AGENDA

MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
August 1, 2017, 9:00 A.M.
6th Floor Board Room #609
Administrative Offices
2800 U. S. Hwy 281 North, San Antonio, Texas 78212

1. MEETING CALLED TO ORDER.

2. Announcements.
   A. The San Antonio Water System Board of Trustees will, during the Meeting, close the Meeting and hold an Executive Session pursuant to and in accordance with Chapter 551 of the Texas Open Meetings Act. The Board of Trustees may, at any time during the Meeting, close the Meeting and hold an Executive Session for consultation with its attorneys concerning any of the matters to be considered during the Meeting pursuant to Chapter 551 of the Texas Open Meetings Act.

3. Minutes.
   A. Approval of the Minutes of the San Antonio Water System Board of Trustees Regular Board Meeting of June 6, 2017.


5. Public Comment.

SAN ANTONIO WATER SYSTEM
HANDICAPPED ACCESSIBILITY STATEMENT
The San Antonio Water System Buildings and Meeting Rooms are accessible to individuals with disabilities. Accessible visitor parking spaces as well as the accessible entrance and ramp are located at the west side main entrance of the SAWS Headquarters Building, Tower 1, 2800 U.S. Highway 281 North. Individuals with disabilities in need of auxiliary aids and services, including Deaf interpreters, must request such aids and services forty-eight (48) hours prior to the meeting. For assistance, contact the Board Administrator at 210-233-3690 or 711 (Texas Relay Service for the Deaf).
CONSENT AGENDA ITEMS

Items  6 – 15

ITEMS CONCERNING THE PURCHASE OF EQUIPMENT,
MATERIALS AND SUPPLIES

6. A Resolution accepting recommendations regarding the contracting for certain services,
equipment, materials, and supplies, and authorizing the acceptance of bids as follows:
(DOUG EVANSON – YVONNE TORRES)

A. Award of New One Time Purchases of Materials, Equipment and Services.

1. Approving a one-time purchase and installation from Gillette Air Conditioning Co., Inc. to provide: Heat Recovery A/C System for Bldgs. 16 & 17 at Dos Rios Water Recycling Center, Bid No. 17-17063, for a total of $551,000.00.

2. Approving a one-time purchase from DN Tanks to provide: cleaning and coating services for Wurzbach Pump Station, Bid No. 17-17040, for a total of $191,893.00.

3. Approving a one-time purchase from SpawGlass Contractors, Inc. to provide: painting and protective pipe coating for Dos Rios Recycling Center, BuyBoard #520-16, Bid No. 17-17075, for a total of $130,770.27.

B. Award of New and Renewal Annual Goods & Services Requirement Contract and Maintenance Agreements. Estimated annual purchases are based on unit prices bid. Actual totals and quantities may vary from the estimate.

1. Authorizing the extension of an existing contract of ASCO Equipment to provide: annual contract for diesel exhaust fluid and pre-mixed two stroke engine fuel, Bid No. 14-14102, Item 2, for a total of $74,484.00.

2. Acceptance of the sole source bid of SmartCover Systems, Inc. to provide: annual contract for SmartClean professional services program overflow monitoring devices, Bid No. 17-17011, for a total of $1,130,153.33.

3. Acceptance of the bid of Bio-Aquatic Testing, Inc. to provide: annual contract for biomonitoring analytical services, Bid No. 17-3014, for a total of $60,140.00.


5. Acceptance of the bid of Weisinger, Incorporated to provide: annual contract for high service pump repair, machining and technical/field support services, Bid No. 17-7033, for a total of $524,612.00.
6. Acceptance of the bid of Q-Haul, Inc. dba QMC Services to provide annual contract for hauling of spoil materials, Bid No. 17-0648, for a total of $682,700.00.

**CAPITAL IMPROVEMENT CONTRACTS**

**PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY**

**Developer Customer Contracts**

7. A Resolution approving Utility Service Agreements to provide water and/or wastewater service to the tracts listed below requiring potential oversizing of mains (OVR), and/or are located outside the San Antonio Water System water and/or wastewater Certificate of Convenience and Necessity (CCN). (ANDREA BEYMER – SAM MILLS)

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<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
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<th>CoSA / CoSA ETJ / Outside</th>
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<td>OVR</td>
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</tbody>
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**Water and Sewer Line Improvements**

8. A Resolution approving Contract Amendment No. 1 in the amount not to exceed $140,240.00 to the professional services contract with CDS Muery in connection with the Martinez Creek Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

**Production, Transmission and Treatment Improvements**

9. A Resolution awarding a professional services contract to Grubb Engineering, Inc., in the amount not to exceed $558,653.00 in connection with the Water Production Facilities Upgrades Phase II Project. (ANDREA BEYMER – MICHAEL MYERS)

**REPLACEMENT AND ADJUSTMENT PROJECTS**

**Governmental Relocations and Replacements**

10. A Resolution ratifying the actions of the Vice President of Engineering and Construction in approving Change Order No. 1 in the amount of $13,228.48 and approving Change Order No. 2 in the amount of $38,781.11; authorizing the expenditures of additional funds to Bexar County in the amount not to exceed $59,811.03 in connection with FM 471 Culebra Road Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)
11. A Resolution approving Contract Amendment No. 1 to the Advance Funding Agreement; authorizing the expenditure of additional funds in the amount not to exceed $234,405.48 payable to the Texas Department of Transportation for the adjustment of water and sewer facilities in connection with the US 281: Loop 1604 to Stone Oak Parkway Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

EASEMENT AND REAL PROPERTY

12. A Resolution declaring a public necessity for public use, the acquisition of certain real property in the City of San Antonio being a permanent easement, the project consisting of rehabilitation of a sewer main along the north property line of a parking lot on S.W. Military Dr. at South Flores St. then within the right of way of South Flores St. in the southwest quadrant of Bexar County, Texas, for the public use of the expansion and operation of the System through the construction of the Flores Street And Pleasanton Road Project; requesting that the City Council of the City of San Antonio adopt an ordinance reaffirming and declaring that the project is for a public use and a public necessity exists for the acquisition of the easements and authorizing the System to take all appropriate action to acquire the easements by negotiation and/or condemnation. Project located in NCB: 9472 and 9477. (NANCY BELINSKY – BRUCE HABY)

13. A Resolution declaring a public necessity for public use, the acquisition of certain real property in the City of San Antonio being permanent easements, the project consisting of a water main along the southern right of way of U.S. Highway 90 terminating east of Highway 211 in the southwest quadrant of Bexar County, Texas, for the public use of the expansion and operation of the System through the construction of the Highway 90 Water Main Extension Project; requesting that the City Council of the City of San Antonio adopt an ordinance reaffirming and declaring that the project is for a public use and a public necessity exists for the acquisition of the easements and authorizing the System to take all appropriate action to acquire the easements by negotiation and/or condemnation. Property located in CB: 4342, 4342B, 4342C, and 5681. (NANCY BELINSKY – BRUCE HABY)

MISCELLANEOUS ITEMS

14. A Resolution awarding a services contract to MarketPay in the amount not to exceed $108,000.00 in connection with compensation management software services. (SHARON DE LA GARZA)

15. A Resolution ratifying the actions of the Vice President of Customer Service in approving the expenditure of additional funds in the amount of $167,784.96 to Credit Systems International, Inc., and $50,674.02 to Municipal Services Bureau; approving a Full and Final Compromise Agreement with Credit Systems International, Inc. for an additional amount of $25,037.61 in connection with third party collections activities. (DOUG EVANSON – AGNES BARARD)
ITEMS FOR INDIVIDUAL CONSIDERATION

CAPITAL IMPROVEMENT CONTRACTS

PROJECTS INVOLVING IMPROVEMENTS,
EXTENSIONS AND ADDITIONAL CAPACITY

Water and Sewer Line Improvements

16. A Resolution awarding a construction contract to Qro Mex Construction Company, Inc. in the amount not to exceed $4,995,569.50, in connection with C5 Culebra – Castroville to Laredo & C28 Zarzamora Creek – San Gabriel to NW 23rd Street, Phase 2 Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

17. A Resolution awarding a construction contract to Oscar Renda Contracting, Inc., in the amount not to exceed $15,261,501.00, in connection with the C13 Broadway Corridor Project Package B. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

18. A Resolution awarding a construction contract to Horseshoe Construction, Inc. in the amount not to exceed $1,017,299.90 in connection with the Early Action Phase 2 Package - 2017 Project. (ANDREA BEYMER – GAIL HAMRICK-PIGG)

Production, Transmission and Treatment Improvements

19. A Resolution awarding a construction contract to Austin Engineering Company, Inc., in the amount not to exceed $3,166,000.00, in connection with construction of the Lift Stations Rehabilitation - Phase 4 Project. (ANDREA BEYMER – MICHAEL MYERS)

MISCELLANEOUS ITEMS

20. A Resolution awarding a construction contract to J&P Paving Co., Inc. in an amount not to exceed $1,218,954.25 in connection with the 2017 Bi-Annual Asphalt Overlay Work Order Construction Contract, Package 2. (MIKE BRINKMANN – ALISSA LOCKETT)

21. A Resolution awarding a professional services contract to West Monroe Partners, LLC in an amount not to exceed $293,855.00 in connection with Automated Metering Feasibility Analysis and Business Case Development. (DOUG EVANSON – SREE PULAPAKA)

22. BRIEFING SESSION.

A. Briefing and deliberation regarding Vista Ridge Project

B. Briefing and deliberation regarding Quarterly Financial and Investment Reports
23. President/Chief Executive Officer’s Report.
   A. Capital Improvements Program

24. Inquiries of the Board of Trustees for future briefings and/or follow-up action.

25. The Regular Session of the August 1, 2017, Regular Board Meeting is hereby recessed to hold an Executive Session and discuss the matters listed below pursuant to Section §551.071 of the Texas Open Meetings Act.

26. EXECUTIVE SESSION.
   A. Consultation with attorneys and deliberations regarding security devices or audits pursuant to §551.071 and §551.074 of the Texas Government Code.


   C. Deliberation regarding the annual evaluation, performance objectives and duties of the President/Chief Executive Officer; and consultation with attorneys concerning legal matters regarding the annual evaluation, performance objectives and duties of the President/Chief Executive Officer, pursuant to Tex. Gov’t Code §551.074 and §551.071, respectively.

27. The Regular Session of the Regular Board Meeting of August 1, 2017, is hereby reconvened.

28. Deliberation and possible action regarding the compensation for Robert R. Puente, President/Chief Executive Officer. (BERTO GUERRA, JR., CHAIRMAN, BOARD OF TRUSTEES)

29. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF AUGUST 1, 2017, IS HEREBY ADJOURNED.
MINUTES

MEETING OF THE
SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES
June 6, 2017, 9:00 A.M.
6th Floor Board Room #609
Administrative Offices
2800 U. S. Hwy 281 North, San Antonio, Texas 78212

Board Members Present:
Berto Guerra, Jr., Chairman
Ivy R. Taylor, Mayor
Pat Jasso, Vice Chair
Ernesto Arrellano, Jr., Secretary
Pat Merritt, Trustee
David P. McGee, Trustee

Board Members Absent:
Louis E. Rowe, Assistant Secretary

1. MEETING CALLED TO ORDER

The meeting of the San Antonio Water System Board of Trustees was held on June 6, 2017, and called to order at 9:08 a.m. by Chairman Berto Guerra.

2. Announcements

A. The San Antonio Water System Board of Trustees will, during the Meeting, close the Meeting and hold an Executive Session pursuant to and in accordance with Chapter 551 of the Texas Open Meetings Act. The Board of Trustees may, at any time during the Meeting, close the Meeting and hold an Executive Session for consultation with its attorneys concerning any of the matters to be considered during the Meeting pursuant to Chapter 551 of the Texas Open Meetings Act.

3. Minutes

A. Approval of the Minutes of the San Antonio Water System Board of Trustees Regular Board Meeting of April 4, 2017.

Chairman Guerra asked if there were any corrections to the minutes. Hearing none, he stated the minutes were approved as presented.
4. **Ceremonial and Recognition Items.**

Robert Puente discussed the merge of the City Water Board, the City’s Wastewater Department, and the Alamo Water Conservation and Resuse District. He reviewed the background for the merger and some of the events that led up to the creation of SAWS. At the time, Mayor Nelson Wolff and Public Works Director Joe Aceves were at the City and both played a major role in creating SAWS. He discussed his role in the filing of House Bill 1780 that validated the merger and turned SAWS from what was then a five-member board to a seven-member board to give the entire community more of a reflection geographically. This established the southeast, southwest, northeast, and northwest quadrants, and the north and south members on this Board. As part of the 25th Anniversary, there would be events in the community and with the Board and employees to signify 25 great years. He introduced Judge Wolff and Mr. Aceves and asked them to share a few words.

Judge Wolff reflected on some of the difficult decisions that were facing the City during that time. One was the creation of the Edwards Aquifer Authority (EAA). Everyone was finally able to come together with the creation of what became the San Antonio Water System. He recognized Cliff Morton for his leadership as chairman and the addition of Joe Aceves as president. He discussed how SAWS has been effective in diversifying water resources and in conservation. SAWS also played an important role in the economic development of the City and in providing the citizens with an adequate supply of water. He expressed his gratitude to Mr. Aceves for not only the great job at SAWS, but also for stepping up again to take over the Public Works Department at the County.

Mr. Puente commented that just as Judge Wolff asked Mr. Aceves to help him at the County, Mr. Aceves was tapped again when SAWS took over BexarMet and he did a very good job.

Mr. Aceves thanked Mr. Puente for inviting them to be a part of this milestone for SAWS, and was grateful for the privilege of serving this organization. From the beginning, there had been challenges, and many of the challenges were met. He credited the SAWS Board and the employees for their work to make SAWS a great organization.

Chairman Guerra thanked Judge Wolff, Mr. Aceves and Mr. Puente for their service to SAWS and to the community. He discussed the effort to diversify the water supply over the past 25 years, and the continued effort to grow and improve.

5. **Public Comment.**

Terry Burns, the chair of the local Sierra Club, commented on the role the Sierra Club played in the endangered species lawsuit that led to the creation of the EAA and SAWS. SAWS emphasis on conservation was much appreciated and the many things done to help the community have a diversified, safe and sufficient supply of water. He commented on the extension of the original mission to now become a marketer of water. The Vista Ridge Project was part of the effort to promote the economic development of San Antonio as a city where water intensive industry was welcomed and encouraged to move. He urge SAWS to return to its core mission of providing safe and sufficient water to San Antonio and abandon the effort to promote San Antonio as an idealic spot for endless growth over the hill country and San Antonio.
Alan Montemayor spoke against the Vista Ridge project. He asked the Board to change the perception of water and how water was used in San Antonio. He recommended the expansion of the recycled water system, consideration of rainwater and storm pulse capture, and a review of the economic system to make San Antonio sustainable. He commented on the use of electric vehicles and cooperation with CPS Energy to minimize the amount of energy and water used by the utilities. He also appealed to Mayor Taylor to have San Antonio become a participant to the Climate Mayor Program.

CONSENT AGENDA ITEMS

Items 6 – 24

ITEMS CONCERNING THE PURCHASE OF EQUIPMENT, MATERIALS AND SUPPLIES

6. A Resolution accepting recommendations regarding the contracting for certain services, equipment, materials, and supplies, and authorizing the acceptance of bids as follows: (DOUG EVANSON – YVONNE TORRES)

A. Award of New One Time Purchases of Materials, Equipment and Services.

1. Approving a one-time purchase from Equipment Depot to provide: four each forklifts with solid pneumatic-shaped tires 11,000 lb. capacity, Bid No. 17-17044, for a total of $183,600.00.

2. Approving a one-time purchase from Ancira Motor Group dba Ancira Chrysler, Jeep & Dodge to provide: twenty-seven each 6,300 GVWR (minimum) 4x2 wide and short bed (no outside fenders) extended club, super cab pickup truck, Bid No. 17-17021, Item 1, for a total of $611,280.00.

3. Approving a one-time purchase from Caldwell Country Chevrolet to provide: eight each 6,300 GVWR (minimum) 4x4 wide and short bed (no outside fenders) extended club, super cab pickup truck, Bid No. 17-17021, Item 2, for a total of $218,200.00.

4. Approving a one-time purchase from Caldwell Country Chevrolet to provide: five each 5,700 GVWR 4x2, 4-door sport utility-type vehicle, Bid No. 17-17021, Item 3, for a total of $129,905.00.

5. Approving a one-time purchase from M&S Technologies to provide: Palo Alto license and maintenance, DIR-TSO-2681, Bid No. 17-17038, for a total of $89,950.00.

B. Award of New and Renewal Annual Goods & Services Requirement Contract and Maintenance Agreements. Estimated annual purchases are based on unit prices bid. Actual totals and quantities may vary from the estimate.

1. Authorizing the extension of an existing sole source contract of AT&T Corp. to provide: communications service renewal for telephone and network connectivity by way of 10GB circuits (Path A and B), DIR-TX-AN-NG-CTSA-005, Bid No. 17-1248, for a total of $251,483.04.
2. Authorizing the extension of an existing contract of Infor Public Sector, Inc. to provide: 8 annual software license and maintenance renewal, Bid No. 13-1430B, for a total of $461,254.31.

3. Acceptance of the bid of Southern Tire Mart, LLC to provide:  annual contract for tires, tubes and repair services, Bid No. 17-3120, for a total of $666,990.00.

4. Acceptance of the bid of BJ Corporation dba National Building Service to provide:  annual contract for janitorial services for various facilities, Bid No. 17-15037, Group 1, for a total of $258,303.00.

5. Acceptance of the bid of IPC (USA), Inc. to provide:  annual contract for gasoline and diesel fuel, COSA 6100006739, Bid No. 17-17060, for a total of $175,000.00.

6. Acceptance of the bid of HD Supply Waterworks to provide:  annual contract for ductile iron MJ compact fitting, Bid No. 17-0065, Groups 5, 6 & 7, for a total of $56,250.51.

7. Acceptance of the bid of Fortilne Waterworks to provide:  annual contract for ductile iron MJ compact fitting, Bid No. 17-0065, Groups 1, 2 & 3, for a total of $43,511.66.

8. Acceptance of the bid of Ferguson Waterworks to provide:  annual contract for ductile iron MJ compact fitting, Bid No. 17-0065, Group 8, for a total of $13,674.58.

9. Acceptance of the bid of KLP Commercial, LLC to provide:  annual contract for ductile iron MJ compact fitting, Bid No. 17-0065, Group 4, for a total of $583.00.

10. Acceptance of the bid of My Plumber Inc., dba J.R.’s Plumbing to provide:  annual contract for the Laterals to People Program, Bid No. 17-4095, for a total of $178,405.00.

11. Acceptance of the bid of Power Engineering Services to provide:  annual contract for electrical maintenance and repair services, Bid No. 17-17000, for a total of $477,330.00.

12. Acceptance of the bid of Freeit Data Solutions to provide:  annual contract for the Laterals to People Program, Bid No. 17-17051, for a total of $131,105.68.

13. Acceptance of the bid of Alterman, Inc. to provide:  purchase and installation of an electronic access control system with five years of licenses, maintenance and warranty, Bid No. 17-17005, for a total of $255,447.00.

CAPITAL IMPROVEMENT CONTRACTS
PROJECTS INVOLVING IMPROVEMENTS, EXTENSIONS AND ADDITIONAL CAPACITY
Developer Customer Contracts

7. A Resolution approving Utility Service Agreements to provide water and/or wastewater service to the tracts listed below requiring potential oversizing of mains (OVR), and/or are located outside the San Antonio Water System water and/or wastewater Certificate of Convenience and Necessity (CCN). (GENOVEVA GOMEZ – SAM MILLS)

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<th>No.</th>
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<th>Developer</th>
<th>Acres</th>
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<td>OVR</td>
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8. A Resolution approving an Interlocal Agreement with VIA Metropolitan Transit; authorizing the expenditure of funds in the amount not to exceed $184,909.63 for the System’s proportionate share of the project work payable to VIA Metropolitan Transit in connection with the VIA Stone Oak Park and Ride Water Main Project. (GENOVEVA GOMEZ – SAM MILLS)

Water and Sewer Line Improvements

9. A Resolution awarding a construction contract to RCO Construction, LLC in the amount not to exceed $697,947.00 in connection with the DR 1091 – 800 N. Loop 1604 Sewer Main Project. (GENOVEVA GOMEZ – GAIL HAMRICK-PIGG)

10. A Resolution awarding a construction contract to Veritas Management Company, LLC dba Black Castle General Contractor in the amount not to exceed $267,730.00 in connection with the E20 Bypass Bore Project. (GENOVEVA GOMEZ – GAIL HAMRICK-PIGG)

11. A Resolution ratifying the actions of the Vice President of Engineering and Construction in approving Change Order No. 1 in the amount not to exceed $470,535.64 payable to SAK Construction, LLC in connection with the Castroville Road 48-inch Rehab Project. (GENOVEVA GOMEZ – GAIL HAMRICK-PIGG)

12. A Resolution ratifying the actions of the Vice President of Engineering and Construction in authorizing expenditures in the amount not to exceed $257,905.66 payable to CPS Energy in connection with the E19: Seguin Road to Nacogdoches Road, Segment 1 Project. (GENOVEVA GOMEZ – GAIL HAMRICK-PIGG)

13. A Resolution approving Recapitulation Change Order No. 2 in the decreased amount of $191,970.62 to be credited to the construction contract with Texas Pride Utilities, LLC in connection with the Hwy 87 – Rigsby Ave Emergency Project. (GENOVEVA GOMEZ – GAIL HAMRICK-PIGG)
Production, Transmission and Treatment Improvements

14. A Resolution awarding a construction contract to Bartek Construction Company, Inc. in the amount not to exceed $572,138.00 in connection with the Concept Therapy Institute Interconnect Project. (GENOVEVA GOMEZ – MICHAEL MYERS)

15. A Resolution approving Recapitulation Change Order No. 8 in the decreased amount of $376,618.47 to be credited to the construction contract with Garney Companies, Inc. in connection with the Water Resources Integration Program, Phase 1 Pipeline Segment 1A Project; authorizing the return of funds in the amount of $376,618.47 and the construction contingency balance of $868,095.93 for a total amount of $1,244,714.40. (GENOVEVA GOMEZ – MICHAEL MYERS)

16. A Resolution approving Recapitulation Change Order No. 10 in the decreased amount of $263,937.50 to be credited to the construction contract with Garney Companies, Inc. in connection with the Water Resources Integration Program, Phase 1 Pipeline Segment 1B Project; authorizing the return of funds in the amount of $263,937.50 and the construction contingency balance of $802,497.26 for a total amount of $1,066,429.76. (GENOVEVA GOMEZ – MICHAEL MYERS)

17. A Resolution approving Recapitulation Change Order No. 4 in the decreased amount of $193,020.13 to be credited to the construction contract with Garney Companies, Inc. in connection with the Water Resources Integration Program, Phase 1 Pipeline Segment 2A Project; authorizing the return of funds in the amount of $193,020.13 and the construction contingency balance of $743,734.36 for a total amount of $936,754.49. (GENOVEVA GOMEZ – MICHAEL MYERS)

18. A Resolution approving Recapitulation Change Order No. 5 in the decreased amount of $627,318.45 to be credited to the construction contract with Garney Companies, Inc. in connection with the Water Resources Integration Program, Phase 1 Pipeline Segment 2B Project; authorizing the return of funds in the amount of $627,318.45 and the construction contingency balance of $1,071,576.11 for a total amount of $1,698,894.56. (GENOVEVA GOMEZ – MICHAEL MYERS)

REPLACEMENT AND ADJUSTMENT PROJECTS

19. A Resolution approving the expenditure of funds in the amount of $1,217,747.91 for the adjustment and replacement of water and sewer facilities by the City of San Antonio in connection with the Barbara Drive Area Drainage (SA3) Project. (GENOVEVA GOMEZ – GAIL HAMRICK-PIGG)

EASEMENT AND REAL PROPERTY

20. A Resolution accepting an offer in the amount of $60,000.00 for the sale of 11800 Queenspoint, Bexar County, Texas consisting of three residential lots in the Oakcreek Community Subdivision, located in San Antonio, Bexar County, Texas, and approving a purchase agreement with Robert M. Johnson and Fen-Fen Johnson; affirming a six
percent commission to be paid to Cano and Company at closing and authorizing payment of closing costs up to $2,000.00 (excluding real estate commissions) at closing. (NANCY BELINSKY – BRUCE HABY)

21. A Resolution declaring a public necessity for public use, the acquisition of certain real property in the City of San Antonio being permanent easements, the project consisting of the replacement of water main along Hume Road to Pleasanton Road/Old Pleasanton Road, in the southwest quadrant of Bexar County and the northwest quadrant of Atascosa County, for the public use of the expansion and operation of the System through the construction of the Hume Road Water Main Replacement Project; requesting that the City Council of the City of San Antonio adopt an ordinance reaffirming and declaring that the project is for a public use and a public necessity exists for the acquisition of the easements and authorizing the System to take all appropriate action to acquire the easements by negotiation and/or condemnation. Property located in: Bexar County Block 5491, Atascosa County Survey No. 709, Abstract No. 1242 and 813. (NANCY BELINSKY – BRUCE HABY)

MISCELLANEOUS ITEMS

22. A Resolution awarding a professional services contract to Keenology Corporation dba CIPPlanner Corporation in the amount not to exceed $499,950.00 for the analysis, designing, configuring and implementing enhancements to the Contract & Project Management System Module. (DOUG EVANS – SREE PULAPAKA)

23. A Resolution awarding professional services contracts to Tribu LLC, Blonde Creative LLC, Mark McAashaan dba Blue Sky Graphic Design, and CD Studio Inc. dba Casualty in the total amount not to exceed $200,000.00 in the aggregate for creative graphic design and development services. (GAVINO RAMOS)

24. A Resolution accepting the recommendation of the Audit Committee of the San Antonio Water System Audit Committee to approve a salary adjustment for Stacey Isenberg, Chief of Internal Audit of the System. (PAT MERRITT, CHAIRMAN, AUDIT COMMITTEE)

Chairman Guerra asked if there were any items in the Consent Agenda that should be pulled for individual discussion or consideration.

