draft deliverables. One person on the project team will be responsible for consolidating all comments/edits.

Phase 2: Vendor Selection/Procurement

Task 6 describes Excergy's effort to support Phase 2, Vendor Selection & Procurement. Our typical selection process, shown in Figure 8, will be modified as appropriate to meet the City's procurement methods.

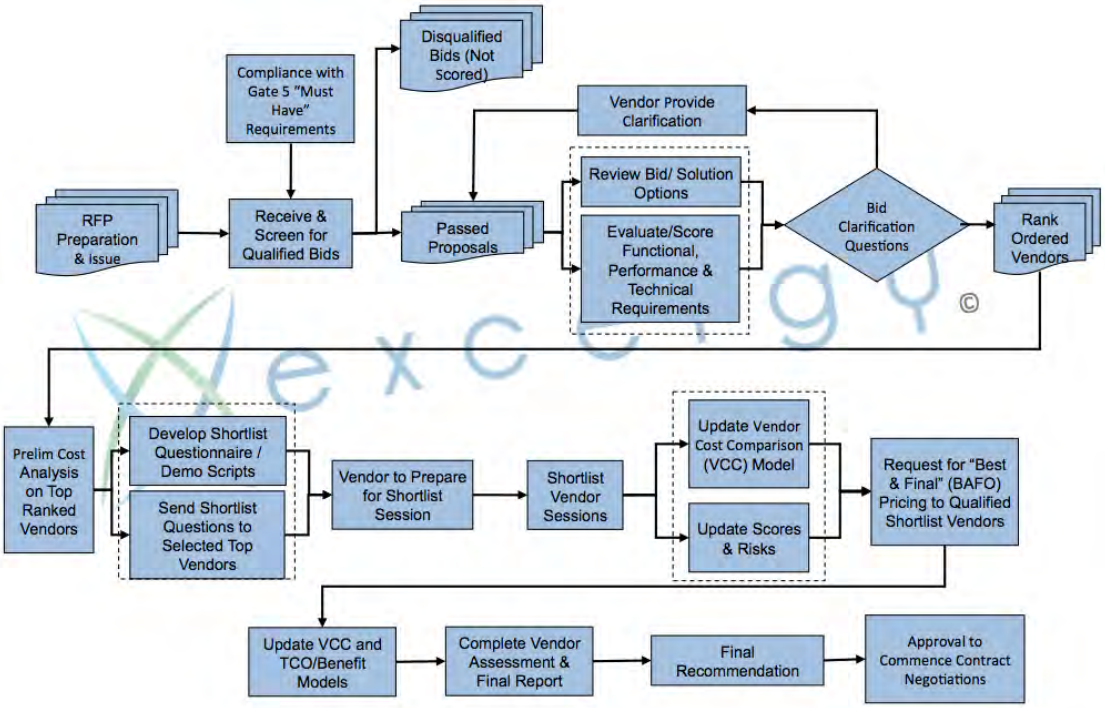


Figure 8. Excergy's Core Selection Process

Task 6: Vendor Procurement

Excergy's approach to procurement includes an extensive set of deliverables including vendor qualification criteria, RFP specifications that are traceable to the business case, total cost comparisons for proposed solutions, and vendor negotiation strategies. Ultimately, these deliverables will facilitate the City's selection of vendors based on technical and risk assessments,

commercial/cost evaluation, and reference checks/site visits. They will also provide key materials for negotiations with the vendors, including contract Statement of Work, technical specifications, and service level agreements.

Excergy personnel have extensive experience assisting municipalities and utilities in AMI/MDMS/MIV/SI vendor selection and procurement activities. We are familiar with virtually all of the vendor offerings and systems, often with direct implementation experience. Through this deep experience, our process has been fine-tuned to provide the best value and match of the vendor offerings with the City's needs.

Subtask 6.1: Requirements

Excergy will facilitate development of the City's MWM, MDM, and CWP requirements and RFP using Excergy's working list of requirements and templates for procurement, project management, and system implementation and integration support. Excergy will develop specific requirements, leveraging the work in the Task IA, and your procurement and/or implementation approach. Examples of possible discussion topics are:

- A discussion of the current marketplace, trends, and related issues such as standards, interoperability and obsolescence as they either support, or contradict, possible system drivers.
- Integrations and legacy system changes required to support these systems.
- New and emerging ancillary technologies and their implications for business operations and customer service.
- The role of data analysis in capturing the benefits of these systems.
- Ownership and financing options.

Following this assessment, Excergy will develop an initial, prioritized list of recommendations for your consideration. Excergy will facilitate a work session to review these with City staff.

Subtask 6.2: Procurement Strategy and Vendor Qualification Criteria

Excergy's approach to procurement includes an extensive set of deliverables including vendor qualification criteria, RFP specifications that are traceable to the feasibility study, total cost comparisons for proposed solutions, and vendor negotiation strategies. Ultimately, these deliverables will facilitate City's selection of vendors based on technical and risk assessments, commercial/cost evaluation, and reference checks/site visits. They will also provide key materials for negotiations with the vendors, including contract Statement of Work, technical specifications, and service level agreements.

Excergy personnel have extensive experience assisting municipalities and utilities in MDM/MWM/CWP vendor selection and procurement activities. We are familiar with virtually all of the vendor offerings and systems, often with direct implementation experience. Through this deep experience, our process has been fine-tuned to provide the best value and match of the vendor offerings with the City's needs.

We have a tailored and tuned approach, which will be based on the vision established from the feasibility study and previous tasks to ensure the best vendor suite for the City. In addition, we have extensive industry knowledge and contacts and know the "intangibles" that often affect project success.

Excergy will assist the City in developing the steps to be taken in the procurement process and facilitate the vendor procurements. This approach maximizes the City's personnel's learning opportunities around the technologies and provides the City with the information needed to select vendors with confidence. Our vendor procurement process approach builds on the business case, vision, and other factors, such as your Board and any applicable Public Utilities Commission (PUC) requirements.

With the overall process identified, Excergy will provide guidance and assist the City in selecting the best fit methodology for the structures of the RFPs (such as single or multiple vendor procurement RFPs). Excergy will assist the City in decisions involving the establishment of high-level vendor qualification criteria. Besides the City's overall sourcing strategy, the criteria will to a large extent be based on the City's risk tolerance and risk management

experience. Based on the high-level criteria and RFP structure, we will provide input on qualified vendors to be invited to the RFP process.

Excergy will also assist the City in developing potential business structure options to refine the competitive solicitation options within the context of client's business and sourcing strategy. For instance, we introduced a Best and Final Offer (BAFO) process at the City of Fort Collins, which was new but consistent with their practices and this alone saved millions of dollars.

Excergy's Procurement Strategy and Vendor Qualification Criteria approach includes the following activities:

- Develop the steps for the vendor procurement process
- Facilitate the vendor procurement processes steps/tasks
- Develop the structure of the RFPs
- Develop high-level vendor qualification criteria
- Select qualified vendors to be invited to the RFP process
- Develop business structure options

Task 6.3: Vendor Selection

Excergy will assist the City in drafting RFPs in a cost and time effective manner by tailoring our existing, proven templates and baseline documents for competitive vendor solicitations to the City's specific objectives and requirements. These include the development of technical and commercial requirements, high-level solution architecture and an initial technology/vendor assessment against the City's requirements to identify qualified vendors to be invited to the RFP process.

Excergy will then develop the vendor RFPs and facilitate the City's proposal evaluation and vendor selection process, including the development of detailed score sheets for the RFPs with scoring criteria and weights for each requirement. Our scoring criteria approach reflects criticality, type, and relevance of each requirement. Weights reflect the relative importance or value of each requirement with respect to the rest, with traceability to the benefits impacted by the requirement.

During the vendor proposal evaluation, Excergy will help the City identify critical qualification or vendor pass/fail gates within the RFP specifications and assist with their evaluation. Additionally, the Excergy vendor proposal evaluation process includes methodical assessments of risks typically covering technology risks (bleeding edge or obsolescence), quality of delivery, vendor company viability and commitment to industry and product, project cost and schedule, and ongoing maintenance and support. These factors will then lead to the selection of the best vendor(s) for Statement of Work and Contract Negotiation.

Excergy's Vendor Selection approach involves the following activities:

- Develop and validate detailed requirements.
- Develop and validate detailed solution architecture.
- Perform initial technology/vendor assessment.
- Identify shortlist of vendors for RFP solicitation.
- Develop technical and commercial requirements for RFP.
- Issue RFP.
- Develop score sheets and risk assessment framework based on the City's specific needs.
- Evaluate vendor proposals and assess risks.
- Conduct vendor interviews and demonstration sessions.
- Conduct reference checks and facilitate site visits, as required.

- Create and present the Vendor Cost Comparison (VCC) Model for short listed vendors.
- Help the City select the best vendor(s) for Statement of Work and Contract negotiation.

Excergy's approach emphasizes "future proofing" to the extent possible the vendor solutions by emphasizing non-proprietary solutions and encouraging and scoring extensibility, scalability, and adaptability provisions in products and software.

Task 6.4: Contract Negotiations

Excergy will assist the City with contract negotiations with the selected vendors, from establishing a negotiations strategy through negotiations and contracting. Excergy personnel have negotiated technology contracts for dozens of clients and will use lessons learned to avoid pitfalls and leverage experience gained from actual implementations on how contract terms can ensure successful implementations and protect the City's interests if needed. Excergy will provide guidance to the City's project team in strategizing for contract negotiations and participate in key contract negotiation meetings and contract review if needed.

Excergy's Vendor Negotiations approach involves the following activities:

- Develop Vendor Negotiation Strategy.
- Conduct initial preparation of negotiations.
- Support SOW and Contract negotiation including Service Level Agreements (SLAs).
- Execute Vendor Contract(s).

An unbiased procurement process is a critical success factor for this task. As a testament to the unbiased nature of our approach, we have helped utilities select different technology vendors over the years within each technology vertical to accommodate their specific needs.

Since the RFP and vendors' responses are detailed, contract negotiations typically focus on installation protocols, performance requirements, defaults and cures, and pricing. The SOW attached to the draft contracts should convert all the promises of the proposal into specific provisions and deliverables. It should cover equipment delivery, training, "standard" and "non-standard" installations, acceptance criteria, installation data management and quality control, invoicing, customer communications (including any appointment scheduling), workload scheduling, and performance reporting. A Project Schedule exhibit should be attached to the contract to ensure installations proceed according to the desired schedule.

TASK 6 DELIVERABLES

- Clearly defined RFP selection process and criteria
- Potential MWM/MDM/CWP vendor list
- RFP business and technical requirement documents for three Vendor RFPs (MWM, MDM, CWP)
- Develop score sheets and risk assessment framework
- Evaluate vendor proposals and assess risks
- Conduct vendor interviews and demonstration sessions
- Conduct reference checks and facilitate site visits, as required
- Create and present the Vendor Cost Comparison (VCC) Model for short listed vendors

CITY EFFORT TO SUPPORT TASK 6

- Participation in workshops and review of draft documents
- Background on existing procurement practices and related data (e.g., organizational structure, training and performance management approach)
- Designate an internal procurement track lead

Phase 3: Implementation Plan Phase

Excergy developed its system implementation process—Integrated Delivery Methodology™ (IDM)—based on industry standards such as the PMBOK, Carnegie Mellon's Capability Maturity Model Integrated (CMMI), and Rational Unified Process (RUP) as shown in Figure 9. IDM was designed for establishing a documented, repeatable, and continuously improving delivery methodology. IDM emphasizes a strong project management and system engineering approach to implementing AMI projects. Internal and external processes are well defined, actively managed, and controlled to ensure that the overall development process, from initial requirements definition to acceptance testing, is performed smoothly and without surprises. Communication between all stakeholders is frequent and clear to facilitate common understandings and clear expectations.

Figure 9. Excergy's Integrated Delivery Methodology™

In summary, our delivery model is an "integrated approach" that accommodates the tracks essential to proven technology implementations: project management, systems engineering (solution architecture, testing), deployment management, stakeholder engagement, organizational change management, test engineering, and business process design. Our blueprint for delivery provides activities that may be managed by utility staff, by Excergy or by other parties. These activities can be expanded or reduced depending on project requirements, but in all cases, the activities need to be performed.

Task 7: Project Management

One of the primary factors that distinguish successful AMI projects is the quality of the overall project management. In the Excergy model, our Project Manager (PM) works very closely with the utility project manager and uses proven process, methodologies, and templates to produce a robust, flexible implementation approach. We have found most vendors and many utility owners do not have sufficient PM capabilities, and we are very experienced in helping a combined vendor team execute successfully to the project baseline.

Throughout all project phases, expert project management will be essential to meeting the "iron triangle" dimensions of cost, quality, and schedule. Project and program management is a core skill set for Excergy, and we pride ourselves on the advanced maturity of our capabilities. Excergy uses the Project Management Institute's (PMI's) PMBOK (Project Management Body of Knowledge) and Agile methodology approaches as the basis of our project management philosophy and practices.

The Excergy PM will be responsible for supporting the activities listed in Table 4. The Excergy PM will manage the monthly project status cycle for the City. This will include measurement of progress towards the plan, performance status, risk management, items of concern, and open action items. These items will be managed regularly and will be consistently tracked.

Table 4. Excergy Project Management Activities Ensure Quality Deliverables are Completed On-time/On-budget

PM ACTIVITY	DESCRIPTION
Scope Management	Ensure that the project plans outline all of the work required to complete the project successfully. Scope management consists of initiation, scope planning, scope definition, scope verification, and scope change control.
Change Management	Ensure that a baseline project plan is established at project initiation, and that a formal change control process is in place to control changes to the baseline project plan throughout the project lifecycle.
Integration Management	Ensure that the various elements of the project are properly coordinated. Integration management consists of project plan development, project plan execution, and overall change control.

PM ACTIVITY	DESCRIPTION
Cost Management	Ensure that the project is completed within the approved budget. Cost management consists of resource planning, cost estimating, cost budgeting, and cost control.
Procurement Support	Acquire goods and services from outside the performing organization. Procurement support consists of procurement planning, solicitation planning, solicitation, source selection, contract administration, and contract closeout.
Quality Management	Ensure that the project will satisfy the needs for which it was undertaken. Quality management consists of quality planning, quality assurance, quality control, and configuration management.
Reporting Management	Ensure timely and appropriate generation, collection, distribution, and storage of project information. The project manager also handles reporting and status information management consists of communications planning, information distribution, performance reporting, and administrative closure.
Time Management	Ensure the timely completion of the project. Time management consists of activity definition, activity sequencing, activity duration estimating, and schedule development and control.
Resource Management	Ensure that qualified resources are available to perform each task defined in this SOW in accordance with the baseline project schedule. As necessary, the project manager ensures that resources have been provided with training to establish particular expertise required to perform tasks within the SOW. The project manager reinforces the importance of establishing and maintaining professional working relationships among City and vendor team members, as well as monitors these relationships.
Risk Management	Identify and analyze project risks, and respond to those risks. The Excergy approach to risk management has three components—identification, prioritization, and mitigation. Risks are identified at project inception and categorized based on probability and impact. A risk mitigation plan is defined to impacts should the risk occur. The risk mitigation plan is continuously re-evaluated during the project lifetime. Once a risk actually occurs, it is moved to the issue tracking process.

In the deployment phase, Excergy will lead the project team in implementing the project execution plan that will support the project vision and the future deployment of related systems. This plan documents the logical sequence for the deployment strategy, project schedule, business process change requirements, support requirements, and business case justification. Implementation responsibilities will be defined.

For all meetings, Excergy will provide agendas for City review one week prior to the meeting if possible. Within one week following meetings, Excergy will provide the meeting minutes for City review and approval.

TASK 7 DELIVERABLES

- Project Schedule, Workplan, and Budget
- Data Request
- Monthly Status Reports and Invoices
- Biweekly or periodic meetings with City Project Manager by phone or video conference
- Periodic updates for executive management and applicable governing board stakeholders
- Meeting Agendas and Minutes

CITY EFFORT TO SUPPORT TASK 7

- Assign a City project manager to coordinate internal activities
- Attend and participate in meetings
- Identify and secure meeting locations.
- Review monthly invoices and status reports and Project Work Plan
- Review agenda and meeting notes and provide comments/feedback within two (2) weeks of receipt of the meeting notes.

Task 8: Testing

A graduated, thorough, and robust test program is needed for an AMI project, and Excergy has implemented hundreds of successful integrated technology testing programs for our clients that trust that both our processes and the experience of our people.

Typically, we develop an overall test strategy to provide high-level guidance for the execution of the project test program that summarizes the test goals and objectives, as well as all known constraints (time, budget, resources, etc.), and verifies the coordination mechanisms and timing with infrastructure and other system implementation activities. We also identify the necessary infrastructure, technology, communications, and IT requirements to execute the plan. In addition, the overall test strategy will define the approach to be used for ensuring cyber security for the project. The strategy will be developed via interactive workshops with the project team, the selected project vendors, and applicable business support groups. We will facilitate the workshops and provide the overall test strategy document.

Our typical approach to a test strategy incorporates the following elements:

- Factory or Off-Site Testing – These are vendor-performed tests that verify functionality of the system and may involve standard integration checks with other systems.
- Commodity Acceptance Testing – This is often referred to as first article testing of field components for smart grid projects to ensure that endpoints are configured and programmed as specified.
- Field Acceptance Testing – This testing verifies that the technical, functional and performance, and commercial specifications of the vendor Statement of Work (SOW) have been realized as expected for a subset of endpoints strategically deployed within the Utility service territory.
- System Integration Testing – This brings all applicable systems together in testing to verify data sets are received and transformed properly, that data from a single source is properly routed to multiple destinations and that individual systems still perform as expected while integrated.
- User Acceptance or Business Process Testing – This testing verifies that the correct information flows through for a particular business process, including both mechanized and manual business processes. It is the final gate and ensures that the system functions and is aligned with requirements and processes that are used operationally. In this testing, a single trigger can initiate data transfers between multiple source and destination systems. It is the most comprehensive test of the complete set of business processes and maximizes to the extent possible the real-world use of the City's integrated systems. Test cases are executed by City users of the systems on a day-by-day basis.

Our test approach minimizes the City's risk by providing early validation of the technologies in steps, so that any problems are identified early and corrected. A Test Readiness Review (TRR) is held before each element to ensure that the system and personnel are prepared for the test. All discovered defects are formally logged, managed, and resolved as appropriate until acceptance is achieved. We will produce test plans and procedures that exercise the functionality of systems that must interface to meet business requirements. A Test Report is generated after each test is completed.

An important tool used throughout the testing process is the Requirements Traceability Matrix (RTM). The RTM is created as part of the initial project engineering portion of systems integration and clearly documents all system requirements. In the testing process, the RTM is used to create specific test cases that encompass each and every requirement to assure that the systems are fully tested. Excergy will use previously generated requirements developed in the procurement process in formulating this RTM.

Defects need to be managed in a concise and easily tracked manner. A defect tracking tool manages software defects, hardware problems, communication problems, and any change requests/enhancements, which may be found during the testing activities. An issue report (IR) is created for each defect that is encountered during testing. The tracking tool provides statistics for reporting, e.g. how many issues exist by component and by severity. A common reference is needed to assign severity levels to the defect which drive vendor and utility response time and effort.

Should issues be identified during the testing process, we are ready and able to work with applicable vendors and development teams to resolve those issues. The clear documentation of the relationship between the requirement and test case included within the RTM makes it easier to pinpoint the problem that needs to be addressed. Once that problem is identified, we follow a rigorous corrective action process that ensures the problem is documented, root-cause determined, corrective and preventive actions are taken, and retesting is performed to verify that the problem has been corrected.

An overall graphical representation of the testing program is provided below in Figure 10.

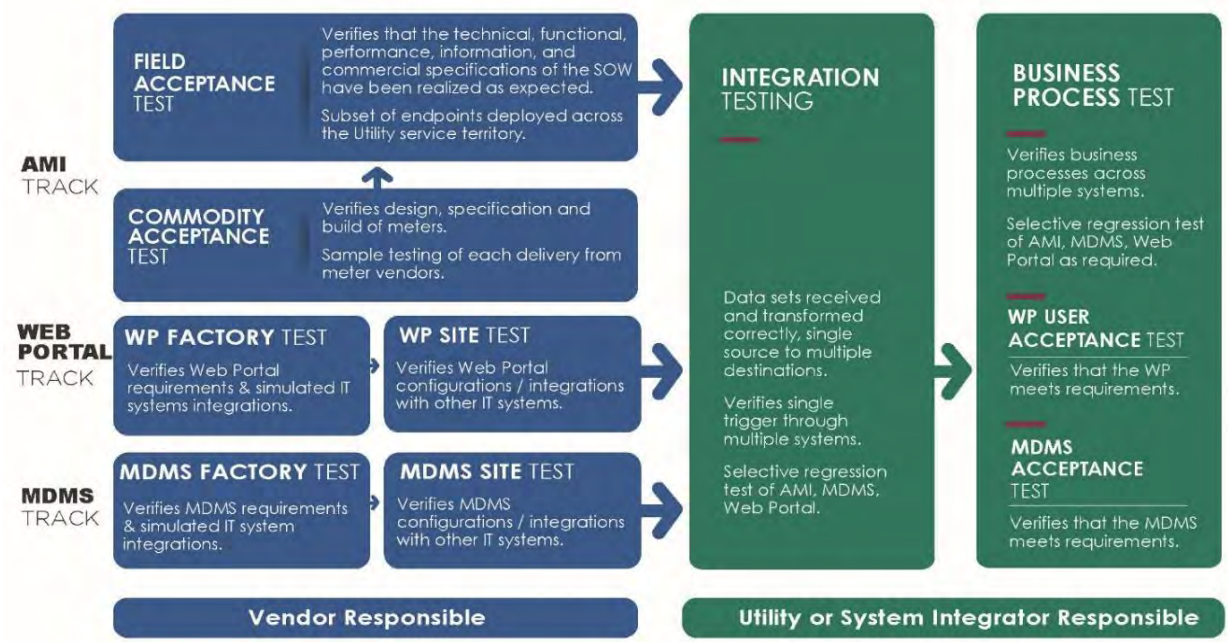


Figure 10. Overall Testing Strategy Example

TASK 8 DELIVERABLES

- Overall AMI Test Strategy Document.
- Validation Requirements & Specifications document for performance validation at the end of the task
- Test plans for all City-owned tests
- Field Test Progress Reports and result interpretation
- Reviewed test plans, procedures, results documentation
- End-to-End Testing Procedures, Results, and Recommendations
- UAT Procedures, Results, and Recommendations

CITY EFFORT TO SUPPORT TASK 8

- Identify field test constraints within existing project schedules, budgets, resource allocations, etc.
- Participate in workshops.
- Review measures of AMI technology performance.
- Identify City resources (field and office) to execute tests.
- Ensure availability of City resources (field and office) to execute tests.
- Approve the field test performance assessment.
- Maintain vendor relationships and provide lead contact for issue resolution.
- Approve the Legacy and New System Functional Testing results.

- Provide testers to exercise the End-to-End Testing procedures.
- Approve the End-to-End Testing results.
- Provide testers to exercise the Business Process Testing procedures.
- Approve the Business Process Testing results.

