

PROFESSIONAL SERVICE CONTRACT

WASTEWATER TREATMENT PLANT

This Professional Service Contract ("Contract") is effective as of this ____ day of _____, 2017 by and between the **City of Sugar Land** ("the City"), a body politic and corporate and political subdivision of the State of Texas organized under the provisions of Article XVI, Section 59, Texas Constitution, and **Si Environmental LLC** ("SE"), a Texas limited liability company.

RECITALS

The City owns, or plans to construct, and operates a wastewater treatment system as described in **Exhibit 'A'** (the "Facilities").

This Contract provides for SE to furnish to the City certain services for the proper maintenance and operation of the Facilities and to receive compensation from the City for those services rendered, all in accordance with the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I.
BASE FEE SERVICES TO BE PERFORMED BY SE

Section 1.00 Base Fee Services. The cost for the basic services to be performed by SE for the City is included in the base operations fees to be paid by the City to SE in accordance with **Exhibit ‘B’**, unless otherwise provided in this **Article I**.

Section 1.01 Certified Personnel. SE agrees that the Facilities will be operated only under the direct supervision of personnel who possess valid Certificates of Competency as required by the State of Texas, each of whom will maintain continuing education competency certifications consistent with requirements of the State of Texas. In addition, SE agrees that said personnel will be licensed as a Class “B” operator or higher as required by regulatory agencies.

Section 1.02 Facilities Inspections. SE will inspect the Facilities as necessary to conform to regulatory requirements, and will maintain a written log of each inspection as part of the City’s permanent records.

Section 1.03 Routine Preventive Maintenance. SE will perform, as required, routine preventive maintenance on equipment at the Facilities to extend the useful life of the equipment. In the performance of such routine preventive maintenance, SE will utilize its certified personnel as defined in Section 1.01 of this Contract along with the tools and equipment typically carried on a service truck. If additional crews, technicians, equipment, material, or expertise is required to complete preventive maintenance on equipment at the Facilities, the City will pay SE for such services based on the rates for personnel and equipment reflected in **Exhibit ‘C’**, and/or the materials and subcontract provisions reflected in **Exhibit ‘B’**, as applicable. SE will maintain written records for the City of the maintenance performed on the City's equipment and facilities.

Section 1.04 24-Hour Customer Care Department. SE will maintain and operate a Customer Care Department (the “Customer Care”), 24 hours a day each and every day of the year.

Section 1.05 Telemetric Monitoring. SE will, from Customer Care, monitor any telemetric signal devices installed at or in the Facilities. Installation of such devices will be at the City’s discretion and expense in accordance with Section 2.07 below.

Section 1.06 Chemical Inventories. SE will manage the inventory of chemicals routinely used in the operation of the Facilities. Chemical inventories will be stored at the Facilities in quantities sufficient to assure continuous operation of the Facilities. The City will pay directly the actual costs for chemicals.

Section 1.07 Monthly Operations Report. SE will submit to the City a written monthly operations report, which will include at least the following information:

1. Summary of maintenance and repair backcharges
2. Insurance claims filed or pending disposition
3. Summary of maintenance and repair by facility classification
4. The Texas Commission on Environmental Quality (“TCEQ”) and the United States Environmental Protection Agency (“EPA”) permit reports, where applicable
5. Copies of all reports and correspondence made by SE to or received by SE from local, state or federal regulatory agencies on behalf of the City.

A clear audit record of all SE transactions on behalf of the City will be maintained by SE. Records of such transactions will be available to the City’s auditor during normal working hours upon prior reasonable notice to SE, but not less than 24 hours notice. SE will cooperate in and provide adequate working space for the conduct of audits.

Section 1.09 Correspondence and Inquiries. SE will respond to all correspondence and/or inquiries from the City's Staff and consultants in a prompt and professional manner.

Section 1.10 Customer Relations. SE will render to the City any and all reasonable assistance in the promotion of good relations with the City's customers.