Mr. McGee made a motion to approve the Consent Agenda Items, Nos. 6 – 24. Mr. Arrellano seconded the motion.

Consent Agenda Items, Nos. 6 – 24 were unanimously approved. Verbal voting.

ITEMS FOR INDIVIDUAL CONSIDERATION
CAPITAL IMPROVEMENT CONTRACTS
MISCELLANEOUS PROJECTS
25. A Resolution awarding a construction contract to Prime Controls, LP in the amount not to exceed $4,990,876.00 in connection with the Broadband Access Points and Programmable Logic Controllers Replacement – Phase 1 Project. (GENOVEVA GOMEZ – MICHAEL MYERS)

Marisa Palmer presented Item 25, the Broadband Access Points and Programmable Logic Controllers Replacement – Phase I Project. SAWS was one of the first utilities to remotely run a water system using computer controls from a single location. The system was referred to as SCADA, which stands for Supervisory Control and Data Acquisition. The use of the system essentially allowed a device such as a pump or a valve to be operated through a programmable logic controller (PLC) that communicates by radio with computers and operators in a central location. SAWS was actively monitoring and/or controlling approximately 26,000 data points across Bexar County.

In 2013, a SCADA master plan was completed that evaluated the existing data and communication systems. These systems were a mixture of devices with different ages and manufacturers. Recommendations called for the replacement of the PLCs and upgrades to the broadband radio communication system, including the addition of broadband access sites. These recommendations would strengthen cyber security, standardize a common control system, increase reliability and speed, and eliminate communication failures by providing redundancies in the communication pathways to ensure uninterrupted operations. The program would be done in multiple phases in order to minimize impact to operations and the capital improvements program (CIP) budget. The phases were prioritized based on the criticality of the facilities as well as determined by the master plan and included operational needs. In general, the high criticality included primary pump stations. These sites typically monitored and controlled many data points. The sites also had cameras and alarms and, thus, required higher speeds and more data. Low criticality sites were lift stations where points were mainly monitored and required lower speed requirements.

Phase 1 included work at 54 facilities, would replace or add SCADA panels and PLCs at 28 facilities, and replace or add radios at 40 facilities. Also to be replaced or added were communication towers at 34 facilities. These communication towers provided the means to install radio antennas at the necessary heights required to dependably transfer SCADA monitoring and control data. Generators for standby power of radio equipment at three new broadband communication access points would be installed. These access points would provide redundancy in the communication system to ensure uninterrupted operation. Also included was associated civil, structural, electrical, instrumentation and controls work. She reviewed photos and a project site map for Phase 1. She discussed the timeline and cost estimate for the planned phases.

Three bids were received and Prime Controls, L.P. was deemed the lowest responsible bidder with a bid of $4,990,876.00. The design engineer was Grubb Engineering, and the engineer's cost estimate was $4,754,106.00. The low bid was a 4.9 percent increase from the engineer's cost estimate. Construction duration for this contract was 450 calendar days. Staff recommended the award of a construction contract to Prime Controls, L.P. and the approval of funds in the amount not to exceed $4,990,876.00 for the construction contract.

Mr. Arrellano made a motion to approve Item 25. Ms. Jasso seconded the motion.
Ms. Jasso inquired about previous work on the system and if the request was for the first phase of the program. Ms. Palmer replied that throughout the years the system had been upgraded and new PLCs installed. The intent was to converge into one standardized PLC. The request was for Phase 1, which would be the highly critical sites.

Mr. McGee asked if a cost benefit analysis had been done. Ms. Palmer replied that a cost analysis was not done as part of the SCADA plan. One of the recommendations from the consultant was that by converging to one top end system, a savings would be realized from not having to deal with different PLCs, and purchasing the same type of PLCs.

Steve Clouse commented that the system had been added to over the years. The most current components were used whenever anything was added, but that had been over a lot of years. When BexarMet merged, they had a completely different and older system. It was important to get the system operating on a single platform, and security of the system was another important aspect of the program. He explained how the SCADA system allowed staff to run the entire water system. He stated a cost benefit analysis had not been done, but could be done. Mr. McGee stated an analysis was not necessary. He understood the difficulty multiple platforms for different systems had regarding support and maintenance and in terms of security.

After no further discussion, Item 25 was unanimously approved. Electronic voting.

MISCELLANEOUS ITEMS

26. A Resolution authorizing Phase V of the program management services for the professional services contract with HDR Engineering, Inc. in the amount not to exceed $8,289,925.00 in connection with the Sanitary Sewer Overflow Reduction Program. (STEVE CLOUSE – JEFF HABY)

Jeff Haby present Item 26, Phase V of program management services for the Sanitary Sewer Overflow (SSO) Reduction Program. He discussed the program background and the beginning of the ten-year Consent Decree (CD) in June 2013. As part of the program, SAWS was required to assess the condition of over 2,600 miles of high risk small-diameter pipe made of clay and concrete and all pipes 24 inches and greater. There was about 0.65 miles of pipe remaining that needed to be assessed. SAWS was required to confirm the capacity of the system, which had been completed. The assessment phase would be reported in the condition and capacity assessment reports, and these reports were due January 2018. The condition and capacity remedial measures plans were due January 2019. These plans would identify which pipes would be fixed, the method that would be used, and the timeline to complete each of those projects. The program manager, HDR, brought extensive support and experience for consent decrees throughout the nation. This knowledge and experience had been a tremendous benefit to SAWS. In meeting the CD requirements, SAWS had to implement best practices and improve system operations. He reviewed some of the accomplishments in the first four years of the program that included cleaning and inspection of high risk pipes, performing condition assessments of each pipe, and the calibration of the hydraulic model to verify system capacity constraints. All deadlines associated with the CD had been met and the major reports had been submitted. SAWS rehabilitated 70 miles of...
sewer pipe and over 1,000 manholes to meet the requirements of the Early Action Program.

One of the biggest changes driven by the SSO Reduction Team and Information Systems, was the Contract Project Management System (CPMS). CPMS is a management system used for CD projects as well as other projects throughout SAWS and would continue beyond the life of the CD. Another change was the development and implementation of SAWS jobs outreach website. This website provided information on specific sewer projects. The objective was to track all projects associated with the CD, and subsequently the website would include all of SAWS projects.

He reviewed the appropriated funds for the program management costs to HDR since 2013 and the project scope for Phase V. SAWS invested over $30 million to help ensure full compliance with the CD requirements, and had been successful in meeting all the requirements and deadlines. This investment included implementing best management practices and data manager systems that would be used well beyond the life of the CD. Year five scope of services included seven task orders, and would take SAWS to the first half of the CD commitment in which the majority of Environmental Protection Agency (EPA) commitments would be completed. Timing was critical as this was when the first major submittal was due to the EPA, the condition and capacity assessment report due in January 2018. The biggest change in Phase V was the addition of project control support for CIP project delivery. This task focused on developing and implementing the necessary process controls to track milestones so SAWS could continue to meet the CD compliance requirements and ensure it was on schedule for the CIP program. Finally, this was the last year of the contract so it would include the transition back to a SAWS managed program. SAWS would focus on identifying the projects to determine which system would most likely resolve the condition and capacity issues, considering long-term performance and lifetime costs. He reviewed photos that illustrated the tasks under the contract and the continued best management programs.

Staff recommended the authorization of Phase V of the program management services to HDR Engineering in connection with the SSO Reduction Program, and approval of an amount not to exceed $8,289,925.00 for Phase V.

Mr. McGee made a motion to approve Item 26. Mr. Arrellano seconded the motion.

After no further discussion, Item 26 was unanimously approved. Electronic voting.

27. A Resolution awarding a service contract to ADS, LLC in the amount not to exceed $3,008,815.00 for the period of June 7, 2017 to June 7, 2020 with the option of two one-year extensions for Wastewater Flow Metering Services.

(GENOVEVA GOMEZ – SAM MILLS)

Adam Aranda presented Item 27, a service contract for wastewater flow metering services. He described a flow meter and how the meter was used to measure flow, velocity and depth inside a pipe at any given time through the use of two main sensors. There were a variety of different meters that could be used. The current flow meters used were in the manholes directly above the pipe flow, and the flow meters proposed under this contract would be inside the pipe. The flow loggers were basically the brains of the flow metering system. The
loggers instruct the sensors when to measure, record the data, and basically sends the data over a website. Finally, the rain gauges measured rainfall at any given time.

He reviewed the benefits of flow meters that included average dry flow and inflow and infiltration. Inflow and infiltration was basically rainwater or groundwater that was going into the sewer system through what could be small cracks or open manhole lids. Using the flow meter reading, scatter graphs provided information over a period of time that told what capacity the sewer pipe was running and whether there was some kind of issue either upstream or downstream. Flow meters were great alarming tools for overflows, surcharges or a reduction of flow. All these things together help reduce costs by identifying problems in the system and how to fix the problem. The flow meters would play a large part of the capacity management operations and maintenance program under the CD.

SAWS currently had 240 flow meters in the system. A few years ago, SAWS undertook the task of calibrating the hydraulic model and this was completed last year. This computer model pretty much showed exactly how the system was going to behave no matter the rain condition. This had pretty much been the backbone of the SSO Program and the work would ultimately help reduce inflow and eliminate SSOs. He reviewed the current locations of the flow meters and rain gauges that were spread out evenly throughout the system. He also discussed how the data was used in the different engineering groups throughout SAWS.

Some of the areas that realized savings using flow meters were on capital projects through the hydraulic model calibration. Projects such as Broadway, Bulverde Road, and Donaldson Terrace were able to reduce projects size and shrink the limits of the projects. For example, a small study with five flow meters was used for the Broadway project for a savings of over $2 million. Flow meters were placed near Starcrest and Wurzbach Parkway to determine pump size for bypass pumping and saved costs by not oversizing or under sizing. Another example was alarming devices that detected a main collapse north of Fort Sam Houston and allowed staff to know what was happening in real time.

The proposed contract would collect and transmit flow and rainfall data, provide alarm notifications, provide analysis of the data, and relocate meters. The proposed contract would be a term of three years with the option of two additional one-year extensions. An RFQ was issued in March, and five responses were received. ADS, LLC was the selected firm, and their total SMWVB participation was 23 percent. Staff recommended the award of the service contract to ADS, LLC, and to approve funds not to exceed $3,008,815.00 for a three-year service contract.

Ms. Jasso made a motion to approve Item 27. Mr. McGee seconded the motion.

Chairman Guerra commented on the understanding Mr. Aranda had for the project, and the savings achieved by having the flow meters in place. He congratulated Mr. Aranda on a great presentation.

Ms. Jasso asked if the meters were portable. Mr. Aranda replied the meters were semi-permanent. The meters were movable and the contract allowed the meters to be moved whenever needed, but for the most part, the meters remained in the same manhole for what could be months or years at a time.
After no further discussion, Item 27 was unanimously approved. Electronic voting.

28. **A Resolution approving the second extension of a contract with New Earth, Inc. in the amount not to exceed $1,862,400.00 for the period of July 1, 2017 through June 30, 2018 for composting and marketing of biosolids. (JEFF HABY – PARVIZ CHAVOL)**

Steve Clouse presented Item 28, a contract extension for composing and marketing of biosolids. The goal was to recycle 100 percent of the products that went down to the wastewater treatment plants. The three recycled areas were water, sludge, and gases produced. The first big water source for the diversification of supplies was the water coming off of the wastewater treatment plants. Almost 20 years after the program was built, SAWS still had the largest direct recycled water program in the United States. Biosolids was the sludge that came down into the wastewater treatment plants. The EPA coined the term biosolids to recognize the sludge as something that could be put back into productive use in the environment. Almost ten years ago, SAWS was the first in the United States to market gas directly on the open grid. SAWS marketed the gas towards natural gas used in homes; a component of that was the gas that came off of the wastewater treatment plants.

He gave an overview of the treatment process of the sludge to produce biosolids. The EPA recognized SAWS biosolids as being exceptional quality, due to a strong pretreatment program. The industries across San Antonio were monitored to make sure the product was suitable for use. On a yearly basis, SAWS produced 331 million pounds of biosolids or approximately 7,000 truckloads. From that point, the costs was about $4.2 million to dispose of the product. Composting was by far the preferred method, and took two waste products out of the landfill. Only 40 percent of biosolids was going to compost; the remaining must go to the landfill.

In the 1987, SAWS started composting this material at the Leon Creek Wastewater Treatment Plant. The facility was expanded twice. The facility produced a high quality product, but SAWS was not very good at marketing the product. This effort was outsourced to Garden-Ville and they actually took over the equipment and the entire run of the compost operation through 2011. A second composting contract was put in place with New Earth in 2008. The New Earth facility was out east of San Antonio on IH 10. Between the Garden-Ville and New Earth program, about 99 percent of biosolids were going to compost. He reviewed the biosolids disposal history, and some of the challenges and costs associated.

For the long term, other technologies were being reviewed. One of the technologies that staff would like to utilize at the treatment plants was thermal hydrolysis. It was an expensive process that would make sludge odor free. There were some things that needed to be resolved before the process was ready to go, but would result in a much better product at a much lower price. For the short term, staff was working to establish a second composting contract to increase the volume and manage costs. Composters had a lot invested in manpower, trucks, et cetera, and needed a multi-year deal to make it cost effective.

New Earth was located at IH 10 and Foster Road, and had significant infrastructure requirements to get the site permitted. New Earth worked hard to address odor in that area and had done a great job. The existing contract included an annual CPI increase of...
approximately three percent. Staff recommended the award of the second contract extension for biosolids and disposal to New Earth, Inc. in an amount not to exceed $1,862,400.00.

Mr. McGee made a motion to approve Item 28. Ms. Merritt seconded the motion.

Mr. McGee commented on the benefit that the Dos Rios facility provided the community. He asked if New Earth was selling the biosolids on the open market and at what cost. Mr. Clouse responded that New Earth could sell the biosolids for large-scale applications or in the retail market. SAWS paid New Earth to pick-up the material, and do all the investment needed to compost and sell the product. Mr. Haby stated the wholesale was about $25 a yard. Mr. Clouse added that a few years ago, the cost was $34 a yard at a local garden supplier. For highway applications, he had seen prices in the range of $12 a yard.

Mr. McGee asked for clarification on whether SAWS was the largest producer of recycled water and processed sludge in the United States. Mr. Clouse replied SAWS had the largest direct recycled water system in the United States. Actually, Houston probably produced more sludge and Los Angeles had a larger compost operation.

After no further discussion, Item 28 was unanimously approved. Electronic voting.

29. A Resolution accepting and acknowledging the Annual Financial Report of the San Antonio Water System for the fiscal year ending December 31, 2016 including the report of independent accountants, RSM US, LLP; directing that the report be made available for public inspection. (MARY BAILEY)

Mary Bailey present Item 29, the Audited Annual Financial Statements for SAWS for the year ending December 31, 2016. These are the first audited statements to present both SAWS and the former DSP on a combined basis. In February last year, all the DSP debt was refunded with SAWS debt. As a result, the DSP assets, liabilities and operations were transferred to SAWS and the DSP ceased to exist. Because SAWS issued comparative statements, both 2016 and 2015 were shown and the merger of the DSP and SAWS had been reflected as of January 1, 2015.

She reviewed some of the highlights in the financial report for 2016. Net income before capital contributions of $67.7 million was more than double the budgeted amount, despite the above normal rainfall of almost 44 inches. The total operating revenues were ahead of budget by about $8.7 million, largely as a result of a drier winter average period when the average winter consumption for residential customers was set. O&M expenses before depreciation were $4.5 million in favor of budget. Interest and debt related costs were $12.3 million favorable to budget due to debt refinancing that occurred during 2015 and 2016. Finally, net position increased $62.9 million in 2016. An increase in net position was an indication that SAWS financial strength was improving.

The statement of net position further demonstrated SAWS' financial strength. Capital assets increased $238 million during 2016, while non-current liabilities or primarily debt increased only $131 million. Overall net position grew by $213 million, including an increase in unrestricted net position of more than $61 million. Most financial ratios showed improvement in 2016. Senior lien debt coverage improved significantly to 3.88 times,
largely as a result of debt issued primarily at the junior lien level over the last few years. However, total debt coverage improved significantly and came close to the target of 1.75 times. Cash position was also very strong, despite the fact that over $116 million was spent in cash related to CIP expenditures.

The financial report provided an analysis of changes in financial information for the past three years, and showed changes in revenues and expenses. The report also summarized capital assets and debt activity during those periods. She discussed some of the more significant disclosures. Note A mentioned the adoption of GASB Statement 72, which provided a hierarchy of inputs in valuation techniques used to measure fair value primarily of investments. Note C discussed the events that led to the consolidation of the DSP and SAWS, and summarized the adjustments necessary to reflect the merger as of January 1, 2015. Note J summarized all of SAWS major commitments and discussed certain significant contingencies. These included a discussion of the Vista Ridge Water Transmission and Purchase Agreement. The contract with Vista Ridge stipulates certain termination costs to be applied should SAWS decide to terminate the contract as of December 31, 2016. That termination cost was estimated to be approximately $300 million, and would grow to approximately $1 billion by 2020 as the pipeline was completed and the investments necessary to deliver water to San Antonio were made. There was a discussion of the EPA Consent Decree, and included an updated cost estimate related to the capital projects. Initially, the cost was estimated to be about $850 million in capital expenditures to comply with the CD. Based on more current information available as a result of flow monitoring and cleaning and televising of the pipes, an additional $200 million was estimated on top of the $850 million. There was also discussion of the administrative order received from the EPA for Mitchell Lake and alternative solutions explored to comply with the permit. At this point in time, there was no cost estimate associated with those improvements.

The required supplemental information provided information about SAWS retirement plan. The audit results from RSM were provided to the Audit Committee on May 31. The Audit Report was unmodified or clean. There was one audit adjustment in the amount of $4.8 million based on Management's re-evaluation of the internal costs that were capitalized related to the CIP programs. The $4.8 million reduced the capitalization and, therefore, increased operating expenses. The auditors proposed an additional adjustment in the amount of $5.3 million, also related to these internal costs primarily due to the fact that the documentation to support these costs did not include sufficient objective information such as time records, tracking time spent. The adjustment had not been reflected in the financial results as the impact was immaterial to the presentation of the financial results for 2016. As a result, RSM identified a significant deficiency in internal controls. RSM recommended that Management develop a comprehensive policy to clearly define and justify the types of costs that would be capitalized in accordance with generally accepted accounting principles and set forth procedures that tracked those costs, including time tracking.

Management believed the capitalization policies were now consistent with generally accepted accounting principles and consistent with accounting practices followed by major utilities and other governmental entities. There was room to improve both policies and processes in 2017 and beyond. Specifically, staff committed to drafting a more detailed policy with respect to capitalization costs, with particular emphasis on detailing the policy and treatment of internal costs. Staff would develop and implement a system of time tracking.
that could be utilized by those areas that spend a significant amount of time working on capital assets. Staff would look at other studies to identify how to better quantify costs incurred by groups that spend a fraction of time related to the capital programs. An update would be provided to the Audit Committee in the fall of 2017. She introduced Joel Perez, the Engagement Partner with RSM, and Carmen Garcia, a partner with RSM, who were available to answer any questions the Board may have related to the audit.

Ms. Jasso made a motion to approve Item 29. Ms. Merritt seconded the motion.

Mr. McGee asked how long the auditor had been used. Ms. Bailey replied Padgett and Stratemann, which was the predecessor to RSM, began auditing SAWS in 2005. In the fall of last year, Padgett and Stratemann merged with a national firm called RSM and were now auditing under that name.

Mr. McGee commented that for 11 years there were no changes to the accounting standards, and Padgett and Stratemann had no comment on the way SAWS capitalized costs. The only thing that changed was that Padgett and Stratemann was bought by RSM and RSM had a different opinion. Ms. Bailey confirmed.

Mr. Perez responded the statement made was correct in terms of how it had been perceived and reported upon the last 11 years. Under the RSM methodology, the approach was different that identify proposed passed adjustments. Under Padgett and Stratemann, the methodology and the approach as we audited those pooled costs was primarily focused on the adequacy and the reasonableness of the costs in relation to the capital program. Our understanding of that methodology was that the costs were accumulated. The other focus was the timeliness as to how these costs were coming out of a pool of costs and being put into capitalization. When we started auditing under RSM, the approach was looked at and assigned differently to where we were focusing more on the input of this cost more so than on the output of this cost. As a result of those different methods, the approach was how we identified this proposed audit adjustment.

Mr. McGee stated it was clear there was a difference in philosophy between RSM, which was not a local accounting firm, and Padgett and Stratemann, who was a local accounting firm. This was more of a difference of philosophy between those two firms than it was any change had been made internally in terms of process, transparency, and the way SAWS had consulted with our accounting firm over 11 years.

Chairman Guerra asked Mr. Perez to help explain to RSM how SAWS worked because it had worked fine for the last eleven years. Mr. Perez responded that he committed to do exactly that during the Audit Committee. He stated their commitment was to work with Management to collaborate and express this as soon as it's compiled, and then help everybody to understand the nature of how these costs were going to accumulated, documented, and fully understand SAWS business as it related specifically to what was done in-house.

Ms. Merritt asked for clarification on how the approach was different. Mr. Perez replied the approach under Padgett and Stratemann focused on the timeliness of putting assets into service once the construction phase was complete. Under RSM, the main focus was the input on how costs were gathered and accumulated and brought into the construction process.
After no further discussion, Item 29 was unanimously approved. Electronic voting.