Task 9: Vendor Management

Excergy has vast experience managing the myriad of vendors needed to implement an AMI project. Some of the due diligence we perform includes:

- Working with the AMI vendor to ensure that the meter configurations are identified and understood for mass manufacturing.
- Overseeing the vendor patch and upgrade process ensure the proper requirements, design, and development activities are followed, and that software/firmware release plans do not negatively impact the system acceptance testing or ongoing utility operations.
- Overseeing the vendor software design and development activities with our proven software engineering methodology.
- Holding design reviews at the appropriate times to ensure the vendors are properly interpreting the requirements.
- Providing system engineering oversight and activities needed to ensure that the vendor solutions are properly designed, developed, and unit tested prior to integration with the rest of the enterprise. A requirements update is necessary because despite the thoroughness of vendor RFP requirements, the vendors selected will most likely have additional constraints, limitations, unique strengths, and tradeoffs that need to be captured.
- Working with the City and the selected vendors to ensure that the project architectural, functional, performance, and integration specifications form the proper technical baseline for execution of the project. While most vendors have the basics for specifying their solution, we have found that there are inevitably gaps that need to be addressed, particularly at the integrated system level.
- Managing the baseline throughout the lifecycle of the project via our Requirements Management process using tools such as the Requirements Traceability Matrix (RTM). Ultimately, complete traceability is ensured so that a system level requirement can be followed through its breakdown into smaller requirements, into design elements and modules, and ultimately to the particular test case in which it is verified that the vendor successfully met the requirement.

TASK 9 DELIVERABLES

- Periodic update reports on AMI vendor's progress
- Clarifications and answers to AMI vendor's requests for information
- Approved/rejected vendor submittals
- Approved/rejected vendor payment requests

CITY EFFORT TO SUPPORT TASK 9

- City participation in meetings as needed
- Final approval of vendor submittals and payment requests

Task 10: Solution Architecture

The Solution Architecture track emphasizes the IT aspect of AMI planning and brings together all the technology initiatives that exist, are underway, or planned to be completed in the near term, into a cohesive and logical plan. The

track also ensures that the architecture that will be built is complete, robust, scalable, and extensible. Excergy will assist Galveston in developing the AMI solution architecture based on the following:

- User data and functional requirements
- User process flows
- Automation requirements
- Integration requirements
- Industry best practices
- The Excergy's Team's experience
- Implementation considerations and constraints
- Current and near-term future capabilities of commercial AMI technologies
- Capabilities of commercial vendor software

The technologies and integrations necessary to achieve the AMI plan will be included in this reference architecture. One of the areas that is often not given enough emphasis, but is critical to the successful implementation of AMI initiatives, is the integration with all of the other information systems such as outage management, work management, and customer systems. Excergy's approach ensures that all of these critical integration points are identified, and impacts on other systems are factored into the strategy. The reference architecture will form the basis for the software, hardware, integration, implementation, services, and deployment costs components of the business case. The draft architecture will be reviewed with the AMI Project team during a two-day workshop. Excergy will update the architecture based on this review and prepare a final version. An example of a system context diagram developed as part of the Solution Architecture Document is shown in Figure 11.

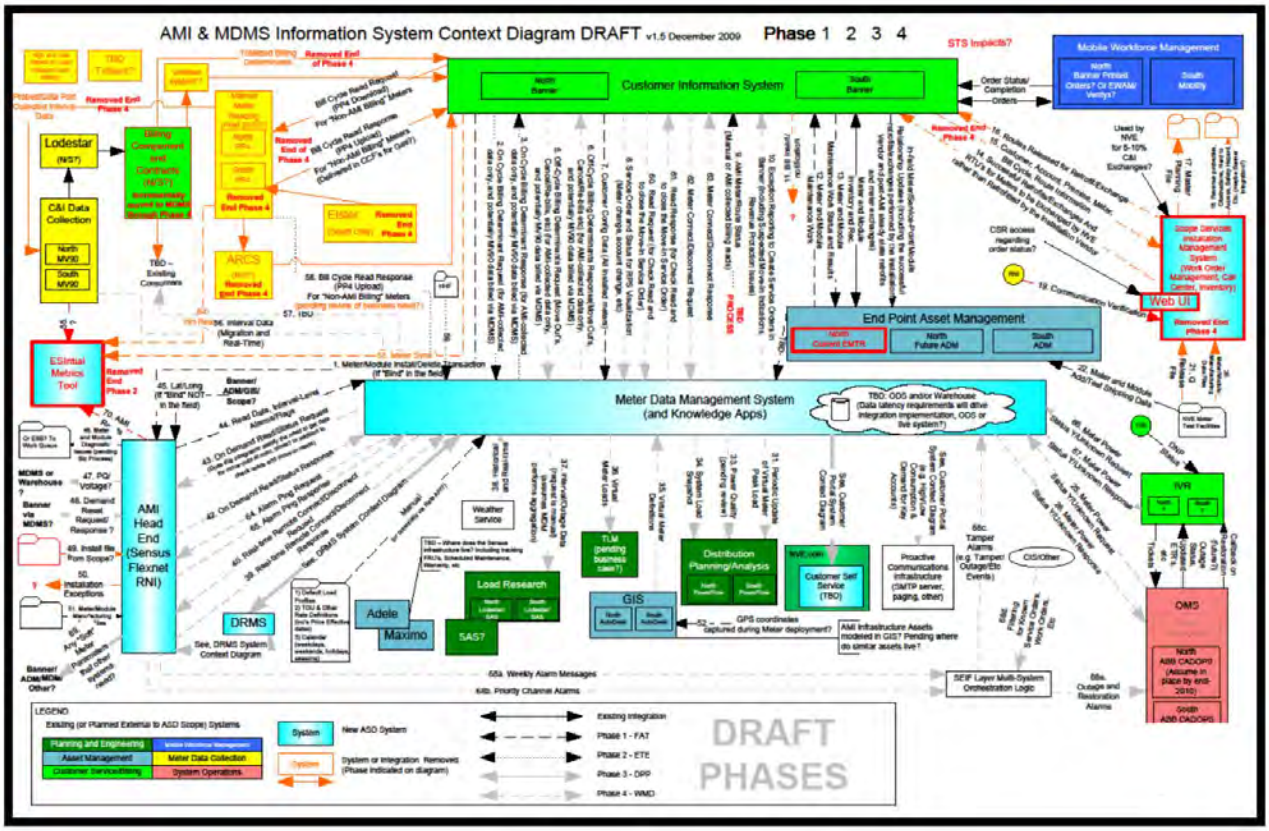


Figure 11. Example of a System Context Diagram in the Solution Architecture Document

Excergy and the City AMI Project team members will, through a facilitated discussion, develop the System Architecture/Technology Roadmap, through all of the subsequent phases, (Plan, Design, Build, Run, and Transfer) addressing the major characteristics (Objectives, Capabilities, Values, and Technology Focus).

Excergy will:

- Provide subject matter expertise and industry best practices.
- Provide project management support.
- Identify best practices for implementation and deployment.
- Assist in development implementation plans for deployment.
- Provide subject matter expertise on integration design.

TASK 10 DELIVERABLES

- Requirements Traceability Matrix
- As-Is and To-Be System Architecture in Report and Diagram Form
- Technology Roadmap covering all phases of the AMI Project

CITY EFFORT TO SUPPORT TASK 10

- Provide input to Requirements Traceability Matrix
- Participate in workshops
- Review draft architecture and roadmap documentation and provide feedback for finalization

Task 11: Business Process Re-Engineering (BPR)

The utility of the future will be a fully digital system. This means that today's utilities face a digital transformation of their organization and business to help drive better performance. Utility Industry disruptive forces include:

- Customer expectations
- New market opportunities
- Integration of renewables onto the grid
- Market shifts
- Aging infrastructure
- Evolving workforce
- Rising cybersecurity threats
- Natural disasters & extreme weather

Galveston's AMI vision will enable new ways of working with end-to-end process thinking across functional silos to redesign and streamline processes. Our business process re-engineering (BPR) process will start with this broader vision to ensure a "system of systems" thinking in developing the AMI solution.

The Business Design work builds upon the initial work done in the Planning Phase and incorporates refinements needed for the particular vendor chosen in the Vendor Selection phase. The first stage prepares the project team for the vendor workshops and produces a high level end-to-end integrated business process model for the project and its impacted technologies and business. The second stage produces related AMI deeper dive process models. These models will be refined based on Design/Build Phase and development activities that occur as the vendor design decisions are finalized. This process is illustrated in Figure 12, next page.

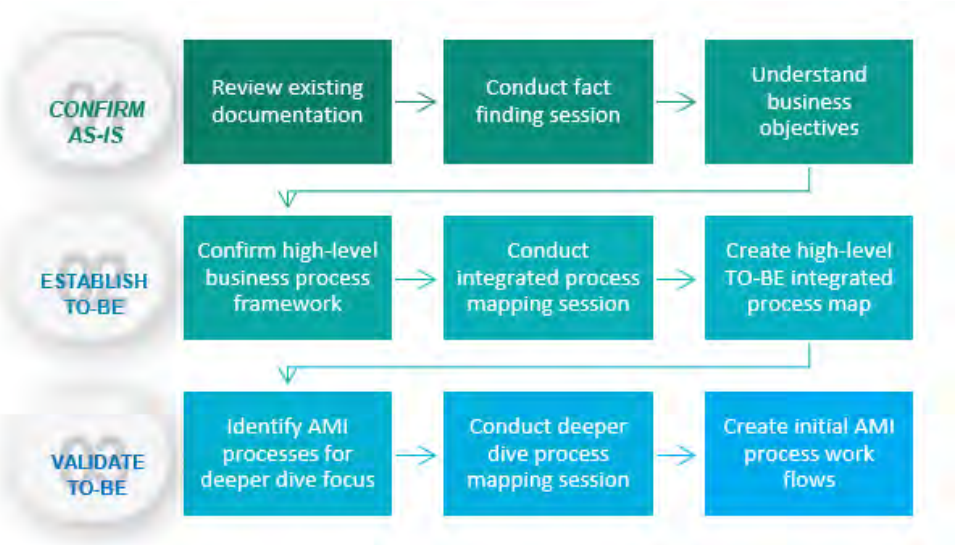


Figure 12. Business Process Transformation

Subtask 11.1: Current State

Excergy will conduct workshops and supplemental webinars as needed with the COG Core Team to map out the current business processes being used throughout the City. These activities will help the Excergy identify the potential problems or modifications to the City's processes created by the implementation of the AMI system. The business process impact assessment will be conducted to identify the existing departments, business processes, and systems that will be impacted by the AMI implementation. This assessment will initiate the appropriate business process reengineering activities to prepare the City for the AMI solution.

It is highly recommended to document thoroughly the existing utility business processes (the "as-is") because without that baseline, unique steps and understanding of the present business can be lost, creating gaps and problems with the re-designed process.

Subtask 11.2: Proposed Future State

Digital business transformation examines the greater need to holistically address people, process, and technology. It's more than just an AMI system. Accurate real time data is needed to enable better business decision making and build organizational capabilities to deliver innovative advantage.

Excergy's application of business process management (BPM) best practices break down an organization's functional silos to streamline and integrate value chain processes that create value for its customers. From a digital business transformation perspective, BPM discipline moves strategy into people and technology-based execution—***at a pace with certainty.***

Business design and alignment is the convergence of people, process, and technology, as illustrated in Figure 13. Organizational silo thinking leads to functional sub-optimization at the expense of the whole organization. Excergy utilizes a unique methodology to guide business process change which creates a top-down value chain framework that provides ***end-to-end*** process understanding, visibility and control while ensuring effective communication and engagement across an organization. Business process redesign optimization and improvements are then prioritized and scoped before implementing.

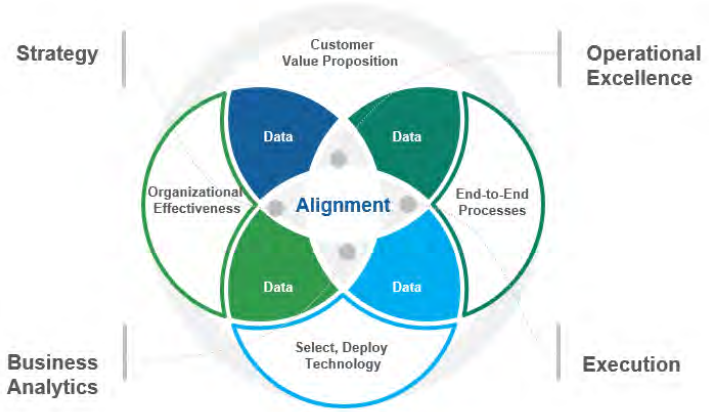


Figure 13. Digital Business Transformation

The transformative nature of an AMI Project today requires that staff adjust work processes and routines to effectively use new ways of doing business—often, but not solely, driven by the introduction of new technology—in order to realize significant benefits both internal and external to the organization. This change needs to be handled effectively thereby reducing staff apprehension and providing the tools they need to succeed. Excergy's approach to ***organizational effectiveness*** supports successful project implementation through effective and replicable organizational change management.

Excergy will conduct onsite workshops for the development of the Business Process Flow. These workshops shall focus on the development of the future state of each business process utilizing the new business applications (AMI headend, AMI infrastructure, and AMI meters) and the interfaces that will be deployed. The following business processes will be included:

- Single Meter Change-Out
- Validation, Estimating, Editing (VEE)
- Billing
- Customer Inquiry and Response
- Non-Pay Disconnect/Reconnect
- Move In/Out
- Theft Detection
- Outage Management
- Disaster Recovery
- Load Forecasting
- On Demand Read Collection
- Review System Analytic Reports
- Volt/VAR Control Program
- Voltage Conservation Program
- Leak Detection
- Pressure Monitoring
- Reverse Flow Detection
- AMI Opt-out Program for the City; using PUC's rules and recommendations

To accomplish this, Excergy will use industry process framework best practices, our reference models, vendor information, and past experience to facilitate these sessions. Process constraints and enablers will be identified, and gaps will be identified between each AMI enabled business process and the City's existing business processes. An example of an AMI enabled model workflow is shown in Figure 14.

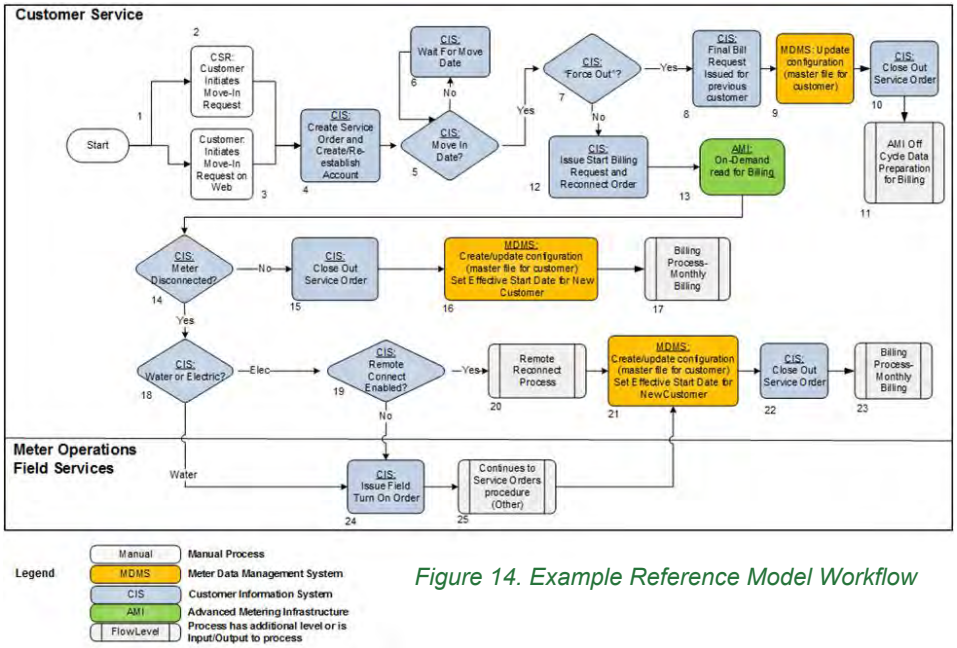


Figure 14. Example Reference Model Workflow

Our industry process frameworks and reference models will provide a baseline "to-be" state for the process workshops. We recommend that the to-be state be organized by the major value chain and Meter-to-Cash value stream process groupings as shown in an example in Figure 15.

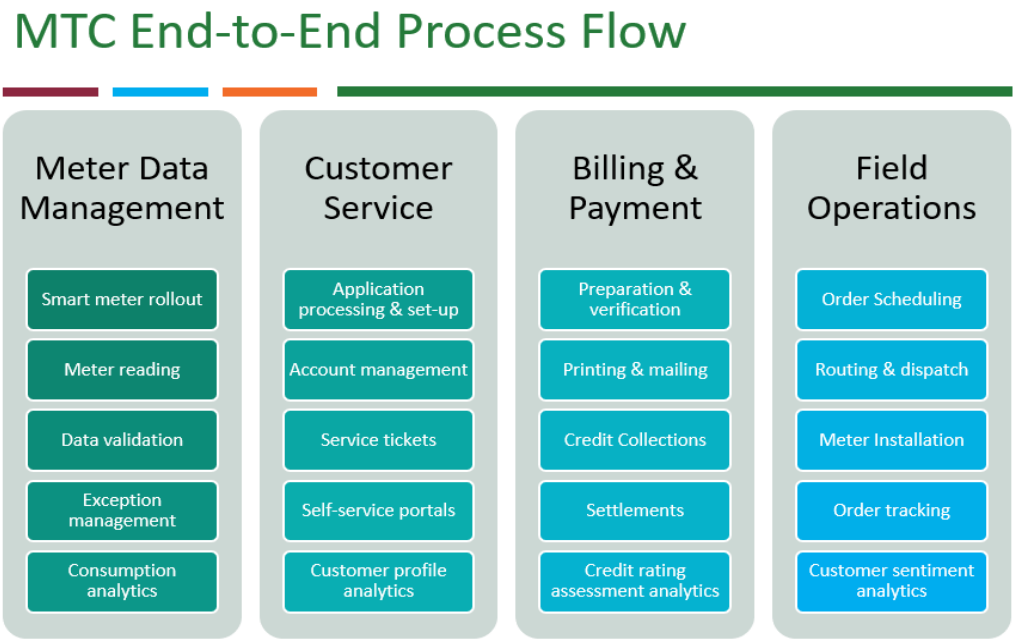


Figure 15. Meter-to-Cash End-to-End Process Flow

The goal of the sessions will be to assess the following:

- If the high-level integrated business processes accurately reflect the City's goals and vision and to ensure alignment with the culture, organization, and any other applicable process constraints and enablers.
- At a high-level, the major known gaps, benefits, and risk areas associated with the desired future state and AMI enabled, business processes.

Excergy will also lead the COG team in the creation of an AMI System Data Quality Assurance (QA) Responsibility Matrix during the business process development. The matrix shall identify the City process owners, priorities, schedules for various reports, alarms, and events.

Subtask 11.3: As-Built Future State

Subtask 11.3 will finalize the future state of each business process utilizing the new business applications and interfaces that will be deployed. It shall also review the "as-configured" processes as a final documentation of what ultimately is implemented into the operation environment. This work will occur after the specific vendor(s) are chosen and they conduct their workshops in order to capture any nuances and changes required in the business processes for their specific solutions.

Excergy will supply the City with documentation of each of the core business processes and the Data QA Responsibility Matrix. The Responsibility Matrix may be in a form of a RACI chart (Responsible, Accountable, Consulted and Informed). This matrix shall identify required personnel for an AMI deployment and current positions within the City that may transition into these new required roles.

TASK 11 DELIVERABLES

- Assessment of Business Processes in support of AMI, including a review of "As-Is" processes using existing process flows and development of "To-Be" integrated process map and initial deeper dive into AMI process workflows

- Business Requirements for use in RFP and subsequent testing
- Data QA Responsibility Matrix

CITY EFFORT TO SUPPORT TASK 11

- Staff time necessary to collect and provide requested information including "As-Is" documentation
- Staff time for workshops

Task 12: Organizational Change Management & Stakeholder Engagement

Subtask 12.1 Organizational Change Management (OCM)

AMI projects introduce massive organizational change, and the ability to achieve maximum benefits depends in large measure on how effectively a climate is created and maintained which minimizes resistant behavior and encourages acceptance and support.

The transformative nature of technology projects requires that staff adjust work processes and routines to effectively use the systems and realize the significant benefits both internal and external to the organization. This change needs to be handled effectively thereby reducing staff apprehension and providing the tools they need to succeed. This task supports successful project implementation through internal OCM.

Effective OCM is grounded in basic human psychology, starting with addressing each individual's question, "What's in it for me?" Once that is addressed, there is receptivity to building the knowledge necessary to influence attitudes and support behavior change, such as a new way of performing job duties. For example, in the case of smart meter projects, displacement of certain staff (e.g., meter readers) is an issue that must be forthrightly addressed early in the process.

Over the past few years, effective OCM has been recognized as a critical success factor for technology project implementation. The job of change management is to fundamentally assist both individuals and the organization as a whole as they transition from the current to a desired future state working as efficiently and productively as possible through the disruptive middle phases.

Excergy will work with the City to develop an AMI OCM approach that includes practical and effective activities designed to support the transition of people and processes to realize the benefits of the new AMI system. This OCM plan provides strategies and details tactics designed to prepare City personnel for change with the objective of maximizing performance prior to, during, and after the AMI implementation.

Excergy uses a proprietary Alignment Optimization methodology, which is based on Nobel Prize-winning work on how individuals and teams make effective decisions and take coordinated action. This technology-enabled consulting methodology—combined with traditional consulting and facilitated workshops—creates both a unified vision and a powerful drive toward effective implementation.

Experience shows that having a clear vision for a technology project from the outset greatly enhances project success. Research shows that this requires aligning the organization along four important parameters:

1. Alignment on vision and overarching goals
2. Understanding of unintended consequences, barriers and risks
3. Agreement on assumptions about the current state—drivers for new technology
4. Definition of metrics—how success is measured

During this step, we conduct an online virtual dialog that results in data-driven understanding to provide the following benefits:

- More Involvement in Less Time: Broader engagement and more productive work sessions leading to better organizational buy-in

- Clearer Input & More Complete Outcomes: More accurate and forthright inputs resulting in data-driven direction
- Support Change Necessary to Drive Implementation: Minimizes internal resistance and predisposes team to success

Specifically, Excergy develops a customized opinion/convergence assessment for distribution across any number of stakeholders (to be defined during project kickoff). This work is then analyzed for use in plan development and review sessions to provide collaboration and insights that are simply not possible using traditional consulting techniques alone. Additionally, utility staff has direct access to the software to view and mine the data.

The OCM development approach can be divided into three stages:

Stage 1: Prepare Strategy/Assess Change. This stage assesses the organization, details impacts, and outlines the overall OCM approach with an overall objective of preparing the organization for the upcoming change, and includes:

- Change Strategy
  - Use Alignment Optimization Technology (AOT) to conduct alignment cycle
  - Map change risk and readiness
  - Determine and document size and scope of change including impacted departments and employees
  - Outline team structure, roles and responsibilities
  - Define schedule for change

Stage 2: Manage/Implement Change. This work includes detailed sub-plans on the following topics:

- Internal Communications Plan
- Sponsorship & Engagement Plan
- Training, Knowledge Transfer & Performance Support Plan

Notably, Phase 2 includes the effort required to move employees through the phases of change as summarized in Figure 16 below.

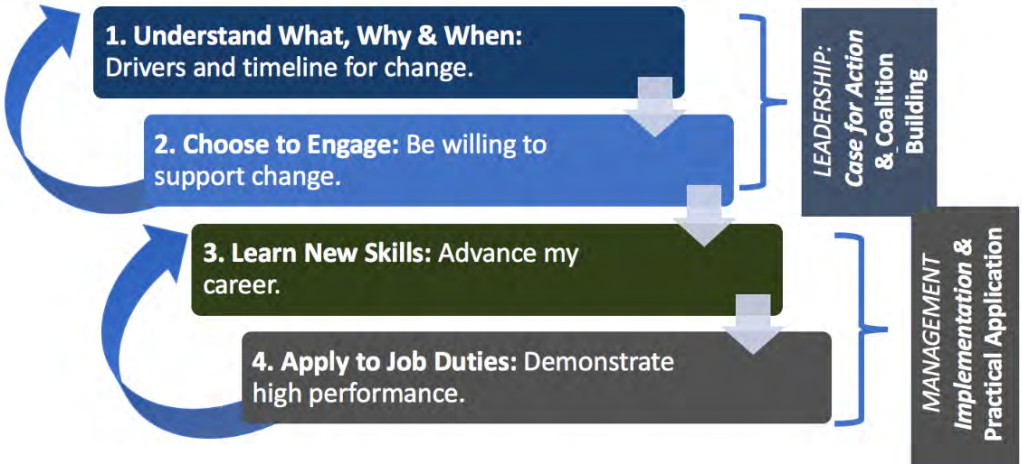


Figure 16. Phases of Individual Change

Stage 3: Reinforce/Sustain Change. This phase includes feedback mechanisms and assessing OCM results. Based on real performance and needs identified, the plan addresses how to design and implement corrective actions, align performance, and celebrate success. Importantly, this phase dovetails with existing performance management systems to close the accountability loop.