Section 1.11 Compliance Reports. SE will promptly prepare and submit all operational and compliance reports required by the TCEQ, the EPA, and any other local, state or federal agency in accordance with the filing deadlines and approved delivery methods for such agencies. Unless another method of submission is approved by the regulatory agency, said reports shall be submitted by certified mail, return receipt requested. SE will ensure that all test results are handled in accordance with all applicable agency rules and will inform the City immediately and also in the monthly operations report if any facilities are not in compliance with such agency's rules. SE shall coordinate all responses to violation notices from regulatory agencies on behalf of the City in consultation with the City's Staff.

Section 1.12 Lift Station Cleaning. At least once every six months or more often if necessary, SE will pressure wash, remove and dispose of accumulated solids, debris, and grease from each of the Greatwood and West on-site lift station(s).

Section 1.13 Chlorine Contact Basin Cleaning. SE will vacuum, remove and dispose of accumulated sludge from the bottom of the City's chlorine contact basin(s) at least once every six months, and in exceptional circumstances, with the prior approval of the City Staff, more often.

Section 1.14 Sludge Management. SE shall be responsible for operating the Facilities' sludge thickening and digestion systems to maintain optimum operating efficiency levels at the Facilities. We will utilize the onsite solids processing equipment to manage the

solids content. If there is an equipment malfunction and there is a need to utilize a third-party contractor to remove solids, those costs will be passed on to the City.

ARTICLE II.

OPERATIONAL SERVICES TO BE PERFORMED BY SE

Section 2.00 Operational Services. SE will provide the additional operational services stated in this Article II. The City will pay SE for such services based on the rates for personnel and equipment reflected in **Exhibit ‘C’**, and the materials and sub-contract provisions reflected in **Exhibit ‘B’**, as applicable, unless otherwise noted in this Article II.

Section 2.01 Emergency Repairs. SE will respond to any emergency (as hereinafter defined) throughout the year regardless of the day or the time of day. In all cases where, in the opinion of SE, the estimated costs of repair will exceed the dollar amount specified as “**Authorized Maintenance Level**” in **Exhibit ‘B’**, SE will contact the Staff member designated by the City to receive said notice, or if said Staff member is unavailable any other Staff members to notify the City of the particular situation. The fact that said notification cannot be made in a timely manner will neither relieve SE of its responsibility to perform the required repair, nor limit the cost of repairs billed in accordance with this Contract.

Emergencies are defined as, but are not limited to:

1. A hazardous condition;
2. A condition resulting in the degradation of the effluent quality at one or more of the treatment facilities.
3. Any condition that will result in a violation of regulatory entities rules, regulations and/or permit parameters.
4. A condition, which, in the opinion of SE, or any authorized City representative, poses an immediate threat to develop into one of the three emergencies listed above.

Section 2.02 Non-Emergency Repairs. SE will, during its regular workday, perform repairs, which are not emergencies, as defined in Section 2.01 above. SE will schedule such non-emergency repairs on a first-call, first-serve basis, unless specifically asked to accelerate its response to a particular item by an authorized City representative. SE must receive approval from the authorized City representative as described in Section 2.01 above prior to performing non-emergency repairs when, in SE's opinion, the estimated cost of said repair will exceed the dollar amount specified as "**Authorized Maintenance Level**" in **Exhibit 'B'** and, where appropriate, consult with the City's Staff.

Section 2.03 Other Laboratory Testing. SE will perform, or have performed, all other sampling and laboratory analysis necessary to meet all state and federal wastewater monitoring rules and regulations. SE will perform, or have performed, other tests, including but not limited to, those requested by the City, the TCEQ, the EPA, or any other governmental agency with jurisdiction over the Facilities. The City will pay directly the actual costs for the sampling and laboratory analysis.

Section 2.04 Materials Purchasing. SE will purchase and deliver materials required to provide services under this Contract, and will bill the City for such materials at actual cost plus the administrative fee described in **Exhibit 'B'**, except as otherwise specifically set forth in the Contract.