30. BRIEFING SESSION.

A. Briefing and deliberation regarding Vista Ridge Project

Donovan Burton reviewed the different segments of the project. Segment 1 started at the well field in Burleson County. Segments 2 and 3 were in the middle in Caldwell County and worked outward. Segment 4 was in Bexar County at the terminus site. He reviewed photos and construction underway at each location. Segment 1 had 18 different wells that would be drilled in the Carrizo and the Simsboro aquifers. As the water was collected out of the well field, the water would go into high service pumps. The high service pump station area had been cleared and some temporary facilities were added to start building the pump station. Segment 2 was mainly pipeline area. Some of the challenges were rivers and transmission lines that Garney had to navigate through. Segment 3 was a bit rockier and a bit more difficult. Segment 3 was notated for a lot more river crossings. There were a lot more road crossings to go through and followed the LCRA pipeline. Segment 4 was a highly urbanized area in Bexar County and terminates at the terminus site. The terrain was a lot rockier and required heavier equipment to do the work in this particular area. Segment 4 was also in the Edwards Aquifer recharge zone, so there were some added complications. There were lots of different animals that they had to deal with all along the route such as rattlesnakes that were a real concern, and there were still some issues with public opposition.

He discussed Vicente Garza’s role out in the field to work with Garney and to make sure the construction was in accordance with the WTPA and contract standards. He reviewed photos of the heavy machinery used up and down the 140-mile pipeline, and the rock trencher used at the terminus site.

B. Briefing and deliberation regarding the 2017 State Legislative Report

Hope Wells provide a wrap-up of the legislative session. The session ran from January 10 to May 29. There were 6,568 bills filed, but only 1,211 passed, which was 18 percent and the lowest percentages of bills passed in over 20 years. SAWS tracked 445 filed bills that were related to water, general business operations, insurance, contracting, and human resources. The Governor’s veto period would run through June 18. She discussed the internal effort to track 445 bills and thanked those who provided analysis, comments and testimony. She also thanked Blair Parker, Governmental Relations Coordinator, who had been a tremendous help during the session.

The three main objectives were brackish groundwater, export permit extension, and design-build procurement flexibility. House Bill 30 from last session established brackish zones that could be developed without impacting freshwater. House Bill 2377 by Chairman Larson, with a very large group of stakeholders, addressed the rules to incentivize development in these zones, including 30-year permit terms and reasonable monitoring requirements. The reasonable monitoring requirement was particularly important. For example, the Evergreen District required some pretty exorbitant monitoring requirements that would significantly have increased the price of permitting within the district to the tune...
of about $50 million. SAWS took an active role in the stakeholder group and ultimately were hopeful that the zone concept would help as the desal project expands in the future.

On Groundwater District permitting, House Bill 2378 by Chairman Larson addressed a circumstance where a groundwater district's export permit expired before the related production permit. This was an issue in the Vista Ridge Project and also in some of the other water projects. Other stakeholders realized that they would be in same boat if these 30-year expert permits started to expire. Districts also realized that there was an issue with those two permits. This brought everybody on board through Texas Water Conservation Association to pass this bill.

With respect to design-build, House Bill 3188 included a provision allowing SAWS to enter into four design-build projects in any fiscal year. The current law allowed only two. Unfortunately, House Bill 3188 did not come out of committee, but staff was able to amend the most important provision, a clarification of design-build procurement timelines on to another larger contracting bill, Senate Bill 533. The provision clarified that governmental entities could require a design-build proposal be submitted any time within 180 days after the request for proposals had been made. The previous language was ambiguous and could be read that it had to sit out for 188 day minimum, which defeated the time saving benefit of design-build.

Another bill that was supported and worked on quite a bit with CPS Energy, was Senate Bill 758 by Senator Menendez. The bill clarified that the triggering statutory criteria for affordability programs was that the customer was deemed low income, not that the customer necessarily had to be threatened with a disconnection first. This was important to provide flexibility to get to customers before they were in a collection status.

She discussed some of the bills of concern during the session, and included topics such as eminent domain, lead pipes, and discharge of effluent. Ultimately, these bills did not pass, but were issues with a lot of discussion. Many of the changes in those bills would have been costly to SAWS. Staff would continue to monitor these issues closely in the interim.

Senate Bill 1289 by Senator Creighton required the purchase of U.S. steel and iron in various state government infrastructure projects, but it also included SWIFT funded projects through the Texas Water Development Board. This requirement was a significant increase in price on these types of projects, and the concern was in terms of the ability to borrow through SWIFT. Staff worked to amend to delay the bill's application to SWIFT funding until May 2019. This would allow SAWS to apply for SWIFT funding under the current rules rather than under the new application for the Vista Ridge Integration Project, which would be a $7 million savings over the life of the project. There were a number of other bills that attempted to statutorily restricted SAWS' ability to negotiate in construction contracts. Senate Bill 1215 was a prime example, and would have prevented SAWS from negotiating with contractors on the risk allocations, which was important for protecting the public funds. The authors amended the bill on the House Floor to remove the statutory changes altogether. Instead, a joint interim study committee was created to talk about issues related to construction. As primary opponents in working on that bill, SAWS would participate in the study. Another similar bill that was blocked was one that would have limited SAWS ability to keep meaningful retainage in a contract situation, which would have resulted in additional
litigation and costs.

There was a potential for a special session with the failure to pass several of the sunset bills, particularly the Texas Medical Board. Additional items could be added, but this would be up to the Governor. Staff would work on committee interim charges, work with agencies in rule-making that relate to the bills passed, and participate in studies such as the one for contracting.

Chairman Guerra thanked Ms. Wells and the entire team who participated for an incredible session. He commented on the commitment of staff to analyze and monitor all of the bills. Ms. Wells thanked the Board for their support.

C. Briefing and deliberation regarding the 1st Quarter Investment Report

Phyllis Garcia presented the 1st Quarter Investment Report as required by the Public Funds Investment Act. At the end of the 1st Quarter of 2017, the portfolio had $918 million in investable assets up from the previous quarter. This was mainly due to strong operating cash flows along with reducing overnight balances at the bank. The investments earned $1.5 million and had an overall investment yield of 74 basis points. Majority of the portfolio was invested in U.S. Agency Securities in the form of discount notes and coupon notes, with remaining funds invested in U.S. Treasury, money market funds, and investment pools. The portfolio was invested in a diverse number of issuers with no more than 32 percent invested in any one of the individual issuers.

The benchmark of the portfolio was a six-month and one-year treasury note. At the end of March, the portfolio was unfavorable to the benchmark, mainly due to the increase in the Fed's rate back in December and in March of this year. The treasury rates that the benchmarks was based on was a point in time, while the SAWS portfolio was based on a total portfolio holdings. The portfolio reacts slower to changes in interest rates, which was favorable in a declining interest rate environment but unfavorable as interest rates moved up. Rates increased over the last six months, and the short-term and intermediate-term rates increased from June of last year up until the end of this quarter.

As required by SAWS Investment Policy, deposits at the bank were required to be collateralized. SAWS continued to utilize the investment credit to offset bank fees, but with the earnings credit being 78 basis points, rates had been increasing. The overnight balance at the bank was reduced to continue to offset, which allowed more investment in the agencies. Overall, the SAWS Investment Portfolio was in compliance with the investment policy. All transactions were made in accordance with investment strategies, and the portfolio was invested per its objectives in the order of priority of legality, safety, liquidity, diversification, and finally yield.

D. Briefing and deliberation regarding the Board Agenda Financial Summary Report

Doug Evanson gave an update on the Board Agenda Financial Summary Report, and discussed some of the changes made to provide an additional level of comfort that the items were included within the budget and financial plan as approved by the Board. He reviewed
the current format of the report and the breakdown of items on consent and individual.

Going forward, a summary of the contracts presented for approval would be broken down into categories such as O&M expenditures, capital outlay, and CIP. He discussed how the capital outlay and CIP items compared to the remaining budget for 2017 based on the accumulative total of previous authorizations. The CIP straddled more than one year so there would be a look back at previous CIP years and the funds available for the prior years. O&M items were more challenging with respect to demonstrating capacity in the budget. There were a number of O&M expenses that were not brought to the Board for approval. Salaries and fringe benefits, for example, were not brought to the Board, and individual expenditures less than $50,000 did not Board approval. Other challenges were the timing of monthly financial close and contract awards not correlating with expense budgeting.

Ms. Jasso commented on her use of the report when reviewing the Board packet. She appreciate the request by Mr. McGee and thanked Mr. Evanson for the additional information.

Mr. McGee commented on the Board’s fiduciary responsibility to make sure we were on track and these additions provided a lot of clarity for what was being considered at the meeting. He thanked Mr. Evanson and his staff for the work to provide this information.

31. President/Chief Executive Officer’s Report.
   A. SAWS in the Community

   Mr. Puente discussed some of the ways SAWS had reached out to the community. The first was in Councilman Rey Saldana’s district and included block walking, knocking on doors, putting out 8,000 hangers and 7,000 fliers to get the word out about an Affordability Fair later in the month. Over 200 families qualified for some of the benefits. The next event was Rehabarama. SAWS sponsored the Denver Heights neighborhood that was south of HemisFair on the east side of I-37. Volunteers scraped and painted to help individuals in the neighborhood. He stated he was proud of the employees, and it was something the employees wanted to continue to do.

   Chairman Guerra stated this meant a lot to the community, and it showed commitment in going out there and helping our community and informing and educating our community. He thanked everyone that was involved in making this happen.

32. Inquiries of the Board of Trustees for future briefings and/or follow-up action.

   None

   At this point in the meeting, an Executive Session was held. The time was 11:36 a.m.

33. The Regular Session of the June 6, 2017, Regular Board Meeting is hereby recessed to hold an Executive Session and discuss the matters listed below pursuant to Sections §551.071 and §551.074 of the Texas Open Meetings Act.
34. EXECUTIVE SESSION.
   A. Deliberation regarding the annual evaluation, performance objectives and duties of the President/Chief Executive Officer; and consultation with attorneys concerning legal matters regarding the annual evaluation, performance objectives and duties of the President/Chief Executive Officer, pursuant to Tex. Gov’t Code §551.074 and §551.071, respectively.

35. The Regular Session of the Regular Board Meeting of June 6, 2017, is hereby reconvened.

   The meeting reconvened at 12:34 p.m. The Chairman stated that no decisions were made in Executive Session.

36. Adjournment. THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES MEETING OF JUNE 6, 2017, IS HEREBY ADJOURNED.

   The San Antonio Water System Board of Trustees Meeting of June 6, 2017, adjourned at 12:34 p.m.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Ernesto Arrellano, Jr., Secretary
The attached resolution accepts bids and awards contracts for services, equipment and supplies as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>This Board Meeting</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Award of New One Time Purchases of Materials, Equipment or Services</td>
<td>Number of Contracts (SMWB) Estimated Amount (SMWB)</td>
<td>Number of Contracts (SMWB) Estimated Amount (SMWB)</td>
</tr>
<tr>
<td></td>
<td>3 0 873,662.27 0.00</td>
<td>36 6 8,704,150.79 1,873,094.00</td>
</tr>
<tr>
<td>B. Award of New and Renewal of Annual Goods &amp; Services Requirements Contracts and Maintenance Agreements</td>
<td>6 1 2,595,204.99 123,115.66</td>
<td>72 25 18,352,483.46 4,532,109.93</td>
</tr>
<tr>
<td></td>
<td>9 1 $3,468,867.26 123,115.66</td>
<td>108 11 $27,056,634.25 $6,405,203.93</td>
</tr>
</tbody>
</table>

SMWB Purchasing Contracts (percentage) 11.11% 3.55% 28.70% 23.67%

Approved:

Robert R. Puente  
President/Chief Executive Officer

Reviewed:

Marisol V. Robles  
SMWB Program Manager

Yvonne C. Torres, Director  
Purchasing Division
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING BIDS AND AWARDING CONTRACTS FOR THE PROCUREMENT OF CERTAIN SERVICES, EQUIPMENT, MATERIALS AND SUPPLIES; AUTHORIZING EXPENDITURES TO PROCURE THE SAID SERVICES, EQUIPMENT, MATERIALS AND SUPPLIES; AUTHORIZING THE DIRECTOR OF THE PURCHASING DIVISION, OR HER DESIGNEE, TO EXECUTE DOCUMENTS RELATED THERETO; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Director of the Purchasing Division of the San Antonio Water System (the "System") has recommended certain bids be accepted, that certain contracts be awarded, and that certain other actions be taken to procure services, equipment, materials and supplies which are necessary for the operation of the System; and

WHEREAS, the said recommendations are fully set out in "Attachment I" which is attached hereto and made a part hereof, and said recommendations have been approved by the System's President/Chief Executive Officer; and

WHEREAS, the appropriate bidding procedures regarding the procurement of goods and services have been adhered to in the compiling of the attached recommendations, as reflected in administrative records supporting this resolution; and

WHEREAS, funds are available in the System's budget to pay for the required services, equipment, materials and supplies; and

WHEREAS, the Board of Trustees of the San Antonio Water System desires (i) to accept the bids and award the contracts as recommended, (ii) to authorize from available funds of the System the expenditures necessary to carry out the recommended procurements, and (iii) to authorize the Director of the Purchasing Division or her designee to execute all contracts and other documents necessary to carry out the recommended procurements; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the bids are accepted and the contracts are awarded for procurement of the services, equipment, materials and supplies listed in Attachment I, as recommended by the Director of the Purchasing Division.

2. That the expenditure of the necessary funds from the appropriate budget fund of the System for the procurement of the said services, equipment, materials and supplies is hereby authorized.
3. That the Director of the Purchasing Division, or her designee, is hereby authorized to notify bidders of the acceptance of bids, to execute contracts and other documents, and to carry out all other actions necessary to procure the said services, equipment, materials and supplies.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this the 1st day of August, 2017

Berto Guerra, Jr., Chairman

ATTEST:

Ernesto Arrellano, Jr., Secretary
**Award of New One Time Purchases of Materials, Equipment or Services**

A. The following items will establish price and delivery for the one time purchase of Materials, Equipment and Services. These items are included in the current budget. Payment will be made from the applicable fund.

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>ITEM NO(s.)</th>
<th>ESTIMATED TOTAL PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gillette Air Conditioning Co., Inc.</td>
<td>One Time Purchase and Installation of Heat Recovery A/C System for Bldg. 16 &amp; 17 at the Dos Rios Water Recycling Center Bid No. 17-17063</td>
<td>All</td>
<td>$ 551,000.00</td>
<td>This is a one time purchase and installation of a Heat Recovery A/C System for Bldgs. 16 &amp; 17 at the Dos Rios Water Recycling Center.</td>
</tr>
<tr>
<td>2. DN Tanks</td>
<td>One Time Purchase for Wurzbach Tank Cleaning and Coating Services for the Wurzbach Pump Station Bid No. 17-17040</td>
<td>All</td>
<td>$ 191,893.00</td>
<td>This is a one time purchase for Wurzbach Tank cleaning and coating services for the Wurzbach Pump Station.</td>
</tr>
<tr>
<td>3. SpawGlass Contractors, Inc.</td>
<td>One Time Purchase for Painting and Protective Pipe Coating for the Dos Rios Water Recycling Center <strong>BuyBoard # 520-16</strong> Bid No. 17-17075</td>
<td>All</td>
<td>$ 130,770.27</td>
<td>This is a one time purchase for painting and protective pipe coating for the Dos Rios Water Recycling Center. The services include the preparation and coating of all identified elevated carbon steel low pressure air piping with high temperature coating. These services are being purchased through The Local Government Purchasing Cooperative (BuyBoard).</td>
</tr>
</tbody>
</table>

**DIRECTOR Comments**

System utilized ezlQC BuyBoard Job Order Contract to get a proposal to do the specified work. The Job Order Contracts are awarded by the Local Government Purchasing Cooperative (BuyBoard) through a competitive process. Specific jobs are priced based upon a catalog of pre-priced tasks. Price proposed by Spaw Glass has been determined to be competitive. Recommend Award.

873,663.27

*Indicates vendor is an SMWB, unless otherwise noted vendor is non minority.*

Board Date: August 1, 2017
Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements

B. The following items will establish estimated quantities, unit price and delivery for the Service and Supply Contracts and their extensions. These items are included in the current budget. Payment will be made from the applicable fund. Estimated annual purchase is based on unit price bid; actual total and quantities, may vary from the estimate.

- **VENDOR**
- **DESCRIPTION**
- **NO(s).**
- **PURCHASES**
- **REMARKS**

1. **ASCO Equipment**
   - Annual Contract for Diesel Exhaust Fluid (DEF) and Pre Mixed Two Stroke Engine Fuel
   - Bid No. 14-14102
   - Item 2
   - $74,484.00
   - This is an extension of an existing contract. This contract will be utilized by System to purchase Diesel Exhaust Fluid (DEF) and Premixed two stroke engine fuel to be utilized in the various pieces of equipment in System Fleet. ASCO Equipment has performed well during the contract period and System has determined that pricing is favorable. Base bid, first, second and third extension is $74,484.00. This contract will be effective October 1, 2017 through September 30, 2018.

2. **SmartCover Systems**
   - Annual Contract for SmartClean Professional Services Program Overflow Monitoring Devices
   - Bid No. 17-17011
   - All
   - $1,130,153.33
   - This is a sole source. This contract will be utilized for the System’s SSO program. It has had SmartCover System operating in the sewer system since 2009 which began as a pilot to monitoring sewer flows. This contract will be effective Date of Award (August 1, 2017) through December 31, 2018. If determined that an extension is favorable to System, price and service considered, the award includes the availability of four (4) additional one-year options to extend as provided for and approved in future year’s budgets.

**DIRECTOR** Comments

SmartCover Systems, Inc. is the sole manufacturer of the SmartCover system currently used by SAWS as an integral part of the Sanitary Sewer Overflow Reduction Program. Due to the success of the SmartCover System in helping to prevent sanitary sewer overflows, System will be expanding the program to utilize the SmartClean Services Program which focuses on maintenance optimization resulting in a reduction of cleaning frequency at identified high frequent cleaning scheduled assets. System has done an evaluation and anticipates saving over $500,000 in the first year. Recommend award.

*Indicates vendor is an SMWB unless otherwise noted vendor is non minority.

Board Date: August 1, 2017
#### Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements

B. The following items will establish estimated quantities, unit price and delivery for the Service and Supply Contracts and their extensions. These items are included in the current budget. Payment will be made from the applicable fund. Estimated annual purchase is based on unit price bid; actual total and quantities, may vary from the estimate.

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<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>NO(s).</th>
<th>PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Bio-Aquatic Testing, Inc.</td>
<td>Annual Contract for Biomonitoring Analytical Services Bid No. 17-3014</td>
<td>All</td>
<td>$60,140.00</td>
<td>This is a new contract. This contract will be utilized to provide biomonitoring services from an accredited laboratory under National Environmental Laboratory Accreditation Program (NELAP) to provide quality Whole Effluent Toxicity (WET) analysis required for effluent monitoring by TCEQ and EPA. This contract will be effective Date of Award (August 1, 2017) through June 30, 2018. If determined that an extension is favorable to System, price and service considered, the award includes the availability of three (3) additional one-year options to extend as provided for and approved in future year's budgets.</td>
</tr>
<tr>
<td>4. Guido Automatic Gates, Camera's and More, LLC dba Automatic, Gates, Cameras &amp; More</td>
<td>Annual Contract for Gate Operator Maintenance, Repairs &amp; Replacement Parts Bid No. 17-3043A</td>
<td>All</td>
<td>$123,115.66</td>
<td>This is a new contract. This contract will be utilized to provide System a quarterly inspection, repairs, installations, upgrades, preventive and scheduled maintenance to gates and gate operator systems at System locations. This contract will be effective Date of Award (August 1, 2017) through May 31, 2018. If determined that an extension is favorable to System, price and service considered, the award includes the availability of three (3) additional one-year options to extend as provided for and approved in future year's budgets.</td>
</tr>
<tr>
<td>5. Weisinger, Incorporated</td>
<td>Annual Contract for High Service Pump Repair, Machining &amp; Technical/Field Support Services Bid No. 17-7033</td>
<td>All</td>
<td>$524,612.00</td>
<td>This is a new contract. This contract will be utilized by System for Production and Treatment group to repair high service pump. The service will include the repair, machining and technical/field support for all of the production and treatment pumps. This contract will be effective Date of Award (August 1, 2017) through May 31, 2018. If determined that an extension is favorable to System, price and service considered, the award includes the availability of four (4) additional one-year options to extend as provided for and approved in future year's budgets.</td>
</tr>
</tbody>
</table>

*Indicates vendor is an SMWB unless otherwise noted vendor is non minority.

Board Date: August 1, 2017
**Award of New and Renewal Annual Goods & Services Requirement Contracts and Maintenance Agreements**

B. The following items will establish estimated quantities, unit price and delivery for the Service and Supply Contracts and their extensions. These items are included in the current budget. Payment will be made from the applicable fund. Estimated annual purchase is based on unit price bid; actual total and quantities, may vary from the estimate.

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>NO(s.)</th>
<th>PURCHASES</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q-Haul, Inc. dba QMC Services</td>
<td>Annual Contract for Hauling of Spoil Materials Bid No. 17-0648</td>
<td>All</td>
<td>$ 682,700.00</td>
<td>This is a new contract. This contract will be utilized by System for the hauling of spoil material. This contract will be effective Date of Award (August 1, 2017) through September 30, 2018. If determined that an extension is favorable to System, price and service considered, the award includes the availability of three (3) additional one-year options to extend as provided for and approved in future year’s budgets.</td>
</tr>
</tbody>
</table>

**DIRECTOR Comments**

Over 40 sources were solicited for this work. Multiple vendors showed interest, however, only two bid responses were received. One vendor met the minimum requirements and the other was considered non-responsive for not meeting the minimum cubic yards specified for dump trailers. An internal cost evaluation was done by the D&C Group Operations Officer to determine if it was more cost effective to do this work in house. It was determined that it is in SAWS best interest to proceed with Q-Haul, Inc. dba QMC Services. Recommend award.

*Indicates vendor is an SMWB unless otherwise noted vendor is non minority.
# SAN ANTONIO WATER SYSTEM

**P. O. BOX 2449**  
SAN ANTONIO, TEXAS 78298-2449

## TABULATION OF BIDS

**FOR:**  
Purchase and Installation of Heat Recovery A/C System for Bldg 16 & 17 Dos Rios Water Recycling Center

**DATE:**  
3:00 p.m., July 6, 2017

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>BIDDER 1</th>
<th>BIDDER 2</th>
<th>BIDDER 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dos Rios Bldg 17 Total Approximately—6,608 sq. ft.</td>
<td>Gillette Air Conditioning ColInc 1215 San Francisco San Antonio, TX 78201</td>
<td>$143,000.00</td>
<td>$156,000.00</td>
</tr>
<tr>
<td></td>
<td>Dos Rios Bldg 16, Section A Total Approximately—7,424 sq. ft.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Dos Rios Bldg 16, Section B Total Approximately—10,437 sq. ft.</td>
<td>Gillette Air Conditioning ColInc 1215 San Francisco San Antonio, TX 78201</td>
<td>$182,500.00</td>
<td>$234,000.00</td>
</tr>
<tr>
<td>3</td>
<td>Dos Rios Bldg 16, Section C Total Approximately—1,009 sq. ft.</td>
<td>Gillette Air Conditioning ColInc 1215 San Francisco San Antonio, TX 78201</td>
<td>$180,000.00</td>
<td>$195,000.00</td>
</tr>
<tr>
<td>4</td>
<td>Dos Rios Bldg 16, Section D Total Approximately—652 sq. ft.</td>
<td>Gillette Air Conditioning ColInc 1215 San Francisco San Antonio, TX 78201</td>
<td>$26,000.00</td>
<td>$26,000.00</td>
</tr>
<tr>
<td>5</td>
<td>Dos Rios Bldg 17 Total Approximately—6,608 sq. ft.</td>
<td>Gillette Air Conditioning ColInc 1215 San Francisco San Antonio, TX 78201</td>
<td>$19,500.00</td>
<td>$19,500.00</td>
</tr>
</tbody>
</table>

**GRAND TOTAL**  
TOTAL $551,000.00 | $630,500.00 | $660,195.00

**Terms**  
2% 10 Days 2% 10 Days Net 30 Days

*LOW BIDDER*

**BID INVITATIONS E-MAILED TO AND/OR PICKED UP BY:**  
Gillette Air Conditioning ColInc  
Comfort-Air Engineering, Inc.
# SAN ANTONIO WATER SYSTEM

**P. O. BOX 2449**  
**SAN ANTONIO, TEXAS 78298-2449**

## TABULATION OF BIDS

**FOR:** Wurzbach Tank Cleaning and Coating Services for the  
**Wurzbach Pump Station**

**TIME & DATE:** 3:00 p.m., June 13, 2017

<table>
<thead>
<tr>
<th>ITEM NO</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>Quantity</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High pressure wash, chlorinated water rinse, remedial work, surface preparation and coating application.</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>136,893.00</td>
<td>187,500.00</td>
</tr>
<tr>
<td></td>
<td>GROUP 2 - Parts</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Estimated Annual Purchase</td>
<td>50,000.00</td>
<td>50,000.00</td>
</tr>
<tr>
<td></td>
<td>b. Add Cost Plus Mark Up %</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>convert to decimal X 50,000</td>
<td>5,000.00</td>
<td>10,000.00</td>
</tr>
<tr>
<td></td>
<td>c. Total (a+b)</td>
<td>55,000.00</td>
<td>60,000.00</td>
</tr>
<tr>
<td></td>
<td>note: Cost not to exceed 20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>191,893.00</td>
<td>247,500.00</td>
</tr>
<tr>
<td>Terms</td>
<td>Net</td>
<td>30 days</td>
<td>30 days</td>
</tr>
<tr>
<td>Delivery Days</td>
<td>Net</td>
<td>30 days</td>
<td>30 days</td>
</tr>
</tbody>
</table>

*LOW BIDDER*

BID INVITATIONS E-MAILED TO AND/OR PICKED UP BY:

- PDM Precast
- PSP Recast
- Pvicaz
- DN Tanks
- Precon Tanks
- GSPCI
- Crom Corp
- Caldwell Tanks
- Texas Precast
- Preload

Demandstar  
SAWS Website
BID NO. 17-17075
One Time Purchase of Services for the Painting
and Protective Pipe Cleaning for Dos Rios Water Recycling Center
Local Government Purchasing Cooperative (BuyBoard) #520-16 Area M

This is a new one-time purchase for the services to prepare and coat all identified elevated carbon steel low pressure air piping at the SAWS Dos Rios Water Recycling Center with a high performance, high temperature coating. Tasks include surface preparation, surface finish, and pressure washing of all piping prior to painting. Pressure washing must be done at 3500 PSI with a rotating nozzle with the use of a wire brush to loosen existing paint.