Following plan development, the heavy lift associated with plan implementation must start in a thorough and organized fashion. Unlike external engagement where utilities often have strong communications departments to implement the plans developed, OCM is more developmental in nature for many utilities. As such, Excergy is often asked to provide ongoing management of that function during implementation ranging from a less frequent coaching/advisory role to more frequent day-to-day management. During OCM plan development, Excergy will also assess the level of OCM maturity and provide a recommendation related to ongoing support needs. For the purposes of this proposal, we have assumed a mid-range level of effort on an ongoing basis.

Subtask 12.2 Stakeholder Engagement/Communications

Of the many lessons learned in AMI projects over the past decade, one of the most important is how critical it is to plan, manage, and engage stakeholders to build understanding and align expectations. For municipal utilities, effective engagement is not only essential to successful project implementation, but also aligns with and enhances the historic relationship between the utility and the community it serves. Excergy staff managed the research and development of APPA's *Smart Grid Customer Engagement Essentials*. We also received recognition from the Department of Energy as best-in-class for ARRA smart grid communications efforts. This work combines with our planning and implementation experience for effective strategy and efficient implementation.

Both internal and external stakeholders need to be engaged to address the needs of the community and support successful project implementation. Working with staff, our consultants assess overall stakeholder endorsement levels and methods used, then develop engagement strategies leveraging—and perhaps expanding—those methods.

The goal of stakeholder engagement is to effectively inform and engage the supporters while minimizing the impact of resistors, by offering factual responses to concerns and options to meet their needs. For example, there are four known topics of concern that must be addressed in AMI projects: (1) price/rates; (2) privacy and data security; (3) health; (4) safety. Although public resistance to AMI projects is minimal, recent experiences indicate that utilities must be prepared and address these issues nonetheless.

In addition, the industry has learned—and in some cases been mandated by governing bodies—that having a clear optional meter configuration policy is important. The details of that policy, including associated pricing and how it is referenced (i.e., "opt-out" versus optional, non-standard meter), are a key strategy developed at project outset. On the flip side, engaging those customers who are interested or even enthusiastic about the possibilities of new technology opts in early adopters and builds momentum for the entire effort.

Excergy develops clear plans for Stakeholder Engagement/ Communications that leverage existing utility practices and address both strategy and tactical implementation.

Subtasks include:

1. Kickoff & Data Request/Review
2. One-hour Interview with Stakeholder Engagement Lead (onsite)
3. Stakeholder Engagement Workshop – two hours (onsite)
4. Draft Communications Plan
5. Final Communications Plan
6. Assessment/Recommendation for Implementation Support

In this task, Excergy will also:

- Identify requirements (i.e., content, methodology, timing) for informing water customers and other stakeholders (i.e., Senior Management, Council) about the project before, during and after the transition to AMI technology considering information to share with the public and concerns/issues that have been raised by the public on other AMI projects and managing customer expectations.

- Identify the process for notifying property owners of the need to do work based on the complexity of the task, considering whether inside access is required.
- Provide a Radio Frequency (RF) technology and impacts (i.e. health) overview to the Project Team.
- Define a process to address customer non-compliance, including but not limited to, refusing to accept radio installation, poor plumbing that prevents work, refusing access to property. This should include a recommendation of approaches to deter refusal to participate (i.e. fines, fee/charges).
- Develop a communications plan (COM) that considers methodology, timing and content as described above.

TASK 12 DELIVERABLES

- AMI Organizational Change Management Plan
- Summary outputs of surveys and/or other information gathering efforts
- Implementation support for the change management effort (estimated at level of effort pending assessment during the planning phase noted above)
- Communications Plan
  - Strategy & Approach
  - Tactical Action Plan
- Health Overview (1 workshop)

CITY EFFORT TO SUPPORT TASK 12

- Background on existing OCM practices and related data (e.g., organizational structure, training and performance management approach)
- Designate an internal AMI OCM track lead
- Utility marketing/communication support of internal communications and materials development
- Utility identification of others to fulfill OCM roles, such as Sponsors and Change Agents
- Staff time necessary to collect and provide requested information
- Staff time for workshops
- Review and provide feedback on draft deliverables

Task 13: Deployment Management

The AMI project involves the installation of thousands of meters and devices, and the careful coordination of the materials, labor, and data. To accomplish this scope, Excergy has expertise in deployment planning and oversight to ensure the AMI meters and communications equipment are installed efficiently and with minimum disruption to existing utility systems and business processes.

Excergy personnel have decades of experience working closely with AMI and Meter Installation Vendor (MIV) contractors and even City crews through interactive workshops to present and refine the business processes, construction, labor standards and the high-level AMI communications network and meter installation. Excergy presents industry best practices for the planning and installation of AMI communications network and meters and will work with the City's project personnel to tailor these processes to the specific requirements and standards of the City if needed. Additionally, this includes refining and validating material procurement schedules for AMI network communications equipment, and meters; as well as identifying and documenting installation, construction, and customer contact standards as part of this implementation planning effort. Excergy can also provide advice and consulting to the City to leverage lessons learned on similar scale meter and endpoint deployment projects in North America.

Excergy's deployment expertise includes the various logistics and data management steps involved in the addition of a device on the AMI system from its manufacture or retrofit at the factory through delivery to the cross dock or

depot, installation in the field, provisioning on the communications network, and the initiation of data transfer to the CIS for use in billing.

Once the overall deployment planning and logistics are established for the complete AMI system installation, the installation process will begin. Installation commences with the AMI network communications infrastructure prior to the AMI meters and modules. Based on the final deployment plan approved by the City, Excergy will monitor all subsequent work logistics and material planning and ordering to ensure a smooth roll out of the system.

Excergy will also oversee Endpoint Installation vendor activities including:

- Daily route management
- Quality assurance, controls and validation of all newly installed meters
- Tracking and assessment of all meter and module related exceptions encountered during installation
- Review and reporting to the City on a continuous basis the progress of installations
- Reporting to the City on revisits required for appointment setting

TASK 13 DELIVERABLES

- Inspection reports on verification of vendor work
- Troubleshooting reports on fixes of data transmission issues

CITY EFFORT TO SUPPORT TASK 13

- Support, as necessary, for issues identified in inspection and troubleshooting

Task 14: Operational Transition/Training

Excergy will work with Galveston to develop an Operational Transition Plan in conjunction with the overall Change Management Plan, incorporating the “meter-to-cash” operations and the “go-live” process. Based on Excergy’s experience, significant lessons learned and risk reduction strategies will be incorporated into the Plan. Excergy will then assist the City in the implementation of the Plan.

Excergy will:

- Seek an understanding of the Galveston’s human resource strategy and current staffing plan, training plans and infrastructures.
- Seek understanding of any labor union and labor relations considerations and constraints.
- Help the team analyze new skill sets needed for AMI project impacted positions (for example: meter technicians, customer service representatives, etc.) and identify major gaps with existing job qualifications.
- Provide input to a workforce transition plan based on industry experience.
- Consolidate the above into an overall AMI Project Transition Plan.

Excergy will then work with Galveston to implement the Transition Plan so that City employees are ready for the ongoing support of all aspects of the solution by the end of the project.

TASK 14 DELIVERABLES

- Operational Transition Plan (OTP)
- Support Galveston’s implementation of the OTP

CITY EFFORT TO SUPPORT TASK 14

- Support, as necessary, to develop the OTP
- Implement the Operational Transition Plan

Support Phase

The Support Phase includes items for after the project, such as audits, additional functionality testing on a schedule, additional integrations, and automation programming.

The scope of the Support phase will depend on needs that arise during the Implementation phase and Galveston operational considerations gained through experience building the solution. Therefore, the scope at present for the Support phase is not defined in detail. Task 15 is presented below as a draft to indicate what the support phase looked like at other Excergy clients.

Task 15: Post Implementation Support (DRAFT)

Once all testing and subsequent training discussed above is complete, the systems are ready for "Go-Live." Excergy will develop a "Go-Live" plan that provides a step-by-step guide to installing the AMI system and the revised CIS system now integrated to AMI. This plan will include, as necessary, back out plans to revert the CIS system to its pre-AMI status should there be a problem during installation. Excergy will oversee this whole "Go-Live" process.

After "Go-Live," Excergy will provide ongoing support for a period of 60 days to assure that the systems are operating as expected. Any issues identified during this period are addressed in the same manner as test deficiencies and require resolution prior to the completion of the post-implementation support phase.

TASK 15 DELIVERABLES

- "Go-Live" Plan
- Post Implementation Support Plan
- Documentation and resolution of issues identified in system operation after implementation.

CITY EFFORT TO SUPPORT TASK 15

- Review/approval of "Go-Live" and Post Implementation support plans
- Participation, as necessary, in resolution of post-implementation issues identified

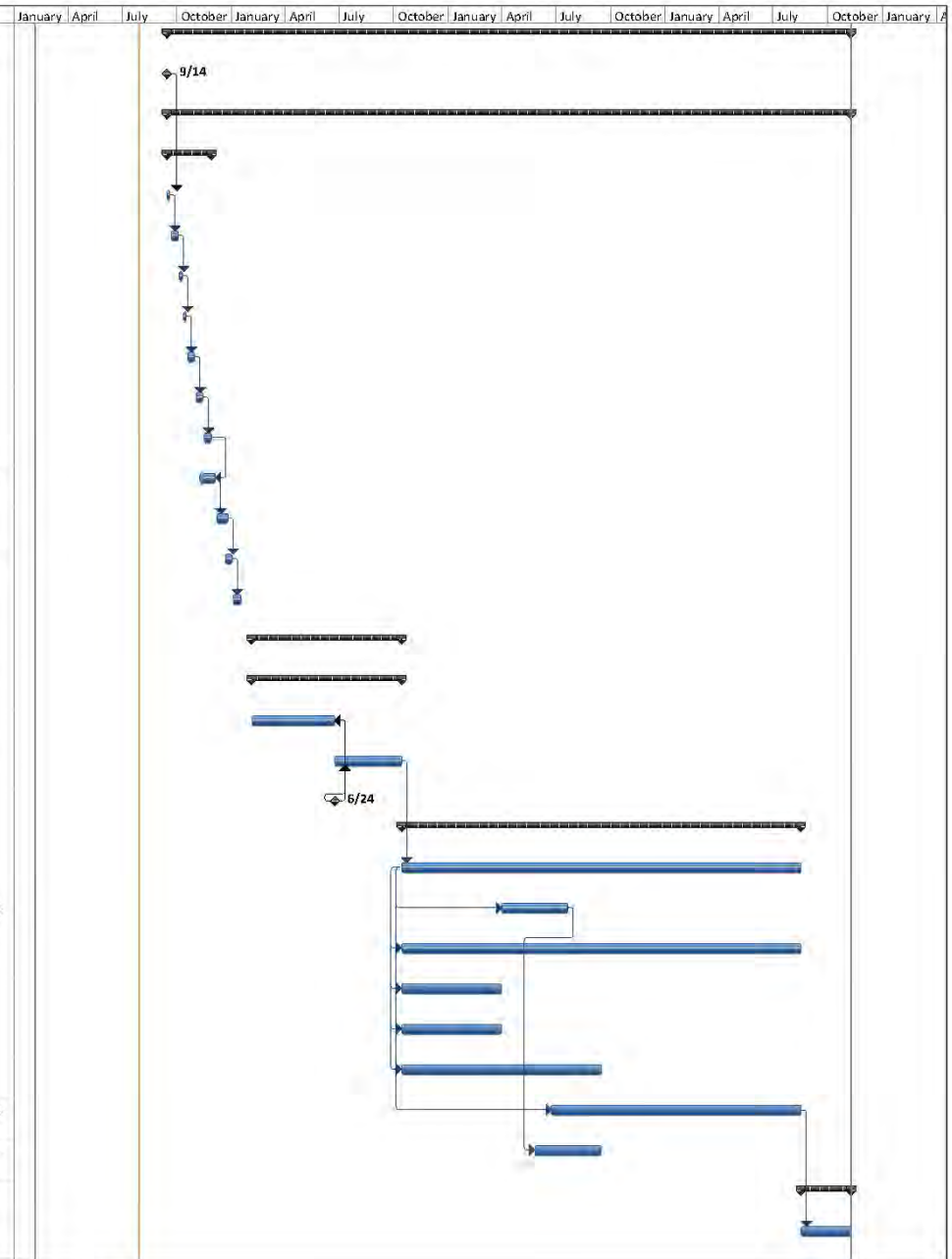
Schedule C—Project Timeline

As requested, this section contains our updated timeline, reducing the time gap allotted between Task 5 and Task 6.

Excergy's proposed project schedule for all three phases is provided in Figure 17, provided on the following page for legibility. This schedule is based on typical time durations for similar tasks at other utilities, and Galveston's need for a June 2021 Council go/no-go decision.

At the project kickoff, we will work with the City to fine tune the schedule, accounting for staff commitments and personnel availability for planned workshops, meetings, and reviews. Once the particular AMI vendor is chosen, it is likely that further schedule adjustments will be made based upon the vendor's input.

ID	Task Name	Duration	Start	Finish	Predecessors
1	**City of Galveston AMI Project**	**823 days**	**M 9/14/20**	**W 11/8/23**	
2	Start Date	0 days	M 9/14/20	M 9/14/20	
3	**Phase 1**	**823 days**	**M 9/14/20**	**W 11/8/23**	
4	**Task 1: Project Assessment**	**55 days**	**M 9/14/20**	**F 11/27/20**	
5	Subtask 1-A: PM and Review of Existing Information	5 days	M 9/14/20	F 9/18/20	2
6	Subtask 1-B: AMI Interviews	10 days	M 9/21/20	F 10/2/20	5
7	Subtask 1-C: AMI Customer Service Process Analysis	5 days	M 10/5/20	F 10/9/20	6
8	Subtask 1-D: Distribution Operations Analysis	5 days	M 10/12/20	F 10/16/20	7
9	Subtask 1-E: Current Technology & Systems Assessm	10 days	M 10/19/20	F 10/30/20	8
10	Subtask 1-F: Site Visits (Optional)	10 days	M 11/2/20	F 11/13/20	9
11	Subtask 1-G: Develop AMI Strategy	10 days	M 11/16/20	F 11/27/20	10
12	Task 2: Financial Analysis	20 days	M 11/9/20	F 12/4/20	11FF+5 days
13	Task 3: Business Process Transformation	15 days	M 12/7/20	F 12/25/20	12
14	Task 4: Project Implementation Planning	10 days	M 12/21/20	F 1/1/21	13FS-5 days
15	Task 5: Results of Study	10 days	M 1/4/21	F 1/15/21	14
16	**Phase 2**	**180 days**	**T 2/4/21**	**W 10/13/21**	
17	**Task 6: Vendor Procurement**	**180 days**	**T 2/4/21**	**W 10/13/21**	
18	Work necessary for June 2021 Council Meeting	5 mons	T 2/4/21	T 6/24/21	20SF
19	Complete procurement activities	4 mons	T 6/24/21	W 10/13/21	20
20	*June 2021 Council Decision*	0 days	T 6/24/21	T 6/24/21	
21	**Phase 3**	**480 days**	**T 10/14/21**	**W 8/16/23**	
22	Task 7: Project Management	24 mons	T 10/14/21	W 8/16/23	19
23	Task 8: Testing	4 mons	T 3/31/22	W 7/20/22	22SS+6 mons
24	Task 9: Vendor Management	24 mons	T 10/14/21	W 8/16/23	22SS
25	Task 10: Solution Architecture	6 mons	T 10/14/21	W 3/30/22	22SS
26	Task 11: Business Process Re-Engineering (BPR)	6 mons	T 10/14/21	W 3/30/22	22SS
27	Task 12: Organizational Change Management & Stakeholder Engagement	12 mons	T 10/14/21	W 9/14/22	22SS
28	Task 13: Deployment Management	15 mons	T 6/23/22	W 8/16/23	22SS+9 mons
29	Task 14: Operational Transition/Training	4 mons	T 5/26/22	W 9/14/22	23FS-2 mons
30	**Phase 3**	**60 days**	**T 8/17/23**	**W 11/8/23**	
31	Task 15: Post Implementation Support (DRAFT)	3 mons	T 8/17/23	W 11/8/23	28



Page 1

Figure 17. Draft Project Schedule

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 8/5/2020

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

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

PRODUCER
(HD) Heffernan Insurance Brokers
1350 Carlback Avenue
Walnut Creek CA 94596

License#: 0564249
EXCECOR-04

CONTACT NAME: Heffernan Insurance Brokers
PHONE (A/C, No, Ext): 925-934-8500 **FAX (A/C, No):** 925-934-8278
E-MAIL ADDRESS: HIB24-7@heffins.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Sentinel Insurance Company, Limited	11000
INSURER B : Scottsdale Insurance Company	41297
INSURER C : Hartford Fire Insurance Company	19682
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Excergy Corporation
501 S CHERRY ST STE 1100
Glendale CO 80246

COVERAGES **CERTIFICATE NUMBER:** 2107173234 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X **COMMERCIAL GENERAL LIABILITY**	Y	Y	57SBAID2750	6/9/2020	6/9/2021	EACH OCCURRENCE	$ 2,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
							MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 4,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 4,000,000
	OTHER:							$
A	**AUTOMOBILE LIABILITY**	Y	Y	57SBAID2750	6/9/2020	6/9/2021	COMBINED SINGLE LIMIT (Ea accident)	$ 2,000,000
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
A	X **UMBRELLA LIAB** X OCCUR			57SBAID2750	6/9/2020	6/9/2021	EACH OCCURRENCE	$ 1,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$ 1,000,000
	DED X RETENTION $ 10,000							$
C	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N	N / A	Y	57WECAF4NWR	2/24/2020	2/24/2021	X PER STATUTE / OTH-ER	
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
B	Cyber Liability			EKI3305305	9/16/2019	9/16/2020	Limit	1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
City of Galveston is included as an additional insured with respects to the General Liability and Automobile Liability policies per the attached endorsements, if required. Waiver of Subrogation is included on General Liability, Automobile Liability, and Workers Compensation policies per the attached endorsements, if required.

CERTIFICATE HOLDER

City of Galveston
823 Rosenberg, Room 203
P.O. Box 779
Galveston, TX 77553

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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BUSINESS LIABILITY COVERAGE FORM

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QUICK REFERENCE
BUSINESS LIABILITY COVERAGE FORM
READ YOUR POLICY CAREFULLY

BUSINESS LIABILITY COVERAGE FORM	Beginning on Page
A. COVERAGES	**1**
Business Liability	**1**
Medical Expenses	**2**
Coverage Extension - Supplementary Payments	**2**
B. EXCLUSIONS	**3**
C. WHO IS AN INSURED	**10**
D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE	**14**
E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS	**15**
1. Bankruptcy	**15**
2. Duties In The Event Of Occurrence, Offense, Claim Or Suit	**15**
3. Financial Responsibility Laws	**16**
4. Legal Action Against Us	**16**
5. Separation Of Insureds	**16**
6. Representations	**16**
7. Other Insurance	**16**
8. Transfer Of Rights Of Recovery Against Others To Us	**17**
F. OPTIONAL ADDITIONAL INSURED COVERAGES	**18**
Additional Insureds	**18**
G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS	**20**

BUSINESS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the stock insurance company member of The Hartford providing this insurance.

The word "insured" means any person or organization qualifying as such under Section **C**. - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **G**. - Liability And Medical Expenses Definitions.

A. COVERAGES

1. BUSINESS LIABILITY COVERAGE (BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY)

Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply.

We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section **D.** - Liability And Medical Expenses Limits Of Insurance; and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

b. This insurance applies:

(1) To "bodily injury" and "property damage" only if:

(a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(b) The "bodily injury" or "property damage" occurs during the policy period; and

(c) Prior to the policy period, no insured listed under Paragraph **1.** of Section **C.** – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

(2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **1.** of Section **C.** – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

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(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

e. Incidental Medical Malpractice

(1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:

(a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and

(b) You are not engaged in the business or occupation of providing such services.

(2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

2. MEDICAL EXPENSES

Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(1) The accident takes place in the "coverage territory" and during the policy period;

(2) The expenses are incurred and reported to us within three years of the date of the accident; and

(3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

3. COVERAGE EXTENSION - SUPPLEMENTARY PAYMENTS

a. We will pay, with respect to any claim or "suit" we investigate or settle, or any "suit" against an insured we defend:

(1) All expenses we incur.

(2) Up to $1,000 for the cost of bail bonds 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 these bonds.

(3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

(4) 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.

(5) All costs taxed against the insured in the "suit".

(6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

(7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Any amounts paid under **(1)** through **(7)** above will not reduce the limits of insurance.

b. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

(1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

(2) This insurance applies to such liability assumed by the insured;

(3) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

(4) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;

(5) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

(6) The indemnitee:

(a) Agrees in writing to:

(i) Cooperate with us in the investigation, settlement or defense of the "suit";

(ii) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

(iii) Notify any other insurer whose coverage is available to the indemnitee; and

(iv) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(b) Provides us with written authorization to:

(i) Obtain records and other information related to the "suit"; and

(ii) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of Paragraph **1.b.(b)** of Section **B.** – Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

(1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or

(2) The conditions set forth above, or the terms of the agreement described in Paragraph **(6)** above, are no longer met.

B. EXCLUSIONS

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

(1) "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; or

(2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".

b. Contractual Liability

(1) "Bodily injury" or "property damage"; or

(2) "Personal and advertising injury"

for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages because of:

(a) "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or

(b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:

(i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and

(ii) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business, or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of **(1)** above.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible;

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 51 feet long; and

(b) Not being used to carry persons for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;

(5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment"; or

(6) An aircraft that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional service. This includes but is not limited to:

(1) Legal, accounting or advertising services;

(2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;

(3) Supervisory, inspection, architectural or engineering activities;

(4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;

(5) Any health or therapeutic service treatment, advice or instruction;

(6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;

(7) Optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

(8) Optometry or optometric services including but not limited to examination of the eyes and the prescribing, preparation, fitting,demonstration or distribution of ophthalmic lenses and similar products;

(9) Any:

(a) Body piercing (not including ear piercing);

(b) Tattooing, including but not limited to the insertion of pigments into or under the skin; and

(c) Similar services;

(10) Services in the practice of pharmacy; and

(11) Computer consulting, design or programming services, including web site design.

Paragraphs **(4)** and **(5)** of this exclusion do not apply to the Incidental Medical Malpractice coverage afforded under Paragraph **1.e.** in Section **A.** - Coverages.

k. Damage To Property

"Property damage" to:

(1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs **(1)**, **(3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Section **D.** - Limits Of Insurance.

Paragraph **(2)** of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs **(3)** and **(4)** of this exclusion do not apply to the use of elevators.

Paragraphs **(3)**, **(4)**, **(5)** and **(6)** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs **(3)** and **(4)** of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.

Paragraph **(6)** of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

l. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

o. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal And Advertising Injury

"Personal and advertising injury":

(1) Arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity;

(2) Arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;

(3) Arising out of a criminal act committed by or at the direction of the insured;

(4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";

(5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";

(6) Arising out of the wrong description of the price of goods, products or services;

(7) Arising out of any violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity.