Section 2.05 Installation of Telemetric Equipment. The City will pay SE for the purchase and installation of telemetric equipment, if and when authorized by the City Staff in writing or by action taken at a Council meeting and recorded in the minutes of the meeting, including the telephone lines. After such payment, the equipment and telephone lines so installed

will be the sole property of the City. Notwithstanding the foregoing, the City, at its option, may contract directly with a third party for purchase and installation of said equipment.

Section 2.06 Chemical Purchases. The City will pay directly the actual costs for chemicals.

INSURANCE

SE shall procure and maintain throughout the term of this Contract, at its sole cost and expense, insurance of the types and in the minimum amounts set forth in **Exhibit 'D'**, which is hereby incorporated for all purposes. Upon execution of this Contract and no less than annually thereafter, SE shall furnish certificates of insurance and copies of required endorsements to the City evidencing compliance with the insurance requirements hereof. Certificates shall list SE, the name of the insurance company, the policy number, the term of coverage, and the limits of coverage. SE, and not the City, shall be responsible for paying the premiums and deductibles, if any, that may from time to time be due under the required insurance policies. SE, at its sole discretion, may purchase additional limits of insurance and coverage it deems necessary or prudent to protect itself and the work or operations to be performed under this Contract. The included insurance requirements are separate from and independent of SE's other obligations under this Contract.

In the event of a reduction in coverage or lapse or cancellation of any required insurance it is hereafter the specific responsibility of SE to notify the City immediately and to immediately reinstate the insurance at the coverages required herein or to purchase replacement insurance that meets the requirements of this Contract. Failure by SE to immediately reinstate or replace said insurance shall be a material breach of this Contract and the City shall have the right to immediately terminate this Contract upon written notice to SE. SE's failure to provide insurance

as required hereunder, or SE's failure to supply the required evidence of insurance, or the failure of the City to require evidence of insurance or to notify SE of any breach by SE of the requirements of these provisions or deficiencies in the insurance obtained, shall not constitute a waiver by the City of any of the these insurance requirements, or a waiver of any other terms and conditions of this Contract, including SE's obligations to defend, indemnify, and hold harmless the City (including subsidiaries and affiliates), as required herein.

ARTICLE IV.

GUARANTIES, INDEMNITY AND LIMITATIONS

Section 4.00 Guaranties. SE will use generally accepted business practices in procuring materials and equipment. SE will be neither responsible nor liable for any guaranty or guaranties of or in connection with such materials or equipment. SE will use commercially reasonable efforts to obtain the standard guaranties applicable in the particular industry manufacturing such materials or equipment, and will assign same to the City. SE shall develop a list of recommended spare parts to be maintained at the Facilities, will deliver said parts to the Facilities, and will inventory and replenish same on a regular basis.

Section 4.01 Condition of Facilities. The City affirms to SE that, to the best of its knowledge and belief, the Facilities have been or will be built in accordance with all applicable local, state and federal regulations, are in good working order as of the date hereof, do not contain any known defective equipment, and are suitable and adequate for the reasonable need of the City's present and/or expected future customer, except as may be evident in an inspection of same by SE upon its commencement of operations under this Contract. A list of any defects discovered by SE during such inspection shall be provided to the City and the City will not hold SE responsible for any such defects existing prior to the date of this Contract.