Bid No. 17-17075 utilized ezIQC BuyBoard contract number 520-16 Area M Job Order Contract (JOC) for the Dos Rios Water Recycling Center painting and protective pipe cleaning.

- The ezIQC uses a construction procurement methodology that list all prices for every piece of material, every hour of labor and equipment.
- The JOC has fixed competitive pricing.
- EzICQ offers an adjustment factor for standard hours and non-standard hours.
- The adjustment factor is to include direct and indirect cost to the bid
- Offers joint scope of work that is conducted at the job site to ensure that both parties are fully aware of what is expected.

<table>
<thead>
<tr>
<th>UOM</th>
<th>Description</th>
<th>Qty</th>
<th>Unit Price</th>
<th>Factor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>WK</td>
<td>40' Engine Powered, Telescoping Boom Manlift</td>
<td>4</td>
<td>1,082.09</td>
<td>1.2252</td>
<td>$ 5303.11</td>
</tr>
<tr>
<td>WK</td>
<td>60' Engine Powered, Telescoping Boom Manlift</td>
<td>4</td>
<td>1,505.22</td>
<td>1.2252</td>
<td>$ 7,376.78</td>
</tr>
<tr>
<td>MO</td>
<td>3,500 PSI Pressure Washer with Full-Time Operator</td>
<td>1</td>
<td>5,680.57</td>
<td>1.2252</td>
<td>$ 6,959.83</td>
</tr>
<tr>
<td>EA</td>
<td>Equipment Delivery, Pickup, Mobilization and Demobilization</td>
<td>2</td>
<td>300.00</td>
<td>1.2252</td>
<td>$ 735.12</td>
</tr>
<tr>
<td>EA</td>
<td>Temporary Protection Over Waterways</td>
<td>2</td>
<td>700.00</td>
<td>1.2252</td>
<td>$ 1,715.28</td>
</tr>
<tr>
<td>SF</td>
<td>Power Tool Cleaning, Metal Surface</td>
<td>28,800</td>
<td>0.52</td>
<td>1.2252</td>
<td>$18,348.60</td>
</tr>
<tr>
<td>MOD</td>
<td>For Up To 100, Add</td>
<td>28,800</td>
<td>0.39</td>
<td>1.2252</td>
<td>$13,761.45</td>
</tr>
<tr>
<td>SF</td>
<td>Carboline Rustbond Polymetric Epoxy Primer 1-2 mils</td>
<td>28,800</td>
<td>0.92</td>
<td>1.2252</td>
<td>$33,874.33</td>
</tr>
<tr>
<td>SF</td>
<td>Carboline Carbocrylic 3359 DTM Waterboarne Acrylic 2-3 mils</td>
<td>28,800</td>
<td>1.21</td>
<td>1.2252</td>
<td>$42,695.77</td>
</tr>
</tbody>
</table>

Total $130,770.27

The price proposal submitted by SpawGlass meets all the requirements of the specification.
SAN ANTONIO WATER SYSTEM  
P. O. BOX 2449  
SAN ANTONIO, TEXAS 78298-2449  
TABULATION OF BIDS

PROPOSAL FOR:  
TIME & DATE:  
ITEM NO DESCRIPTION AND APPROXIMATE QUANTITY

<table>
<thead>
<tr>
<th></th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
<th>EXTENSION 1</th>
<th>EXTENSION 2</th>
<th>EXTENSION 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>5.19</td>
<td>23,355.00</td>
<td>VP Racing Fuels #6235, 32 oz</td>
<td>NO BID</td>
<td>5.19</td>
</tr>
<tr>
<td></td>
<td>Fuel Ready to use 2-Cycle 50:1, Trufuel 6525638 or approved equivalent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>9.42</td>
<td>23,550.00</td>
<td>Peak DEF002 enh Adblue R32551, 2.5 gal</td>
<td>Motorcraft 2.5 gal</td>
<td>10.94</td>
</tr>
<tr>
<td></td>
<td>Fluid Diesel Exhaust Fleetguard #729566 or approved equivalent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Terms**
- 2% 10 days 30 days 2% 10 days 2%
- Net 10 days 1 day 1 day 2 days

*LOW BIDDER*

**BID INVITATIONS WERE E-MAILED TO AND OR PICKED UP BY:**
- Airgas SW
- American Lubricants
- Arnold Oil
- ASCO Equipment
- Bear Oil Co.
- Brenntag SW
- Clint Rogers
- DXI
- Full Service Auto Parts
- Genuine Parts Co.
- Golden West Oil
- Grainger
- Grande Truck
- James Jones
- Lubrication Engineers
- MAPA Distributors
- Mid Tex Oil Co.
- Sun Coast Resource
- Tex Con Oil Co.
- Demandstar
- SAWS Website
SmartCover Systems, Inc. is the sole manufacturer of the SmartCover® system currently used by SAWS as an integral part of the SSO Reduction Program, responsible with meeting the EPA Consent Decree requirements. The SmartCover® system is a turn-key, self-contained apparatus and cloud-based sensing system that provides remote sensing at manholes, local intelligence, two-way wireless communications, local power, cloud-based data analytics, and multimode user interface.

In 2009, SAWS conducted a SmartCover® Pilot Program consisting of installing 10 SmartCover® systems at locations with a high risk of a future sanitary sewer overflow (SSO). Due to the success of the Pilot Program, SAWS increased the Program to include installing and monitoring over 300 apparatuses throughout the collection system. Since inception of the Program, over 1,000 potential SSOs have been prevented, including 500 in 2014.

The patented SmartCover® system rapidly alerts response personnel using wireless devices such as cell phones and pagers about surcharging water levels in a manhole prior to a SSO event, or if a manhole cover has been opened. The SmartCover® system is essentially self-operating. More than 6,000 lines of code enables the unit to turn on and off as appropriate, send data, and receive and respond to remote commands. Feedback is sent and received in real time. The apparatus attaches easily to any manhole or hatch and does not require confined space entry. The SmartCover® apparatus is designed to work in the harsh ambient conditions of a sanitary sewer system and is capable of surviving immersion for at least one hour. The satellite antenna is traffic rated and able to withstand the harsh conditions that exist in high traffic roadways and seasonal conditions. The proprietary website monitoring link provides continuous monitoring and establishes a detailed record and history of manhole conditions over a period of time. The map based interface displays the location of each SmartCover® system and its current status. Including alarm state, alarm history, and maintenance information such as; battery voltage, internal power supply status, sensor integrity, and satellite signal strength. The SmartTrend® software technology, offered with the SmartCover® system, automatically scans each location to analyze trends. It determines if a possible abnormal conditions exists in the sewer main and sends daily advisory alerts. The use of this technology allows for advanced planning of maintenance to prevent SSOs.

There are other vendors whom offer continuous self-contained wireless sanitary sewer level monitoring systems however, they are technically inferior. The Smartcover® system is patented by Smartcover Systems, Inc., and replacement parts are only manufactured and maintained by Smartcover System, Inc. The Smartcover® system proprietary website monitoring link and SmartTrend® software is also not available from other vendors. SAWS has over 300 units that it utilizes throughout our wastewater system which represent an investment of over $2.45M. In the eight years of investing in this technology SAWS has already realized savings of over $5M. No other manufacturer has developed a system and technology that can provide the monitoring efficiency that Smartcover Systems, Inc. has developed.

Due to the success of the Smartcover® system in helping to prevent sanitary sewer overflows (SSOs) SAWS would like to expand the program and utilize the SmartClean® Services Program (SSP). The SSP objective is to focus on maintenance optimization resulting in a reduction of cleaning frequency at identified high Frequent Cleaning Scheduled (FCS) assets.
SAWS completed a year-long Pilot Program from August 2015 to July 2016 to identify the benefit of real-time SmartCover® level monitoring, combined with water level trend analysis, to determine the correct cleaning schedule of an asset. SAWS goal was to reduce cleaning safely while concurrently benefiting from continuous monitoring to prevent SSOs. Resources could then be redirected to clean “system-wide” assets that have not been cleaned and are required to be cleaned under the CD requirements.

SmartCover® remote field units were installed at 10, 1-month FCS locations where the issue related to maintenance vs. a structural defect. During the pilot, scheduled cleaning was suspended in favor of cleaning only when the SmartCover® system identified changes in the flow pattern signifying a nearby buildup or accumulation of grit, grease, or debris.

The standard (scheduled) cleaning methodology would have required that 120 cleanouts would take place over the year at the monthly sites (12 cleanings x 10 sites). During the pilot and based on the data generated by the SmartCover® system, SAWS only had to clean seven (7) times over the course of the one year study, producing a 94% reduction in cleaning activities. There was no increase in an SSO risk associated with this reduction in cleaning.

With a comprehensive analysis of cost per cleaning per location, SAWS determined that each instance carried a cost of approximately $500. Net the cost of the SmartCover® system, SAWS concluded they could save between $2,500 and $4,000 per year for every 1-month FCS asset monitored. The pilot program was a success based on the savings produced by lowering cleaning frequency. Targeting monthly FCS assets provides a fast Rate on Investment.

Based on the SSP, consisting of managing 200 units, SAWS anticipates to save over $500,000 in the first year. In addition, SmartClean® Services Program has three additional significant benefits:

1. Lower frequency cleaning schedule results in less wear on pipes, extending their useful life
2. Cost savings associated from prevented SSO clean-up, reporting, administration and fines
3. The availability of labor and equipment created by “right-cleaning” FCS assets can be deployed for other activities, like system-wide cleaning or other high priority department projects

SAWS is seeking approval to make the SmartClean® Services Program (from Smartcover Systems, Inc., SAWS sole source provider of self-contained wireless sanitary sewer level monitoring systems and replacement parts), a sole source provider for the monitoring services. This additional program, focused on maintenance optimization, will support the SSO Reduction Program responsible to ensure SAWS meets all Consent Decree requirements.
### PRICE SCHEDULE

**GROUP 1:**
Quantities provided are only estimates and in no way binding to SAWS.
SAWS reserves the right to change quantities and add or delete items listed below depending on SAWS need. First Period estimates are based on a total of 17 months.

Smartcover Sanitary Sewer Level Monitoring System SmartClean Process

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<thead>
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<th>Description</th>
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<td>EA</td>
<td>200</td>
<td>$903.27</td>
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### SMARTCOVER SYSTEMS, INC. SMARTCOVER®

SMARTCLEAN PROFESSIONAL SERVICE PROGRAM OVERFLOW MONITORING DEVICES

**SOLE SOURCE**

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<tr>
<td>PowerPack, DSM assembly, bracket, antenna installation kit, and 1-year</td>
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<td>3. PowerPack Warranty: 1-year battery nominal lifetime</td>
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<td>PowerPack, DSM assembly, bracket, antenna installation kit, and 1-year</td>
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<td>parts warranty) <strong>high frequency cleanout</strong> (hfc)</td>
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<td>Model No. SC-Q-S-15</td>
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<td>2. Active Site Monitoring (software Subscription, satellite connectivity,</td>
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<td>200</td>
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<td>$65,600.00</td>
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<td>phone/online tech support, etc.) One-Year Service</td>
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<tr>
<td>Model No. ASM-SC1R</td>
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SMARTCOVER SYSTEMS, INC. SMARTCOVER®
SMARTCLEAN PROFESSIONAL SERVICE PROGRAM OVERFLOW MONITORING DEVICES
SOLE SOURCE

<table>
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<tr>
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<tr>
<td>SmartCover System with Standard Range DSM (full unit including E-Box, PowerPack, DSM assembly, bracket, antenna installation kit, and 1-year parts warranty) <strong>high frequency cleanout (hfc)</strong></td>
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<td>200</td>
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<td>$127,520.00</td>
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<td>Model No. SC-Q-S-15</td>
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<td>200</td>
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<td>$65,600.00</td>
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<td>Model No. ASM-SC1R</td>
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<tr>
<td>PowerPack Warranty: 1-year battery nominal lifetime</td>
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<td>200</td>
<td>$179.00</td>
<td>$35,800.00</td>
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<td>Warranty coverage period: One-Year</td>
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<td>Model No. PW-LTC2</td>
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<td>Extended Warranty. System hardware: E-Box, DSM, Antenna. One Year</td>
<td>EA</td>
<td>200</td>
<td>$399.00</td>
<td>$79,800.00</td>
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<td>1. SmartCover System with Standard Range DSM (full unit including E-Box,</td>
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<td>200</td>
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<tr>
<td>PowerPack, DSM assembly, bracket, antenna installation kit, and 1-year</td>
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<td>parts warranty) <strong>high frequency cleanout</strong> (hfc)</td>
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<tr>
<td>2. Active Site Monitoring (software Subscription, satellite connectivity,</td>
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<td>phone/online tech support, etc.) One-Year Service</td>
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<td>3. PowerPack Warranty: 1-year battery nominal lifetime</td>
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<td>$35,800.00</td>
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<td>Warranty coverage period: One-Year</td>
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<td>4. Extended Warranty. System hardware: E-Box, DSM, Antenna. One Year</td>
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<td>200</td>
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<td><strong>Model No. EW-SC1</strong></td>
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<td>5. Labor per system</td>
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GROUP 2:

**Existing SAWS owned Units Price Schedule:** The effective date of the existing units being added to the maintenance contract is January 1, 2018.

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<th>Description</th>
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<td>2. PowerPack Warranty: 1-year battery nominal lifetime</td>
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<td>Model No. PW-LTC2</td>
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<td>1. Active Site Monitoring (software Subscription, satellite connectivity,</td>
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<td>$328.00</td>
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### SMARTCOVER SYSTEMS, INC. SMARTCOVER®
SMARTCLEAN PROFESSIONAL SERVICE PROGRAM OVERFLOW MONITORING DEVICES
SOLE SOURCE

<table>
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<tr>
<th>Description</th>
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<tbody>
<tr>
<td><strong>PowerPack Warranty: 1-year battery nominal lifetime</strong></td>
<td>EA</td>
<td>314</td>
<td>$179.00</td>
<td>$56,206.00</td>
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<tr>
<td>Warranty coverage period: One-Year</td>
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<td>Model No. PW-LTC2</td>
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<tr>
<td><strong>Extended Warranty. System hardware: E-Box, DSM, Antenna. One Year</strong></td>
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**Total Extension Period 1 Cost** $425,300.00

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<tr>
<td><strong>Active Site Monitoring (software Subscription, satellite connectivity, phone/online tech support, etc.) One-Year Service</strong></td>
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**Total Extension Period 2 Cost** $425,300.00
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<td>1. Active Site Monitoring (software Subscription, satellite connectivity,</td>
<td>EA</td>
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<td>phone/online tech support, etc.) One-Year Service</td>
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<td>Model No. ASM-SC1R</td>
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<tr>
<td>2. PowerPack Warranty: 1-year battery nominal lifetime</td>
<td>EA</td>
<td>314</td>
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<td>Warranty coverage period: One-Year</td>
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<td>phone/online tech support, etc.) One-Year Service</td>
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<td>314</td>
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SAN ANTONIO WATER SYSTEM
P. O. BOX 2449
SAN ANTONIO, TEXAS 78298-2449

TABULATION OF BIDS

Annual Contract for Biomonitoring Analytical Services

Date of Award through June 30, 2018

3:00 p.m. 6/20/2017

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<th>UNIT PRICE</th>
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<td>800.00</td>
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<td>2. 32 each</td>
<td>Parameters: Pimephales promelas</td>
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<td>625.00</td>
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<td>6. 30 each</td>
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Extension 1

Extension 2

Extension 3

Terms

Delivery

BID INVITATIONS MAILED TO AND/OR PICKED UP BY:

Analytical Water & Wastewater Services
Anatek Labs - Spokane
Aqua-Tech Laboratories
Bio-Aquatic Testing Inc.
Bio-Chem Laboratories
Biotax
Compeo Analytical
Element Materials Technology Houston
Unity Lab Services
Bio-Analytical Laboratories

Ensolve
Envirodyne Laboratories
Environmental Monitoring Laboratories
Eurofins Eaton Analytical
Microbiological Labs
Microbiology Specialist Incorporated
Pace Analytical
PDC Laboratories
Test America
EA Engineering, Science, and Technology, Inc. PBC.

SAWS Website
SAWS Website
SAWS Website
SAN ANTONIO WATER SYSTEM  
P. O. BOX 2449  
SAN ANTONIO, TEXAS  78298-2449  
TABULATION OF BIDS  

PROPOSAL:  Annual Contract for  
FOR:  Gate Operator Maintenance Repairs & Replacement Parts  
TIME & DATE:  Date of Award through May 31, 2018  
3:00 p.m., May 30, 2017  

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
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<tr>
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<td>2 - Hi-Security</td>
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<td>1.</td>
<td>2 each Door King</td>
<td>TOTAL</td>
<td>712.88</td>
<td>1,280.00</td>
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<tr>
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<td>3.</td>
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<td>640.00</td>
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<td>4.</td>
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<td>6.</td>
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<tr>
<td>1 ea.</td>
<td>Artesia Station</td>
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<tr>
<td>7.</td>
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Quarterly pricing for Item 1 will be calculated per location.
**SAN ANTONIO WATER SYSTEM**  
P. O. BOX 2449  
SAN ANTONIO, TEXAS 78298-2449  

**TABULATION OF BIDS**

**Annual Contract for**
Gate Operator Maintenance Repairs & Replacement Parts

**Date of Award through May 31, 2018**

**3:00 p.m., May 30, 2017**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
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<tr>
<td>12.</td>
<td>1 ea. Pipers Meadow Station 7721 Joe Newton Road 1 ea. Hy-Security</td>
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<td>14.</td>
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<td>15.</td>
<td>1 ea. Loma Linda Pump Station 5218 Loma Linda Road 1 each Hy-Security</td>
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<td>16.</td>
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<td>1 ea. Barbet Pump Station 526 Pilgrim Road 1 each Hy-Security</td>
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<td>18.</td>
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## SAN ANTONIO WATER SYSTEM
**P. O. BOX 2449**
**SAN ANTONIO, TEXAS 78298-2449**

### TABULATION OF BIDS

**Annual Contract for**

**Gate Operator Maintenance Repairs & Replacement Parts**

**Date of Award through May 31, 2018**

**3:00 p.m., May 30, 2017**

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<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
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<td>25.</td>
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<td>26.</td>
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<td>28.</td>
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<tr>
<td>34.</td>
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SAN ANTONIO WATER SYSTEM  
P. O. BOX 2449  
SAN ANTONIO, TEXAS 78298-2449

TABULATION OF BIDS

Annual Contract for  
Gate Operator Maintenance Repairs & Replacement Parts  
Date of Award through May 31, 2018  
3:00 p.m., May 30, 2017

ITEM NO. DESCRIPTION AND APPROXIMATE QUANTITY

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<th>PRICE</th>
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<tr>
<td>1 each Hy-Security</td>
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<td>1,280.00</td>
</tr>
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</table>

<table>
<thead>
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<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>1 ea. Basse Road Recycle Station</td>
<td>UNIT</td>
<td>89.11</td>
</tr>
<tr>
<td>1 each Door King</td>
<td></td>
<td>356.44</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ea. Broadview Pump Station</td>
<td>UNIT</td>
<td>89.11</td>
</tr>
<tr>
<td>1 each Door King</td>
<td></td>
<td>356.44</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ea. Shields Pump Station</td>
<td>UNIT</td>
<td>89.11</td>
</tr>
<tr>
<td>1 each Door King</td>
<td></td>
<td>356.44</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ea. University Pump Station</td>
<td>UNIT</td>
<td>89.11</td>
</tr>
<tr>
<td>1 each Door King</td>
<td></td>
<td>356.44</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ea. Wayland</td>
<td>UNIT</td>
<td>89.11</td>
</tr>
<tr>
<td>1 each Door King</td>
<td></td>
<td>356.44</td>
</tr>
</tbody>
</table>

| TOTAL ITEM I | | 25,128.96 |

Item II  
Gate Operator Hourly Labor Rate (Repairs) All makes and Models

<table>
<thead>
<tr>
<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>350 hrs. Regular Labor Rates</td>
<td>UNIT</td>
<td>85.11</td>
</tr>
<tr>
<td>180 hrs. After Hours Labor Rates</td>
<td>UNIT</td>
<td>89.99</td>
</tr>
</tbody>
</table>

| TOTAL ITEM II | | 46,500.00 |

Item III  
Cost Plus applies to all Purchased Parts

<table>
<thead>
<tr>
<th>UNIT</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Estimated Annual Purchase</td>
<td></td>
<td>52,000.00</td>
</tr>
<tr>
<td>b. Add Cost Plus Markup</td>
<td></td>
<td>52,500.00</td>
</tr>
</tbody>
</table>

| TOTAL ITEM III | | 52,500.00 |

GRAND TOTAL GROUP I-1B | | 123,115.66 |

| TOTAL | | 137,400.00 |
# SAN ANTONIO WATER SYSTEM

**P. O. BOX 2449**

**SAN ANTONIO, TEXAS 78298-2449**

## TABULATION OF BIDS

**PROPOSAL**

**FOR**

Annual Contract for

Gate Operator Maintenance Repairs & Replacement Parts

**TIME & DATE**

Date of Award through May 31, 2018

3:00 p.m., May 30, 2017

**ITEM NO.**

DESCRIPTION AND APPROXIMATE QUANTITY

| EXTENSION 1 | TOTAL | **123,115.66** |
| EXTENSION 2 | TOTAL | **123,115.66** |
| EXTENSION 3 | TOTAL | **123,115.66** |

**Terms**

2%

5 days

1%

10 days

**Delivery Days**

**BIDS WILL BE MAILED TO AND/OR PICKED UP BY:**

- Eagle Operators
- Ty Metal
- Gate Open
- Gate Operator
- Austin Gate Operators
- De La Garza Fence
- Tex-Door
- SA Gates
- Wagner