However, this exclusion does not apply to infringement, in your "advertisement", of

(a) Copyright;

(b) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity; or

(c) Title of any literary or artistic work;

(8) Arising out of an offense committed by an insured whose business is:

(a) Advertising, broadcasting, publishing or telecasting;

(b) Designing or determining content of web sites for others; or

(c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **a.**, **b.** and **c.** under the definition of "personal and advertising injury" in Section **G.** – Liability And Medical Expenses Definitions.

For the purposes of this exclusion, placing an "advertisement" for or linking to others on your web site, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

(9) Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;

(10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers;

(11) Arising out of the violation of a person's right of privacy created by any state or federal act.

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act;

(12) Arising out of:

(a) An "advertisement" for others on your web site;

(b) Placing a link to a web site of others on your web site;

(c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images; or

(d) Computer code, software or programming used to enable:

(i) Your web site; or

(ii) The presentation or functionality of an "advertisement" or other content on your web site;

(13) Arising out of a violation of any anti-trust law;

(14) Arising out of the fluctuation in price or value of any stocks, bonds or other securities; or

(15) Arising out of discrimination or humiliation committed by or at the direction of any "executive officer", director, stockholder, partner or member of the insured.

q. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

r. Employment-Related Practices

"Bodily injury" or "personal and advertising injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to the person at whom any of the employment-related practices described in Paragraphs **(a)**, **(b)**, or **(c)** above is directed.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

s. Asbestos

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the "asbestos hazard".

(2) Any damages, judgments, settlements, loss, costs or expenses that:

(a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";

(b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or

(c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

t. Violation Of Statutes That Govern E-Mails, Fax, Phone Calls Or Other Methods Of Sending Material Or Information

"Bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

(3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Damage To Premises Rented To You – Exception For Damage By Fire, Lightning or Explosion

Exclusions **c.** through **h.** and **k.** through **o.** do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section **D.** - Liability And Medical Expenses Limits Of Insurance.

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Products-Completed Operations Hazard

Included with the "products-completed operations hazard".

g. Business Liability Exclusions

Excluded under Business Liability Coverage.

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Employees And Volunteer Workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph **(1)(a)** above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, Paragraph **(d)** does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Temporary Custodians Of Your Property

Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Legal Representative If You Die

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

e. Unnamed Subsidiary

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

3. Newly Acquired Or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

b. Coverage under this provision does not apply to:

(1) "Bodily injury" or "property damage" that occurred; or

(2) "Personal and advertising injury" arising out of an offense committed

before you acquired or formed the organization.

4. Operator Of Mobile Equipment

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person driving the equipment; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Operator of Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The person(s) or organization(s) identified in Paragraphs **a.** through **f.** below are additional insureds when you have agreed, in a written

contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and made a part of this Coverage Part, including all persons or organizations added as additional insureds under the specific additional insured coverage grants in Section **F.** – Optional Additional Insured Coverages.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

(1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

(a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

(b) Any express warranty unauthorized by you;

(c) Any physical or chemical change in the product made intentionally by the vendor;

(d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Subparagraphs **(d)** or **(f)**; or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors Of Equipment

(1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

(2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

c. Lessors Of Land Or Premises

(1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.

(2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

(a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or

(b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d. Architects, Engineers Or Surveyors

(1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(a) In connection with your premises; or

(b) In the performance of your ongoing operations performed by you or on your behalf.

(2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

(a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(b) Supervisory, inspection, architectural or engineering activities.

e. Permits Issued By State Or Political Subdivisions

(1) Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

(2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

(a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or

(b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

f. Any Other Party

(1) Any other person or organization who is not an insured under Paragraphs **a.** through **e**. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(a) In the performance of your ongoing operations;

(b) In connection with your premises owned by or rented to you; or

(c) In connection with "your work" and included within the "products-completed operations hazard", but only if

(i) The written contract or written agreement requires you to provide such coverage to such additional insured; and

(ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

(2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(b) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds are described in Section **D.** – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section **E.** – Liability And Medical Expenses General Conditions.

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.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. Aggregate Limits

The most we will pay for:

a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.

b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

3. Each Occurrence Limit

Subject to **2.a.** or **2.b** above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

4. Personal And Advertising Injury Limit

Subject to **2.b.** above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. Damage To Premises Rented To You Limit

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

a. The limits of insurance specified in a written contract, written agreement or permit issued by a state or political subdivision; or

b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph **3.** above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. Notice Of Occurrence Or Offense

You or any additional insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

(1) How, when and where the "occurrence" or offense took place;

(2) The names and addresses of any injured persons and witnesses; and

(3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. Notice Of Claim

If a claim is made or "suit" is brought against any insured, you or any additional insured must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

You or any additional insured must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

c. Assistance And Cooperation Of The Insured

You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. Obligations At The Insured's Own Cost

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

e. Additional Insured's Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance.

f. Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs **a.** and **b.** apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to:

(1) You or any additional insured that is an individual;

(2) Any partner, if you or an additional insured is a partnership;

(3) Any manager, if you or an additional insured is a limited liability company;

(4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;

(5) Any trustee, if you or an additional insured is a trust; or

(6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

This Paragraph **f.** applies separately to you and any additional insured.

3. Financial Responsibility Laws

a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.

b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this Coverage Form:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom a claim is made or "suit" is brought.

6. Representations

a. When You Accept This Policy

By accepting this policy, you agree:

(1) The statements in the Declarations are accurate and complete;

(2) Those statements are based upon representations you made to us; and

(3) We have issued this policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

7. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **A.** – Coverages.

(5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion **k.** of Section **A.** – Coverages.

(6) When You Are Added As An Additional Insured To Other Insurance

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs **(a)** and **(b)** do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

8. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer Of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

F. OPTIONAL ADDITIONAL INSURED COVERAGES

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph **6.** (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section **C.**, Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

1. Additional Insured - Designated Person Or Organization

WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

a. In the performance of your ongoing operations; or

b. In connection with your premises owned by or rented to you.

2. Additional Insured - Managers Or Lessors Of Premises

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

(1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. Additional Insured - Grantor Of Franchise

WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

4. Additional Insured - Lessor Of Leased Equipment

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

5. Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

(1) Any "occurrence" that takes place after you cease to lease that land; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

6. Additional Insured - State Or Political Subdivision – Permits

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or

(2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

7. Additional Insured – Vendors

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured - Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. The insurance afforded to the vendor is subject to the following additional exclusions:

(1) This insurance does not apply to:

(a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

(b) Any express warranty unauthorized by you;

(c) Any physical or chemical change in the product made intentionally by the vendor;

(d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Subparagraphs **(d)** or **(f)**; or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

8. Additional Insured – Controlling Interest

WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

a. Their financial control of you; or

b. Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

9. Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(1) In the performance of your ongoing operations for the additional insured(s); or

(2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal an advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(2) Supervisory, inspection, architectural or engineering activities.

10. Additional Insured – Co-Owner Of Insured Premises

WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section **D.** – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section **E.** – Liability And Medical Expenses General Conditions.

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

a. (1) Radio;

(2) Television;

(3) Billboard;

(4) Magazine;

(5) Newspaper;

b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

c. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or

b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".

3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5. "Bodily injury" means physical:

a. Injury;

b. Sickness; or

c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:

a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in **a.** above;

c. All other parts of the world if the injury or damage arises out of:

(1) Goods or products made or sold by you in the territory described in **a.** above;

(2) The activities of a person whose home is in the territory described in **a**. above, but is away for a short time on your business; or

(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory, or in a settlement we agree to.

7. "Electronic data" means information, facts or programs:

a. Stored as or on;

b. Created or used on; or

c. Transmitted to or from

computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

a. The repair, replacement, adjustment or removal of "your product" or "your work"; or

b. Your fulfilling the terms of the contract or agreement.

12. "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, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is subject to the Damage To Premises Rented To You limit described in Section **D.** – Liability and Medical Expenses Limits of Insurance.

b. A sidetrack agreement;

c. Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad;

d. Any obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement; or

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.** includes that part of any contract or agreement 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.

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

(1) 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, designs 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

(2) 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 **(1)** above and supervisory, inspection, architectural or engineering activities.

13. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

14. "Loading or unloading" means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, on which are permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in **a.**, **b.**, **c.**, or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in **a.**, **b.**, **c.**, or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies, committed by or on behalf of its owner, landlord or lessor;

d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral, written or electronic publication of material that violates a person's right of privacy;

f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement";

g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement"; or

h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person.

18. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

19. "Products-completed operations hazard";

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed to be completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or

(2) The existence of tools, uninstalled equipment or abandoned or unused materials.

20. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.

As used in this definition, "electronic data" is not tangible property.

21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

23. "Volunteer worker" means a person who:

a. Is not your "employee";

b. Donates his or her work;

c. Acts at the direction of and within the scope of duties determined by you; and

d. Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

24. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

25. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

(2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WORKERS' COMPENSATION BROAD FORM ENDORSEMENT EXTENDED OPTIONS

Policy Number: 57 WEC AF4NWR **Endorsement Number:**
Effective Date: 02/24/20 Effective hour is the same as stated on the Information Page of the policy.
Named Insured and Address: Excergy Corporation
501 S CHERRY ST STE 1100
DENVER CO 80246

Section I of this endorsement expands coverage provided under WC 00 00 00.
Section II of this endorsement provides additional coverage usually only provided by endorsement.
Section III of this endorsement is a Schedule of Covered States.
You may use the index to locate these coverage features quickly:

INDEX

SUBJECT	PAGE
SECTION I	2
PARTS ONE and TWO	2
01 We Will Also Pay	2
PART - THREE	2
02 How This Insurance Works	2
PART - SIX	2
03 Transfer of Your Rights and Duties	2
04 Cancellation	2
05 Liberalization	2
SECTION II	2
VOLUNTARY COMPENSATION INSURANCE	2
06 Voluntary Compensation Insurance	2
A. How This Insurance Applies	2
B. We Will Pay	3
C. Exclusions	3
D. Before We Pay	3
E. Recovery From Others	3
F. Employers' Liability Insurance	3
EMPLOYERS' LIABILITY STOP GAP ENDORSEMENT	3
07 Employers' Liability Stop Gap Coverage	3
A. Stop Gap Coverage Limited to Montana, North Dakota, Ohio, Washington, West Virginia and Wyoming	3
B. Part One Does Not Apply	3
C. Application of Coverage	3
D. Additional Exclusions	3
E. West Virginia	3
EXTENDED OPTIONS	4
01 Employers' Liability Insurance	4
02 Unintentional Failure to Disclose Hazards	4
03 Waiver of Our Right to Recover from Others	4
04 Foreign Voluntary Compensation	4
A. How This Reimbursement Applies	4
B. We Will Reimburse	4
C. Exclusions	4
D. Before We Pay	5
E. Recovery From Others	5
F. Reimbursement For Actual Loss Sustained	5
G. Repatriation	5
H. Endemic Disease	5
05 Longshore and Harbor Workers' Compensation Act Coverage Endorsement	5
SECTION III	6
01 Schedule of Covered States	6

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SECTION I

PARTS ONE and TWO

1. WE WILL ALSO PAY

D. We Will Also Pay of **Part One** (WORKERS' COMPENSATION INSURANCE); and

E. We Will Also Pay of **Part Two** (EMPLOYERS' LIABILITY INSURANCE) is replaced by the following:

We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend:

1. reasonable expenses incurred at our request, **INCLUDING** loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this law; and
5. expenses we incur.

PART THREE

2. How This Insurance Applies

Paragraph **4.** of **A. How This Insurance Applies** of **Part 3** (Other States Insurance) is replaced by the following:

4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within **sixty** days.

PART SIX

3. Transfer Of Your Rights and Duties

C. Transfer Of Your Rights and Duties of **Part 6** (Conditions) is replaced by the following:

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within **sixty** days after your death, we will cover your legal representative as insured.

4. Cancellation

Paragraph **2.** of **D. Cancellation** of **Part 6** (Conditions) is replaced by the following:

2. We may cancel this policy. We must mail or deliver to you not less than **15** days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.

5. Liberalization

If we adopt a change in this form that would broaden the coverage of this form without extra charge, the broader coverage will apply to this policy. It will apply when the change becomes effective in your state.

SECTION II

VOLUNTARY COMPENSATION AND EMPLOYERS' LIABILITY COVERAGE

6. Voluntary Compensation Insurance

A. How This Insurance Applies

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must be sustained by any officer or employee not subject to the workers' compensation law of any state shown in Item 3.A. of the Information Page.
2. The bodily injury must arise out of and in the course of employment or incidental to work in a state shown in Item 3.A. of the Information Page.
3. The bodily injury must occur in the United States of America, its territories or possessions, or Canada, and may occur elsewhere if the employee is a United States or Canadian citizen, or otherwise legal resident, and legally employed, in the United States or Canada and temporarily away from those places.

4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of the officer's or employee's employment. The officer's or employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay an amount equal to the benefits that would be required of you as if you and your employees were subject to the workers' compensation law of any state shown in Item 3.A. of the Information Page. We will pay those amounts to the persons who would be entitled to them under the law.

C. Exclusion

This insurance does not cover:

1. any obligation imposed by workers' compensation or occupational disease law or any similar law.
2. bodily injury intentionally caused or aggravated by you.
3. officers or employees who have elected not to be subject to the state workers' compensation law.
4. partners or sole proprietors not covered under the Standard Sole Proprietors, Partners, Officers and Others Coverage Endorsement.

D. Before We Pay

Before we pay benefits to the persons entitled to them, they must:

1. Release you and us, in writing, of all responsibility for the injury or death.
2. Transfer to us their right to recover from others who may be responsible for the injury or death.
3. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits of this insurance fail to do those things, our duty to pay ends at once. If they claim damages from you or from us for the injury or death, our duty to pay ends at once.

E. Recovery From Others

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we paid. We will pay the balance to the persons entitled to it. If the persons entitled to the benefits of this insurance make a recovery from others, they must reimburse us for the benefits we paid them.

F. Employers' Liability Insurance

Part Two (Employers' Liability Insurance) applies to bodily injury covered by this endorsement as though the State of Employment was shown in Item 3.A. of the Information Page.

This provision 6. does not apply in New Jersey or Wisconsin.

EMPLOYERS' LIABILITY STOP GAP COVERAGE

7. Employers' Liability Stop Gap Coverage

A. This coverage only applies in Montana, North Dakota, Ohio, Washington, West Virginia and Wyoming.

B. Part One (Workers' Compensation Insurance) does not apply to work in states shown in Paragraph A above.

C. Part Two (Employers' Liability Insurance) applies in the states, shown in Paragraph A., as though they were shown in Item 3.A. of the Information Page.

D. Part Two, Section C. **Exclusions** is changed by adding these exclusions.

This insurance does not cover;

5. bodily injury intentionally caused or aggravated by you or in Ohio bodily injury resulting from an act which is determined by an Ohio court of law to have been committed by you with the belief than an injury is substantially certain to occur. However, the cost of defending such claims or suits in Ohio is covered.
13. bodily injury sustained by any member of the flying crew of any aircraft.
14. any claim for bodily injury with respect to which you are deprived of any defense or defenses or are otherwise subject to penalty because of default in premium under the provisions of the workers' compensation law or laws of a state shown in Paragraph A.

E. This insurance applies to damages for which you are liable under West Virginia Code Annot. S 23-4-2.

EXTENDED OPTIONS

1. Employers' Liability Insurance

Item 3.B. of the **Information Page** is replaced by the following:

B. Employers' Liability Insurance:

1. **Part Two** of the policy applies to work in each state listed in Item 3.A.

   The Limits of Liability under Part Two are the higher of:

Bodily Injury by Accident	**$500,000**	**Each Accident**
Bodily Injury by Disease	**$500,000**	**Policy Limit**
Bodily Injury by Disease	**$500,000**	**Each Employee**

OR

2. The amount shown in the Information Page.

This provision 1 of **EXTENDED OPTIONS** does not apply in New York because the Limits Of Our Liability are unlimited.

In this provision the limits are changed from **$500,000** to **$1,000,000** in California.

2. Unintentional Failure to Disclose Hazards

If you unintentionally should fail to disclose all existing hazards at the inception date of your policy, we shall not deny coverage under this policy because of such failure.

3. Waiver of Our Right To Recover From Others

A. 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 any person or organization for whom you perform work under a written contract that requires you to obtain this agreement from us.

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

B. This provision 3. does not apply in the states of Pennsylvania and Utah.

4. Foreign Voluntary Compensation and Employers' Liability Reimbursement

A. How This Reimbursement Applies

This reimbursement provision applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must be sustained by an officer or employee.
2. The bodily injury must occur in the course of employment necessary or incidental to work in a country not listed in Exclusion C.1. of this provision.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The officer or employee's last exposure to those conditions of your employment must occur during the policy period.

B. We Will Reimburse

We will reimburse you for all amounts paid by you whether such amounts are:

1. voluntary payments for the benefits that would be required of you if you and your officers or employees were subject to any workers' compensation law of the state of hire of the individual employee.
2. sums to which Part Two (Employers' Liability Insurance) would apply if the Country of Employment were shown in Item 3.A. of the Information Page.

C. Exclusions

This insurance does not cover:

1. any occurrences in the United States, Canada, and any country or jurisdiction which is the subject of trade or economic sanctions imposed by the laws or regulations of the United States of America in effect as of the inception date of this policy.
2. any obligation imposed by a workers' compensation or occupational disease law, or similar law.
3. bodily injury intentionally caused or aggravated by you.

4. liability for any consequence, whether direct or indirect, of war, invasion, act of Foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power. No endorsement now or subsequently attached to this policy shall be construed as overriding or waiving this limitation unless specific reference is made thereto.

D. Before We Pay

Before we reimburse you for the benefits to the persons entitled to them, you must have them:

1. release you and us, in writing, of all responsibility for the injury or death,
2. transfer to us their right to recover from others who may be responsible for their injury or death,
3. cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits paid fail to do these things, our duty to reimburse ends at once. If they claim damages from us for the injury or death, our duty to reimburse ends at once.

E. Recovery From Others

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we reimbursed. We will pay the balance to the persons entitled to it. If persons entitled to the benefits make a recovery from others, they must repay us for the amounts that we have reimbursed you.

F. Reimbursement for Actual Loss Sustained

This endorsement provides only for reimbursement for the loss you actually sustain. In order for you to recover loss or expenses under this reimbursement you must:

1. actually sustain and pay the loss or expense in money after trial, or
2. secure our consent for the payment of the loss or expense.

G. Repatriation

Our reimbursement includes the additional expenses of repatriation to the United States of America necessarily incurred as a direct result of bodily injury.

Our reimbursement shall be limited as follows:

1. to the amount by which such expenses exceed the normal cost of returning the officer or employee if in good health, or
2. in the event of death, to the amount by which such expenses exceed the normal cost of returning the officer or employee if alive and in good health.

In no event shall our reimbursement exceed the bodily injury by accident limit shown in Item 3.B. of the Information Page as respects any one such officer or employee whether dead or alive.

H. Endemic Disease

The word “disease” includes any endemic diseases.

The coverage applies as if endemic diseases were included in the provisions of the workers’ compensation law.

5. Longshore and Harbor Workers’ Compensation Act Coverage

General Section C. Workers’ Compensation Law is replaced by the following:

C. Workers’ Compensation Law

Workers’ Compensation Law means the workers or workers’ compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page and the Longshore and Harbor Workers’ Compensation Act (33 USC Sections 901-950). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal workers or workers’ compensation law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers’ Liability Insurance), C. Exclusions, exclusion 8, does not apply to work subject to the Longshore and Harbor Workers’ Compensation Act.

This coverage does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

SECTION III

1. SCHEDULE OF COVERED STATES

A. This endorsement only applies in the states listed in this Schedule of Covered States.

B. If a state, shown in Item 3.A. of the Information Page, approves this endorsement after the effective date of this policy, this endorsement will apply to this policy. The coverage will apply in the new state on the effective date of the state approval.

C. Schedule of Covered States:

OR

Countersigned by _____

Authorized Representative

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 08/05/2020

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

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

PRODUCER

Hiscox Inc.
520 Madison Avenue
32nd Floor
New York, NY 10022

CONTACT NAME:
PHONE (A/C, No, Ext): (888) 202-3007 **FAX (A/C, No):**
E-MAIL ADDRESS: contact@hiscox.com

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A :	Hiscox Insurance Company Inc	10200
INSURER B :		
INSURER C :		
INSURER D :		
INSURER E :		
INSURER F :		

INSURED

Excergy Corporation
25457 Red Cloud Dr
CONIFER, CO 80433

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	CLAIMS-MADE OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE OTH-ER	
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Professional Liability	Y		UDC-1500537-EO-19	10/07/2019	10/07/2020	Each Claim: Aggregate:	$ 2,000,000 $ 2,000,000

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

CERTIFICATE HOLDER

City of Galveston
823 Rosenberg, Room 203
Galveston TX 77553

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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CERTIFICATE OF INTERESTED PARTIES

FORM 1295

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2020-653085

Date Filed:
08/04/2020

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Excergy Corporation
Denver, CO United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Galveston

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

COG-CON-20-120
Study and Recommendations for AMI

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO Interested Party. [X]

6 UNSWORN DECLARATION

My name is James Ketchledge, and my date of birth is 11/5/63.

My address is 501 S. Cherry St, Suite 1100 (street), Denver (city), CO (state), 80246 (zip code), USA (country).

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Jefferson County, State of Colorado, on the 6 day of August (month), 2020 (year).

Signature of authorized agent of contracting business entity
(Declarant)

City of Galveston

Architectural Projects
STAFF REPORT

August 20, 2020

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: Dudley Anderson, Building Program Manager

RE: Consider approval to authorize the City Manager to amend the current design agreement for professional services of Brown Reynolds Watford Architects, Inc for renovations to City Hall and reduce the fee $445,965.04. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

I. Background

A. The City Hall Annex was demolished in late spring 2020 after the new Fire Station #1 was completed and the Annex vacated. Efforts were begun to renovate City Hall and address some long standing issues.

B. City Council approved Brown Reynolds Watford Architects, Inc. (BRW) to provide design services for the renovations to City Hall renovations on September 13, 2018. That design contract was for $860,000. The anticipated construction budget was approximately $7,000,000.

C. A variety of events occurred that reduced available funding for this project and the scope was reduced to provide necessary sanitary facilities and increase accessibility for staff and public. This negated the need to continue with the design effort to completely renovate the interior of City Hall.

D. City Staff renegotiated both scope of services and fee for services with BRW to provide necessary design services to fit the significantly reduced scope from the original contract.

II. Current Situation

A. Funding for the City Hall renovations was reduced and the need for complete design of all 4 floors of City Hall is not feasible at this time.

B. BRW has agreed to reduce the overall design fee. This amendment to the agreement reduces the agreement $445,965.04. Those funds can be redirected to other more critical efforts for the City of Galveston.

C. This agreement was used to provide design service for the new plaza west of City Hall. The $58,000 cost of that effort is included in the new fee scope.

D. The current renovations have provided restrooms on the 1st and 3rd floor of City Hall and design of the plaza west of City Hall.

E. BRW's obligations under this agreement will be complete after construction of the Plaza is complete. They provided conceptual designs of life safety issues for City Hall, design and oversight of construction of the sanitary facilities, mapping of City Hall to aid City staff in future planning, design of options for the screen wall west of City Hall, and design of the City Hall Plaza.