Section 4.02 Indemnity. AS PART OF THE CONSIDERATION FOR THIS CONTRACT, SE, FOR ITSELF AND ITS EMPLOYEES, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS, AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY AND ITS OFFICERS, DIRECTORS, REPRESENTATIVES, AND AGENTS, (THE “CITY INDEMNITIES”) FROM EVERY LOSS, DAMAGE, INJURY, COST, EXPENSE, CLAIM, JUDGMENT, OR LIABILITY OF EVERY KIND OR CHARACTER, WHETHER IN CONTRACT, TORT, OR OTHERWISE, WHICH ARISES DIRECTLY OR INDIRECTLY FROM SE’S WILLFUL, INTENTIONAL, RECKLESS, OR NEGLIGENT (WHETHER ACTIVE, PASSIVE, OR GROSS) ACTS OR OMISSIONS RELATED TO OR ARISING FROM THIS CONTRACT. THIS INDEMNITY AND HOLD HARMLESS PROVISION WILL APPLY WHETHER SUCH ACTS OR OMISSIONS ARE CONDUCTED BY SE OR ANY SUBCONTRACTOR OR AGENT OF SE. ADDITIONALLY, SE SHALL INDEMNIFY THE CITY INDEMNITEES FROM ANY AND ALL LIABILITY, LOSS OR DAMAGE THAT ONE OR MORE OF THE CITY INDEMNITIES MAY SUFFER AS A RESULT OF CLAIMS, DEMANDS, COSTS OR JUDGMENTS AGAINST SUCH CITY INDEMNITEE ARISING OUT OF THE FAILURE OF SE, ITS EMPLOYEES, SUCCESSORS, ASSIGNS, SUBCONTRACTORS OR AGENTS, TO CONFORM TO THE STATUTES, ORDINANCES, OR OTHER REGULATIONS OR REQUIREMENTS OF ANY GOVERNMENTAL AUTHORITY IN CONNECTION WITH THE OPERATION OF THE FACILITIES UNDER THIS CONTRACT, UNLESS FAILURE TO SO CONFORM WAS A DIRECT RESULT OF SE FOLLOWING THE EXPRESS WRITTEN INSTRUCTION OF THE REPRESENTATIVES OF THE CITY. THE PROVISIONS OF

THIS SECTION 7.02 SHALL SURVIVE ANY TERMINATION OF THIS CONTRACT.

Section 4.03 Fines and Penalties. Provided that (a) this Contract is in force at the time of events or omissions giving rise to any fines or penalties, (b) the Facilities meet the design criteria of the TCEQ, and (c) the City has not rejected or otherwise failed to approve any of SE's commercially reasonable operational, maintenance, or capital improvement recommendations that would have prevented the violation(s), SE will pay any and all fines or penalties assessed against the City as a result of actions taken by the TCEQ, the EPA, or any other regulatory agency with jurisdiction if the fines or penalties are the result of improper operations of the Facilities by SE. The City's failure to approve SE's commercially reasonable recommendations that would have prevented the violation(s) which result in fines or penalties will relieve SE of any responsibility under this Section 7.03 to pay the applicable fines or penalties.

Section 4.04 Reasonable Diligence. All services under this contract shall be of good quality and shall be performed in a professional manner and SE shall use reasonable diligence and care in the performance of same. The standard of care for all professional and related services performed or furnished by SE under this Contract shall be the care and skill ordinarily used by members of SE's profession, practicing under similar conditions at the same time and in the same general locality. Subject to the provisions of Section 7.01 and Section 7.02 above, SE shall not be liable for any direct or indirect losses, injuries or damages resulting from the diminution or interruption of the wastewater collection services unless such loss, injury or damage is attributable directly or indirectly to the improper or inadequate operations of the Facilities by SE or the willful misconduct or negligence (whether passive, active, or gross) of SE, its employees, representatives, agents or subcontractors.

Section 4.05 Force Majeure. In addition to the parties' rights and obligations set forth in this Contract, neither the City nor SE will be in default if performance of their respective obligations under this Contract is delayed, disrupted or becomes impossible because of any act of God, war, flood, earthquake, fire, strike, accident, civil commotion, epidemic, act of government, or any other cause beyond the control of the parties (collectively, "Force Majeure"). Upon occurrence of any such event, SE will operate the Facilities to the best of its ability under the circumstances, and SE will not be responsible for any damages, fines, penalties or claims resulting from said Force Majeure. If any additional expense is incurred by SE in such operation, that expense will be deemed to be an extraordinary expense, all of which will be paid by the City to SE in accordance with **Exhibit 'B'**. No event of Force Majeure will relieve either the City or SE of their respective financial obligations under this Contract except in the event of widespread economic collapse or banking failures within the United States of America.

Section 4.06 Compliance with Applicable Laws. SE will operate the Facilities in compliance with all applicable local, state, and federal laws and regulations.