- Demandstar
- SAWS Website

- Total Protection Systems, Inc.
  - 371 Conrey Road
  - San Antonio, TX 78064
SAN ANTONIO WATER SYSTEM  
P. O. BOX 2449  
SAN ANTONIO, TEXAS 78298-2449

TABULATION OF BIDS

PROPOSAL: Annual Contract for High Service Pump Repair, Machining, and Technical/Field Support Services  
FOR: (Date of Award through May 31, 2018  
TIME & DATE: 3:00 p.m., May 23, 2017

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROUP 1</td>
<td>PUMP REPAIR SERVICES, LABOR</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4 Pumps</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Large Pump TIR and Quote (250 HP and greater)</td>
<td>3,130.00</td>
<td>12,520.00</td>
</tr>
<tr>
<td></td>
<td>Horizontal Pump</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 Pumps</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Large Pump TIR and Quote (250 HP and greater)</td>
<td>4,376.00</td>
<td>8,752.00</td>
</tr>
<tr>
<td></td>
<td>Vertical Pump</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3 Pumps</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Small Pump TIR and Quote (less than 250 HP)</td>
<td>1,543.00</td>
<td>4,629.00</td>
</tr>
<tr>
<td></td>
<td>Horizontal Pump</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 Pumps</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Small Pump TIR and Quote (less than 250 HP)</td>
<td>2,763.00</td>
<td>5,526.00</td>
</tr>
<tr>
<td></td>
<td>Vertical Pump</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4 Pumps</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pump Final Repair Report (FRR) Large FRR (250 HP and greater)</td>
<td>466.00</td>
<td>1,864.00</td>
</tr>
<tr>
<td></td>
<td>Horizontal Pump</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 Pumps</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pump Final Repair Report (FRR) Large FRR (250 HP and greater)</td>
<td>660.00</td>
<td>1,320.00</td>
</tr>
<tr>
<td></td>
<td>Vertical Pump</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3 Pumps</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pump Final Repair Report (FRR) Small Pump FRR (less than 250 HP)</td>
<td>445.00</td>
<td>1,335.00</td>
</tr>
<tr>
<td></td>
<td>Horizontal Pump</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 Pumps</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pump Final Repair Report (FRR) Small Pump FRR (less than 250 HP)</td>
<td>553.00</td>
<td>1,106.00</td>
</tr>
<tr>
<td></td>
<td>Vertical Pump</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL GROUP 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>37,052.00</td>
<td>49,200.00</td>
</tr>
</tbody>
</table>

GROUP 2  
Pump Repairs  
Large Pump Repair Shop Labor (250 HP and Greater)

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,000 Hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Large Pump Repair Shop Labor (250 HP and Greater)</td>
<td>72.00</td>
<td>72,000.00</td>
</tr>
<tr>
<td></td>
<td>Horizontal Pump - Regular Time</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL: 48,820.00
<table>
<thead>
<tr>
<th>Item No.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20 Hours Horizontal Pump Repair Shop Labor (250 HP and Greater)</td>
<td>92.00</td>
<td>1,840.00</td>
</tr>
<tr>
<td>2</td>
<td>400 Hours Vertical Pump Repair Shop Labor (250 HP and Greater)</td>
<td>72.00</td>
<td>28,800.00</td>
</tr>
<tr>
<td>3</td>
<td>20 Hours Large Pump Repair Shop Labor (250 HP and Greater)</td>
<td>103.00</td>
<td>2,060.00</td>
</tr>
<tr>
<td>4</td>
<td>400 Hours Large Pump Repair Shop Labor (250 HP and Greater)</td>
<td>105.00</td>
<td>4,200.00</td>
</tr>
<tr>
<td>5</td>
<td>20 Hours Vertical Pump Repair Shop Labor (250 HP and Greater)</td>
<td>72.00</td>
<td>1,440.00</td>
</tr>
<tr>
<td>6</td>
<td>6 Horizontal Pump Repair Shop Labor (less than 250 HP)</td>
<td>72.00</td>
<td>4,320.00</td>
</tr>
<tr>
<td>7</td>
<td>20 Hours Small Pump Repair Shop Labor (less than 250 HP)</td>
<td>105.00</td>
<td>2,100.00</td>
</tr>
<tr>
<td>8</td>
<td>80 Hours Vertical Pump Repair Shop Labor (less than 250 HP)</td>
<td>72.00</td>
<td>5,760.00</td>
</tr>
<tr>
<td>9</td>
<td>10 Hours Small Pump Repair Shop Labor (less than 250 HP)</td>
<td>105.00</td>
<td>1,050.00</td>
</tr>
<tr>
<td></td>
<td>Group 1 TOTAL</td>
<td></td>
<td>141,800.00</td>
</tr>
<tr>
<td>10</td>
<td>Allowances and markups for Pump Repair Parts and Materials, including shipping</td>
<td>25,000.00</td>
<td>25,000.00</td>
</tr>
<tr>
<td></td>
<td>Group 2 TOTAL</td>
<td></td>
<td>166,800.00</td>
</tr>
</tbody>
</table>

**NON-RESPONDENT**

**Pumps Major Components (rotating assemblies, impellers, impeller keys, shafts, discharge heads, diffuser plates, diffuser, steel shell, etc.)**
- Markup: 20%
- TOTAL: 158,800.00

**Pumps Ancillary Components (keys, keyed shaft couplings, lantern rings, bearings, pump/shaft seals, bowl wear rings, packing glands, collars, stuffing boxes, sand collars, etc.)**
- Markup: 20%
- TOTAL: 54,000.00
## SAN ANTONIO WATER SYSTEM

**P. O. BOX 2449**  
SAN ANTONIO, TEXAS 78298-2449  

### TABULATION OF BIDS

**PROPOSAL**  
Annual Contract for High Service Pump Repair, Machining, and Technical/Field Support Services  
(Date of Award through May 31, 2018)

**TIME & DATE:**  
3:00 p.m., May 23, 2017

### ITEM NO. DESCRIPTION AND APPROXIMATE QUANTITY

<table>
<thead>
<tr>
<th>GROUP 4A</th>
<th>SPECIALTY MACHINING WORK, LABOR AND ALLOWANCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>SPECIALTY MACHINING WORK, LABOR AND ALLOWANCES</strong></td>
</tr>
<tr>
<td></td>
<td>Labor @ Regular Time Rate</td>
</tr>
<tr>
<td></td>
<td>UNIT PRICE</td>
</tr>
<tr>
<td>1</td>
<td>77.00</td>
</tr>
<tr>
<td>2</td>
<td>92.00</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GROUP 4B</th>
<th>ALLOWANCE FOR SUBCONTRACTED MACHINING WORK</th>
<th>BID MARKUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Material allowance for machining work by Supplier. Bid Markup</td>
<td>% Markup</td>
</tr>
<tr>
<td></td>
<td>18% 15% 15% 20%</td>
<td>70,000.00</td>
</tr>
<tr>
<td>2</td>
<td>Allowance for subcontracted machining work. Bid Markup for invoiced work</td>
<td>% Markup</td>
</tr>
<tr>
<td></td>
<td>18% 15% 5% 20%</td>
<td>10,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GROUP 5A</th>
<th>FIELD AND TECHNICAL SUPPORT SERVICES, LABOR AND ALLOWANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>FIELD AND TECHNICAL SUPPORT SERVICES, LABOR AND ALLOWANCE</strong></td>
</tr>
<tr>
<td>1</td>
<td>Field Work @ Regular Rate</td>
</tr>
<tr>
<td>1</td>
<td>72.00</td>
</tr>
<tr>
<td>2</td>
<td>Field Work @ Overtime Rate</td>
</tr>
<tr>
<td>2</td>
<td>99.00</td>
</tr>
<tr>
<td>3</td>
<td>Technical Work @ Regular Rate</td>
</tr>
<tr>
<td>3</td>
<td>100.00</td>
</tr>
<tr>
<td>4</td>
<td>Technical Work @ Overtime Rate</td>
</tr>
<tr>
<td>4</td>
<td>100.00</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GROUP 5B</th>
<th>HYDRAULIC/PERFORMANCE TESTING SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Materials/Equipment Allowance</td>
</tr>
<tr>
<td>1</td>
<td>18% 15% 15% 20%</td>
</tr>
<tr>
<td>2</td>
<td>Hydraulic/Performance Testing Services</td>
</tr>
<tr>
<td>2</td>
<td>18% 15% 5% 20%</td>
</tr>
<tr>
<td>3</td>
<td>Travel (Flat/Rate/Person)</td>
</tr>
<tr>
<td>3</td>
<td>100.00</td>
</tr>
</tbody>
</table>
## SAN ANTONIO WATER SYSTEM

**P. O. BOX 2449**
**SAN ANTONIO, TEXAS 78298-2449**

**TABULATION OF BIDS**

**PROPOSAL FOR:**
Annual Contract for High Service Pump Repair, Machining, and Technical/Field Support Services

**DATE:**
(Date of Award through May 31, 2018 3:00 p.m., May 23, 2017)

### TABULATION OF BIDS

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description and Approximate Quantity</th>
<th>TOTAL GROUP 6</th>
<th>TOTAL GROUP 5B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowance and Markups for Pump Replacement, including shipping, Cost-Plus markup. Invoice parts and materials. <strong>Pump Replacement Allowance</strong></td>
<td>1 Replacement Pumps</td>
<td>100,000.00</td>
<td>118,000.00</td>
</tr>
<tr>
<td>% Markup</td>
<td>TOTAL</td>
<td>120,000.00</td>
<td>115,000.00</td>
</tr>
<tr>
<td>18%</td>
<td>120,000.00</td>
<td>20%</td>
<td>120,000.00</td>
</tr>
<tr>
<td>15%</td>
<td>120,000.00</td>
<td>20%</td>
<td>120,000.00</td>
</tr>
</tbody>
</table>

**TOTAL GROUP 6**

TOTAL 118,000.00

**TOTAL BID AMOUNT GROUPS 1 THROUGH 6)**

TOTAL 524,612.00

**EXTENSION**

| 1 | 524,612.00 |
| 2 | 524,612.00 |
| 3 | 524,612.00 |
| 4 | 524,612.00 |

**Terms**

- 2% 10 days 2% 10 days Net 30 days Net 30 days

**Delivery Days**

**LOW BIDDER**

BID INVITATIONS WERE E-MAILED TO AND/OR PICKED UP BY:

- Aawems
- Layne
- Peerless Equipment
- Smith Pump
- Cohnagen
- Airmail
- Alsay
- DXPE

**Demandstar**

**SAWS Website**
**SAN ANTONIO WATER SYSTEM**  
P. O. BOX 2449  
SAN ANTONIO, TEXAS 78298-2449  
**TABULATION OF BIDS**

**PROPOSAL**  
Annual Contract for  
**FOR:**  
Hauling of Spoil Material

**TIME & DATE:**  
3:00 p.m., May 25, 2017

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION AND APPROXIMATE QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1A.</td>
<td>1,000 CY East Side Service Center</td>
<td>14.50</td>
<td>14,500.00</td>
</tr>
<tr>
<td>1B.</td>
<td>20,000 TN East Side Service Center - Weighted</td>
<td>9.90</td>
<td>198,000.00</td>
</tr>
<tr>
<td>2</td>
<td>21,000 CY Northeast Reclamation Site</td>
<td>9.00</td>
<td>189,000.00</td>
</tr>
<tr>
<td>3A.</td>
<td>1,000 CY Westside Operations Center</td>
<td>14.50</td>
<td>14,500.00</td>
</tr>
<tr>
<td>3B.</td>
<td>16,000 TN Westside Operations Center - Weighted</td>
<td>9.70</td>
<td>155,200.00</td>
</tr>
<tr>
<td>4A.</td>
<td>1,000 CY Northside Operation Center</td>
<td>12.50</td>
<td>12,500.00</td>
</tr>
<tr>
<td>4B.</td>
<td>11,000 TN Northside Operation Center - Weighted</td>
<td>9.00</td>
<td>99,000.00</td>
</tr>
</tbody>
</table>

**TOTAL PRICE**

| TOTAL | 682,700.00 |

**EXTENSION 1**

| 682,700.00 |

**EXTENSION 2**

| 682,700.00 |

**EXTENSION 3**

| 682,700.00 |

Terms

- **Net**
- **30 days**

---

**LOW BIDDER**

BID INVITATIONS WERE E-MAILED TO AND/OR PICKED UP BY:

- ADCO Master Builders
- Aggregate Haulers
- Alamo1
- Double M Trucking
- Felix Maldonado Trucking
- Halls & Sons Trucking
- J&M Trucking
- Jarco Transport, LLC

- JFD Trucking
- Martinez Transport
- Olmos Equipment Inc.
- R Casias Trucking
- RA Trucking
- Ruiz and Son's Inc.
- Timms Trucking & Excavating
ITEM
BID NO. 17-0648
ANNUAL CONTRACT FOR HAULING OF SPOIL MATERIALS
SINGLE SOURCE

Bid No. 17-0648 solicited bids for the purchase of hauling of spoil materials from the System operation service centers. The materials are generated by work resulting from various repairs and maintenance work throughout the city service area.

The bid for this contract was issued on May 10, 2017 and 40 sources were solicited from the bid list. The questions submission date was extended by 4 days from the original due date due to the interest of another contractor which ultimately did not bid. The System only received 2 responses to this bid solicitation. Q-Haul, Inc. dba QMC Services and Pronto Sandblasting & Coating & Oil Field Services Co., Inc.

Pronto Sandblasting was considered a non-responsive bidder because they failed to meet the minimum requirements of 5 trucks with 30 cubic yard dump trailer trucks. We do not want the increased truck traffic from the smaller trucks with smaller loads. The requirement of larger truck size is to minimize the truck traffic.

The D&C Group Operations Officer, to compare the pricing from Q-Haul, Inc. dba QMC Services against what it would cost D&C to run the spoils hauling operation with purchased equipment and SAWS employees. Based on that evaluation, we have determined that it is still within SAWS’ best interest to proceed with award to the lowest responsive bidder, which is Q-Haul, Inc. dba QMC Services

- The award amount is $682,700.00
TO: San Antonio Water System Board of Trustees

FROM: Sam Mills, P.E., Director, Development, and Andrea L. H. Beymer, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: UTILITY SERVICE AGREEMENT FOR WATER AND/OR WASTEWATER SERVICES TO TRACTS REQUIRING THE SAN ANTONIO WATER SYSTEM FINANCIAL PARTICIPATION IN THE DEVELOPMENT OF INFRASTRUCTURE THROUGH OVERSIZING OR IMPACT FEE CREDITS AND/OR ARE LOCATED OUTSIDE THE SAN ANTONIO WATER SYSTEM WATER AND/OR WASTEWATER CERTIFICATE OF CONVENIENCE AND NECESSITY

SUMMARY AND RECOMMENDATION:

The attached resolution approves Utility Service Agreements (USA) to provide water and/or wastewater services to the specified tracts of land requiring San Antonio Water System’s (the “System”) financial participation in the development of infrastructure through oversizing or impact fee credits, and/or are located outside the System’s water and/or wastewater Certificate of Convenience and Necessity (CCN).

- This board item consists of three tracts, which total 493.37 acres; 2,160 water Equivalent Dwelling Units (EDUs); and 2,055 wastewater water EDUs.

- Board approval is required since the tracts require the System’s financial participation in the development of infrastructure through oversizing or impact fee credits and/or is located outside the System’s water and/or wastewater CCN.

- The Masterson Tract is located outside the City of San Antonio Extra Territorial Jurisdiction, inside the System’s water CCN and inside the wastewater CCN. The USA provides 1,540 EDUs of water and 1,520 EDUs of wastewater services and consists of oversized infrastructure.

- The Garcia Tract is located outside the City of San Antonio Extra Territorial Jurisdiction, inside the System’s water CCN and inside the wastewater CCN. The USA provides 610 EDUs of water and 535 EDUs of wastewater services and consists of oversized infrastructure.

- The CST-Judson Road Tract is located within the City of San Antonio Extra Territorial Jurisdiction, inside the System’s water CCN and inside the wastewater CCN. The USA
Utility Service Agreement to the Specified Tract Requiring Oversizing And/or Outside the System’s Water and/or Wastewater CCN

provides 10 EDUs of water and 0 EDUs of wastewater services and consists of oversized infrastructure.

- The Developer is required to install all necessary on-site facilities in accordance with the Board’s regulations and at the Developer’s total cost.
- The Developer is responsible for the construction and engineering costs associated with all required water and/or wastewater mains to serve the tract (on-site and off-site).

Staff recommends that the Board approve this resolution.

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>W EDUs</th>
<th>WW EDUs</th>
<th>CoSA / CoSA</th>
<th>EARZ/CZ</th>
<th>Board Reason</th>
<th>W CCN</th>
<th>WW CCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Masterson Tract</td>
<td>Lennar Homes of Texas Land &amp; Construction, Ltd</td>
<td>335.4</td>
<td>1,540</td>
<td>1,520</td>
<td>COSA ETJ</td>
<td>OUTSIDE</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>2</td>
<td>Garcia Tract</td>
<td>Yantis Company</td>
<td>154.39</td>
<td>610</td>
<td>535</td>
<td>COSA ETJ</td>
<td>OUTSIDE</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>3</td>
<td>CST-Judson Road Tract</td>
<td>CST Brands, Inc.</td>
<td>3.584</td>
<td>10</td>
<td>0</td>
<td>COSA</td>
<td>OUTSIDE</td>
<td>OVR</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td></td>
<td><strong>Totals</strong></td>
<td></td>
<td><strong>493.37</strong></td>
<td><strong>2,160</strong></td>
<td><strong>2,055</strong></td>
<td><strong>COSA</strong></td>
<td><strong>OUTSIDE</strong></td>
<td><strong>OVR</strong></td>
<td><strong>INSIDE</strong></td>
<td><strong>INSIDE</strong></td>
</tr>
</tbody>
</table>

Acronyms:
- EARZ = Edwards Aquifer Recharge Zone
- OVR = Oversizing
- CCN = Certificate of Convenience and Necessity
- CZ = Edwards Aquifer Contributing Zone
- WW = Wastewater
- IFC = Impact Fee Credits
- CoSA = City of San Antonio limits
- ETJ = Extraterritorial Jurisdiction
EXTENT AND CONDITIONS OF UTILITY SERVICE AGREEMENT:

Upon approval by the System of this USA, the Developer Customers have 36 months to complete the required utility master plan and to start construction. If a Developer Customer fails to complete these requirements within the 36-month period, the USA will expire and a request for a new agreement must be submitted to the System. During the effective term of this USA, capacity in the System’s water and wastewater systems will be set aside. The Developer Customers are not guaranteed capacity until all required off-site infrastructure is built by the Developer, accepted by the System, and all impact fees are paid.

FINANCIAL IMPACT:

In compliance with the System’s Board of Trustees water extension policy, Developer Customer applicants are responsible for financing all required local benefit facilities and for payment of all applicable impact fees. The Developers will contribute all impact fees in effect at the time of plat recordation or the latest date allowable by law for each subdivision unit. The fees to be collected by the System will be recorded in the Service Recovery Account and are estimated as follows, based on current charges and full build out of the tracts:

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Water Impact Fees</th>
<th>Wastewater Impact Fees</th>
<th>Total Impact Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Masterson Tract</td>
<td>$7,079,380.00</td>
<td>$3,573,520.00</td>
<td>$10,652,900.00</td>
</tr>
<tr>
<td>2</td>
<td>Garcia Tract</td>
<td>$2,804,170.00</td>
<td>$1,257,785.00</td>
<td>$4,061,955.00</td>
</tr>
<tr>
<td>3</td>
<td>CST-Judson Road Tract</td>
<td>$47,770.00</td>
<td>$0.00</td>
<td>$47,770.00</td>
</tr>
<tr>
<td></td>
<td><strong>Totals</strong></td>
<td><strong>$9,931,320.00</strong></td>
<td><strong>$4,831,305.00</strong></td>
<td><strong>$14,762,625.00</strong></td>
</tr>
</tbody>
</table>

The System is responsible for providing access to existing general benefit facilities and/or financing the construction of additional general benefit facilities.

OVERSIZING AND/OR IMPACT FEE CREDITS:

The following USAs have recommendations for the System’s financial participation in the development of infrastructure through oversizing or impact fee credits and/or facilities based on the System’s Master Plan.
## Utility Service Agreement to the Specified Tract Requiring Oversizing And/or Outside the System’s Water and/or Wastewater CCN

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Oversize SAWS</th>
<th>Oversize Developer</th>
<th>Oversize Total</th>
<th>Oversize Developer (%)</th>
<th>Oversize System (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Masterson Tract 24-inch Water</td>
<td>$4,212,000</td>
<td>$1,404,000*</td>
<td>$5,616,000</td>
<td>25.00%</td>
<td>75.00%</td>
</tr>
<tr>
<td>1</td>
<td>Masterson Tract 7 MGD Pump Station</td>
<td>$5,113,714</td>
<td>$2,258,762*</td>
<td>$7,372,476</td>
<td>30.64%</td>
<td>69.36%</td>
</tr>
<tr>
<td>2</td>
<td>Garcia Tract 24-inch Water</td>
<td>$3,954,600</td>
<td>$1,318,200*</td>
<td>$5,272,800</td>
<td>25.0%</td>
<td>75.0%</td>
</tr>
<tr>
<td>2</td>
<td>Garcia Tract 7 MGD Pump Station</td>
<td>$5,914,000</td>
<td>$1,458,500*</td>
<td>$7,372,500</td>
<td>19.78%</td>
<td>80.22%</td>
</tr>
<tr>
<td>2</td>
<td>Garcia Tract 30-inch Sewer</td>
<td>$1,881,000</td>
<td>$342,000*</td>
<td>$2,223,000</td>
<td>15.38%</td>
<td>84.62%</td>
</tr>
<tr>
<td>3</td>
<td>CST-Judson Road Tract 16-inch Water</td>
<td>$77,350</td>
<td>$99,450</td>
<td>$176,800</td>
<td>56.25%</td>
<td>43.75%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$21,152,664</strong></td>
<td><strong>$6,880,912</strong></td>
<td><strong>$28,033,576</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: The Developer is eligible for impact fee credits for their share of the cost of the oversized infrastructure*
The Developer is required to install all other necessary on-site facilities in accordance with the Board’s regulations and at the Developer’s total cost.