F. BRW's fee with the amended scope will be $414,034.96 a reduction of $445,965.04 from the original fee of $860,000.

III. Issues - none

V. Alternatives in order of priority

A. Approve authorizing the City Manager to amend the current design agreement for professional services of Brown Reynolds Watford Architects, Inc for renovations to City Hall and reduce the agreed fee $445,965.04. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

B. Do not approve the amendment to the agreement.

VI. Recommendation

Approve authorizing the City Manager to amend the current design agreement for professional services of Brown Reynolds Watford Architects, Inc for renovations to City Hall and reduce the agreed fee $445,965.04. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

VII. Fiscal ImpactReport

Requested by: J. Dudley Anderson, RA, Building Program Manager

Funding Source: Recovery and Capital Reserves

Costs of implementation: ($445,965.04)

Respectfully submitted,

J. Dudley Anderson
Building Program Manager

AIA® Document G802™ – 2017

Amendment to the Professional Services Agreement

PROJECT: *(name and address)*	AGREEMENT INFORMATION:	AMENDMENT INFORMATION:
Galveston City Hall Renovation and Upgrades BRW Project No.: 218129.00	Date: October 1, 2018	Amendment Number: 1 Date: June 30, 2020
OWNER: *(name and address)* City of Galveston Purchasing Department 823 Rosenbert Street, Room 306 Galveston, TX 77550	**ARCHITECT:** *(name and address)* Brown Reynolds Watford Architects, Inc. Century Square - Building B 175 Century Square Drive, Suite 350 College Station, TX 77840	

The Owner and Architect amend the Agreement as follows:
Change in scope - City of Galveston City Hall Project - Addition/renovation of Restrooms

The Architect's compensation and schedule shall be adjusted as follows:

Compensation Adjustment:

Original Contract Dated 10/1/2018 Scope of project changed/reduced at 75% Schematic Design to Addition/Renovation of Restrooms only.	$860,360.00
Amendment 1 - Reduction in Scope - Restroom Renovations / Screen Wall Deduct for reduction in scope from full building renovation to restroom renovation, screen wall design, parking lot design and plaza design.	($120,605.04)

- Assessment and conceptual planning of entire building renovation remains in the scope of the contract and was already completed at the time the reduction in scope occurred.

- Scope of renovations is reduced from entire building to approximately 500 SF of restroom renovation on the first floor and approximately 1,500 SF of restroom, office, and IT room renovation on the 3rd floor.

- Scope is added for design of a masonry screening wall to screen mechanical and electrical equipment on the west side of City Hall.

- Scope is added for design and construction administration of approximately 30,000 SF of additional parking and paving on the west side of City Hall, including landscaping and irrigation.

- Scope is added for design and construction administration of approximately 14,000 SF public plaza on the west side of City Hall, including landscaping and irrigation, hardscape, and stairs and ramp leading to the back entrance.

Delete Additional Services: Options 5 & 6	($325,360.00)
TOTAL New Contract Amount	$414,394.96

Schedule Adjustment:
Not Applicable.

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User Notes:
(3B9ADA3B)

SIGNATURES:

Brown Reynolds Watford Architects, Inc.	City of Galveston, Texas
ARCHITECT *(Firm name)*	**OWNER** *(Firm name)*
Ray Holliday	
SIGNATURE	**SIGNATURE**
Ray Holliday, AIA, Principal	Brian Maxwell, City Manager
PRINTED NAME AND TITLE	**PRINTED NAME AND TITLE**
DATE	**DATE**

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BRW

AIA® Document G802™ – 2017

Amendment to the Professional Services Agreement

PROJECT: *(name and address)*	AGREEMENT INFORMATION:	AMENDMENT INFORMATION:
Galveston City Hall Renovation and Upgrades BRW Project No.: 218129.00	Date: October 1, 2018	Amendment Number: 1 Date: June 30, 2020
OWNER: *(name and address)* City of Galveston Purchasing Department 823 Rosenbert Street, Room 306 Galveston, TX 77550	**ARCHITECT:** *(name and address)* Brown Reynolds Watford Architects, Inc. Century Square - Building B 175 Century Square Drive, Suite 350 College Station, TX 77840	

The Owner and Architect amend the Agreement as follows:
Change in scope - City of Galveston City Hall Project - Addition/renovation of Restrooms

The Architect's compensation and schedule shall be adjusted as follows:

Compensation Adjustment:

Original Contract Dated 10/1/2018 Scope of project changed/reduced at 75% Schematic Design to Addition/Renovation of Restrooms only.	$860,360.00
Amendment 1 - Reduction in Scope - Restroom Renovations / Screen Wall Deduct for reduction in scope from full building renovation to restroom renovation, screen wall design, parking lot design and plaza design.	($120,605.04)

- Assessment and conceptual planning of entire building renovation remains in the scope of the contract and was already completed at the time the reduction in scope occurred.

- Scope of renovations is reduced from entire building to approximately 500 SF of restroom renovation on the first floor and approximately 1,500 SF of restroom, office, and IT room renovation on the 3rd floor.

- Scope is added for design of a masonry screening wall to screen mechanical and electrical equipment on the west side of City Hall.

- Scope is added for design and construction administration of approximately 30,000 SF of additional parking and paving on the west side of City Hall, including landscaping and irrigation.

- Scope is added for design and construction administration of approximately 14,000 SF public plaza on the west side of City Hall, including landscaping and irrigation, hardscape, and stairs and ramp leading to the back entrance.

Delete Additional Services: Options 5 & 6	($325,360.00)
TOTAL New Contract Amount	$414,394.96

Schedule Adjustment:
Not Applicable.

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SIGNATURES:

Brown Reynolds Watford Architects, Inc.	City of Galveston, Texas
ARCHITECT *(Firm name)*	**OWNER** *(Firm name)*
Ray Holliday	
SIGNATURE	**SIGNATURE**
Ray Holliday, AIA, Principal	Brian Maxwell, City Manager
PRINTED NAME AND TITLE	**PRINTED NAME AND TITLE**
DATE	**DATE**

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City of Galveston

CAPITAL PROJECTS
STAFF REPORT

August 19, 2020

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: J. Dudley Anderson, Building Program Manager

RE: Consider for approval Change Order No. 6 to the contract with Main Lane Industries, Ltd., for the 45th Street Improvements from Broadway to Seawall Boulevard project, increasing the contract by $220,580.09 (2.45%) from the amount of $10,639,574.35 to a new total amount of $10,860,154.44. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

I. <u>Background</u>

A. The design and reconstruction of 45th Street was included in the City of Galveston Capital Improvement Plan.
B. This project includes rebuilding the roadway, installing larger inlets and lateral storm sewer system components to improve drainage, and replacement of aged water and sewer lines. Also included in the design are sidewalks and ADA ramps, bicycle and parking lanes.
C. On 25 May 2017, the City Council approved Arceneaux, Wilson, and Cole, LLC. to perform engineering design for the 45th Street Improvements from Broadway to Seawall Boulevard project.
D. The City Council awarded a contract with Main Lane Industries, Ltd. in the amount of $8,994,097.00 on 13 December 2018 for the construction of this project.
E. The contract was increased by $854,026.00 (9.5%) to the amount of $9,848,123.00 in Change Order No. 1 on 28 February 2019. This change provided the rebuild of 45th as concrete paving instead of asphalt.
F. The contract was increased by $172,130.00 (1.91%) to the amount of $10,020,253.00 in Change Order No. 2 on 16 July 2019. This change increased the size of the water line from 8" to 12" on certain portions of 45th Street.
G. The contract was increased by $359,018.80 (3.99%) to the amount of $10,379,271.80 in Change Order No. 3 on October 8, 2019. This change increased the capacity of the underground storm sewer system from Avenue K to Avenue N to improve drainage and avoid the probability of replacing the existing line at a higher cost later. The cumulative cost of change orders through CO#3 were 15.4%.
H. The contract was increased by $147,051.53 (1.64%) to the amount of $10,526,323.33 in Change Order No. 4 on January 27, 2020 to provide for Storm Sewer system south of Avenue N on 45th Street and additional sanitary sewer line replacement. The cumulative cost of change orders through CO#4 were 17.04%.
I. The contract was increased with Change Order No. 5 by $113,251.02 (1.26%) from the amount of $10,526,323.33 to a new total amount of $10,639,574.35 March 25, 2020. The cumulative cost of change orders through CO#5 is 18.30%.

II. Current Situation

A. Street pavement has been completed and traffic is moving north and south on 45th Street.
B. The project schedule has been maintained and construction of curbs, sidewalks, and driveways are near complete.
C. The next step in the project is to install decorative light fixtures (3,000K) along the street. These fixtures have been purchased from CenterPoint.
D. The original design of 45th Street included a type of decorative street light that required a foundation 48" deep. The final design included fewer fixtures that are taller and require a deeper foundation required by CenterPoint. The deeper foundation requires dewatering and/or extensive formwork to install. That increases the foundation cost and results in this request for additional cost from the Contractor.
E. Multiple options for procurement of these foundations have been explored by the Construction group and the current request from the current contractor has been established as a competitive cost for this work.
F. The foundations are required now to avoid prolonging the schedule and incurring cost for delays.
G. AWC (design engineer) has recommended approval of this request

III. Impact or ramifications:

The proposal will allow completion of construction for rebuilding 45th Street from Broadway to Seawall.

IV. Alternatives in order of priority

A. Approve Change Order No. 6 to the contract with Main Lane Industries, Ltd., for the 45th Street Improvements from Broadway to Seawall Boulevard project, increasing the contract by $220,580.09 (2.45%) from the amount of $10,639,574.35 to a new total amount of $10,860,154.44. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.
B. Do not approve the request.

V. Recommendation

Approve Change Order No. 6 to the contract with Main Lane Industries, Ltd., for the 45th Street Improvements from Broadway to Seawall Boulevard project, increasing the contract by $220,580.09 (2.45%) from the amount of $10,639,574.35 to a new total amount of $10,860,154.44. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

VI. Fiscal Impact Report

Requested by: J. Dudley Anderson
Building Program Manager

Funding Source:

General Obligation Bonds			
Construction	$	7,744,935.44	(increase of $220,580.09)
Contingency	$	0	
Inspection	$	130,000.00	
Materials Testing (est.)	$	60,000.00	
Water / Sewer Bonds			
Construction	$	2,757,700.00	
Contingency	$	60,000.00	
Inspection	$	12,000.00	
Cost of implementation:		**$ 10,764,635.44**	

Respectfully Submitted,

J. Dudley Anderson
Building Program Manager

City of Galveston

45th Street Improvements (Broadway – Seawall)

Construction Contract Change Order Number 6

Consultant:	Owner:	Contractor:
Arceneaux Wilson & Cole LLC 2901 Turtle Creek Drive, Suite 320 Port Arthur, Texas 77642 Phone No.: 409.724.7888	City of Galveston 823 Rosenberg Galveston, Texas 77550 Phone No.: 409.797.3630	Main Lane Industries, Ltd. 14115 Luthe Rd., Suite 100 Houston, TX 77039 Phone No.: 713.896.3141 NTP Date: 2/25/19

Change in Contract Price		Change in Contract Time (Calendar Days)	
Original Contract Price:	$ 8,994,097.00	Original Contract Time:	365 days
Previous Change Order(s): No. 1 to No. 5	$ 1,645,477.35	Net Change From Previous Change Orders:	276 days
Contract Price Prior to this Change Order:	$ 10,639,574.35	Contract Time Prior to this Change Order:	641 days
Net Increase/~~Decrease~~ of this Change Order:	$ 220,580.09	Net ~~Increase/Decrease~~ of this Change Order:	0 days
Contract Price With all Approved Change Orders:	$ 10,860,154.44	Contract Time With all Change Orders:	641 days
Cumulative Percent Change in Contract Price (+/-):	+ 20.75%	Construction Contract End Date: (mm/dd/yy)	11/27/20

RECOMMENDED:	APPROVED:	ACCEPTED:
By: _____ ARCENEAUX WILSON & COLE	By: _____ CITY OF GALVESTON	By: _____ MAIN LANE INDUSTRIES
Date: 08/10/2020	Date: _____	Date: 8-19-20

NOTE: A cumulative change in the contract price in excess of 25% cannot be reviewed.

ARCENEAUX WILSON & COLE
engineering | surveying | planning

August 19, 2020

Mr. Dudley Anderson
City of Galveston
823 Rosenburg
Room 205
Galveston, Texas 77550

RE: **45th Street Improvements from Broadway to Seawall**
CHANGE ORDER NO. 6, AWC Job No. COG-150

Dear Mr. Anderson:

Arceneaux Wilson & Cole, LLC has reviewed the Change Order No. 6 for the 45th Street Improvements from Broadway to Seawall project and recommends approval of the construction contract changes. We provide the following explanations for the proposed changes to the contract scope and associated cost.

Regarding this Change Order time and cost, the overall result for this change order is to increase the contract amount by $220,580.09. These costs include the following changes in quantities:

Revising the cost associated with the Roadway Illumination Bases due to a change in design. Cost Proposal 18 (Attached)

- Bid Item 80 – Delete 164 EA ~ Roadway Illumination Base @ $450/EA (-$73,800.00)
- *New Bid Item 80a – Add 107 EA ~ Roadway Illumination Base 18x7 @ $2,414.18/EA ($258,317.26)

Adding cost to install a retaining wall in areas where erosion was a concern with the reduced curb heights. These retaining walls were installed between Avenue T and Avenue U. Cost Proposal 19 (Attached)

- *New Bid Item 124 – Add 697 LF ~ 24" Retaining Wall @ $40.65/LF ($28,333.05)

Adding cost associated with replacing exposed aggregate sidewalk which originally was going to be regular concrete. This was replaced to enhance the appearance for the community. Cost Proposal 20 (Attached)

- *New Bid Item 125 – Add 65 SY ~ Exposed Aggregate Sidewalk @ $83.63/SY ($5,435.82)

To replace the storm box top at Fort Crocket Blvd to allow for access. This system was located during excavation and there was no street access for maintenance. Cost Proposal 23 (Attached)

- *New Bid Item 126 – Add 1 LS ~ Fort Crocket Storm Box Top @ $2,293.96/LS ($2,293.96)

409.724.7888
2901 Turtle Creek Dr., Suite 320
Port Arthur, TX 77642
awceng.com

Engineering F-16194 **Surveying** 10194049

I have attached Change Order No. 6 which modifies the contract to reflect this change for your consideration and action. Should you have any questions or require additional information, please contact our office.

Very truly yours,
Arceneaux Wilson & Cole LLC
TEXAS REGISTERED ENGINEERING FIRM F-16194

Marc Ochoa, P.E.
Senior Project Manager

City of Galveston

CAPITAL PROJECTS
STAFF REPORT

August 18, 2020

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: J. Dudley Anderson, Building Program Manager

Re: Consider for approval Change Order #7 to the contract with Construction LTD, for the Fire Station #1 New Site Construction and Existing Site Demolition project increasing the contract by $422,505.00 from the amount of $11,103,128.03 to the amount of $11,525,633.03 and extending the contract term by 30 days. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

I. <u>Background</u>

A. The U.S. Department of Housing and Urban Development approved the State's amended action plan for $1.7 billion in second round disaster recovery funding associated with Hurricane Ike and Dolly.
B. The amended state plan allocates $1.032 billion to the Houston-Galveston Area Council region.
C. Because of the age and unsuitability of the existing Fire Station #1 and City Hall Annex, it is desired to build a new, state of the art fire station.
D. The construction of a new Fire Station #1 and the subsequent demolition of the existing fire station was therefore identified as work to be funded by the CDBG Disaster Recovery Non-Housing Round 2.2 program.
E. The General Land Office approved O'Malley Strand Associates, Inc. to provide engineering and architectural design services for the Fire Station #1 New Site Construction and Existing Site Demolition project.
F. Construction LTD was awarded the contract by Council on September 28, 2017 in the amount of $9,621,500.00.
G. The contract was increased $4,205.00 (0.04%) to $9,625,705.00 in Change Order #1.
H. Change Order #2 increased the contract amount $72,639.00 (0.75%) to $9,698,344.00 and included demolition work required to provide for the restroom facilities in City Hall to allow for demolition of the City Hall Annex. The City of Galveston chose to utilize this existing contract to expedite and better coordinate the work required for demolition of City Hall Annex and connectivity between City Hall and the new Fire Station #1.
I. Change Order #3 increased the contract amount $176,828.00 (1.84%) to $9,875,172.00 and included construction cost for Phase 1B to provide for revisions to the tele/data system and renovations for 3rd floor offices adjacent the future restrooms on the 3rd floor of City Hall.
J. Change Order #4 included a variety of items in the original proposal that were deferred until this time increasing the construction cost $165,784.00 (1.72%) and adding 94 calendar days to the contract.
K. Change Order #5 provided a variety of items including but not limited to the build out of the Training Room on the 2nd floor of FS1, dehumidifiers in the attic space, asbestos abatement for the old Public Safety Bldg., and 1st and 3rd floor restrooms in City Hall increased the contract with Construction LTD, for the Fire Station #1 New Site Construction and Existing Site

Demolition project increasing the contract by $950,434.03 and extending the contract term by 217 days.

L. Change Order #6 provided a variety of items including but not limited to adding an exhaust fan in the Janitor Room, adding security cameras, replacing the gas service at City Hall to install the screen wall, replacing the water service to City Hall to install the screen wall, provide SS partitions in City Hall restrooms, make emergency repairs to the chiller foundation due to demolition activity, and provide slope in City Hall restroom floors increasing the contract by $111,738.00 and extending the contract term by 60 days.

II. Current Situation

A. Funding from CDBG Round 1 has been added to the available funding for this and 3 other Round 2.2 projects under construction for the City of Galveston. These projects were reduced from the desired scope to meet available Round 2.2 funding. That funding has now increased but cannot be utilized on any new projects. The ability to utilize that funding on the Fire Station #1 New Site Construction and Existing Site Demolition project has allowed the City to add scope into the project and enhance its value.

B. This change order addresses increasing the scope of work to more fully utilize available funding by providing items more fully described in the attached Engineer of Record recommendation.

C. The proposed work for this Change Order are items identified and recommended by a combination of City staff, the design firm, or the General Contractor.

D. Construction LTD has submitted a proposal for these changes in the amount of $422,505.00.

E. Construction LTD is requesting an additional 30 calendar days to complete this phase of the work.

III. Issues

The contract for construction of the Fire Station is being utilized to construct restrooms in City Hall and construct a public plaza on the west side of City Hall in the location of the recently demolished City Hall Annex. All of the work is time sensitive and must be complete by the end of 2020.

We anticipate a separate project to provide for the completion of the public plaza west of City Hall. That work will have a separate funding source.

IV. Alternatives in order of priority

A. Approve Change Order #7 to the contract with Construction LTD, for the Fire Station #1 New Site Construction and Existing Site Demolition project increasing the contract by $422,505.00 from the amount of $11,103,128.03 to the amount of $11,525,633.03 and extending the contract

term by 30 days. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

B. Do not approve the change order.

V. Recommendation

Approve Change Order #7 to the contract with Construction LTD, for the Fire Station #1 New Site Construction and Existing Site Demolition project increasing the contract by $422,505.00 from the amount of $11,103,128.03 to the amount of $11,525,633.03 and extending the contract term by 30 days. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

VI. Fiscal Impact Report

Requested by: J. Dudley Anderson
Building Program Manager

Funding Source: CDBG DR Non-Housing Round 2.2

Construction Cost	$	10,663,447.03	(increase of $415,513.00)
Inspection	$	395,396.00	
Infrastructure			
Construction	$	841,652.00	(increase of $6,992.00)
Inspection	$	5,000.00	
Total Cost of Implementation	$	11,905,495.03	

Respectfully Submitted,

J. Dudley Anderson, Building Program Manager

Texas General Land Office
Disaster Recovery

Construction Contract Change Order Request Form

Engineer:	Owner (Contractor Locality):	Contractor:
O'Malley Strand Associates, Inc. 203 South Jackson Brehnam, TX 77833 Phone No.: (979) 836-7937	City of Galveston 823 Rosenberg Galveston, TX 77553 Phone No.: (409) 797-3520	Construction LTD 1825 Upland Houston, TX 77043 Phone No.: (713) 984-9444 Agreement Date: 11/20/17
Date: August 19, 2020 Project Code No.: P21562A-10 Bid Package No.: 9659_BID1	Contract For (Project Description): Fire Station No. 1 New Site Construction and Fire Station No. 1 Existing Site Demolition/Clearance/Reuse	GLO Contract No.: 15-081-000-8748 Change Order No.: 07

You are hereby requested to comply with the following changes from the contract plans and specifications:

Item No.	Description of Changes: Quantities, Units, Unit Prices, Change in Completion Scheduled, Etc.	Decrease in Contract Price	Increase in Contract Price
57	Misc. Steel		$21,761.00
92	Finish Hardware		$3,310.00
167	Building Lighting – Labor		$1,903.00
183	CH Restrooms – Phase 2 (non CDBG qualifying costs)		$6,992.00
184	Demo and site revision for east parking area		$388,539.00

Change in Contract Price		Change in Contract Time (Calendar Days)	
Original Contract Price:	$9,621,500.00	Original Contract Time:	470 days
Previous Change Order(s): No. 01 to No. 06	$1,481,628.03	Net Change From Previous Change Orders:	494 days
Contract Price Prior to this Change Order:	$11,103,128.03	Contract Time Prior to this Change Order:	964 days
Net Increase of this Change Order:	$422,505.00	Net Increase of this Change Order:	30 days
Contract Price With all Approved Change Orders:	$11,525,633.03	Contract Time With all Change Orders:	994 days
Cumulative Percent Change in Contract Price (+/-):	19.79%	Grantee Contract End Date: (mm/dd/yy)	12 / 31 / 20
Construction Contract Start Date: (mm/dd/yy)	01 / 02 / 18	Construction Contract End Date: (mm/dd/yy)	9 / 22 / 20

Reimbursements of costs included in this change order are subject to review by the GLO-DR program.

*** This document may be executed prior to submission for GLO-DR program review, but all parties involved will be held responsible if the change order or the amendment warranted as a result of this change order is not in compliance with CDBG or HUD requirements.**

RECOMMENDED:	APPROVED:	ACCEPTED:
By:	By:	By:
O'MALLEY STRAND	CITY OF GALVESTON	CONSTRUCTION LTD
Date: 8.18.2020	Date:	Date: 8-18-2020

JUSTIFICATION FOR CHANGE

1. Will this Change Order increase or decrease the number of beneficiaries? ☐ Increase ☐ Decrease ☒ No Change

   If there is a change, how many beneficiaries will be affected? Total ____ L/M ____

2. Effect of this change on scope of work: ☒ Increase ☐ Decrease ☐ No Change
3. Effect on operation and maintenance costs: ☐ Increase ☐ Decrease ☒ No Change
4. Are all prices in the change order dependent upon unit prices found in the original bid? ☐ Yes ☒ No

   If "No", explain: Original bid did not include unit prices. The pricing provided is competitive.

5. Has this change created new circumstances or environmental conditions which may affect the project's impact, such as concealed or unexpected conditions discovered during actual construction? ☐ Yes ☒ No

   If "Yes", is an Environmental Re-assessment required?

6. Is the Texas Commission on Environmental Quality (TCEQ) clearance still valid? (if applicable) ☐ Yes ☐ No
7. Is the TCEQ permit approval still valid? (sewer projects only) ☐ Yes ☐ No
8. Are the handicapped access requirements/approval still valid? (if applicable) ☒ Yes ☐ No
9. Are other Disaster Recovery contractual special condition clearance still valid? ☐ Yes ☐ No

   (If no, specify):

NOTE: *Generally, a cumulative change in the contract price in excess of 25% cannot be reviewed (18% **decrease** for counties).

STRAND ASSOCIATES®

Strand Associates, Inc.®
1906 Niebuhr Street
Brenham, TX 77833
(P) 979-836-7937

August 18, 2020

Mr. Dudley Anderson
City of Galveston
2514 Sealy Avenue
Galveston, TX 77550

Re: Fire Station No. 1 New Site Construction and Existing Site Demolition
General Land Office (GLO) Contract No. 15-081-000-8748
City of Galveston, Texas (City)

Dear Dudley,

Enclosed is the Texas GLO Construction Contract Change Order Request Form for proposed Change Order No. 7. The request form lists proposed Change Order No. 7 items and their increases in Contract price. Proposed Change Order No. 7 results in an increase to the Contract. The original Contract amount was $9,621,500.00. The Contract amount before Change Order No. 7 was $11,103,128.03. The Contract price with proposed Change Order No. 7 is $11,525,633.03, resulting in a net increase of $422,505.00. The proposed Change Order No. 7 has been reviewed and it is recommended the City approve this proposed change order.