ARTICLE V. **PAYMENTS**

The City will pay SE for services to be rendered under this Contract in accordance with the fee schedules contained in **Exhibits 'B' through 'E'** and as otherwise specifically provided in this Contract. SE shall provide its invoices to the City's Staff at least five (5) business days prior to the next scheduled meeting of the City Council. To the extent permitted by law, payment of invoices by the City shall be governed solely by the Texas Prompt Payment Act, Chapter 2251 of the Texas Government Code. SE hereby waives any other rights or remedies it may have with respect to the payment of invoices.

ARTICLE VI.
TERM, TERMINATION AND RECORDS

Section 6.00 Term. This Contract commences on the date first set forth herein, and will remain in effect thereafter, subject to the right of either party to terminate this Contract as set forth below.

Section 6.01 Termination. In addition to other termination provisions specifically set forth herein, this Contract may be terminated by either party, without cause, by the giving of thirty (30) days advance written notice of such termination to the other party at its address for notices set forth below. Upon termination of this Contract, the City shall pay SE within the time period provided above any outstanding payment due and owing to SE for work performed prior to the termination date; provided, however, the City shall have the right to reduce such final payment as a set-off for any direct damages incurred by the City related to SE's willful, intentional, reckless or negligent (whether active, passive or gross) acts or omissions in connection with services performed under this Contract. Such set-off shall not constitute a waiver by the City of any rights or remedies available to it under the Contract, at law or in equity.

Section 6.02 City Records. SE will maintain records that SE initiates and/or receives on behalf of the City in compliance with the City's Records Management Policy and adopted Records Retention Schedules, copies of which shall be provided to SE and in compliance with the Texas Local Government Records Act. The City will reimburse SE for the actual costs, without markup, incurred by SE in archiving these records. If this Contract is terminated, SE will deliver to the City or the City's designated agent, without cost to the City, all of said records within thirty (30) days following the effective date of termination, but will deliver all records

related to billing and other items necessary for the operation of the Facilities no later than the effective date of termination. SE may make copies, at SE's expense, of the records.

ARTICLE VII.

MISCELLANEOUS

Section 7.00 Record Drawings. The City will provide SE with a complete set of record drawings of the Facilities. SE will maintain these drawings in a manner which allows their efficient and effective use in solving problems related to the Facilities.

Section 7.01 Identification. SE employees will readily identify themselves when communicating within the City and with City customers. SE maintenance and operating personnel will possess pictured I.D. cards and wear distinctive clothing bearing SE's name. SE vehicles will display SE's name. All other SE employees will possess pictured I.D. cards.

Section 7.02 Modification. Modification of this Contract may be made only by a written document signed by SE and the City.

Section 7.03 Sub-Contract Repairs. SE may subcontract any repairs and/or services that SE is to perform under this Contract as SE deems appropriate, subject to the City's rights as set forth below and further subject to the "subcontractor coverage" insurance requirements set forth in **Exhibit 'D'** attached hereto. However, such subcontracting shall not relieve SE of any of its obligations under this Contract. Fees for managing subcontractors are identified and contained in **Exhibit 'B'** attached hereto. The City may, at its discretion, employ its own contractors for certain repair services. In that event, SE shall waive its management fee and the City agrees that SE shall not be responsible for the quality or timeliness of those services.

Section 7.04 Independent Contractor. SE has been retained by the City only for the purposes and to the extent set forth in this Contract, and SE's relationship to the City is that of an

independent contractor. Neither SE nor any of its employees, agents or subcontractors are employees, agents or subcontractors of the City.

Section 7.05 Notice. Any notice required under this Contract will be in writing and sent by registered mail, fax or hand delivery to the intended party's address of record. Notice will be deemed given upon the date of receipt as evidenced by the return receipt card, fax confirmation, or delivery return receipt. The parties' addresses of record are as follows:

Si Environmental

Si Environmental
Attn: President
6420 Reading Road
Rosenberg, TX 77471

City

City of Sugar Land
Attn: City Manager
2700 Town Center Blvd. N.
Sugar Land, TX 77479

The parties shall have the right from time to time and at any time to change their respective addresses, and each shall have the right to specify any other address by giving at least fifteen (15) days' written notice, including electronic mail correspondence, to the other party.