Sam Mills, P.E.
Director
Development

Andrea L. H. Beymer, P.E.
Vice President
Engineering and Construction

Robert R. Puente
President/Chief Executive Officer

Attachment:
1. Table 1, Tract Information
### Table 1
**Tract Information**

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Principal</th>
<th>CoSA / CoSA ETJ / Outside</th>
<th>EARZ / CZ</th>
<th>PZ</th>
<th>Acres</th>
<th>Water EDU</th>
<th>WW EDU</th>
<th>Watershed</th>
<th>Board Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Masterson Tract</td>
<td>Lennar Homes of Texas Land &amp; Construction, Ltd</td>
<td>David Grove</td>
<td>COSA ETJ</td>
<td>OUTSIDE</td>
<td>4C</td>
<td>335.4</td>
<td>1,540</td>
<td>1,520</td>
<td>Big Sous Creek</td>
<td>OVR</td>
</tr>
<tr>
<td>2</td>
<td>Garcia Tract</td>
<td>Yantis Company</td>
<td>Edmundo Garcia</td>
<td>COSA ETJ</td>
<td>OUTSIDE</td>
<td>4C</td>
<td>154.39</td>
<td>610</td>
<td>535</td>
<td>Big Sous Creek &amp; Polecat Creek-Medina River</td>
<td>OVR</td>
</tr>
<tr>
<td>3</td>
<td>CST-Judson Road Tract</td>
<td>CST Brands, Inc.</td>
<td>Paul Clarr</td>
<td>COSA ETJ</td>
<td>OUTSIDE</td>
<td>9</td>
<td>3,584</td>
<td>10</td>
<td>0</td>
<td>Mud Creek</td>
<td>OVR</td>
</tr>
</tbody>
</table>

**Acronyms:**
- EARZ = Edwards Aquifer Recharge Zone
- OVR = Oversizing
- IFC = Impact Fee Credits
- CZ = Edwards Aquifer Contributing Zone
- WW = Wastewater
- PZ = Pressure Zone
- CoSA = City of San Antonio Limits
- ETJ – Extraterritorial Jurisdiction

<table>
<thead>
<tr>
<th>Total Acres</th>
<th>Water EDU</th>
<th>WW EDU</th>
</tr>
</thead>
<tbody>
<tr>
<td>493.37</td>
<td>2,160</td>
<td>2,055</td>
</tr>
</tbody>
</table>
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING A UTILITY SERVICE AGREEMENT TO PROVIDE WATER AND/OR WASTEWATER SERVICES TO THE SPECIFIED TRACTS OF LAND REQUIRING THE SAN ANTONIO WATER SYSTEM’S FINANCIAL PARTICIPATION IN THE DEVELOPMENT OF INFRASTRUCTURE THROUGH OVERSIZING OR IMPACT FEE CREDITS AND/OR ARE LOCATED OUTSIDE THE SAN ANTONIO WATER SYSTEM’S WATER AND/OR WASTEWATER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN), SUBJECT TO THE EXPIRATION OF SUCH AGREEMENTS IF NOT EXERCISED IN THIRTY-SIX MONTHS; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Developer Customers, specified in the table below, have requested the San Antonio Water System (the “System”) to provide water and/or wastewater service(s), and have satisfied the requirements of the Board’s Regulations for Developer Customers Applicant; and

<table>
<thead>
<tr>
<th>No.</th>
<th>Tract Name</th>
<th>Developer</th>
<th>Acres</th>
<th>WEDUs</th>
<th>WWEDUs</th>
<th>CoSA/CoSA</th>
<th>ETJ/Outside</th>
<th>EARZ/CZ</th>
<th>Board Reason</th>
<th>W CCN</th>
<th>WW CCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Masterson Tract</td>
<td>Lennar Homes of Texas Land &amp; Construction, Ltd</td>
<td>335.4</td>
<td>1,540</td>
<td>1,520</td>
<td>COSA</td>
<td>ETJ</td>
<td>OUTSIDE</td>
<td>OVR INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>2</td>
<td>Garcia Tract</td>
<td>Yantis Company</td>
<td>154.39</td>
<td>610</td>
<td>535</td>
<td>COSA</td>
<td>ETJ</td>
<td>OUTSIDE</td>
<td>OVR INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
<tr>
<td>3</td>
<td>CST-Judson Road Tract</td>
<td>CST Brands, Inc.</td>
<td>3.584</td>
<td>10</td>
<td>0</td>
<td>COSA</td>
<td></td>
<td>OUTSIDE</td>
<td>OVR INSIDE</td>
<td>INSIDE</td>
<td>INSIDE</td>
</tr>
</tbody>
</table>

Totals 493.37 2,160 2,055

WHEREAS, the Developer Customer’s provisions to acquire water and/or wastewater services within the System’s jurisdiction is generally illustrated in the attached Project Site Maps; and

WHEREAS, the Developer Customer is obligated to pay the prescribed fees and to comply with other applicable requirements as set forth in the Regulations for Water and/or Wastewater Service; and

WHEREAS, the Board of Trustees desires (i) to approve the Utility Service Agreement and to provide water and/or wastewater services to tracts of land requiring the System’s financial participation in the development of infrastructure through oversizing or impact fee credits
and/or are located outside the System’s water and/or wastewater Certificate of Convenience and Necessity, and (ii) to provide that the Utility Service Agreement will be honored for a period of thirty-six months, and that if not exercised during this period, the Utility Service Agreements will expire; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the System hereby approves the Utility Service Agreement and agrees to provide water and/or wastewater services to tracts of land requiring the System’s financial participation in the development of infrastructure through oversizing or impact fee credits and/or are located outside the System’s water and/or wastewater Certificate of Convenience and Necessity as generally illustrated in the attached Project Site Maps hereto, on a Developer Customer basis as provided for in the Board's Regulations, applicable amendments to the Regulations, and any other applicable federal, state or local regulations.

2. That the Utility Service Agreement shall be honored for a period of thirty-six months, and if not exercised during this thirty-six-month period, the Utility Service Agreement will expire.

3. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

4. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

5. This resolution shall take effect immediately from and after its passage.

PASSED AND APPROVED this 1st day of August, 2017.

_______________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Ernesto Arrellano, Jr., Secretary

Attachment
1. Project Site Maps
Approximately 8,000 LF of 12-inch main (oversized to 24-inch)

Approximately 10,000 LF of 12-inch main (oversized to 24-inch)

Garcia Tract
610 Water EDUs
535 Sewer EDUs
154.39 Acres
USA-15190

Proposed Oversized Facility:
- Tank (GST): 250k gal to 1.0 MG
- High Service Pumps: 2.5 MGD to 7 MGD
- Well Pumps: .75 MGD to 4.0 MGD
approx. 850 LF of 12-inch main (Oversized to a 16-inch main)
AGENDA ITEM NO. 8

TO: San Antonio Water System Board of Trustees

FROM: Gail A. Hamrick-Pigg, P.E., Director, Pipelines, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: APPROVAL OF CONTRACT AMENDMENT NO. 1 AND AUTHORIZATION OF ADDITIONAL FUNDS FOR PROFESSIONAL ENGINEERING SERVICES IN CONNECTION WITH THE MARTINEZ CREEK PROJECT

Board Action Date: August 1, 2017

SUMMARY AND RECOMMENDATION:

The attached resolution approves Contract Amendment No. 1 and amends Resolution No. 15-275 by authorizing $140,240.00 for additional professional engineering services. It authorizes the President/Chief Executive Officer to provide additional payment in an amount not to exceed $140,240.00 to CDS Muery, for additional professional engineering services in connection with the Martinez Creek Project (the “Project”).

- This project involves work that is required by Consent Decree between the San Antonio Water System (the “System”), the United States of America and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

- The System’s Board of Trustees by Resolution No. 15-275, adopted December 1, 2015, awarded an engineering contract to CDS Muery and authorized funds in the amount of $1,447,424.50 for engineering design services in connection with the Project.

- The Project was initially identified for rehabilitation by the Sanitary Sewer Overflow Reduction team and subsequently determined to be a capacity constraint by the System’s Master Planning Division as a capacity constraint within the Central Watershed.

- The Project will replace and upsize approximately two miles of existing 24-inch, 33-inch and 36-inch gravity sewer main. This project is located in the Central Sewershed along Martinez Creek from Perez Street to Huisache Avenue and is budgeted for construction in 2017.

- The original authorization in the amount of $1,447,424.50 provided standard engineering contract services and supplemental services that included, Design, Bid, and Construction Phase services related to the design of a sanitary sewer project.
• During the Phase A investigation(s), composite soil sampling was conducted to assess potential waste management and worker safety issues. It was found that soils in two locations may be classified as Class II non-hazardous waste. Additionally, soils in one location may be classified as hazardous waste. Further Environmental Site Assessments – Soil Investigation is needed to evaluate on-site soils for the presence or absence of specific contaminants of concern identified during the preliminary soil screening. The information resulting from the environmental assessment will be provided to potential bidders to better quantify and manage risks and costs associated with excavation, characterization, transportation, and disposal of wastes during construction.

• Contract Amendment No. 1 is required for an Environmental Site Assessment – Soil Investigation for a lump sum fee of $140,240.00.

• Contract Amendment No. 1 in the amount of $140,240.00 is required for additional engineering services and to increase the contract amount.

• The Construction Phase for this project is expected to be awarded by the end of 2017.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this expenditure included in the CY 2017 Capital Improvement Program. The work is included in the Wastewater Core Business, Main Replacement - Wastewater Category and Martinez Creek Project budget line item. The amount is $140,240.00 for wastewater engineering work. The job number is 15-4802-000.

The revised authorization for this contract is as follows:

<table>
<thead>
<tr>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 15-275)</td>
</tr>
<tr>
<td>Proposed Contract Amendment No. 1</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
</tr>
</tbody>
</table>

As a result of Contract Amendment No. 1, the new contract amount is $1,587,664.50. This represents a 9.69 percent increase in the original contract amount.
Approval of Contract Amendment No. 1 and Additional Funds for Martinez Creek Project

Gail A. Hamrick-Pigg, P.E.
Director
Pipelines

Andrea L.H. Beymer, P.E.
Vice President
Engineering and Construction

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Map
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING CONTRACT AMENDMENT NO. 1 TO PROVIDE FOR ADDITIONAL ENGINEERING SERVICES TO THE EXISTING PROFESSIONAL SERVICES AGREEMENT WITH CDS MUERY, IN AN AMOUNT NOT TO EXCEED $140,240.00 IN CONNECTION WITH THE MARTINEZ CREEK PROJECT; AMENDING RESOLUTION 15-275 BY APPROVING ADDITIONAL EXPENDURES IN AN AMOUNT NOT TO EXCEED $140,240.00 FOR A TOTAL AUTHORIZATION AMOUNT NOT TO EXCEED $1,587,664.50; APPROVING THAT AN AMOUNT NOT TO EXCEED $140,240.00 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM’S PROJECT FUND FOR THE ADDITIONAL ENGINEERING SERVICES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE AN AMENDMENT TO THE EXISTING PROFESSIONAL SERVICES AGREEMENT WITH CDS MUERY, AND TO PAY CDS MUERY, AN ADDITIONAL AMOUNT NOT TO EXCEED $140,240.00 FOR ADDITIONAL ENGINEERING SERVICES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) is undertaking the replacement and upgrading of sewer facilities within Martinez Creek as part of its Capital Improvement; and

WHEREAS, the Board of Trustees by Resolution No. 15-275, adopted December 1, 2015, originally approved the expenditure of $1,447,424.50 for engineering services in connection with the Martinez Creek Project; and

WHEREAS, additional funding for CDS Muery is needed for the additional professional engineering services related to an Environmental Site Assessment – Soil Investigation; and

WHEREAS, an amendment to the existing professional services agreement with CDS Muery, and additional System funds in an amount not to exceed $140,240.00 are required for CDS Muery to provide additional engineering services; and

WHEREAS, the required amount of $140,240.00 is available from the System’s
Project Fund for additional engineering services; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) approve Contract Amendment No. 1 by providing for additional engineering services to the existing professional services agreement with CDS Muery in an amount not to exceed $140,240.00 in connection with the Martinez Creek Project, (ii) to amend Resolution No. 15-275, by approving the expenditure of System funds in an amount not to exceed $140,240.00 for a total authorization not to exceed $1,587,664.50, (iii) to make available the total amount not to exceed $140,240.00 from System’s Project Fund, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute an amendment to the professional services agreement with CDS Muery, and to pay an amount not to exceed $140,240.00 to CDS Muery, for the additional engineering services; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That Contract Amendment No. 1 is hereby approved to provide for additional engineering services related to the existing professional services agreement with CDS Muery in an amount not to exceed $140,240.00 in connection with the Martinez Creek Project.

2. That Resolution No. 15-275, is hereby amended for additional engineering services in an additional amount not to exceed $140,240.00 for a revised total of $1,587,664.50.

3. That an amount not to exceed $140,240.00 is hereby made available and is to be expended from the System’s Project Fund for additional engineering services related to the project work.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute an amendment to the existing professional services agreement with CDS Muery and pay an amount not to exceed $140,240.00 for additional engineering services related to the project work.

5. It is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and that the public notice of the time, place, and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

6. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.
7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 1st day of August 2017.

Berto Guerra, Jr., Chairman

ATTEST:

Ernesto Arrellano, Jr., Secretary
TO:                     San Antonio Water System Board of Trustees  
FROM:                  Michael L. Myers, P.E., Director, Plants and Major Projects, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction  
THROUGH:               Robert R. Puente, President/Chief Executive Officer  
SUBJECT:               AWARD OF PROFESSIONAL SERVICES CONTRACT FOR THE WATER PRODUCTION FACILITIES UPGRADES PHASE II PROJECT  
                        Board Action Date: August 1, 2017  

SUMMARY AND RECOMMENDATION:

The attached resolution awards a professional services contract to Grubb Engineering, Inc., a local, WBE-Caucasian firm, and authorizes funds in the amount of $558,653.00 for the Water Production Facilities Upgrades Phase II Project (the “project”).

- The San Antonio Water System (the “System”) has a multi-year program to upgrade former BexarMet water production facilities.
- Upgrades are necessary to improve the reliability of these three sites, the Montgomery Pump Station, the Gibbs-Sprawl Pump Station, and the West Avenue Pump Station.
- This project will upgrade electrical services, pump starters, panels, replace all of the electrical switch gear, and replace site valves and piping.
- A Request for Qualifications was issued on October 31, 2016, for professional services for this project. Three interest statements were received by the System for this project. Grubb Engineering, Inc., a local, WBE-Caucasian firm, was selected through the Architect and Engineer Selection Process.
- Grubb Engineering, Inc., will provide engineering services for a negotiated, not to exceed amount of $558,653.00. Services include surveying, subsurface investigations, geotechnical, architectural, civil, mechanical, plumbing, structural, electrical, HVAC, and fire protection engineering services, preparation of design plans and specifications, necessary permitting, and assistance during construction including review of shop drawings and providing periodic field inspection.

Staff recommends that the Board approve this resolution.
FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the 2017 Capital Improvement Program, Water Delivery Core Business, Production, Water Production Facilities System Upgrades Phase II budget line item. The total amount is $558,653.00 under job number 17-6002.

SUPPLEMENTARY COMMENTS:

The three firms that provided interest statements for this project are listed below:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>LOCAL/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grubb Engineering, Inc.*</td>
<td>Local/WBE–Caucasian</td>
</tr>
<tr>
<td>Merrick &amp; Company</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>S. Kanetzky Engineering, LLC</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

*Selected Firm

Grubb Engineering, Inc., has proposed to use the following sub-consultants for services on this contract:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>PERCENT OF FEE</th>
<th>LOCAL/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kimley-Horn and Associates, Inc.</td>
<td>20.00%</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Arcadis U.S., Inc.</td>
<td>6.00%</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Structural Engineering Associates, Inc.</td>
<td>5.00%</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Pape-Dawson Engineers, Inc.</td>
<td>2.00%</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Arias &amp; Associates, Inc., dba Arias Geoprofessionals</td>
<td>2.00%</td>
<td>Local/MBE–Hispanic</td>
</tr>
<tr>
<td>Underground Services, Inc., dba SoftDig</td>
<td>1.00%</td>
<td>Local/SBE</td>
</tr>
</tbody>
</table>

Additionally, the overall SMWVB analysis is shown in the following table:

<table>
<thead>
<tr>
<th>Water Production Facilities Upgrades Phase II Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRUBB ENGINEERING, INC.</td>
</tr>
<tr>
<td>SMWVB ANALYSIS – BOARD AWARD</td>
</tr>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE–African American</td>
</tr>
<tr>
<td>MBE–Asian</td>
</tr>
<tr>
<td>MBE–Hispanic</td>
</tr>
<tr>
<td>MBE–Other</td>
</tr>
<tr>
<td>WBE–Minority</td>
</tr>
<tr>
<td>WBE–Non–Minority</td>
</tr>
<tr>
<td>SMWVB Total</td>
</tr>
</tbody>
</table>
Award of Professional Services Contract
Water Production Facilities Upgrades Phase II Project

Michael L. Myers, P.E.
Director
Plants and Major Projects

Andrea L.H. Beymer, P.E.
Vice President
Engineering and Construction

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Maps
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE PROPOSAL OF GRUBB ENGINEERING, INC., IN AN AMOUNT NOT TO EXCEED $558,653.00 FOR THE WATER PRODUCTION FACILITIES UPGRADES PHASE II PROJECT; AWARDING A PROFESSIONAL SERVICES CONTRACT TO GRUBB ENGINEERING, INC., IN AN AMOUNT NOT TO EXCEED $558,653.00 IN CONNECTION WITH THE PROJECT; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $558,653.00 FROM THE SYSTEM'S PROJECT FUND FOR ENGINEERING SERVICES IN CONNECTION WITH THIS PROJECT; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH GRUBB ENGINEERING, INC., AND TO PAY GRUBB ENGINEERING, INC., AN AMOUNT NOT TO EXCEED $558,653.00 FOR PROJECT ENGINEERING SERVICES IN CONNECTION WITH THE PROJECT; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE, AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) has a multi-year program to upgrade former BexarMet water production facilities; and

WHEREAS, upgrades are necessary to improve the reliability of these three sites, the Montgomery Pump Station, the Gibbs-Sprawl Pump Station, and the West Avenue Pump Station; and

WHEREAS, the System requires professional services (the “project engineering work”) for design of the Water Production Facilities Upgrades Phase II Project (the “project”); and

WHEREAS, Grubb Engineering, Inc., a local, WBE-Caucasian firm, has submitted a proposal in an amount not to exceed $558,653.00 to provide the project engineering work in connection with the project; and

WHEREAS, System funds in an amount not to exceed $558,653.00 are required for the project engineering work; and
WHEREAS, the required amount not to exceed $558,653.00 is available from the System's Project Fund; and

WHEREAS, the San Antonio Water System’s Board of Trustees desires (i) to accept the proposal of Grubb Engineering, Inc., in an amount not to exceed $558,653.00 for the project engineering work in connection with the Water Production Facilities Upgrades Phase II Project, (ii) to award a professional engineering services contract to Grubb Engineering, Inc., in an amount not to exceed $558,653.00 for the project engineering work, (iii) to authorize the expenditure of System funds in an amount not to exceed $558,653.00 for the project engineering work, (iv) to make available a total amount not to exceed $558,653.00 from the System’s Project Fund for the project engineering work, and (v) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a professional services contract with Grubb Engineering, Inc., and to pay Grubb Engineering, Inc., an amount not to exceed $558,653.00 for project engineering work in connection with this project; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the proposal of Grubb Engineering, Inc., for the project engineering work in connection with the Water Production Facilities Upgrades Phase II Project is hereby accepted.

2. That a professional services contract in an amount not to exceed $558,653.00 is hereby awarded to Grubb Engineering, Inc., for the project engineering work in connection with the project.

3. That the expenditure of System funds in an amount not to exceed $558,653.00 for the project engineering work is hereby approved.

4. That an amount not to exceed $558,653.00 for the project engineering work is hereby made available, and is to be expended from the System's Project Fund.

5. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a professional services contract with Grubb Engineering, Inc., and to pay Grubb Engineering, Inc., an amount not to exceed $558,653.00 for the project engineering work in connection with the project.

6. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

7. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative, or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted
without the portion held to be unconstitutional, illegal, invalid or ineffective.

This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 1st day of August, 2017.

Berto Guerra, Jr., Chairman

ATTEST:

Ernesto Arrellano, Jr., Secretary
AGENDA ITEM NO.    10

TO:            San Antonio Water System Board of Trustees

FROM:          Gail Hamrick-Pigg, P.E., Director, Pipelines, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

THROUGH:       Robert R. Puente, President/Chief Executive Officer

SUBJECT:       RATIFICATION OF CHANGE ORDER NOS. 1 AND 2 AND AUTHORIZATION OF ADDITIONAL FUNDS TO BEXAR COUNTY IN CONNECTION WITH THE F.M. 471 CULEBRA ROAD (PTF) PROJECT

Board Action Date: August 1, 2017

SUMMARY AND RECOMMENDATION:

The attached resolution ratifies the actions of the Vice President of Engineering and Construction in approving Change Order No. 1 in the amount of $13,228.48 and Change Order No. 2 in the amount of $38,781.11, and amends Resolution 16-114 by approving additional funds in the amount of $59,811.03 for advancement to Bexar County through the Bexar County Public Works Program (the “County”), in connection F.M. 471 Culebra Road (PTF) Project. (PTF = Pass Through Funding)

- The County is currently constructing street and drainage improvements in the project area illustrated on the attached maps. This project requires surface adjustments to avoid conflicts with the County’s improvements. Design for this project was done by S&GE, LLC.

- Funds in the total amount of $137,266.99 were originally approved for the construction of this project by Resolution No. 16-114, adopted May 3, 2016, based on the low bid by Curran Contracting Co.

- During construction, it was discovered a proposed curb inlet on Stillwater Parkway was in conflict with an existing 12-inch water main. The existing 12-inch water main was potholed during design, but due to unanticipated bends, the existing 12-inch water main was still found to be in conflict. It was determined approximately 35 feet of the existing water main needed to be relocated to avoid the proposed inlet.

- In addition, it was discovered the plans did not account for all necessary adjustments and relocations of fire hydrants. The addition of six fire hydrant relocations, seven fire hydrant adjustments and one new fire hydrant was required to eliminate the impact to the system.

- Change Order No. 1, in the amount not to exceed $13,228.48, provided for the relocation of an existing 12-inch water main and Change Order No. 2, in the amount not to exceed $38,781.11, provided for the additional fire hydrants. Ratification was necessary to authorize the contractor to perform the necessary additional work in order to avoid project
delays and delay charges. The System will evaluate the contributing factors that led to this change order and seek to recover the appropriate compensation from the consultant, if applicable.

- Funds in the amount of $17,904.39 are available in the construction contingency for Change Order Nos. 1 and 2. The additional amount of $59,811.03 includes the shortfall of $34,105.20, for Change Order Nos. 1 and 2, and $25,705.83 for additional contingency expenses that might be incurred for the remaining work. The System’s work is 22 percent complete.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this expenditure included in the CY 2017 Capital Improvement Program. The water work is included in the Water Delivery Core Business, Governmental-Water Category, and Governmental Water Replacements budget line item. The amount is $59,811.03 for additional construction contingency expenses. The job number is 13-5096-000.

The revised authorization for this project is as follows:

<table>
<thead>
<tr>
<th>Contract:</th>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount (Resolution No. 16-114)</td>
<td>$119,362.60</td>
</tr>
<tr>
<td>Proposed Change Order Nos. 1 and 2</td>
<td>52,009.59</td>
</tr>
<tr>
<td>Revised Contract Amount</td>
<td>$171,372.19</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contingency:</th>
<th>Amount Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contingency Amount (Resolution No. 16-114)</td>
<td>$17,904.39</td>
</tr>
<tr>
<td>Proposed Additional Funds</td>
<td>59,811.03</td>
</tr>
<tr>
<td>Proposed Change Order Nos. 1 and 2</td>
<td>(52,009.59)</td>
</tr>
<tr>
<td>Remaining Contingency Balance</td>
<td>$25,705.83</td>
</tr>
</tbody>
</table>

The new contract amount for the System’s work as a result of all change orders is $171,372.19, which represents an increase of 43.6 percent to the original amount. These change orders have not exceeded 25 percent of the overall contract. The County’s original contract amount is $14,483,918.38.
Ratification of Change Order Nos. 1 and 2 and Authorization of Additional Funds
F.M. 471 Culebra Road (PTF) Project

Gail Hamrick-Pigg, P.E.
Director
Pipelines

APPROVED:

[Signature]

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Map

[Signature]

Andrea L.H. Beymer, P.E.
Vice President
Engineering and Construction
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AMENDING RESOLUTION NO. 16-114 BY APPROVING THE EXPENDITURE OF ADDITIONAL FUNDS IN AN AMOUNT NOT TO EXCEED $59,811.03 PAYABLE TO BEXAR COUNTY IN CONNECTION WITH THE F.M. 471 CULEBRA ROAD (PTF) PROJECT; APPROVING AN ADDITIONAL AMOUNT NOT TO EXCEED $59,811.03 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM’S PROJECT FUND FOR ADDITIONAL PROJECT WORK; RATIFYING THE ACTIONS OF THE VICE PRESIDENT OF ENGINEERING AND CONSTRUCTION IN APPROVING CHANGE ORDER NO. 1 IN THE AMOUNT OF $13,228.48 AND CHANGE ORDER NO. 2 IN THE AMOUNT OF $38,781.11; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PAY BEXAR COUNTY AN ADDITIONAL AMOUNT NOT TO EXCEED $59,811.03 FOR ADDITIONAL PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Bexar County through the Bexar County Public Works Program (the “County”) is currently reconstructing the F.M. 471 Culebra Road (PTF) Project; and

WHEREAS, the adjustment of certain San Antonio Water System (the “System”) water facilities were included in the County’s bid documents; and

WHEREAS, the Board of Trustees by Resolution No. 16-114, adopted May 3, 2016, originally approved the expenditure of $137,266.99 to pay for the System’s project work; and

WHEREAS, Change Order No. 1 in the amount of $13,228.48 and Change Order No. 2 in the amount of $38,781.11 provides for this additional project work; and

WHEREAS, the additional project work cost exceeds the amount available by $34,105.20; and

WHEREAS, additional System funds in an amount not to exceed $59,811.03 are required in connection with the project work; and
WHEREAS, the total amount of $59,811.03 is available from the System’s Project Fund; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to amend Resolution No. 16-114 by approving the expenditure of an additional amount not to exceed $59,811.03 payable to Bexar County in connection with the F.M. 471 Culebra Road (PTF) Project, (ii) to expend an additional sum not to exceed $59,811.03 from the System’s Project Fund for additional project work, (iii) to ratify the action of the Vice President of Engineering and Construction in approving Change Order No. 1 in the amount of $13,228.48 and Change Order No. 2 in the amount of $38,781.11 for the additional project work, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to pay an additional amount not to exceed $59,811.03 to Bexar County for the additional project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That Resolution No. 16-114 is hereby amended by increasing the amount approved for payment to the County in connection with the F.M. 471 Culebra Road (PTF) Project by $59,811.03.