Please call me at (979) 836-7937 with any questions.

Sincerely,

STRAND ASSOCIATES, INC.®

Kelly M. Hajek, P.E.

Enclosures

DEG:cdj\S:\BRE\4200--4299\4295\001\PDF\Construction\Change Order\7\Change Order No. 7 Recommendation Letter.docx

TBPE No. F-8405
TBPLS No. 10030000

CHANGE ORDER 07 DOCUMENTATION LOG

PROJECT: Galveston Fire Station No. 1
PROJECT NO.: 215175.00
CONTRACTOR: Construction LTD
PRINT DATE: 08/19/20

BROWN REYNOLDS WATFORD ARCHITECTS BRW

PROPOSAL REQUEST		PROPOSAL		DESCRIPTION	ADDITIONAL DAYS REQUESTED	ADDITIONAL DAYS APPROVED	PROPOSED CHANGE AMOUNT	REMARKS
NO.	DATE	NO.	DATE					
PR 51	07/09/20	**51-R3**	08/03/20	Add parking east of 26th street	135	22	$388,539.00	184 - Firemean parking east of Fire Station #1
RFI 80	07/08/20	**52-R1**	08/14/20	Modify screen wall design to avoid existing chiller pipe, add flashing & bird spikes, modify doors	34	5	$21,761.00	57 Misc. Steel
PR 53	07/21/20	**53.1**	08/05/20	Add rabbeted thresholds to 14 exterior doors	5	1	$3,310.00	92 Finish Hardware
		53.2	08/05/20	Relocate light switches in officer bedrooms	5	1	$1,903.00	167 Building Lighting - Labor
		-	07/13/20	Add HVAC controls for City Hall Restrooms (non CDBG qualifying costs)	7	1	$6,992.00	183 - non CDBG Restrooms - Phase 2
				Totals:		**30**	**$422,505.00**	

City of Galveston

CAPITAL PROJECTS
STAFF REPORT

August 18, 2020

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: J. Dudley Anderson, Building Program Manager

RE: Consider approval of Change Order #02 with Angel Brothers Enterprises Ltd., for the 49th Street Improvements from Ave P to Ave S 1/2 project (RFP #19-29) increasing the contract by $74,867.50 from the amount of $3,623,716.93 to the amount of $3,698,584.43 (a cumulative increase of 1.33% from the original contract sum). Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

I. Background

A. The design and reconstruction of 49th Street from Ave P to Ave S ½ was included in the City of Galveston Capital Improvement Plan as project ST2002.
B. The project to repave 49th Street from Ave P to Ave S ½ includes mill and overlay of the asphalt surface for an approximate length of 2,300 feet.
C. The project also includes upsizing water and sewer utilities.
D. The Notice to Proceed with construction established the start of construction as February 3, 2020.
E. Construction is scheduled for 256 days with a completion date of November 15, 2020.

II. Current Situation

A. The existing base material has been exposed and is not suitable to support new pavement.
B. The condition was assessed, reviewed and discussed to determine the best option to the City.
C. The recommended solution provided by the Engineer of Record is to remove the existing base material and replace with recycled crushed concrete base.
D. The City has reviewed and accepted this recommended solution.

III. Impact or ramifications:

The proposal will provide for extended life of the street improvements along 49th Street from Ave P to Ave S 1/2.

IV. Alternatives in order of priority

A. Approve Change Order #02 with Angel Brothers Enterprises Ltd., for the 49th Street Improvements from Ave P to Ave S 1/2 project (RFP #19-29) increasing the contract by $74,867.50 from the amount of $3,623,716.93 to the amount of $3,698,584.43 (a cumulative increase of 1.33% from the original contract sum).
B. Do not approve the request.

V. Recommendation

Approve Change Order #02 with Angel Brothers Enterprises Ltd., for the 49th Street Improvements from Ave P to Ave S 1/2 project (RFP #19-29) increasing the contract by $74,867.50 from the

amount of $3,623,716.93 to the amount of $3,698,584.43 (a cumulative increase of 1.33% from the original contract sum).

VI. Fiscal Impact Report

Requested by: J. Dudley Anderson
Building Program Manager

Funding Source:	General Obligation Bonds		
	Construction	$	2,873,888.43 (increase of $74,867.50)
	Contingency	$	$411,062.32
	Construction Admin.	$	24,000.00
	Materials Testing (est.)	$	40,000.00
	CO's Water		
	Construction	$	824,696.00
Cost of implementation:		**$**	**4,173,646.75**

Respectfully Submitted,

J. Dudley Anderson
Building Program Manager

City of Galveston

49th Street Improvements (Ave P – Ave S ½)

Contract Change Order Number 2

Engineer Address:	Owner Address:	Contractor Address:
910 Louisiana, Suite 2600 Houston, TX 77002 Phone No.: 713-212-0011	823 Rosenberg Galveston, TX 77550 Phone No.: 409-797-3660	3003 Kilgore Parkway, Bldg A Baytown, TX 77523 Phone No.: 281-421-5721 Agreement Date: 02/03/2020

Change in Contract Price	Change in Contract Time (Calendar Days)
Original Contract Price: $ 3,649,779.25	Original Contract Time: 256 days
Previous Change Order(s): No. 1 to No. 1 $ (26,062.32)	Net Change From Previous Change Orders: 0 days
Contract Price Prior to this Change Order: $ 3,623,716.93	Contract Time Prior to this Change Order: 256 days
Net Increase/Decrease of this Change Order: $ 74,867.50	Net Increase/Decrease of this Change Order: 0 days
Contract Price With all Approved Change Orders: $ 3,698,584.43	Contract Time With all Change Orders: 256 days
Cumulative Percent Change in Contract Price (+/-): 1.33 %	Construction Contract End Date: 11/15/2020

ENGINEER RECOMMENDED:	OWNER APPROVED:	CONTRACTOR ACCEPTED:
By: Micheal Wang Digitally signed by Micheal Wang DN: C=US, E=micheal.wang@stantec.com, CN=Micheal Wang Date: 2020.08.18 12:42:44-05'00'	By:	By: Ethan Hughes
STANTEC	CITY OF GALVESTON	ANGEL BROTHERS
Date: 8/18/2020	Date:	Date: 8/18/2020

NOTE: A cumulative change in the contract price in excess of 25% cannot be reviewed.

Stantec Consulting Services Inc.
910 Louisiana Suite 2600, Houston TX 77002

August 4, 2020
File: Stantec Project No. 222011090

Ms. Trina Jankowski, Construction Project Manager
City of Galveston
P.O. Box 779
823 Rosenberg
Galveston, Texas 77550

Reference: **49th St. from Ave. P to Ave. S½ (ST2002)**

Dear Ms. Trina Jankowski,

Stantec Consulting Services Inc., the engineer of record for the referenced project, recommends the attached Change Order 4 request from Angel Brothers, the contractor, that substitutes the Hot Mix Asphalt Base Course with a full 2-inch Hot Mix Asphaltic Concrete Pavement along the full project as documented in the responses to Requests for Information attached. Upon review and agreement with the information provided, please finalize and distribute the attached draft of the Change Order recommendation form for signature by all parties.

Regards,

STANTEC CONSULTING SERVICES INC.

Micheal Wang, PE
Senior Project Manager

Attachments:

Change Order 4 Proposal
RFI 13 – Unsuitable Base Material

CHANGE ORDER PROPOSAL
SCHEDULE OF VALUES BREAKDOWN

Owner:	City of Galveston	**Date:**	Aug-4-2020
Project:	49th Street Improvements	**Project No.:**	ST222011090
Control:		**Proposal No.**	4

Subject: **Pavement Design**

BID ITEM #	Spec No	Desc. Code	DESCRIPTION	QTY.	UNIT	UNIT PRICE BID	AMOUNT BID
			EXISTING ITEMS DEDUCTS				
10	2238		Hot Mix Asphalt Base Course	1,090.00	TON	$ 157.00	$ 171,130.00
13	2510		Hot Mix Asphalt Concrete Pavement	715.00	TON	$ 110.00	$ 78,650.00
							$ -
						TOTAL:	**$ 249,780.00**
			PROPOSED ITEMS				
2	2076		Removal of Existing Base	9,018.00	SY	$ 4.00	$ 36,072.00
9	2234		Recycled Crushed Concrete Base	8,717.00	SY	$ 17.00	$ 148,189.00
			Cement Slurry	270.00	TON	$ 211.00	$ 56,970.00
11			Stabilization (6")	9,018.00	SY	$ 9.25	$ 83,416.50
							$ -
							$ -
							$ -
							$ -
						TOTAL:	**$ 324,647.50**

CHANGE ORDER SUMMARY

Total Amount: **$ 74,867.50**

Signature: *Ethan Hughes* Date: Aug-4-2020

Title: Project Manager / Estimator

Printed Name: Ethan Hughes

August 18, 2020

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: J. Dudley Anderson, Building Program Manager

RE: Consider approval of a proposal from Terracon Consultants, Inc. in the amount of $49,855.00 to perform Construction Material Testing for the Airport Water Plant Expansion project. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

I. Background

A. The design and construction of this project was included in the City of Galveston Capital Improvement Plan.
B. City Council approved Dannenbaum Engineering Corporation to perform engineering design for the Airport Water Plant Expansion December 14, 2017.
C. The project was advertised on October 16, 2019 as RFP 20-02 to provide the ability to negotiate with the most qualified respondent.
D. The RFP responses were received on December 9, 2019 with three (3) responsive proposals.

	Score
Wharton-Smith, Inc.	2,113.00
LEM Construction	1,991.30
Hensel Phelps.	1,908.86

Wharton-Smith received the highest score.

E. Wharton-Smith was awarded the contract on March 24, 2020 in the amount of $8,668,931.00.
F. To ensure construction is performed consistent with the engineering specifications, construction material testing by an independent firm is required.
G. City staff requested a proposal from Terracon Consultants, Inc. who was prequalified by City Council in September 2018 to perform geotechnical engineering services.

II. Current Situation

A. Terracon Consultants, Inc. provided a proposal for $49,855.00 to perform construction material testing services.

B. Terracon Consultants, Inc. is available to perform at the City's request.

III. Impact or ramifications:

The project is part of the City's continued efforts to improve infrastructure throughout Galveston. This project coordinates with the overall upgrading of the water delivery system for Galveston.

IV. Alternatives in order of priority

A. Approve the proposal from Terracon Consultants, Inc. in the amount of $49,855.00 to perform Construction Material Testing for the Airport Water Plant Expansion project.
B. Do not approve the proposal.

V. Recommendation

Approve the proposal from Terracon Consultants, Inc. in the amount of $49,855.00 to perform Construction Material Testing for the Airport Water Plant Expansion project.

VI. Fiscal Impact Report

Requested by:	J. Dudley Anderson Building Program Manager
Funding Source:	CO Bonds
Total Cost of Implementation	$ 49,855.00

Respectfully Submitted,

J. Dudley Anderson
Building Program Manager

MATERIALS TESTING SERVICES AGREEMENT

Airport Water Plant Expansion

This Materials Testing Services Agreement ("Agreement") is hereby entered into and effective on _____ between the City of Galveston, Texas, (the "City" or "Client") and Terracon Consultants, Inc. ("Terracon" or "Consultant"), for the rendition of materials testing services described herein for the following project. References to the City/Client and Terracon/Consultant, jointly shall be referred to as the "Parties" to this Agreement.

NOW THEREFORE, the parties do mutually agree as follows:

1. Scope of Services (work): The scope of materials testing services subject to this Agreement is described in **Exhibit A** and includes the following documents attached hereto and incorporated herein for all purposes:

   - Project - Airport Water Plant Expansion
   - RFQ # **18-04** (Terracon Prequalified by City Council in September 2018 for 3 years)
   - **Exhibit A** = Consultant Cost Estimate; Project Information; Scope of Services; Estimated Testing Schedule

2. Time of Performance: The services set forth in Consultant's proposal (**Exhibit A**) shall commence upon the issuance of a Notice to Proceed. Due to the nature and extent of the project, the work is expected to be completed within (365) calendar days of the issuance of the Notice to Proceed (NTP).

3. Independent Contractors: The parties are independent Contractors as to each other. Nothing in this Agreement shall be construed as creating any agency or employment relationship. Neither party shall make any representations tending to create an apparent or implied agency or employment relationship. Neither party has the authority to act for the other or to create obligations or debts binding on the other. Neither party shall be responsible for any obligations or expenses incurred by the other.

4. The City does not waive or relinquish any governmental immunities or defenses on behalf of itself and its trustees, officers, employees, or agents as a result of the execution of this Agreement and performance of the functions or obligations described herein. Nothing herein shall be construed as creating any personal liability on the part of any officer, or director, or employee or representative of the City.

5. Standard of Care: The standard of care for all related services performed or furnished by Terracon under this agreement will be performed in a manner consistent with the level of care and skill ordinarily exercised and used by members of the subject profession practicing under similar circumstances at the same time and in the same locality.

Consultant shall perform the services described in this Agreement in accordance with all applicable federal, state, county, city and/or other governmental entity statutes, regulations, standards, codes and ordinances, including but not limited to all Federal Specifications and Standards and the City Code of the City of Galveston, and all applicable requirements of the current edition reference standards of the AASHTO, ACI, AISC, ASTM, and AWS. No pleas of misunderstanding will be considered on account of ignorance thereof. Consultant shall likewise impose the same obligations contained in this Agreement upon all of its sub-consultants, if any. The Consultant shall be responsible for the accuracy of its services and shall promptly make necessary revisions resulting from its errors, omissions or negligent acts without compensation.

6. Access to Information and Site Access: It is agreed that all information, data, reports and records and maps as are existing, available and necessary for the carrying out of the work outlined above shall be furnished to Terracon by the City and its agencies. The City and its agencies will cooperate with Terracon in every way possible to facilitate the performance of the work described in the Agreement.

7. Appropriations: The obligations of the City to make payment under this Agreement are expressly subject to appropriations by the City of funds that are lawfully available to be applied to such purpose.

8. Compensation: The maximum amount of compensation and reimbursement to be paid hereunder shall not exceed **Forty Nine Thousand, Eight Hundred and Fifty Five, ($49,855.00) Dollars.** Invoices are submitted by Terracon each month (not necessarily falling on the first or last day of the month). City shall notify "Terracon in writing, of any and all objections, if any, to an invoice within ten (10) days of the date of invoice. Otherwise, the invoice shall be deemed proper and acceptable by the City. Amounts indicated on invoices are due and payable immediately upon receipt. City's account will be considered delinquent if Terracon does not receive full payment within thirty (30) days after the invoice date. Parties shall attempt to resolve any payment disputes within sixty (60) days or the matter may be submitted to mediation.

9. The compensation sum includes reimbursement for all labor, administrative, overhead, and all other expenses associated with the Project, including (but not limited to) all expenses incurred by Consultant in the performance of the work. The City shall not be responsible for payment to Terracon for any additional services or expenses not specifically included in **Exhibit "A",** except upon execution of an amendment to this Agreement in writing by both parties. Expenses incurred due to Contractors unpreparedness shall be invoiced directly to the Contractor. The City will notify the Contractor of this obligation prior to start of project.

10. INDEMNIFICATION: FOR CONSIDERATION RECEIVED, Terracon shall, to the extent permitted by law, indemnify, save and hold the City of Galveston harmless, including City's officers, and, employees, from any claims, actions, lawsuits, proceedings, damages, loss, judgments, liabilities or expense on account of damage to property and injuries, including death, to the extent caused by any negligent act, error or omission of Terracon or those acting under Terracon's supervision or control. Terracon shall not be responsible, however, for any loss, damage, liability or expense on account of damage to property and injuries, including death, by which may arise from the negligence of the City. **Terracon shall comply with the requirements of all current applicable laws, rules and regulations and shall indemnify and hold harmless the City and its agency members from and against the failure to comply with those laws, and shall assume full responsibility for payments of Federal, State and local taxes on contributions imposed or required under the Social Security, worker's compensation and income tax laws.**

11. Construction: This Agreement shall be construed under and in accord with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Galveston County, Texas. Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Agreement. In any case, if one or more of the provisions contained in this Agreement 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 provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

12. Termination of Agreement for Cause: If, through any cause, Terracon shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or if Terracon shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to Terracon of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by Terracon under this Agreement shall, at the option of the City, become property of the City and Terracon shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, Terracon shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Agreement by Terracon, and the City may withhold any payments to Terracon for the purpose of set-off until such time as the exact amount of damages due the City from Terracon is determined.

13. Termination for Convenience of the City: The City may terminate this Agreement at any time by giving at least ten (10) days' notice in writing to Terracon. If the Agreement is

terminated by the City as provided herein, Terracon will be paid for the time provided and expenses incurred up to the termination date. If this Agreement is terminated due to the fault of Terracon, Paragraph eleven shall apply.

14. Modification: No change in the terms of this Agreement shall be binding unless it is in writing and signed by an authorized representative of both parties.

15. Force Majeure: No party to this agreement shall be deemed in violation if it is prevented from timely performing any of its obligations by reason of labor disputes, acts of God, acts of the public enemy, acts of superior governmental authority, or other circumstances for which the party is not responsible or which is not in its control.

16. Proof of Insurance: Terracon shall maintain certain types of insurance protection throughout the duration of the project. All insurance policies are to be issued by an insurance Terracon authorized to do business in the State of Texas, using an insurance Company with an A.M. Best rating of a B+ or better.

17. Required Insurance: Commercial general liability insurance, naming the City of Galveston as an additional insured and as certificate holder, and waiving subrogation per the contractual requirements of this project; Automobile Liability Insurance, Worker's Compensation Insurance and Professional Liability Insurance. Limits are to be equal to or greater than:
    a. **Commercial general liability insurance**:
        $2,000,000 general liability (includes products and personal, etc.)
        $1,000,000 fire damage
        $1,000,000 automobile damage
        $500,000 workers compensation employers' liability
        Statutory limits for workers compensation
        Insurance coverage shall be on an "**occurrence basis**"
    b. **Professional Liability Insurance**: **$1,000.000** per claim and **$2,000,000** Aggregate. Consultant shall submit evidence at the time of execution of this Agreement that it has in full force and effect professional liability errors and omissions insurance. Consultant shall maintain such insurance in full force and effect throughout the duration of this Agreement and thereafter for a period of one year.

18. Assignability: Terracon shall not assign any interest on this Agreement, and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the City. Unless specifically stated to the contrary in any written consent to assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

19. Reports and Information: Terracon, at such times and in such forms as the City may require, shall furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Agreement, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Agreement. Any reuse of the work product on extensions of this project or on any other project without Terracon's prior written consent shall be at the re-user's sole risk and without liability to Terracon.

20. Consultant shall submit written reports to the City including a general description of the inspections and tests performed with identification of the specific Project area/materials involved, all data required to be recorded under AASHTO, ACI, AISC, ASTM and AWS Standards and other standard test methods employed, identification of the standard sampling and test methods utilized, all findings and test results, and an appendix of terminology and symbols used, and in accordance with **Exhibit A**.

21. Findings Confidential: To the extent permitted by law, all of the reports, information, data, etc., prepared or assembled by Terracon under this Agreement are confidential and Terracon agrees that they shall not be made available to any individual or organization without the prior written approval of the City.

22. Copyright: No report, maps, or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of Terracon.

23. Compliance with Local, State and Federal Laws: This Agreement shall be construed under and in accordance with the laws of the State of Texas, with jurisdiction in the courts of the State of Texas and venue in Galveston, County regardless of where the obligations of the parties were performed. By execution of this Agreement, the parties agree to subject themselves to the jurisdiction of the Courts of the State of Texas in all matters relating to or arising out of this Agreement or the Work.

24. Notices: All notices required or permitted under this Agreement shall be in writing and shall be deemed given when delivered in person or three days after deposit in the United States Mail, postage prepaid, addressed to the party's address reflected at the end of this Agreement. A party's notice address may be changed from time to time by that party's providing written notice to the other. A copy of the notice(s) shall be sent to:

City Attorney	Terracon
City of Galveston	Noosha P. Smith
823 Rosenberg, Room 203	Regional Manager
P.O. Box 779	551 League City Pkwy, Ste F
Galveston, Texas 77553	League City, Texas 77573

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the day and year first above written.

CITY OF GALVESTON, TEXAS	**TERRACON CORPORATION**
BY: _____	BY: _____
NAME: _Brian Maxwell _____	NAME: _____
TITLE: _City Manager _____	TITLE: _____
DATE: _____	DATE: _____

ATTEST:

By: _____
Janelle Williams,
City Secretary

APPROVED AS TO FORM:

_____
City Attorney's Office

THE STATE OF TEXAS §
§
COUNTY OF GALVESTON §

BEFORE ME, a Notary Public in and for the State of Texas, on this day personally appeared _____, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he executed same for and as the act and deed of "Terracon Intertec Corporation as the _____(title of signing agent) thereof, and for the purposes and consideration therein expressed and in the capacity thereon stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of, _____, 2020.

_____
Notary Public In and For
The State of Texas

"EXHIBIT A"

Terracon

July 9, 2020

City of Galveston
823 Rosenberg
Galveston, Texas 77553

Attn: Ms. Trina Jankowski
E: TJankowski@GalvestonTX.Gov

RE: Cost Estimate for Materials Services
Galveston Airport Water Plant Expansion
Galveston, Texas
Terracon Document No. P91201132

Dear Ms. Jankowski:

It is our understanding that Terracon Consultants, Inc. **(Terracon)** has been selected based solely on our qualifications to provide materials services on the referenced Project. In this letter we have presented our understanding of the scope of the project, our proposed services, and our budget estimate.

A. PROJECT INFORMATION

The project involves the construction of the following:

- Pump Building for 2 vertical turbine pumps-CMU structure supported on shallow spread footings, with flowable fill/select fill for grading.
- 3.0 MG Ground Storage Tank-140 ft diameter structure supported on ring-wall foundation, and minimum 3 feet of select fill.
- New Yard Piping.
- New concrete pavement on 6-inch stabilized subgrade.

The following construction documents were reviewed for preparation of this proposal:

- Construction Drawings and Specifications by Dannenbaum Engineering dated September 2019.
- Geotechnical Investigation Report Number 18-S-162 Revised, dated January 7, 2019, by HTS as part of the Project Specifications

Terracon requests to be placed on the distribution of all plan revisions.

B. SCOPE OF SERVICES

Terracon proposes to provide the following scope of services when scheduled by your representative.

1. Earthwork

- Sample subgrade soils, select fill, trench backfill and treated subgrade materials. Prepare

and test the samples for the Atterberg Limits and moisture-density relationship.

- Observe proofrolling operations of the building pad.
- It's Terracon's experience that "blended" select fill soils are commonly used in the greater Houston area. Therefore, Terracon recommends that random samples of select fill be obtained to verify that the soil meets the requirements for Atterberg Limits and if required, percent fines. **Samples typically require 2 to 3 working days for processing and testing in accordance with ASTM Standards, however, preliminary test results can be obtained as early as the following working day. It will be at the discretion of the contractor to suspend any additional placement of fill before test results are known.**
- Evaluate the subgrade soils for proposed chemically treated paving subgrade.
- Perform field gradation tests of treated subgrade.
- Perform field density tests using the nuclear method to determine the moisture content and percent compaction of the subgrade, select fill, stabilized sand, trench backfill, and treated subgrade soils.

2. Foundation System – Spread Footings

- Observe the installation of shallow footings. Record dimensions of the footings and the number, size and length of reinforcing bars used in footings.
- Obtain pocket penetrometer readings on soil cuttings removed during excavation at or near the bearing stratum to document the approximate shear strength of the soil.
- Sample the fresh concrete placed in footings and perform required tests, including slump, air content, concrete temperature, and cast test specimens during placements.