Section 7.06 Texas Law; Venue. The applicable laws of the State of Texas shall govern this Contract without regard to its conflict of law principles and venue shall be in a court of appropriate jurisdiction in the county in which the City is located.

Section 7.07 Increase/Decrease in Service. In the event either SE or the City determines that any scope of services contemplated in this Contract should be modified as a result of governmental regulations, technological advances or the addition or subtraction of City facilities, SE and the City agree to negotiate, in good faith, an appropriate change in the fees to

be charged by SE to the City with respect to the proposed modification in services.

Section 7.08 Assignability. Neither party may assign its interest herein without the prior written consent of the other party.

Section 7.09 Parties in Interest. This Contract shall be for the sole and exclusive benefit of the parties hereto and shall not be construed to confer any benefits or rights upon any other person or entity, including, without limitation, the customers of the City.

Section 7.10 Counterparts. This Contract may be executed in one or more original, electronic or facsimile counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

Section 7.11 Severability. The invalidity or unenforceability of any particular provision, or any part thereof, of this Contract shall not affect the other provisions hereof and this Contract shall be construed in all respects as if such invalid or unenforceable provision were omitted.

[EXECUTION PAGES FOLLOW]

SIGNED AND AGREED TO be effective as of the date first set forth herein.

Si Environmental LLC

By: _____

Jeff Haley, President

City of Sugar Land

By: _____

Allen Bogard, City Manager

EXHIBIT 'A'
FACILITIES

WEST AND GREATWOOD WASTEWATER TREATMENT FACILITIES

Two (2) Wastewater Treatment Plant and two (2) on-site lift stations receiving the collected wastewater and providing treatment as required to discharge an effluent that meets all applicable Federal, State and local laws and regulations.

EXHIBIT 'B'**COMPENSATION FOR SERVICES**

- I. **BASE OPERATIONS FEE:** For and in consideration of services outlined in the Article I of this Contract and rendered to and on behalf of the City by SE, the City agrees to pay to SE, each month, a base operations fee equal to:
- a. A base fee of \$35,757.00 per month based on a 10-month contract, which includes personnel to operate both the sludge thickening processes at the facilities, sludge box disposal, unless otherwise noted, bar screening box disposal, PM's, monthly testing required by the TCEQ, biomonitoring, sludge testing, sludge DMR and monthly required reporting to the TCEQ.
- II. **AUTHORIZED MAINTENANCE LEVEL:** Consistent with the principle of effective cost containment, efficient maintenance and maximization of operational procedures, the City authorizes SE to perform non-emergency repairs when, in SE's reasonable professional opinion, the cost to the City of such repairs will not exceed \$3,000.00 per repair.
- III. **MATERIALS:** Cost of materials billed and/or sold to the CITY by SE will include an administrative fee of 10%.
- IV. **SUB-CONTRACT(S):** SE's management fee for subcontracts will be 12% of the dollar amount of the subcontract.
- V. **EXTRAORDINARY SERVICES:** SE may render additional services not specified in this Contract. Extraordinary services not anticipated and not specified in this Contract may also be requested of SE by the City. The City and SE will in good faith negotiate the amount to be paid by the City to SE for such extraordinary services.

EXHIBIT “C”
RATES

PERSONNEL⁽¹⁾⁽²⁾⁽³⁾

Classification	Straight Time Rate per Hour ⁽²⁾	Overtime Rate per Hour ⁽²⁾
Field Service Representative	\$25.38	\$38.06
Crew Member	\$29.44	\$44.15
Certified Operator	\$30.45	\$45.68
Equipment Operator	\$30.45	\$45.68
Technician	\$45.68	\$68.51
Foreman	\$40.60	\$60.90
Manager	\$50.75	\$76.13
Administrative	\$35.53	\$35.53

⁽¹⁾These rates will be in effect for year one (1) of the contract. For subsequent years, the rates will be adjusted up or down upon written notice to the City and based on the accumulated percentage rate of increase/decrease from the previous year of the contract, based on the most current Consumer Price Index, as published by the U.S. Bureau of Labor Statistics (CPI-U), Southwest Region.