2. That an additional sum not to exceed $59,811.03 is hereby made available and is to be expended from the System’s Project Fund.

3. That the actions of the Vice President of Engineering and Construction in approving Change Order No. 1 in the amount of $13,228.48 and Change Order No. 2 in the amount of $38,781.11 for the additional project work in connection with the F.M. 471 Culebra Road (PTF) Project are hereby ratified.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to pay the County an additional amount not to exceed $59,811.03 for additional project work in connection with the F.M. 471 Culebra Road (PTF) Project.

5. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

6. In any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid, or ineffective.

7. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 1st day of August, 2017.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Gail Hamrick-Pigg, P.E., Director, Pipelines, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AUTHORIZATION TO ADVANCE ADDITIONAL FUNDS TO THE TEXAS DEPARTMENT OF TRANSPORTATION AND EXECUTION OF ADVANCE FUNDING AGREEMENT AMENDMENT NO. 1 IN CONNECTION WITH THE US 281: LOOP 1604 TO STONE OAK PARKWAY PROJECT

Board Action Date: August 1, 2017

SUMMARY AND RECOMMENDATION:

The attached resolution amends Resolution No. 17-026 by authorizing additional funds in the amount of $234,405.48 payable to the Texas Department of Transportation (TxDOT) for the joint construction of water and sewer facility adjustments in connection with the US 281: Loop 1604 to Stone Oak Parkway Project. It further approves the execution of an Advance Funding Agreement Amendment No. 1.

- In keeping with their joint bid requirements, TxDOT requires that construction funds be forwarded in advance of the bid opening. Funds in the amount of $4,170,981.05 were authorized for this project on January 10, 2017 by Resolution No. 17-026.

- TxDOT received a low bid from Webber, LLC, for the project on February 2, 2017, which resulted in a cost increase of $234,405.48 for the San Antonio Water System’s (the “System”) project work.

- Per the Advance Funding Agreement, TxDOT has requested additional funds in the amount of $234,405.48 for the shortfall in construction funds of the project. The original scope has not changed.

- The water adjustment work consists of approximately 6,600 feet of 6-inch through 36-inch water main and approximately 1,650 feet of 12-inch water main upsized to a 16-inch water main, and 4,150 feet of 20-inch water main upsized to a 24-inch water main.

- The sewer adjustment work consists of approximately 2,458 feet of 4-inch through 30-inch sewer main and approximately 2,218 feet of 10-inch sewer main upsized to a 12-inch sewer main, and 424 feet of 18-inch sewer main upsized to a 30-inch sewer main.

- Funds in the additional amount of $234,405.48 are available for a total authorized amount of $4,405,386.53 for the System’s project work.
Authorization to Advance Additional Funds to the Texas Department of Transportation for the US 281: Loop 1604 to Stone Oak Parkway Project

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The Project Fund will finance this expenditure included in the CY 2017 Capital Improvement Program. The water work is included in the Water Delivery Core Business, Governmental – Water Category, and Governmental Water Replacements budget line item. The additional amount is $167,146.77 for water work. The job number is 16-5035-000.

The sewer work is included in the Wastewater Core Business, Governmental – Wastewater Category, and Governmental Wastewater Replacements budget line item. The amount is $67,258.71 for sewer work. The job number is 16-5535-000.

The revised authorizations for this project are as follows:

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<tr>
<th>Amount Authorized</th>
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</thead>
<tbody>
<tr>
<td>Original Agreement Amount (Resolution 17-026)</td>
</tr>
<tr>
<td>Proposed Advanced Funding Agreement No.1</td>
</tr>
<tr>
<td>Revised Agreement Amount</td>
</tr>
</tbody>
</table>

Gail Hamrick-Pigg, P.E.  
Director  
 Pipelines Engineering

Andrea L.H. Beymer, P.E.  
Vice President  
 Engineering and Construction

APPROVED:

Robert R. Puente  
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Map
US 281: LOOP 1604 TO STONE OAK

LEGEND

★ PROJECT SITE

EDWARDS AQUIFER RECHARGE ZONE
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AMENDING RESOLUTION NO. 17-026 BY APPROVING THE EXPENDITURE OF ADDITIONAL FUNDS IN THE AMOUNT OF $234,405.48 FOR THE ADJUSTMENT OF WATER AND SEWER FACILITIES BY THE TEXAS DEPARTMENT OF TRANSPORATION IN CONNECTION WITH THE US 281: LOOP 1604 TO STONE OAK PARKWAY PROJECT; APPROVING AN ADDITIONAL AMOUNT NOT TO EXCEED $234,405.48 BE MADE AVAILABLE AND EXPENDED FROM THE SYSTEM'S PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO PAY AN ADDITIONAL AMOUNT NOT TO EXCEED $234,405.48 TO THE TEXAS DEPARTMENT OF TRANSPORTATION FOR THE PROJECT WORK AND EXECUTE THE ADVANCE FUNDING AGREEMENT AMENDMENT NO. 1; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Texas Department of Transportation (TxDOT) intends to reconstruct the US 281: Loop 1604 to Stone Oak Parkway Project; and

WHEREAS, the US 281: Loop 1604 to Stone Oak Parkway Project will require the adjustment of certain water and sewer facilities (the “project work”) of the San Antonio Water System (the “System”); and

WHEREAS, the Board of Trustees, by Resolution No. 17-026, adopted January 10, 2017, previously authorized the expenditure of $4,170,981.05 for advance payment to TxDOT for construction of the project work; and

WHEREAS, TxDOT received a low bid from Webber, LLC, for the project on February 2, 2017, which resulted in a cost increase of $234,405.48 for the System’s project work and TxDOT has requested the additional funds required for the construction of the project; and

WHEREAS, per the Advance Funding Agreement, TxDOT has requested additional funds in the amount of $234,405.48 to complete the project; and

WHEREAS, System funds in the amount not to exceed $234,405.48 are required for the project work; and

WHEREAS, the amount of $234,405.48 is available from the System’s Project Fund for the project work; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to amend Resolution No. 17-026 by approving additional expenditures in the amount of $234,405.48 for the adjustment of water and sewer facilities by TxDOT in connection with the US 281: Loop 1604 to Stone Oak Parkway Project, (ii) to authorize the expenditure of funds in the amount not to exceed $234,405.48 from the System’s Project Fund to pay TxDOT for the project work, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to pay an additional amount not to exceed $234,405.48 to TxDOT for the project work, and execute the Advance Funding Agreement Amendment No. 1; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That Resolution No. 17-026 is hereby amended to increase the authorization for payment to TxDOT in connection with the US 281: Loop 1604 to Stone Oak Parkway Project by $234,405.48 from the original authorization of $4,170,981.05 to an amended authorization of $4,405,386.53.

2. That a total sum not to exceed $234,405.48 to pay TxDOT for the project work costs is hereby made available and is to be expended from the System’s Project Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to make additional payment to TxDOT in the amount of $234,405.48 for the project work, and execute the Advance Funding Agreement Amendment No. 1 in connection with the US 281: Loop 1604 to Stone Oak Parkway Project.

4. It is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid, or ineffective.

6. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 1st day of August, 2017.

_________________________________
Berto Guerra, Jr., Chairman

ATTEST:

_________________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees
FROM: Bruce A. Haby, Manager, Corporate Real Estate, and Nancy Belinsky, Vice President and General Counsel
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: REQUESTING THE SAN ANTONIO CITY COUNCIL TO DECLARE THE SAN ANTONIO WATER SYSTEM’S FLORES STREET AND PLEASANTON ROAD PROJECT A PUBLIC NECESSITY

Board Action Date: August 1, 2017

SUMMARY AND RECOMMENDATION:

The attached Resolution requests the San Antonio City Council to declare the San Antonio Water System’s (SAWS) Flores Street and Pleasanton Road Project (the “Project”) a public necessity to obtain for public use the permanent sewer easement that is required for the Project’s construction and operation, and authorizes the General Counsel and/or designated Special Counsel to file eminent domain proceedings, if necessary.

- This sewer main was identified by the Operations Department as in very poor condition. The main will be remediated via Cured-In-Place pipe technology, and will properly place the sewer easement dedicated on a previous plat to closely center over the sewer line.

- The Project will rehabilitate approximately 647 linear feet of 8-inch pipe and three sanitary sewer manholes located within the right of way of Emilie Street, then through a 15-foot easement, then along the north property line of a parking lot on S.W. Military Drive at South Flores Street – Walgreens, extending to the right of way of South Flores Street. The estimated construction cost of this project is $218,416.74.

- The Project will require the acquisition of real property being one permanent sewer easement located within a parking lot of a commercial property at the southwest corner of South Flores Street and S.W. Military Drive.

- SAWS intends to use every effort available to obtain the required permanent sewer easement through good faith negotiations, but may require eminent domain if the negotiations fail.

- The general location, route and aerial depiction of the Project are set out in Attachments I, II, and III to the Resolution, attached hereto and incorporated herein for all purposes.

- The requested Ordinance will be presented to the San Antonio City Council as soon as possible.
Staff recommends that the Board approve this Resolution.

**FINANCIAL IMPACT:**

The Project Fund will incur the acquisition costs and possible legal fees associated with the acquisition of the land rights necessary for this project. Funding for these land rights are found in the 2017 Capital Improvement Program, Wastewater Core Business, Main Replacement – Sewer Category. The job number is 14-4798.

Bruce A. Haby  
Manager, Corporate Real Estate

Nancy Belinsky  
Vice President and General Counsel

Robert R. Puente  
President/Chief Executive Officer
RESOLUTION NO.


WHEREAS, the Project calls for rehabilitation of sewer main and proper placement of the sewer easement to center over the sewer line located in the southwest quadrant of Bexar County; and

WHEREAS, the System has determined that acquisition of the Easement is necessary for the Project, the general location, route and aerial depiction of the Project being more particularly set out in Attachments I, II, and III attached hereto and incorporated herein for all purposes; and

WHEREAS, the System intends to use every effort available to obtain the required Easement through good faith negotiations, but may require eminent domain if the negotiations fail; and
WHEREAS, the System finds that the acquisition of such Easement for the Project is necessary for the public health, safety, welfare, and best interests of the citizens of the System’s service area; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) affirm and declare that the Project is for a public use and the acquisition of the Easement is for public use and is a public necessity for the completion of the Project, (ii) direct the System staff to negotiate the acquisition of the Easement, (iii) authorize and direct the institution and prosecution to conclusion of all necessary proceedings to condemn such Easement, in the event that the System’s staff is unable to acquire one or more parcels of the Easement by negotiation, (iv) request that the City Council adopt an ordinance to (a) reaffirm and declare that the Project is for a public use and the acquisition of the Easement is for public use and is a public necessity for the completion of the Project, (b) authorize the System to take all appropriate action to acquire the Easement by negotiation and/or condemnation, (c) declare that the conveyance of such Easement shall be to the City for the use and benefit of the System, and (d) authorize the System’s General Counsel and/or designated Special Counsel to file eminent domain proceedings and prosecute such proceedings through final judgment and any appeals, if deemed necessary, and (v) provide and approve funding for the acquisition of the Easement; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the Project is hereby declared to be a necessary public project and a public necessity is hereby declared for the acquisition of the Easement for public use by negotiation and/or condemnation, if necessary, for the Project.

2. That a public necessity hereby exists to acquire the Easement over, under and across certain privately owned real property, by negotiation and/or condemnation, if necessary, for the expansion of the public sanitary sewer system as part of the Project.

3. That the System’s staff is hereby directed to negotiate with the owner(s) of the respective parcels for the acquisition of the Easement, to execute easements and/or sales agreements or other documents acquiring the Easement from the owners of the Easement and to finalize such acquisitions on behalf of the City, for the use and benefit of the System.

4. That in the event the System’s staff is unable to acquire one or more parcels of the Easement by negotiation by reason of its inability to agree with the owners thereof as to the value of the Easement, or is unable to acquire the Easement for any other reason, the System’s General Counsel and/or designated Special Counsel, are hereby authorized and directed to institute and prosecute to conclusion all necessary proceedings to condemn such Easement.
5. That the City Council of the City is hereby requested to (i) adopt an ordinance to reaffirm and declare that the Project is for a necessary public use and the acquisition of the Easement is for a public use and is a public necessity for the completion of the Project, (ii) authorize the System to take all appropriate action to acquire the Easement by negotiation and/or condemnation, (iii) declare that the conveyance of such Easement shall be to the City for the use, benefit and control of the System, and (iv) authorize the System’s General Counsel and/or designated Special Counsel to file eminent domain proceedings and prosecute such proceedings through final judgment and any appeals, if deemed necessary.

6. That funding for the acquisition of the Easement will be paid through the 2017 Capital Improvement Program, Wastewater core business, Main Replacement – Sewer Category.

7. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

8. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

9. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 1st day of August, 2017.

_____________________________
Berto Guerra, Jr., Chairman

ATTEST:

Ernesto Arrellano, Jr., Secretary

I Project Area Map
II Project Route Description
III Project Aerial Depiction
Route Description

This Project alignment is located along Emilie Street beginning near the intersection of the same with Briar Place and then westward to a point in the S. Flores Street right of way parallel to Emilie Street.

PROJECT LOCATED IN: NCB 9472, 9477
TO: San Antonio Water System Board of Trustees

FROM: Bruce A. Haby, Manager, Corporate Real Estate, and Nancy Belinsky, Vice President and General Counsel

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: REQUESTING THE SAN ANTONIO CITY COUNCIL TO DECLARE THE SAN ANTONIO WATER SYSTEM’S HIGHWAY 90 WATER MAIN EXTENSION PROJECT A PUBLIC NECESSITY

Board Action Date: August 1, 2017

SUMMARY AND RECOMMENDATION:

The attached Resolution requests the San Antonio City Council to declare the San Antonio Water System’s (SAWS) Highway 90 Water Main Extension Project (the “Project”) a public necessity to obtain for public use the permanent water easements that are required for the Project’s construction and operation, and authorizes the General Counsel and/or designated Special Counsel to file eminent domain proceedings, if necessary.

- This Project was identified in the Water Infrastructure Plan developed by the SAWS Master Planning Division. The Project is required to extend and improve the supply and distribution within the potable water distribution system.

- The Project will construct approximately 8,474 feet of 24-inch water main starting at Luckey Road extending west along the southern right of way of U.S. Highway 90 to just east of Highway 211. The estimated construction cost of this project is $3,017,853.60, which will be paid by the developer.

- The Project will require the acquisition of real property being approximately 16 permanent water easements, of which 12 have been acquired. The four remaining parcels can be described as follows: one being a 30 foot roadway leading to some residential lots and three parcels of undeveloped rural land.

- SAWS intends to use every effort available to obtain the remaining required permanent easements through good faith negotiations, but may require eminent domain if the negotiations fail.

- The general location, route and aerial depiction of the Project are set out in Attachments I, II, and III hereto and incorporated herein for all purposes.
• The requested Ordinance will be presented to the San Antonio City Council as soon as possible.

Staff recommends that the Board approve this Resolution.

FINANCIAL IMPACT:

A funding agreement has been executed between the developer and SAWS which requires the developer to cover all costs associated with the acquisition of the easements.

Bruce A. Haby
Manager, Corporate Real Estate

Nancy Belinsky
Vice President and General Counsel

APPROVED:

Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO.


WHEREAS, the Project calls for design and installation of a new water main located in the southwest quadrant of Bexar County; and

WHEREAS, the System has determined that acquisition of the Easements is necessary for the Project, the general location, route and aerial depiction of the Project being more particularly set out in Attachments I, II, and III attached hereto and incorporated herein for all purposes; and

WHEREAS, the System intends to use every effort available to obtain the required Easements through good faith negotiations, but may require eminent domain if the negotiations fail; and
WHEREAS, the System finds that the acquisition of such Easements for the Project is necessary for the public health, safety, welfare, and best interests of the citizens of the System’s service area; and

WHEREAS, the San Antonio Water System Board of Trustees desires to (i) affirm and declare that the Project is for a public use and the acquisition of the Easements is for public use and is a public necessity for the completion of the Project, (ii) direct the System staff to negotiate the acquisition of the Easements, (iii) authorize and direct the institution and prosecution to conclusion of all necessary proceedings to condemn such Easements, in the event that the System’s staff is unable to acquire one or more parcels of the Easements by negotiation, (iv) request that the City Council adopt an ordinance to (a) reaffirm and declare that the Project is for a public use and the acquisition of the Easements is for public use and is a public necessity for the completion of the Project, (b) authorize the System to take all appropriate action to acquire the Easements by negotiation and/or condemnation, (c) declare that the conveyance of such Easements shall be to the City for the use and benefit of the System, and (d) authorize the System’s General Counsel and/or designated Special Counsel to file eminent domain proceedings and prosecute such proceedings through final judgment and any appeals, if deemed necessary, and (v) provide and approve funding for the acquisition of the Easements; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the Project is hereby declared to be a necessary public project and a public necessity is hereby declared for the acquisition of the Easements for public use by negotiation and/or condemnation, if necessary, for the Project.

2. That a public necessity hereby exists to acquire the Easements over, under and across certain privately owned real property, by negotiation and/or condemnation, if necessary, for the expansion of the public sanitary sewer system as part of the Project.

3. That the System’s staff is hereby directed to negotiate with the owner(s) of the respective parcels for the acquisition of the Easements, to execute easements and/or sales agreements or other documents acquiring the Easements from the owners of the Easements and to finalize such acquisitions on behalf of the City, for the use and benefit of the System.

4. That in the event the System’s staff is unable to acquire one or more parcels of the Easements by negotiation by reason of its inability to agree with the owners thereof as to the value of the Easements, or is unable to acquire the Easements for any other reason, the System’s General Counsel and/or designated Special Counsel, are hereby authorized and directed to institute and prosecute to conclusion all necessary proceedings to condemn such Easements.
5. That the City Council of the City is hereby requested to (i) adopt an ordinance to reaffirm and declare that the Project is for a necessary public use and the acquisition of the Easements is for a public use and is a public necessity for the completion of the Project, (ii) authorize the System to take all appropriate action to acquire the Easements by negotiation and/or condemnation, (iii) declare that the conveyance of such Easements shall be to the City for the use, benefit and control of the System, and (iv) authorize the System’s General Counsel and/or designated Special Counsel to file eminent domain proceedings and prosecute such proceedings through final judgment and any appeals, if deemed necessary.

6. That funding for the acquisition of the Easements will be paid by the developer of the Project.

7. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

8. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

9. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 1st day of August, 2017.

Berto Guerra, Jr., Chairman

ATTEST:

Ernesto Arrellano, Jr., Secretary

Attachments:
I   Project Area Map
II  Project Route Description
III Project Aerial Depiction
SAN ANTONIO WATER SYSTEM
PROJECT AREA MAP
ATTACHMENT I

HIGHWAY 90 WATER MAIN EXTENSION PROJECT

LEGEND

★ PROJECT SITE

Edwards Aquifer Recharge Zone
Route Description

The Project alignment begins at Luckey Ranch Road extending west along the southern right of way of U.S. Highway 90 and terminating just east of Highway 211.

Affecting Property Located in:

CB 4342, CB 4342B, CB 4342C, CB5681
TO: San Antonio Water System Board of Trustees
FROM: Sharon De La Garza, Vice President, Human Resources
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: APPROVAL OF A SERVICES CONTRACT FOR A COMPENSATION MANAGEMENT SOFTWARE

Board Action Date: August 1, 2017

SUMMARY AND RECOMMENDATION:

The attached resolution accepts the proposal of and authorizes the execution of a new contract with MarketPay, a non-local, non-SMWB company, for a compensation management software, commencing on August 11, 2017 and running through August 11, 2020, with two optional one-year extensions. This resolution also authorizes expenditures in an amount not to exceed $108,000.00 for the initial three-year term of the contract for compensation management software (the “Contract”).

In order to remain competitive with other employers in the market, San Antonio Water System (SAWS) is in need of a compensation management software to automate compensation survey results gathering and analysis and assist with market pricing.

Three proposals for this Contract were submitted in response to SAWS’s Request For Competitive Sealed Proposal, and SAWS selected MarketPay based on speed of implementation and ability to reduce the amount of SAWS staff time due to auto-match functionality.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The MarketPay Software system will be paid from System funds budgeted in the 2017 budget and future budgets under the term of the contract (Company: 1000, Accounting Unit: 5021000, Account: 511381, Total contract amount not to exceed $108,000.00). Funds for subsequent years are pursuant to and contingent upon Board approval of the annual Budget, with a line item for such expenditures.
A Request for Competitive Sealed Proposal was issued on January 26, 2017, with a due date of February 24, 2017. Proposals were received from three vendors and interviews were held by the Selection Committee. The following proposals were received:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>LOCAL/SMWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>MarketPay*</td>
<td>Non-Local/Non-SMWB</td>
</tr>
<tr>
<td>Salary.com</td>
<td>Non-Local/Non-SMWB</td>
</tr>
<tr>
<td>Aspire HR</td>
<td>Non-Local/Non-SMWB</td>
</tr>
</tbody>
</table>

*Selected Firm

Sharon De La Garza  
Vice President, Human Resources  

APPROVED:  

Robert R. Puente  
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE PROPOSAL OF AND AWARDING A CONTRACT TO MARKETPAY FOR THE COMPENSATION MANAGEMENT SOFTWARE SERVICES FOR THE PERIOD OF AUGUST 11, 2017 THROUGH AUGUST 11, 2020 WITH TWO OPTIONAL ONE-YEAR EXTENSIONS; AUTHORIZING EXPENDITURES IN AN AMOUNT NOT TO EXCEED $108,000.00 FOR THE INITIAL THREE-YEAR TERM OF THE CONTRACT, AND SUBSEQUENT YEARS EXPENDITURES, PURSUANT TO AND CONTINGENT UPON BOARD APPROVAL OF THE SUBSEQUENT YEARS’ BUDGETS WITH A LINE ITEM FOR SUCH EXPENDITURES; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT AND ALL DOCUMENTS RELATED TO THE CONTRACT WITH MARKETPAY FOR THE SYSTEM’S COMPENSATION MANAGEMENT SOFTWARE SERVICES FROM AUGUST 11, 2017 THROUGH AUGUST 11, 2020, AND TO PAY MARKETPAY AN AMOUNT NOT TO EXCEED $108,000.00 FOR SUCH INITIAL THREE-YEAR TERM OF THE CONTRACT; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the San Antonio Water System (the “System”) currently holds no contracts for a compensation management software program; and

WHEREAS, in order to remain competitive with other employers in the market, the System is in need of a compensation management software to automate compensation survey results gathering and analysis and assist with market pricing; and

WHEREAS, three bids were submitted in response to the System’s Request For Proposal for a compensation management software contract (the “Contract”), and the System selected MarketPay based on speed of implementation and ability to reduce the amount of the System’s staff time due to auto-match functionality; and

WHEREAS, funds in an amount not to exceed $108,000.00 are required for MarketPay’s compensation management software services during the initial three-year term of the Contract; and
WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the proposal of and award the Contract to MarketPay for the System’s compensation management software services for the period of August 11, 2017 through August 11, 2020, with two optional one-year extensions, (ii) to authorize expenditures in an amount not to exceed $108,000.00 for the initial three-year term of the Contract, and subsequent years’ expenditures, pursuant to and contingent upon Board approval of the subsequent years’ budgets with a line item for such expenditures, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to further negotiate and execute the Contract and all documents related to the Contract, and to pay an amount not to exceed $108,000.00 for the initial three-year term of the Contract to MarketPay for compensation management software; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the proposal of MarketPay for the System’s compensation management software services for the period of August 11, 2017 through August 11, 2020, with two optional one-year extensions is hereby accepted.