3. Cast-In-Place Concrete – Structural and Paving

- Sample the fresh concrete and perform required tests, including slump, air content, concrete temperature, and cast test specimens during placements.
- Perform compressive tests of concrete test cylinders cast in the field.

Terracon requests copies of the approved concrete mix designs.

4. Welded and Bolted Framing Connections:

- Perform visual inspections of roof metal decking for placement including overlap, fastener spacing, supports at openings and penetrations, and puddle welds pattern, size and quality.

5. Mortar and Grout:

- Mortar: Obtain mortar samples and perform mortar cylinder compression tests.
- Grout: Obtain grout samples and perform compressive strength of grout prisms.

6. Project Management:

- Attend site meetings and make periodic site visits for quality control.
- Coordinate field and laboratory testing.

- Communicate with Terracon Engineering Technicians, Contractors, and Owner's site representative.
- Review laboratory and field test reports.
- Monitor our budget.

Scheduling Retests:

It is the responsibility of your representative to schedule retests in a like manner to scheduling our original services. Terracon shall not be held responsible for retests not performed as a result of a failure to schedule our services or any subsequent damage caused as a result of a lack of retesting.

Additional Services:

Terracon will issue a short Supplement to the Agreement form, or Supplement Proposal, that outlines the additional work to be performed and the associated fees. Please authorize us to begin this additional work by returning a signed copy of the Supplement.

Project Schedule:

Field testing services will be provided on a "call out" basis when scheduled by your representative. **A minimum of 24 business hours' (48-hours for structural steel) notice is required to schedule our services. To schedule our services please contact our dispatcher at (281) 557-2900. The dispatch office hours are Monday through Friday from 7:00 a.m. to 5:00 p.m. Messages left after business hours will be checked the following business day**. Terracon shall not be held responsible for tests not performed because of a failure to schedule our services or any subsequent damage caused because of a lack of testing. The extent of our observations and documentation will be limited to the items observed during the site visits. Terracon recommends that a copy of this proposal be provided to the general contractor, so they understand our scope of services and schedule us accordingly.

C. COMPENSATION

Our estimated total budget to perform the testing is **$49,855. Please note that this is only a budget estimate and not a not-to-exceed price.** Our fees will be based on the unit rates provided in the attached table. You will be invoiced on units used. Services not included in this Proposal, which may be requested or provided throughout the job, will be billed at Terracon rates, available upon request. Overtime is defined as all hours more than eight per day, and all hours worked on weekends and holidays. A 4-hour minimum charge will be applied to site visits other than sample or cylinder pickups. **These fees Do Not Include Retesting or Cancellations on site.**

D. SITE ACCESS AND SAFETY

Client shall secure all necessary site related approvals, permits, licenses, and consents necessary to commence and complete the services and will execute any necessary site access agreement. Terracon will be responsible for supervision and site safety measures for its own employees, but shall not be responsible for the supervision or health and safety precautions for any third parties, including Client's contractors, subcontractors, or other parties present at the site. In addition, Consultant retains the right to stop work without penalty at any time Consultant believes it is in the best

interests of Consultant's employees or subcontractors to do so to reduce the risk of exposure to the coronavirus. Client agrees it will respond quickly to all requests for information made by Consultant related to Consultant's pre-task planning and risk assessment processes. Client acknowledges its responsibility for notifying Consultant of any circumstances that present a risk of exposure to the coronavirus or individuals who have tested positive for COVID-19 or are self-quarantining due to exhibiting symptoms associated with the coronavirus.

E. TESTING AND OBSERVATION

Owner understands that testing and observation are discrete sampling procedures, and that such procedures indicate conditions only at the depths, locations, and times the procedures were performed. Terracon will provide test results and opinions based on tests and field observations only for the work tested. Owner understands that testing and observation are not continuous or exhaustive and are conducted to reduce – not eliminate – project risk. Owner agrees to the level or amount of testing performed and the associated risk. Owner is responsible (even if delegated to contractor) for notifying and scheduling Terracon so Terracon can perform these services. Terracon shall not be responsible for the quality and completeness of Owner's contractor's work or their adherence to the project documents, and Terracon's performance of testing and observation services shall not relieve contractor in any way from its responsibility for defects discovered in its work or create a warranty or guarantee. Terracon will not supervise or direct the work performed by contractor or its subcontractors and is not responsible for their means and methods.

AUTHORIZATION:

Agreement for Services will be issued by The City of Galveston.

Thank you for your continued trust in Terracon. We look forward to working with you on this project. Please call us at 281-557-2900 if you have any questions or comments regarding this document.

Sincerely,
Terracon Consultants, Inc.
(Registration No. F-3272)

Smith, Noosha P.
Jul 9 2020 5:10 PM

Noosha P. Smith, P.E.
Regional Manager

Edwin Vazquez Martinez, E.I.T.
Materials Department Manager

Attachments:

1. Budget Estimate Table

Budget Estimate				
Galveston-Airport Water Plant Expansion				
Service	**Quantity**	**Unit**	**Unit Rate**	**Estimate**
1.0 Field (Tank, Building, Site Work)				
Engineering Technician	480	hour	$ 50.00	$ 24,000.00
Engineering Technician, OT	72	hour	$ 75.00	$ 5,400.00
Certified Welding Inspector	20	hour	$ 110.00	$ 2,200.00
Nuclear Gauge	60	day	$ 60.00	$ 3,600.00
Vehicle Charge (including pick ups)	64	day	$ 65.00	$ 4,160.00
			Sub-total	**$ 39,360.00**
2.0 Laboratory				
Moisture Density Relationship	5	each	$ 175.00	$ 875.00
Atterberg Limits	5	each	$ 65.00	$ 325.00
Atterberg Limits for Verification	20	each	$ 65.00	$ 1,300.00
-200 Sieve	5	each	$ 65.00	$ 325.00
Lime Determination	1	each	$ 350.00	$ 350.00
Concrete Cylinders	80	each	$ 18.00	$ 1,440.00
Shotcrete Panel coring and Compressive testing	12	core	$ 100.00	$ 1,200.00
Mortar Compressive Tesing (sets of 6)	2	Set	$ 180.00	$ 360.00
Grout Compressive Testing (sets of 6)	2	Set	$ 180.00	$ 360.00
			Sub-total	**$ 6,535.00**
3.0 Project Management & Administration				
Administrative	15	hour	$ 60.00	$ 900.00
Project Manager	15	hour	$ 100.00	$ 1,500.00
Project Principal, PE	8	hour	$ 195.00	$ 1,560.00
			Sub-total	**$ 3,960.00**
			Total	**$ 49,855.00**

August 14, 2020

Brian Maxwell, City Manager
Honorable Mayor & City Council Members

Subject: Consider for the approval of the annual payment totaling $22,900 for the Shah Transportation Manager / NewGen dispatch licensing and software support which will be funded by the Island Transit maintenance contracts account, and authorize the City Manager to execute the contract upon final approval by the City Attorney.

I. Background

A. The Island Transit dispatch center currently utilizes Shah Transportation Software, which controls and captures the bus routing data.

B. This system has been in operation since May of 2002 by Island Transit. It is now a web based cloud system, which has eliminated server problems that have occurred in the past.

C. The annual dispatch licensing and support fee is $22,900 and covers from September 2020 through August 2021.

D. It would be cost prohibited to bid and purchase new transit software at this time due to budget restraints.

II. Current Situation

The City Council will have to approve the annual payment totaling $22,900 for the Shah Transportation Manager / Newgen dispatch licensing and software support.

III. Alternatives in order of priority

A. Approve the request.

1. Cost - $22,900
2. Timing - As soon as possible.
3. Departmental Improvements - Will provide the Island Transit with needed support for its software.

B. Do not approve the request.

1. Cost - No additional cost at this time.
2. Timing - N/A
3. Departmental Improvements - Island Transit will not be able to utilize the software to its fullest capacity.

IV. Recommendation

Concur in *Alternative A; approve* the annual payment totaling $22,900 for the Shah Transportation Manager / NewGen dispatch licensing and software support which will be funded by the Island Transit maintenance contracts account, and authorize the City Manager to execute the contract upon final approval by the City Attorney.

V. Fiscal Impact Report

Requested by	David Smith Executive Director
Funding Source	Island Transit Maintenance Contracts (531240)
Cost	$22,900
Savings Estimation	N/A

Respectfully Submitted,

David Smith
Executive Director

Invoice

Shah Software, Inc
1 Collinway Pl
Dallas, TX 75230
www.shahsoftware.com

Date	Invoice #
7/26/2020	2020280

Bill To

Island Transit
David Smith
3115 Market
Galveston, TX 77550

P.O. No.	Terms	Due Date	Account #	Project

Description	Qty	Rate	Amount
Transportation Manager -NewGen System Software licensing Sep 2020 - Aug 2021	1	22,900.00	22,900.00

It's been a pleasure working with you!

info@shahsoftware.com
1(800) 968 2748
FEID 75-2798653

All amounts shown on this invoice are in US Dollars unless specified otherwise

Total	$22,900.00
Payments/Credits	$0.00
Balance Due	$22,900.00

CITY SECRETARY'S OFFICE
RECEIVED
OCT 07 2016
CITY OF GALVESTON

LICENSE AGREEMENT

This License Agreement (this "Agreement") is entered into as of September 20, 2016 (the "Effective Date") by and between the following:

LICENSOR: SHAH SOFTWARE, INC.
1 COLLINWAY PL
DALLAS, TX 75230
(800) 968-2748
(432) 224-1014 (facsimile)

LICENSEE: ISLAND TRANSIT
3115 MARKET
GALVESTON, TX 77550
Ph. 409-797-3909

RECITALS

WHEREAS Licensor develops and markets web based computer software applications (on demand software) for transportation scheduling commonly referred to "Transportation Manager - NewGen", and

WHEREAS Licensee desires to acquire a license to use the software and Licensor desires to grant Licensee the license.

NOW THEREFORE, for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1. "Software" means Licensor's core web-based software application for transportation scheduling known as "Transportation Manager-NewGen" which includes the ability to book and map reservations. Software as used herein shall also include any options or modules added to the core application as identified on Exhibit B hereto, incorporated herein, which may include linking to Hardware, automated calling, fare cards, import modules and custom modules.

1.2 "Documentation" means all user manuals and other written material created by Licensor to describe the functionality or assist in the use of the Software.

1.3. "Hardware" means the optional hardware, if any, identified on Exhibit C, attached hereto and incorporated herein, procured for Licensee by Licensor.

1.4 "License Fee" means the fee to be paid by Licensee to Licensor as consideration for the license(s) granted under this Agreement and the right to use the Software and the Documentation, as further described herein and on Exhibit A.

2. GRANT OF LICENSE

2.1. Grant. Subject to the terms and conditions set forth in this Agreement, Licensor hereby grants to Licensee a nonexclusive, nontransferable license in the Software, to use the Software exclusively for Licensee's business purposes and to use the Documentation solely in connection with Licensee's use of the Software, for use only by the number of licensed users permitted on Exhibit A.

2.2. License Restrictions. Except as specifically granted in this Agreement, Licensor owns and retains all right, title, and interest in the Software, Documentation, and any and all related materials. This Agreement does not transfer ownership rights of any description in the Software, Documentation, or any related materials to Licensee or any third party. Licensee will not modify, reverse engineer, or decompile the Software, or create derivative works based on the Software. Licensee will not grant access to the Software to any persons or entities other than Licensee's employees, consultants, or contractors and then only to the number of licensed users specified in Exhibit A. Licensee may not sell the Software or right to use the Software to any person or make any other commercial use of the Software. Licensee will retain all copyright and trademark notices on the Software and Documentation and will take other necessary steps to protect Licensor's intellectual property rights.

3. FEES & COSTS

3.1. License Fees. In consideration for the License granted to Licensee under this Agreement, Licensee shall pay Licensor:

(a.) Annual License Fee. The fee provided in Exhibit A attached hereto, and incorporated herein, annually, in advance for each term of this Agreement, which includes the Software license fee, annual maintenance and support, web

hosting fees and the fees for any additional module or component identified on Exhibit B.

(b.) Initial Set-up of components, Account Creation, Map Licensing, Hardware procurement. A one-time, non-reoccurring fee of $0 payable on or after the Effective Date but prior to the Commencement Date.

3.3 Taxes. In addition to other amounts payable under this Agreement, Licensee will pay any and all federal, state, municipal, or other taxes, duties, fees, or withholding currently or subsequently imposed on Licensee's use of the software or the payment of the License Fee or Hardware costs to Licensor, other than taxes assessed against Licensor's net income. Such taxes, duties, fees, withholding, or other charges will be paid by Licensee or Licensee will provide the appropriate authority with evidence of exemption from such tax, duty, fee, withholding, or charge. If Licensor is required to pay any such tax, duty, fee, or charge, or to withhold any amount from monies due to Licensor from Licensee pursuant to this Agreement, Licensee will promptly reimburse Licensor any such amounts.

4. LICENSOR'S OBLIGATIONS

4.1. Deliverables. On the Commencement Date or Conversion Date specified in Exhibit A of this Agreement, Licensor will provide (i) access to the Software, limited to the number of users as specified in Exhibit A, for Licensee's use, together with the Documentation.

4.2. Support and Maintenance. For so long as Licensee subscribes to the Software, and for so long as Licensor offers support and maintenance for users of the Software, Licensor will provide Licensee with telephone technical support, software upgrades as developed, webinars on request in connection with Licensee's use of the Software included in Licensee's annual license fee.

5. TERM AND TERMINATION

5.1. Term. This Agreement is effective on the Effective Date first specified above. The license granted under this Agreement becomes effective on the Commencement Date/ Conversion Date specified in Exhibit A. The initial term of this Agreement shall be one (1) year from the Commencement Date/Conversion Date specified in Exhibit A. Unless sooner terminated as set forth in Sections 5.2 and 5.3, below, the Agreement will automatically renew and continue in effect

for subsequent one (1) year terms immediately upon the expiration of the then current term until the expiration of Licensor's rights in the Software, for a maximum of four (4) one year renewals. This agreement may not extend past September 20, 2021.

5.2. Termination for Convenience. Licensor or Licensee may terminate the Agreement at any time and from time to time on thirty (30) days' prior written notice to the other. Licensor's notice of any termination for convenience must be accompanied by a refund of any prorated payments received by Licensor in advance for months beyond the termination date. Licensor may also terminate this Agreement as to any additional modules, applications, or components in excess of the core application (as identified on Exhibit B) upon thirty (30) days' written notice (without discount or refund) if (i) Licensor's core software application no longer supports such additional modules, applications, or components or (ii) Licensee fails to upgrade any Hardware or acquire additional hardware necessary to make such modules, applications, or components compatible with Licensor's core application software.

5.3. Termination for Cause. Either party, as applicable, will have the right, in addition, and without prejudice to any other rights or remedies, to terminate this Agreement as follows:

a. By Licensor, on 3 days' written notice, if Licensee fails to pay the amounts due to Licensor pursuant to this Agreement;
b. By Licensor, on 15 days' written notice, if there is a change in control of Licensee, whether by sale of assets, stock, merger, or otherwise;
c. By either party for any material breach of this Agreement, other than failure to make payments under Section 3, that is not cured within 10 days of receipt by the party in default of a notice specifying the breach and requiring its cure; or
d. By either party, immediately on written notice, if: (i) all or a substantial portion of the assets of the other party are transferred to an assignee for the benefit of creditors, to a receiver, or to a trustee in bankruptcy; (ii) a proceeding is commenced by or against the other party for relief under bankruptcy or similar laws and such proceeding is not dismissed within 60 days; or (iii) the other party is adjudged bankrupt.

5.4. Rights on Termination. Licensor has and reserves all rights and remedies that it has by operation of law or otherwise to enjoin the unlawful or unauthorized use of the Software or Documentation, including, without limitation, terminating Licensee's access to the Software. Sections 6, 7, and 8 will survive termination or expiration of this Agreement as will any cause of action or claim of either party, whether in law or in equity, arising out of any breach or default.

6. WARRANTIES, DISCLAIMER, AND LIMITATIONS

6.1. Warranties.

(a.) Software and Documentation. Licensor hereby warrants to Licensee that Licensor is the owner of the Software and the Documentation or has the right to grant to Licensee the license to use the Software and Documentation in the manner and for the purposes set forth in this Agreement without violating any rights of a third party.

(b.) Third Party Goods or Services. To the extent the items delivered pursuant to this Agreement include any product developed, manufactured, or delivered by a person or entity other than Licensor, including but not limited to goods, services, software, licenses, applications or code, mobile data computers, tablets, or terminals, LICENSOR EXPRESSLY DISCLAIMS AND EXCLUDES ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, INCLUDING, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND ANY AND ALL WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE. All such third party products are delivered and accepted by Licensee "AS-IS, WHERE-IS, and with ALL FAULTS."

6.2. Disclaimer. THE WARRANTIES SET FORTH IN SECTION 6.1, ABOVE, ARE IN LIEU OF, AND THIS AGREEMENT EXPRESSLY EXCLUDES, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, INCLUDING, WITHOUT LIMITATION: (a) ANY WARRANTY THAT THE SOFTWARE IS ERROR-FREE, WILL OPERATE WITHOUT INTERRUPTION, OR IS COMPATIBLE WITH ALL EQUIPMENT AND SOFTWARE CONFIGURATIONS; (b) ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY; AND (c) ANY AND ALL WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE.

6.3. Remedies on Breach of Warranty. In the event of any breach of the warranty set forth in this Section 6, Licensee's exclusive remedy will be for Licensor to refund the license fees actually received from Licensee and applicable to service dates from the date of breach forward.

6.4 Limitation of Liability. LICENSOR IS NOT LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES, INCLUDING THE LOSS OF PROFITS, REVENUE, DATA, OR USE OR COST OF PROCUREMENT OF SUBSTITUTE GOODS INCURRED BY LICENSEE OR ANY THIRD PARTY, WHETHER IN AN ACTION

IN CONTRACT OR TORT OR BASED ON A WARRANTY, EVEN IF LICENSOR OR ANY OTHER PERSON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

7. CONFIDENTIALITY

7.1. Confidentiality. Licensee acknowledges that the Software and Documentation, and all information relating to the business and operations of the Licensor that Licensee learns or has learned during or prior to the term of this Agreement, is the valuable, confidential, and proprietary information of the Licensor. During the period this Agreement is in effect, and at all times afterwards, Licensee, and its employees, contractors, consultants, and agents, will:

a. safeguard the confidential information with the same degree of care that it uses to protect its own confidential information;
b. maintain the confidentiality of this information;
c. not use the information except as permitted under this Agreement; and
d. not disseminate, disclose, sell, publish, or otherwise make available the information to any third party without the prior written consent of Licensor.

7.2. Limitations on Confidentiality Restrictions. Section 7.1 does not apply to any information that:

a. Is already lawfully in the Licensee's possession (unless received pursuant to a nondisclosure agreement);
b. Is or becomes generally available to the public through no fault of the Licensee;
c. Is disclosed to the Licensee by a third party who may transfer or disclose such information without restriction;
d. Is required to be disclosed by Licensee as a matter of law (provided that the Licensee will use all reasonable efforts to provide the disclosing party with prior notice of such disclosure and to obtain a protective order therefore);
e. Is disclosed by the Licensee with the disclosing party's approval; and
f. Is independently developed by the Licensee without any use of confidential information.

In all cases, the receiving party will use all reasonable efforts to give the disclosing party 10 days' prior written notice of any disclosure of information under this agreement.

7.3. Injunctive Relief for Breach. Licensor and Licensee acknowledge that any breach of Section 7.1 by a receiving party will irreparably harm Licensor. Accordingly, in the event of a breach, Licensor is entitled to promptly seek injunctive relief, without the requirement to post a bond, in addition to any other remedies that Licensor may have at law or in equity.

8. GENERAL

8.1. Assignment. Licensee may not assign, sublicense, or transfer Licensee's rights or delegate its obligations under this Agreement without Licensor's prior written consent. This Agreement will be binding on the successors and assigns of Licensee.

8.2. Entire Agreement. This Agreement, along with the Exhibits attached and referenced in this Agreement, including Licensor's "Terms and Conditions" attached hereto as Exhibit D as may be amended from time to time, constitute the final and complete understanding between the parties, and replaces and supersedes all previous oral or written agreements, understandings, or arrangements between the parties with respect to the subject matter contained in this Agreement.

8.3. Notices. Except as otherwise provided in this Agreement, notices required to be given pursuant to this Agreement will be effective when received, and will be sufficient if given in writing, hand-delivered, sent by facsimile with confirmation of receipt, sent by First Class Mail, return receipt requested, postage prepaid, or sent by overnight courier service and addressed as provided on page 1 of this Agreement or such other address as the parties may provide to the other in writing.

8.4. Governing Law and Jurisdiction. The license is sold and delivered in Dallas, Texas. This Agreement will be governed by and construed in accordance with Texas law, without regard to the principles of conflict of laws. Venue shall be Galveston, Texas.

8.5. Severability. In case any provision of this Agreement is held to be invalid, unenforceable, or illegal, the provision will be severed from this Agreement, and such invalidity, unenforceability, or illegality will not affect any other provisions of this Agreement.

8.6. Attorney's Fees. In the event of any dispute between the parties arising out of this Agreement, a party awarded damages or a permanent injunction will be entitled, in addition to any other rights and remedies it may have, to recover its reasonable attorney's fees and costs.

IN WITNESS, the parties have caused this Agreement to be executed as of the date written above.

LICENSOR: **SHAH SOFTWARE, INC.**

By: _____
Jagat Shah, President

LICENSEE: City of Galveston

By: _____
Name: Daniel J. Buckley
Title: Deputy City Manager

Approved As to Form:

Asst. City Secretary

APPROVED AS TO FORM:

Asst. City Attorney

EXHIBIT A

NO. OF LICENSED USERS: **FIVE**

LICENSE FEE: - **(TERM 12 MONTHS)** **$22900**

Transportation Manager – NewGen Software Licensing	1	$22900
Total		**$22900**

COMMENCEMENT/CONVERSION DATE: **September 1, 2016**

Licensee's Initials: _____

EXHIBIT B

ADDITIONAL APPLICATIONS OR MODULES:

NONE

Licensee's Initials: _____

EXHIBIT C

HARDWARE

NONE

Licensee's Initials: _____

EXHIBIT D

TERMS OF USE

User agrees to abide by these terms of use, as may be changed from time to time upon notice in the Licensor's sole discretion.

Disclaimers. USER HEREBY WAIVES ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USE; ANY WARRANTY OF COMPATIBILITY BETWEEN THE SYSTEM, EQUIPMENT, SOFTWARE, OR DATA PROVIDED BY LICENSOR AND CUSTOMER OWNED EQUIPMENT OR SOFTWARE; OR ANY LIABILITY IN NEGLIGENCE, TORT, STRICT LIABILITY, OR OTHERWISE, WITH RESPECT TO THE SYSTEM, EQUIPMENT, SOFTWARE, DATA, OR SERVICES FURNISHED HEREUNDER. USER AGREES THAT LICENSOR SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES UNDER ANY CIRCUMSTANCES, INCLUDING BUT NOT LIMITED TO, LOSS OF REVENUES, EVEN IF ADVISED OF THE RISK OF SUCH DAMAGES IN ADVANCE. Although Licensor has attempted to find and correct any bugs in the software, Licensor is not responsible for any damage or losses of any kind caused by the use or misuse of the programs. Licensor shall not be liable nor deemed to be in default of this Agreement for any delays, errors, malfunctions, compatibility problems, or breakdowns with respect to the system, equipment, data, or services provided hereunder or used in connection herewith.