⁽²⁾Straight time is defined as Monday through Friday, 7:30 a.m. to 4:30 p.m. except for nine (9) SE-observed holidays: New Year’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving, Christmas Eve, and Christmas Day. If the observed holiday falls on a weekend day, the preceding Friday and/or following Monday will be considered as a holiday, but no more than nine holidays during a fiscal year.

⁽³⁾The above rates will be billed in half (1/2) hour increments unless otherwise noted

EXHIBIT “C”
RATES (continued)

EQUIPMENT⁽¹⁾⁽²⁾⁽³⁾

Classification	Hourly Rate	Minimum Hours
18 ft. Trailer	\$15.23	None
Service Truck	\$15.23	None
Service Body Truck	\$30.45	None
1-Ton Flat Bed Truck	\$30.45	2
Dump Truck	\$35.53	2
2-Ton Winch Truck	\$50.75	2
Television Truck	\$121.80	3
Back Hoe Rig	\$60.90	2
High Pressure Pipe Cleaner (Hydra)	\$65.98	3
Vactor Truck (plus dump fee)	\$126.88	3

¹⁾These rates will be in effect for year one (1) of the contract. For subsequent years, the rates will be adjusted up or down upon written notice to the City and based on the accumulated percentage rate of increase/decrease from the previous year of the contract, based on the most current Consumer Price Index, as published by the U.S. Bureau of Labor Statistics (CPI-U), Southwest Region.

⁽²⁾Straight time is defined as Monday through Friday, 7:30 a.m. to 4:30 p.m. except for nine (9) SE-observed holidays: New Year’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving, Christmas Eve, and Christmas Day. If the observed holiday falls on a weekend day, the preceding Friday and/or following Monday will be considered as a holiday, but no more than nine holidays during a fiscal year.

⁽³⁾The above rates will be billed in half (1/2) hour increments unless otherwise noted

EXHIBIT “D” INSURANCE REQUIREMENTS

I. Insurance Limits. The Operator shall obtain insurance from companies having a Best rating of B+/VII or better, licensed to transact business in the State of Texas, of the following types and minimum limits:

1. Workers’ Compensation insurance in accordance with the laws of the State of Texas, and Employer’s Liability coverage with a limit of not less than \$500,000 each employee for Occupational Disease; \$500,000 policy limit for Occupational Disease; \$500,000 policy limit for each accident.

2. Commercial General Liability insurance on a form no less broad than the coverage provided by a “Commercial General Liability Insurance” form (dated 1985 or thereafter) promulgated by the Insurance Services Office, and containing language affording coverage for contractual liability, the products and completed operations hazards, and the explosion, collapse and underground hazards, as respects all operations and work hereunder, for all liability arising out of injury to or death of one or more persons, and injury to or destruction of property, in any one occurrence, in amounts not less than:

\$2,000,000	general aggregate limit
\$1,000,000	each occurrence, combined single limit
\$2,000,000	aggregate Products, Comp/Ops Aggregate
\$1,000,000	aggregate Personal Injury/Advertising Liability

3. Business Automobile Liability coverage on a form no less broad than the coverage provided by a Business Automobile Liability Insurance form promulgated by the Insurance Services Office applying to owned, non-owned, non-owned and hired automobiles, with limits of not less than \$1,000,000 each occurrence combined single limit for Bodily Injury and Property Damage combined.

4. Umbrella Excess Liability insurance that follows the form of the underlying primary liability insurance required by this Contract, with limit not less than \$3,000,000 each occurrence combined single limit.