Payment. User shall pay to Licensor in advance the fees pursuant to its License Agreement. Licensor shall notify User of any rate increase at least ten (10) days before same takes effect. Failure of Licensor to issue any invoice or bill shall not relieve User of the obligation to pay for any charge owed Licensor hereunder. User shall pay all fees and other charges within the earlier of fifteen (15) days from the receipt of an invoice or, for a renewal license term, three (3) days of the start of the license term. In the event that User fails to pay any amount within thirty (30) days of the date due, Licensor shall be entitled to interest on the amounts due at the highest rate allowed by law from the date due until payment in good funds is received by Licensor. Licensor shall also have the right to terminate User's access, without notice, if any invoice remains unpaid for more than thirty (30) days. User shall pay all sales, use, personal property, excise, license, and any other taxes or similar fees, charges, or assessments which arise as a result of User's use of the software.

Notice. All notices, requests, demands, or other communications hereunder shall be in writing, hand delivered, sent by first class mail, overnight mail, or facsimile (upon electronic confirmation that the transmission was received), and shall be deemed to have been given when received at the addresses stated on this invoice. Any notice provided by facsimile which is received after 4:00 p.m. local time shall be deemed received the following business day. A party may change its addresses for notice on not less than ten (10) business days' prior written notice to the other party.

Confidential & Proprietary Information. User understands that the information it has access to through the right of access to Licensor's software and/or facilities is of a confidential and proprietary nature, and User may hereinafter have access to other information of Licensor which is of a confidential and proprietary nature and could result in irreparable harm to Licensor if any such confidential or proprietary information is directly or indirectly: (1) used by User for any purpose other than as specifically set forth herein; or (2) disclosed to any third party. Accordingly User agrees not to use the information for other purposes or disclose or allow access to such information or software to any third party. User agrees that a breach of these conditions shall be grounds sufficient for immediate termination of its use and legal as well as injunctive relief.

Modifications. Licensor retains the right, in its sole discretion, to enhance, modify, or alter the operation of the software at any time and further retains the right to make such enhancements, modifications, or alterations generally available to other users of the software.

Title. Title and full and complete ownership rights to all Licensor's owned or developed software (including source and object code) and other technical specifications, addresses, or configurations (collectively the "Software") associated with or contained in the system or used by User in connection herewith shall remain with Licensor. User understands and agrees that Licensor's owned or developed Software is Licensor's trade secret, proprietary information, and confidential information whether any portion thereof is or may be validly copyrighted or patented. Any Software provided to User is provided by license only, and such license is personal, nonexclusive, nontransferable, and limited to the right to use such Software only according to guidelines established by Licensor from time to time. Such Software shall be utilized by User only in accordance with these Terms of Use and shall not be copied, duplicated, reproduced, manufactured, decompiled, reverse engineered, incorporated into any software (including any source code, object code, or algorithms), modified or disclosed in any form by any media to any other person or party. User agrees to abide by any terms imposed by any third party that has directly or indirectly licensed Licensor to use Software in relation hereto.

Miscellaneous. Nothing herein is intended or shall be construed to create or establish an agency, partnership, or joint venture relationship between the parties.

The captions herein are for convenience only and in no way define, limit, or enlarge the scope of any of the provisions therein.

No waiver by either party of any provision or any breach of this agreement constitutes a waiver of any other provision or breach, and no waiver shall be effective unless made in writing. The right of either party to require strict performance and observance of any obligations hereunder shall not be affected in any way by any previous waiver, forbearance, or course of dealing.

Except for User's obligation to make payments hereunder, neither party will be deemed in default as a result of a delay in performance or failure to perform its obligations caused by acts of God or governmental authority, strikes or labor disputes, fire, acts of war, failure of third-party suppliers, or for any other cause beyond the control of that party.

User shall not sell, assign, license, sublicense, franchise, or otherwise convey in whole or in part to any third party any of the services provided hereunder without the prior written consent of Licensor.

This is a nonexclusive agreement. Similar agreements may be entered into by either party with any other person.

This agreement shall be governed by, construed, interpreted, and enforced according to the laws of the State of Texas, without regard to principles of conflict of laws and rules. Each party hereby consents to the nonexclusive jurisdiction of the courts of the State of Texas and United States federal courts located in the State of Texas to resolve any dispute arising out of this agreement.

In the event that any material provision of these terms are determined to be invalid, unenforceable, or illegal, then such provision shall be deemed to be superseded and the parties' agreement modified with a provision which most nearly corresponds to the intent of the parties and is valid, enforceable and legal.

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2016-109442

Date Filed:
09/08/2016

Date Acknowledged:
09/13/2016

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

SHAH SOFTWARE, INC.
DALLAS, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

CITY OF GALVESTON

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

COG-CON-16-143
SOFTWARE SYSTEM

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO Interested Party. [X]

6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

_____
Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20_____, to certify which, witness my hand and seal of office.

_____
Signature of officer administering oath | Printed name of officer administering oath | Title of officer administering oath

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2016-109442

Date Filed:
09/08/2016

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

SHAH SOFTWARE, INC.
DALLAS, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

CITY OF GALVESTON

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

COG-CON-16-143
SOFTWARE SYSTEM

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO Interested Party. [X]

6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

ESTRELLA FLORES
NOTARY PUBLIC STATE OF TEXAS
MY COMM. EXP. 4/11/2020
NOTARY ID 128709411-4

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said Jayat Shah., this the 9th day of September, 20 16, to certify which, witness my hand and seal of office.

Signature of officer administering oath | Printed name of officer administering oath: Estrella Flores | Title of officer administering oath: Notary Public

August 18, 2020, 2020

Brian Maxwell, City Manager
Honorable Mayor and City Council Members

Subject: Consider for the approval of the emergency repairs to the ladder and platform on unit 1830, which is a 2002 E-One Fire Department ladder truck, to Siddons Martin who is equipped to handle all required repairs in an expedited manner, for a total of $22,645.62. The funding source is the garages outside repairs account.

I. Background

A. Unit 1830 is a 2002 E-One Fire Department ladder truck (105') that was purchased in 2003 for $719,996 and its depreciated value is $224,415.42.

B. The city of Galveston owns two ladder trucks, so it is important to have the repairs to 1830 expedited and should be classified as an emergency repair.

C. Unit 1830 began leaking hydraulic fluid from the underside of the ladders turntable. The unit was sent to one of the closest vendors (Siddons Martin) that can handle this type of repair.

D. Siddons Martin diagnosed that the valve block was leaking. They will also replace older hydraulic hoses that are aged.

E. In-house mechanics reviewed the required repairs and agreed that the listed items needed to be addressed.

II. Current Situation

The City Council will have to approve the repairs to the ladder and platform on unit 1830, which is a 2002 E-One Fire Department ladder truck, to Siddons Martin who is equipped to handle all required repairs in an expedited manner, for a total of $22,645.62. The funding source is the garages outside repairs account.

III. Alternatives in order of priority

A. Approve the request.

1. Cost - $22,645.62
2. Timing - as soon as possible.
3. Departmental Improvements - will provide the assigned department with equipment to perform duties properly.

B. Do not approve the request.

1. Cost - no additional cost at this time.
2. Timing - N/A
3. Departmental Improvements - the assigned department will not be able to function at 100% without required equipment.

IV. Recommendation

Concur in *Alternative A; approve* repairs to the ladder and platform on unit 1830, which is a 2002 E-One Fire Department ladder truck, to Siddons Martin who is equipped to handle all required repairs in an expedited manner, for a total of $22,645.62. The funding source is the garages outside repairs account.

V. Environmental Impact

All repairs fall under EPA and TCEQ guidelines.

VI. Fiscal Impact Report

Requested by	David Smith Executive Director
Funding Source	Outside Vehicle Repairs 5020-811561-531250
Cost	$22,645.62 Total

Savings Estimation	N/A

Respectfully Submitted

David Smith
Executive Director

Siddons-Martin Emergency Group
4903 FM 1765
La Marque TX USA 77568
Phone #:(409) 655-3005
Fax #: (888) 412-6085

Invoice Number: 19405228
Tag Number: SHOP-HERE
Date and Time In: 7/30/2020 - 2:46 PM
Date and Time Out: 7/30/2020 - 2:46 PM
Promised Date - Time: 7/30/2020 - 2:46 PM
Cashed Out Date:

Remit To: PO Box 679827 Dallas, TX 75267-9827

Service Advisor: (A02C) Steve Manis

Galveston Fire Dept.
PO Box 779
Galveston TX 77553

1003284

Cell: (409) 739-9886 Work: (409) 797-3920 Email: pearsongeo@cityofgalveston.org

Veh Info: 125217 02 E-ONE Platform Aerial Ae
Serial Numbers: 4ENGABA8321005217 TOWER 1 - 1830

In-Srv: 1/1/2002 **Miles/Hrs In:** **Out:** **Plate #:** T-1
Color Ex: **Int:**

Repair	VIN	Second VIN	Mech #	Type	Labor	Discount	Total
Description				**Qty Ret. Price**	**Savings Selling Price**	**Ext Discount**	**Ext Price**
1	21005217	1 - 1830	A0H4	Wholesale	$5,100.00	$0.00	$5,100.00

THE TRUCK HAS AERIAL HYDRAULIC LEAKS.
CAUSE: INSPECTED AND FOUND THE FOLLOWING:
A. THE DRIVER SIDE REAR STABILIZER IS LEAKING. — MINOR
B. THE HOSES ON THE DRIVER SIDE GOING TO THE BASKET ARE LEAKING — MINOR
C. THE VALVE BLOCK IS LEAKING *
D. THE HOSES ON THE VERTICAL CYLINDER ON THE DRIVER SIDE IS LEAKING — MINOR
E. THE PASSENGER SIDE HYDRAULIC HOSE GUARD IS LEAKING. — MINOR
CORRECTION: A. INSTALL NEW HYDRAULIC HOSES ON THE DRIVER SIDE REAR STABILIZER
B. INSTALL NEW HOSES GOING TO THE BASKET IN THE DRIVER SIDE.
C. INSTALL A NEW VALVE BLOCK. *
D. INSTALL NEW HOSES ON THE VERTICAL CYLINDER
E. INSTALL A NEW GAUGE ON THE PASSENGER SIDE

622536	HYDRAULIC BLOCK *	1.00	$14,095.62	$0.00	$14,095.62	$0.00	$14,095.62
FRT	FREIGHT	1.00	$200.00	$0.00	$200.00	$0.00	$200.00
SUBLET	HOSES AND FITTINGS	1.00	$3,000.00	$0.00	$3,000.00	$0.00	$3,000.00

Parts Total: $17,295.62 **Labor Total:** $5,100.00 **Job Total:** $22,395.62

2	21005217	1 - 1830		Wholesale	$0.00	$0.00	$0.00

QC

Parts Total: **Labor Total:** $0.00 **Job Total:** $0.00

Siddons-Martin Emergency Group
4903 FM 1765
La Marque TX USA 77568
Phone #:(409) 655-3005
Fax #: (888) 412-6085

Invoice Number: 19405228
Tag Number: SHOP-HERE
Date and Time In: 7/30/2020 - 2:46 PM
Date and Time Out: 7/30/2020 - 2:46 PM
Promised Date - Time: 7/30/2020 - 2:46 PM
Cashed Out Date:

Remit To: PO Box 679827 Dallas, TX 75267-9827

Service Advisor: (A02C) Steve Manis

There will be a 30% restocking fee charged for all returned items based upon the sales price of the item. All Special Order items are ineligible for returns. Special order items include, but are not limited to, any customer driven specification of the item requested or ordered at the direct request of customer.

Parts Total:	$14,095.62	Ext Price:	$22,645.62
Core Total:	$0.00	Sales Tax:	$0.00
Freight Total:	$200.00	Total:	$22,645.62
Sublet Total:	$3,000.00	- Deductible:	$0.00
Labor Total:	$5,100.00	- Deposits:	$0.00
- Labor Discount:	$0.00	**Amount Due:**	**$22,645.62**
Other Charges:	$0.00	Amt Tendered:	$0.00
Shop Supplies:	$250.00	Chg Returned:	$0.00
Sub Total:	$22,645.62		
- Parts Discount:	$0.00		

We (the Customer) are responsible for all costs and expenses listed on this invoice. I, the undersigned, am authorized to agree, on behalf of the owner of the vehicle, to pay all outstanding charges in accordance with the terms and conditions agreed between us and the Company. Unless otherwise stated, all invoices are due and payable 30 days from the date of invoice. We have granted the Company, its employees, and agents permission to operate the vehicle on any streets as necessary for testing, inspection, or other services requested. We are responsible for insuring the vehicle at all times. We release the Company for any loss, damage, or theft of any items left in the vehicle for any reason. All parts and labor on this invoice are warranted for purpose and fitness for 90 days from the date of the invoice. In order to recover against any warranty, we agree to return the vehicle to the Company for all warranty repairs. Failure to return the vehicle cancels all warranties provided. All other warranties are expressly disclaimed by Company.Acknowledged and Received by:

_____

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MINUTES OF THE CITY COUNCIL OF THE CITY OF GALVESTON
WORKSHOP - AUGUST 13, 2020

8/13/2020 - Minutes

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER
   With a quorum present, the workshop was called to order at 10:05 a.m.

2. ROLL CALL
   Present (via videoconference): Mayor Pro Tem Dr. Craig Brown, Council Member Amy Bly, Council Member David Collins, Council Member Jason Hardcastle, Council Member John Listowski, and Council Member Dr. Jackie Cole.

3. DISCUSSION ITEMS

3.A. Clarification Of Consent And Regular City Council Agenda Items - This Is An Opportunity For City Council To Ask Questions Of Staff On Consent And Regular Agenda Items. (30 Minutes)
Items 6A, 8B, 8C, and 9D were clarified by Staff.

3.B. Discussion Of The FY2021 Budget And Tax Rate (M. Loftin - 1 Hour)
Assistant City Manager Mike Loftin discussed with the Council the FY 2021 Proposed Budget and FY 2021-2025 Capital Improvement Plan, including: (1) the budget and tax rate schedule; (2) management approach; (3) major FY 2021 budget items; (4) major operating revenue assumptions; (5) property tax rate and certified roll; (6) reasons for setting the proposed rate at $0.56; (7) property tax roll changes from last year; (8) property tax revenue changes from last year; (9) what the new tax law means; (10) General Fund FY17-21 cumulative changes in FY21 proposed; (11) General Fund priorities; (12) other General Fund budgets; (13) General Fund strategies FY17-21; (14) FY 2022 and beyond; and (15) FY21-25 CIP assumptions.

3.C. Discussion Of The Proposed Capital Improvement Plan For FY 2021-2025 (B. Cook - 30 Minutes)
Assistant City Manager Brandon Cook discussed with the Council the Capital Improvement Plan for FY 2021-2025, including: (1) completed and future projects; (2) 2017 bond election status; (3) 2017 bond election projects; (4) FEMA recovery division projects; (5) potential drainage bond election; (6) Water and Sewer CIP; (7) water loss vs non-revenue water; (8) 2019 reduction in non-revenue water; (9) 2019 non-revenue water breakdown; (10) non-revenue water pricing; (11) 2019 non-revenue water by dollar value; and (12) a Sustainable & Interactive Customer Connection (SICC) System.

3.D. Report Of City Council's Park Board Representative (Collins/Brown - 10 Minutes)
CM Collins reported on the following: (1) the pavilion at Seawolf Park is currently being demolished; and (2) the Park Board reached an agreement with Cavalla Historical Foundation to do the asbestos abatement and will be working to get the facility back open as quickly as possible under COVID rules.

4. EXECUTIVE SESSION
   The City Council convened into Executive Session at 12:13 p.m. and reconvened into Open Session at 12:55 p.m. No action was taken during Executive Session.

4.A. Pursuant To Texas Gov't Code 551.071- Consultation With Attorney, An Executive Session Will Be Conducted To Discuss And Receive Legal Advice Concerning Pending Litigation And/Or A Settlement Offer, Or On A Matter In Which The Duty Of The Attorney To The Governmental Body Under The Texas Disciplinary Rules Of Professional Conduct Of The State Bar Of Texas Clearly Conflicts With This Chapter, Related To The Following:

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4.A.1. Discussion Of Impending Condemnation Action Of Texas International Terminal Seeking City Right Of Way In Proximity To The Galveston Transfer Station By Marc Hill.

5. ADJOURNMENT
The workshop was adjourned at 12:55 p.m.

Janelle Williams, City Secretary
Date Approved:

DRAFT

DRAFT
MINUTES OF THE CITY COUNCIL OF THE CITY OF GALVESTON
REGULAR MEETING - AUGUST 13, 2020

8/13/2020 - Minutes

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER
   With a quorum present, the meeting was called to order at 1:16 p.m.

2. ROLL CALL
   Present (via videoconference): Mayor Pro Tem Dr. Craig Brown, Council Member Amy Bly, Council Member David Collins, Council Member Jason Hardcastle, Council Member John Listowski, and Council Member Dr. Jackie Cole.

3. CONFLICTS OF INTEREST
   None.

4. PRESENTATIONS/REPORTS OF COUNCIL, OFFICER BOARDS, AND CITY MANAGER

4.A. Pursuant To Texas Government Code Section 551.0415, The City Council May Report On Any Of The Following Items:

1. Expressions of thanks, gratitude, and condolences

2. Information regarding holiday schedules

3. Recognition of individuals

4. Reminders regarding City Council events

5. Reminders regarding community events - **MPT Brown reminded everyone to complete the 2020 Census.**

6. Health and safety announcement

5. COMMUNICATIONS AND PETITIONS
   Claims: 20-053 - Tricon Land Surveying; 20-054 - Julie Quiroga; 20-055 - John Ridley; 20-057 - John Casados; 20-058 - Angelica Jiminez; 20-059 - Eric Copado; 20-060 - Robert D. Ireland; 20-061 - CenterPoint Energy; 20-062 - CenterPoint Energy; 20-063 - Darryl and Laura Goalen; 20-064 - Dona Howard; 20-065 - Doris Van Sooster; 20-066 - Patricia Parker; 20-067 - Jeremy Kargozar; 20-068 - Alexandria Armone.

6. PUBLIC HEARINGS

6.A. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Changing The Zoning From Residential, Single-Family (R-1) To A Resort/Recreation (Res/Rec) Zoning District On Property Commonly Knownn As 23700 San Luis Pass Road / Fm 3005 And Which Is Legally Described As Lot 1r (1-18), 38.249 Acres, Galveston Island Rv Resort (2015), In The City And County Of Galveston, Texas. Planning Case Number 20p-021; Making Various Findings And Provisions Related To The Subject. (A. Montalvan)
The Ordinance was read by caption. Adriel Montalvan provided staff comments. The public hearing was opened. The applicant/owner of Galveston Island RV Resort spoke in favor of the rezoning. Eight public comments were received via the online public comment form, all in opposition of the rezoning. The public hearing was closed. Motion was made by CM Hardcastle, second by CM Listowski, to approve the rezoning. In favor: Hardcastle and Listowski. In opposition: Brown, Bly, Collins, and Cole. Motion failed.

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7. PUBLIC COMMENT
None.

8. ORDINANCES (NOT REQUIRING PUBLIC HEARINGS)

8.A. Amendment To Election Ordinance

Consider For Approval An Ordinance Of The City Of Galveston, Texas, Amending Ordinance 20-039, Ordering And Calling An Election To Be Held In The City Of Galveston On The 3rd Day Of November, 2020, For The Purpose Of Electing A Mayor At-Large And Six (6) District Council Members, Each For A Two-Year Term; Making Provisions For The Conduct And Giving Notice Of The Election; Providing The Candidate Filings Received For The Postponed May 2, 2020 Election Remain Valid For The November 3, 2020 Election And The Filing Period Will Not Be Re-Opened; Designating Polling Places; Designating Dates And Hours For Early Voting; Designating The Date And Hours Of The Election Day; Providing For Publication Of The Notice Of The Election; Providing Bilingual Election Requirements; Providing For A Severability Clause; Providing An Open Meetings Clause; Providing A Savings Clause; Declaring Findings Of Fact; And Providing For An Effective Date. (Legal)

Ordinance No. 20-048 was read by caption. Motion was made by CM Collins, second by CM Bly, to approve the ordinance. Unanimously approved.

8.B. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Designating A Presiding Councilmember Who Will Act In The Event Of Unavailability Of The Mayor Pro Tem; Providing For That Designation To Continue Until The Position Of Mayor Has Been Filled By Election And The Winner Has Qualified For Office; Providing For A Method To Determine Unavailability Of The Mayor Pro Tem; Providing For A Severability Clause; Providing An Open Meetings Clause; Providing A Savings Clause; Declaring Findings Of Fact; And Providing For An Effective Date. (Brown)
The Ordinance was read by caption. Motion was made by MPT Brown, second by CM Listowski, to defer the ordinance until the next meeting. Unanimously approved.

8.C. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Authorizing The Reallocation Of One (1) Police Officer Position To Increase The Number Of Lieutenant Positions From 6 To 7; Specifying The Number Of Classified Civil Service Police Department Personnel Positions At 163; Making Various Findings And Provisions Related To The Subject; And Providing For An Effective Date Of August 21, 2020. (K. Etienne)
Ordinance No. 20-049 was read by caption. Motion was made by CM Cole, second by CM Bly, to approve the ordinance. Unanimously approved.

9. CONSENT ITEMS

The following items shall be considered for action as a whole, unless one or more Council Members objects. The City Manager is authorized to execute all necessary documents upon final approval by the City Attorney.

Motion was made by MPT Brown, second by CM Hardcastle, to approve all Consent Items. Unanimously approved.

9.A. Consider For Approval Of The A Design Amendment From Arceneaux Wilson & Cole LLC (AWC), For Design And Construction Support To The 24-Inch Waterline Project Increasing The Contract Amount By $50,215 To $1,840,215 From The Original Contract Amount Of $1,790,000. (D. Christodoss)

9.B. Consider For Approval Of A Design Amendment From T. Baker Smith (TBS), To Design The 14th Street Drainage Improvement Project – DR-4332-024 Reducing The Original Contract Amount Of $2,272,861 By -$35,850 For An Amended Reduced Design Fee Of $2,237,010. (D. Christodoss)

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9.C. Consider For Approval Payment To Lexipol, LLC For The Annual Renewal Of The Police Department's Rules And Regulations Policy Manual Update With Daily Training Bulletins, In The Amount Of $20,312.00. (V. Hale)

9.D. Consider For Approval The Purchase Of Twenty-Six (26) JXG-513 Artemis Temperature Detection Scanners From Staples For City Facilities For The Protection Of The Public And Employee Health And Safety Due To COVID-19, And Authorize The City Manager To Complete The Purchase Utilizing CARES ACT Funding. (C. Kenworthy)

9.E. Consider For Ratification A One Year Health Services Agreement Between The City Of Galveston And The University Of Texas Medical Branch (UTMB), Authorizing COVID-19 Lab And Antibody Testing For City Employees And Dependents (K. Etienne).

9.F. Consider For Approval Minutes Of The July 23, 2020 Workshop And Regular Meeting. (J. Williams)

9.G. Receive And File The Following Documents:

10. ACTION ITEMS

10.A. Consider A Motion Calling A Public Hearing On September 10, 2020 On The FY 2021 Proposed Budget As Required By State Law. (M. Loftin)
Motion was made by CM Collins, second by CM Hardcastle, to call a Public Hearing on September 10, 2020 on the FY 2021 Proposed Budget. Unanimously approved.

10.B. Consider A Motion To Propose A Property Tax Rate Of $0.56 Per $100 Of Taxable Value For 2020 And Call A Public Hearing On September 10, 2020. (M. Loftin)

Motion was made by CM Collins, second by CM Bly, to propose a Property Tax Rate of $0.56 per $100 of taxable value for 2020 and call a Public Hearing on September 10, 2020. Unanimously approved.

Roll Call Vote: Brown - Yes; Bly - Yes; Collins - Yes; Hardcastle - Yes; Listowski - Yes; Cole - Yes

11. ADJOURNMENT
The meeting was adjourned at 2:05 p.m.

Janelle Williams, City Secretary
Date Approved:

DRAFT