5. Professional Liability – Aggregate \$1,000,000; \$15,000 Retention.

6. Cyber Liability - \$1,000,000

7. Contractors Pollution Liability - \$1,000,000

II. Miscellaneous insurance provisions.

1. Required Endorsements. All policies written on behalf of SE shall contain the following endorsements:
 - a. Except with respect to workers' compensation coverage, the City and its agents and employees shall be added as additional insureds, or loss payee with respect to required property insurance, to all coverage required under this Contract, as to the full limits of liability provided by each insurance policy (including limits greater than the minimum limits required herein), and shall include language providing:
 - (i) that such insurance applies separately to each insured against whom claim is made or suit is brought; and
 - (ii) coverage to the City, including its agents and employees, no less broad than one or the other of the following alternatives: (a) the coverage afforded to the named insured under the policy with respect to the work or services to be performed hereunder; or (b) the coverage afforded by the combination of Insurance Services Office Endorsements GC 20 33 07 04 (entitled "Additional Insured – Owners, Lessees or The Operators – Automatic Status When Required in Construction Contract with You) and GC 20 37 07 04 (entitled "Additional Insured – Owners, Lessees or The Operators – Completed Operations"); and
 - (iii) that such insurance shall respond as primary insurance and shall not contribute with any other valid and collectible other insurance that may be maintained by the City or its agents or employees.
 - b. A waiver of subrogation endorsement in favor of the City and the City's agents and employees, except for worker's compensation insurance, shall be provided.
2. Subcontractor Coverage. SE may require that all its subcontractors, of any and all tiers, have insurance in compliance with the requirements of this Contract, including all required endorsements. SE shall secure and maintain subcontractors' certificates of insurance and additional insured endorsements as proof thereof.
3. "Claims Made" Coverage. If the insurance required hereunder is procured on a form affording "claims-made" coverage, then (i) all limits stated above as "per occurrence" shall be understood to mean "per claim" or "per occurrence," as is consistent with the terms of the "claims-made" policy; and, (ii) such claims-made insurance shall not provide for a retroactive date later than the commencement of SE's performance hereunder.

EXHIBIT “E”
PREVENTATIVE MAINTENANCE SCHEDULE

WEST PLANT

Maintenance Item	Frequency
Crane Inspection	Every Year
Inspection Fire Extinguisher(s)	Every Year
Conduct Infra-Red Survey	Every Year
Prepare Tier 2 Report	Every Year
Prepare Annual Sludge Report	Every Year
Pressure Wash Bar Screen	180 Days
PM Rotating Equipment	180 Days
Annual MCC Cleaning	Every Year
PM Alarm System	Every Year
Calibrate SO2 Detector	90 Days
Perform Storm Water Inspection	90 Days
PM Bleach System	90 Days
PM Dechlorination System	90 Days
PM Polymer System	90 Days
PM Samplers	90 Days
Vibration Test on Blowers	90 Days
Load Test Generator	Every Year
Clean Contact Basin(s)	180 Days
PM Generator	180 Days
PM SCBA(s)	Every Year

WEST ON-SITE LIFT STATION

Maintenance Item	Frequency
PM Lift Station	180 Days

GREATWOOD PLANT

Maintenance Item	Frequency
Inspection Fire Extinguisher(s)	Every Year
Conduct Infra-Red Survey	Every Year
Prepare Tier 2 Report	Every Year
Prepare Annual Sludge Report	Every Year
PM Rotating Equipment	180 Days
Annual MCC Cleaning	Every Year
PM Alarm System	Every Year
Calibrate CL2 Detector	90 Days
Calibrate SO2 Detector	90 Days
Perform Storm Water Inspection	90 Days
PM Chlorination System	90 Days
PM Dechlorination System	90 Days
PM Polymer System	90 Days
PM Samplers	90 Days
Vibration Test on Blowers	90 Days
Load Test Generator (s)	Every Year
Clean Contact Basin(s)	180 Days
PM Generator	180 Days
PM Portable Generator #1	180 Days
PM Portable Generator #2	180 Days
PM SCBA(s)	Every Year

GREATWOOD ON-SITE LIFT STATION

Maintenance Item	Frequency
PM Lift Station	180 Days