2. That the Contract is hereby awarded to MarketPay for the System’s compensation management software services.

3. That expenditures in an amount not to exceed $108,000.00 are hereby authorized for the initial three-year term of the Contract, and subsequent years’ expenditures, pursuant to and contingent upon Board approval of the subsequent years’ budgets with a line item for such expenditures.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute the Contract in substantially the form attached to this Resolution as Attachment I and all documents related to the Contract, and to pay an amount not to exceed $108,000.00 for the initial three-year term of the Contract to MarketPay for such compensation management software services.

5. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

6. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

7. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 1st day of August, 2017.

_____________________________
Berto Guerra, Jr., Chairman

ATTEST:

_____________________________
Ernesto Arrellano, Jr., Secretary

Attachment
1. Master Services Agreement
MASTER SERVICES AGREEMENT

This MASTER SERVICES AGREEMENT (“Agreement”) is dated __________, 2017 (“Effective Date”) and entered into between PayScale, Inc., a Washington corporation, d/b/a MarketPay Associates (“MarketPay”) and the San Antonio Water System, municipally-owned utility of the City of San Antonio in the State of Texas (“Customer”). The parties agree as follows:

1. DEFINITIONS.

1.1 “Affiliate” means, with respect to a party, any other entity that directly or indirectly controls, is controlled by or is under common control with such entity, where “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such entity through the ownership of fifty percent (50%) or more of the outstanding voting securities (but only for as long as such entity meets these requirements).

1.2 “Contractor” means an individual who (a) is directly and individually under contract with Customer or an Affiliate of Customer and (b) has a need to use the System solely for the benefit of Customer or Customer’s Affiliate’s internal salary survey and salary benchmarking purposes.

1.3 “Customer Data” means the Customer job, salary range, survey matching, and other related data supplied by Customer to MarketPay under this Agreement or that Customer enters into the System.

1.4 “Documentation” means the user manuals and other documentation made available by MarketPay to Customer for the Service and the System.

1.5 “Implementation Services” means the loading of Third Party Survey Data and Customer Data and provision of other implementation, set up and training services for the System as listed and described in the applicable Order.

1.6 “Order” means any written document agreed to and executed by MarketPay and Customer setting forth the specific terms and conditions relating to the Services requested by Customer. Each agreed upon Order will (a) reference this Agreement, (b) be incorporated by reference into this Agreement, and (c) be subject to the terms and conditions of this Agreement.

1.7 “Services” means collectively, (a) Implementation Services (b) System Access, (c) training services and (d) support services described in an Order to be provided by MarketPay pursuant to this Agreement.

1.8 “Software” means MarketPay’s proprietary software programs made available by MarketPay via the internet to Customer as part of the System, including any modified, updated, or enhanced versions of such software that may become part of the Software.

1.9 “System” means MarketPay’s on-line market-pricing system, a web-based application that increases the efficiency of managing salary survey and benchmark information that consists of the Software and databases containing Customer Data.

1.10 “System Access” means access to the System pursuant to this Agreement as listed and described in an Order.

1.11 “Third Party Survey Data” means any compensation salary surveys that are purchased by Customer from third party survey publishers, listed in Exhibit A of an Order (as may be amended) and loaded into the System per the terms of the Order.

1.12 “User” means any individual employee or Contractor of Customer or its Affiliates for whom System Access is authorized by Customer.

2. SERVICES.

2.1 Provision of Services by MarketPay. Subject to the terms and conditions of this Agreement, MarketPay shall perform the Implementation Services and provide Customer with System Access and other Services as described in the applicable Order.

2.2 Cooperation. Customer shall use reasonable commercial efforts to supply to MarketPay the Customer Data and Third Party Survey Data along with access to personnel resources reasonably requested by MarketPay that are necessary for MarketPay to provide the Services set forth in the applicable Order. The parties shall reasonably
cooperate with each other to facilitate MarketPay’s provision of the Services for Customer. Customer will either provide to MarketPay and/or instruct MarketPay to use the Third Party Survey Data identified in the applicable Order.

2.3 Resources. Customer will access the System via the internet and therefore, Customer shall be responsible for, at its own expense, acquiring, installing and maintaining all connectivity equipment, internet and network connections, hardware, software and other equipment as may be necessary for its Users to connect to and obtain System Access.

3. CUSTOMER’S USE OF THE SYSTEM.

3.1 Rights. MarketPay hereby grants Customer a license to access and use the System solely for Customer’s or Customer’s Affiliates’ internal business purposes and in accordance with the Documentation and the terms and conditions of this Agreement. Under the rights granted to Customer under this Agreement, Customer may permit Contractors and employees of its Affiliates to become Users in order to access and use the System in accordance with this Agreement; provided that Customer shall be liable for the acts and omissions of all Customer Affiliates and Users to the extent any of such acts or omissions, if performed by Customer, would constitute a breach of, or otherwise give rise to liability to Customer under, this Agreement. Customer shall not, and shall not permit any User to use the System, Software or Documentation except as expressly permitted under this Agreement.

3.2 Restrictions. Customer will not provide or permit use of or access to the System to any third party without the prior written approval of MarketPay in each instance. Customer, its Affiliates and its Contractors may not access the System if that entity or individual is a direct competitor of MarketPay, except with MarketPay’s prior written consent. Customer, Affiliates and Contractors may not access the System for purposes of monitoring availability, performance or functionality, or for any other benchmarking or competitive purposes. In addition, Customer, Affiliates and Contractors may not: sell, resell, rent or lease the System; copy, frame or mirror any part or content of the System; or access the System in order to (a) build a competitive product or service, or (b) copy any features, functions or graphics of the System.

4. PRICING; PAYMENT; TAXES.

4.1 Price. The fees for Services will be agreed upon and set forth in the applicable Order (“Fees”) and Customer agrees to pay MarketPay all such agreed upon Fees in accordance with the terms of this Agreement and the applicable Order. Fees do not include, and as between MarketPay and Customer, Customer is responsible for payment of all taxes, fees, duties, and other governmental charges arising from the payment of any fees or any amounts owed to MarketPay under this Agreement (excluding any charges arising from MarketPay’s income or any employment taxes). Prices for any Services requested by Customer that are not set forth in an Order shall be charged as mutually agreed to by the parties in a writing executed by representatives of each party.

4.2 Payment. Unless the applicable Order provides otherwise, Customer will pay correctly invoiced Fees and expenses within 30 days after Customer’s receipt of the applicable invoice for such Services. All payments will be made in United States dollars.

4.3 Purchase Orders. If Customer requires issuance of purchase orders, Customer shall promptly issue such purchase orders with respect to the Services purchased by Customer pursuant to the applicable Order. Services are deemed “purchased” upon the earlier of System Access or commencement of implementation activities.

5. TERM AND TERMINATION.

5.1 Term. This Agreement commences on the Effective Date and continues until all Orders have expired or have been terminated (the “Term”). The term of each Order shall be set forth in such Order.

5.2 Termination. Either party may terminate this Agreement and all Orders if the other party breaches any material provision of this Agreement and does not cure such breach (provided that such breach is capable of cure) within 30 days after being provided with written notice thereof. If Customer terminates this Agreement and all Orders for MarketPay’s uncured breach in accordance with the terms of this Section, promptly after the effective date of such termination, MarketPay shall refund a pro-rata portion of the Fees for System Access paid by Customer under the applicable Order for the remainder of the Term for which Customer paid (the “Pro-Rata Refund”). Unless Customer terminates this Agreement for MarketPay’s uncured breach in accordance with this Section, such termination shall not terminate or affect Customer’s obligation to make payments to MarketPay for Services agreed upon by Customer prior to termination or expiration and Customer shall not be entitled to any refund of prepaid Fees.
5.3 **Effects of Termination.** Upon expiration or termination of this Agreement for any reason: (a) any amounts owed to MarketPay under an Order before such termination or expiration will be immediately due and payable, (b) all rights granted in this Agreement will immediately cease, (c) Customer must promptly discontinue all access and use of the System and return or destroy, all copies of the Documentation in Customer’s possession or control and (d) MarketPay will promptly return, destroy or erase all Customer Data. Provided Customer is not in material breach of the Agreement and provided Customer is current with its payment obligations pursuant to the Agreement and Order, MarketPay, upon the Customer’s written request within five (5) days of termination of this Agreement, shall use reasonable commercial efforts to provide reasonable assistance to Customer for Customer’s downloading of any Customer Data from the System to Customer’s IT systems. Notwithstanding the foregoing, MarketPay may retain Customer Data (excluding employee specific information (i.e. the “employee” data table)) which is automatically archived by MarketPay’s backup systems for up to three (3) years in accordance with MarketPay’s document retention policies, provided that all such Customer Data shall be encrypted and remain subject to the confidentiality requirements set forth in Section 10 of this Agreement. Sections 1, 5.3, 6, 8, 9, 10, and 11 will survive termination of this Agreement for any reason.

6. **Proprietary Rights.**

6.1 **Customer.** As between the parties, Customer owns all right, title and interest in Customer Data and Third Party Survey Data that Customer has provided to MarketPay under this Agreement and any reports produced by the System with respect thereto, including all intellectual property rights therein. Any rights not expressly granted to MarketPay hereunder are reserved by Customer, its licensors and suppliers.

6.2 **Customer Data License Grant.** Subject to the terms and conditions of this Agreement, Customer hereby grants to MarketPay, during the Term, a non-exclusive, non-transferable (except as permitted by Section 11.1), non-sublicensable license to use the Customer Data and Third Party Survey Data solely for the limited purpose of performing the Services for Customer under this Agreement.

6.3 **MarketPay.** The Software, Documentation, services, all proprietary technology utilized by MarketPay to perform its obligations under this Agreement, and all intellectual property rights in and to the foregoing, are the exclusive property of MarketPay, its licensors and suppliers. Any rights not expressly granted to Customer hereunder are reserved by MarketPay, its licensors and suppliers. Customer’s access and use of the System is non-exclusive.

7. **Warranty; Disclaimers.**

7.1 **System Access.** During the Term, MarketPay warrants that the System will perform in accordance with the Order and the Documentation. MarketPay does not warrant that the System will be completely error-free or uninterrupted. However, in the event of System unavailability, Customer may be entitled to Downtime Credits, as described more fully in each Order. In addition to any Downtime Credits available to Customer, MarketPay will, at its own expense and as its sole obligation and Customer’s exclusive remedy for any breach of this warranty, use commercially reasonable efforts to correct or provide a workaround for any reproducible error in the System reported to MarketPay by Customer in writing within 30 days after Customer experiences the error (“Error”). If, however, MarketPay is unable to provide a correction or workaround for any such Error within 60 days after receiving notice of an Error from Customer, Customer may terminate this Agreement upon notice to MarketPay and, as its sole obligation, MarketPay shall refund to Customer the fees pre-paid by Customer for the remainder of the Term and any applicable Downtime Credits. The warranties set forth in this Section 7.1 do not cover or apply to (a) any Error caused by Customer or other parties within Customer’s control, or (b) any Error or unavailability of the System caused by use of the System in any manner or in any environment inconsistent with its intended purpose.

7.2 **Mutual Warranties.** Each party represents and warrants that: (a) it has the full right, power and authority to enter into, execute, and perform its obligations under this Agreement; (b) it will not transmit to the other party any Malicious Code. “Malicious Code” means software viruses, worms, Trojan horses, time bombs, cancelbots or other harmful computer code, files, scripts, agents, programs or programming routines, and that (c) its shall comply with those laws and regulations applicable to such party.

7.3 **Right to Customer Data and Third Party Survey Data.** Customer represents and warrants that it has the right to use the Customer Data and Third Party Survey Data as contemplated by this Agreement, and/or direct MarketPay to use the Customer Data and Third Party Survey Data as part of the Services provided to Customer under this Agreement.
7.4 Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 7, NEITHER PARTY MAKES ANY WARRANTIES OF ANY KIND AND EACH PARTY SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE.

8. Indemnification.

8.1 Claims Against Customer. MarketPay will defend, at its own expense, any claim, suit or action against Customer brought by a third party to the extent that such claim, suit or action is based upon (a) an allegation that the Software and the System (excluding Customer Data and any Third Party Survey Data) infringes any intellectual property rights of such third party, or (b) MarketPay’s breach of its confidentiality or security obligations with regard to the Customer Data (each, “Customer Claim”), and MarketPay shall indemnify and hold the Customer harmless from and against those losses, liabilities, costs and expenses (including reasonable attorneys’ fees and costs) that are attributable to such Customer Claim or those costs and damages agreed to in a monetary settlement of such Customer Claim. The foregoing obligations are conditioned on Customer: (a) promptly notifying MarketPay in writing of such Customer Claim; (b) giving MarketPay sole control of the defense thereof and any related settlement negotiations; and (c) reasonably cooperating and, at MarketPay’s request and expense, assisting in such defense. In the event that the use of the System is enjoined, MarketPay shall, at its option and at its own expense either (a) procure for Customer the right to continue using the System, (b) replace the Software with a non-infringing but functionally equivalent product, (c) modify the Software so it becomes non-infringing or (d) terminate this Agreement and refund the amounts paid by Customer for System Access that relate to the period during which the System was not usable by Customer. Notwithstanding the foregoing, MarketPay will have no obligation under this Section 8.1 or otherwise with respect to any infringement claim based upon: (1) any use of the System in violation of this Agreement; (2) any use of the System in combination with products, equipment, software, or data not supplied or approved by MarketPay if such infringement would have been avoided without the combination with such other products, equipment, software or data; or (3) any modification of the System by any person other than MarketPay or its authorized agents or subcontractors. This Section 8.1 states MarketPay’s entire liability and Customer’s sole and exclusive remedy for infringement claims or actions.

8.2 Claims Against MarketPay. Customer will defend, at its own expense, any claim, suit or action against MarketPay brought by a third party to the extent that such claim, suit or action is based upon Customer’s or MarketPay’s use of any Customer Data or Third Party Survey Data in accordance with this Agreement (“MarketPay Claim”), and Customer shall indemnify and hold MarketPay harmless from and against those losses, liabilities, costs and expenses (including reasonable attorneys’ fees and costs) attributable to such MarketPay Claim or those costs and damages agreed to in a monetary settlement of such MarketPay Claim. The foregoing obligations are conditioned on MarketPay: (a) promptly notifying Customer in writing of such MarketPay Claim; (b) giving Customer sole control of the defense thereof and any related settlement negotiations; and (c) cooperating and, at Customer’s request and expense, assisting in such defense. Notwithstanding the foregoing, Customer will have no obligation under this Section 8.2 or otherwise with respect to any MarketPay Claim to the extent based upon any use of the Customer Data or Third Party Survey Data by MarketPay in violation of this Agreement.

9. Limitation of Liability.

9.1 Limitation of Liability. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, EXEMPLARY, SPECIAL, OR INCIDENTAL DAMAGES, OR FOR ANY LOST DATA, LOST PROFITS OR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, ARISING FROM OR RELATING TO THIS AGREEMENT, HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY (INCLUDING NEGLIGENCE), EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EACH PARTY’S TOTAL CUMULATIVE LIABILITY IN CONNECTION WITH THIS AGREEMENT AND THE SYSTEM, WHETHER IN CONTRACT OR TORT OR OTHERWISE, WILL NOT EXCEED THE AMOUNT OF FEES PAID OR PAYABLE BY CUSTOMER TO MARKETPAY UNDER THIS AGREEMENT DURING THE INITIAL TERM OR RENEWAL TERM, AS THE CASE MAY BE, DURING WHICH THE EVENTS GIVING RISE TO SUCH LIABILITY OCCURRED. THE LIMITATION OF LIABILITIES SET FORTH IN THIS SECTION 9 SHALL NOT APPLY TO THE INDEMNIFICATION OBLIGATIONS UNDER SECTION 8. NOTWITHSTANDING THE FOREGOING, MARKETPAY’S TOTAL CUMULATIVE LIABILITY FOR CLAIMS ARISING FROM BREACH OF ITS OBLIGATIONS UNDER
SECTION 10 SHALL BE LIMITED TO THE GREATER OF (1) $500,000 OR (2) FIVE TIMES THE AMOUNT OF FEES PAID OR PAYABLE BY CUSTOMER TO MARKETPAY UNDER THIS AGREEMENT DURING THE INITIAL TERM OR RENEWAL TERM, AS THE CASE MAY BE, DURING WHICH THE EVENTS GIVING RISE TO SUCH LIABILITY OCCURRED.

9.2 Independent Allocations of Risk. EACH PROVISION OF THIS AGREEMENT THAT PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTIES, OR EXCLUSION OF DAMAGES IS TO ALLOCATE THE RISKS OF THIS AGREEMENT BETWEEN THE PARTIES. THIS ALLOCATION IS REFLECTED IN THE PRICING OFFERED BY MARKETPAY TO CUSTOMER AND IS AN ESSENTIAL ELEMENT OF THE BASIS OF THE BARGAIN BETWEEN THE PARTIES. EACH OF THESE PROVISIONS IS SEVERABLE AND INDEPENDENT OF ALL OTHER PROVISIONS OF THIS AGREEMENT. THE LIMITATIONS IN THIS SECTION 9 WILL APPLY NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY IN THIS AGREEMENT.

10. CONFIDENTIALITY.

10.1 Definition. “Confidential Information” means all information disclosed by one party (“Discloser”) to the other party (“Recipient”) relating to or disclosed in the course of the performance of this Agreement. Confidential Information includes information that is marked or identified as confidential and, if not marked or identified as confidential, information that should reasonably have been understood by Recipient to be proprietary and confidential to Discloser or to a third party, because of legends or other markings, the circumstances of disclosure or the nature of the information itself. The Software, System and Documentation shall be considered MarketPay’s Confidential Information, notwithstanding any failure to mark or identify it as such. All Customer Data shall be considered Customer’s Confidential Information, notwithstanding any failure to mark or identify it as such.

10.2 Protection. Recipient will not use any Confidential Information of the Discloser for any purpose not expressly permitted by this Agreement, and will disclose Confidential Information only to the employees or, subject to Section 3, individual independent contractors of Recipient who have agreed to keep such Confidential Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than Recipient’s duty hereunder. Recipient will protect Confidential Information from unauthorized use, access, or disclosure in the same manner as Recipient protects its own confidential or proprietary information of a similar nature and with no less than reasonable care.

10.3 Exceptions. Recipient’s obligations under Section 10.2 above with respect to any Confidential Information of Discloser will terminate if and when Recipient can document that such information: (a) was already lawfully known to Recipient at the time of disclosure by Discloser; (b) is disclosed to Recipient by a third party who had the right to make such disclosure without any confidentiality restriction; (c) is, or through no fault of Recipient has become, generally available to the public; or (d) is independently developed by Recipient without access to or use of the Confidential Information. In addition, Recipient may disclose Confidential Information to the extent that such disclosure is required by law or by the order of a court or similar judicial or administrative body, provided that Recipient notifies Discloser of such required disclosure in writing prior to making such disclosure and cooperates with Discloser, at Discloser’s reasonable request and expense, in any lawful action to contest or limit the scope of such required disclosure.

10.4 Protection of Customer Data. Without limiting the above, MarketPay will maintain appropriate administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of the Customer Data. MarketPay will not (a) modify the Customer Data, (b) disclose the Customer Data except as compelled by law in accordance with Section 10.3 or as expressly permitted in writing by Customer, or (c) access the Customer Data except to provide the Services or prevent or address service or technical problems, or at Customer’s request in connection with customer support matters.

11. GENERAL PROVISIONS.

11.1 Assignment. Neither party may assign or transfer, by operation of law or otherwise, this Agreement or any of its rights under this Agreement to any third party without the other party’s prior written consent, such consent shall not be unreasonably withheld or delayed; except that either party may assign this Agreement by operation of law or otherwise to any successor to its business or assets to which this Agreement relates, whether by merger, sale of assets, sale of stock, reorganization or otherwise. Any attempted assignment or transfer in violation of the foregoing will be null and void. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective
successors and permitted assigns, and shall not confer any rights or remedies upon any person or entity not a party hereto.

11.2 Force Majeure. A party’s performance of any part of this Agreement will be excused to the extent that it is unable to perform due to natural disasters, terrorism, riots, insurrection, war, extraordinary governmental action, material labor strikes (excluding strikes by the party’s own workforce), or any other cause which is beyond the reasonable control of such party (the “Affected Party”), not avoidable by reasonable due diligence, and not caused by the Affected Party (a “Force Majeure Event”). Upon the occurrence of a Force Majeure Event, the Affected Party will promptly notify the other party of the Force Majeure Event, including an estimate of its expected duration and probable impact on the performance of the Affected Party’s obligations under this Agreement. In addition, the Affected Party will (i) exercise commercially reasonable efforts to mitigate damages to the other party and to overcome the Force Majeure Event and (ii) continue to perform its obligations under this Agreement to the extent it is able.

11.3 Notices. All notices, consents, and approvals under this Agreement must be delivered in writing by electronic mail, courier, facsimile, or certified or registered mail, (postage prepaid and return receipt requested) to the other party at the address for each party first set forth on the signature page, and will be effective upon receipt. Additionally, electronic mail and facsimile may not be used for providing legal notices, but may be used to distribute routine communications and to obtain approvals and consents.

11.4 Governing Law. This Agreement will be governed by and interpreted in accordance with the laws of the State of Colorado without reference to its choice of law rules.

11.5 Remedies. Except as otherwise expressly provided in this Agreement, the parties’ rights and remedies under this Agreement are cumulative. Each party acknowledges and agrees that any actual or threatened breach of Sections 3 or 10 will constitute immediate, irreparable harm to the non-breaching party for which monetary damages would be an inadequate remedy, that injunctive relief is an appropriate remedy for such breach, and that if granted, the breaching party agrees to waive any bond that would otherwise be required. Any legal action is brought by a party to enforce this Agreement, the prevailing party will be entitled to receive its attorneys’ fees, court costs, and other collection expenses, in addition to any other relief it may receive from the non-prevailing party.

11.6 Relationship of the Parties. The parties acknowledge that MarketPay is an independent contractor of Customer, and its employees are not employees of Customer. Nothing in this Agreement or any Order will be construed as creating a partnership, joint venture, or agency relationship between the parties, or as authorizing either party to act as an agent for the other or to enter contracts on behalf of the other. Nothing in this Agreement is intended to confer any rights or remedies on any other person or entity, which is not a party to this Agreement.

11.7 Waivers. Any waiver or failure to enforce any provision of this Agreement on one occasion will not be deemed a waiver of any other provision or of such provision on any other occasion. Any waiver must be in writing and signed by the party extended to the benefit of the right being waived. Unless otherwise stated in the waiver, any waiver applies only to the specific circumstance for which the waiver is given and not to any subsequent circumstance involving the same or any other right.

11.8 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, such provision will be changed and interpreted to accomplish the objectives of such provision to the greatest extent possible under applicable law and the remaining provisions of this Agreement will continue in full force and effect.

11.9 Counterparts. This Agreement may be executed in counterparts, each of which will be considered an original, but all of which together will constitute the same instrument.

11.10 Entire Agreement. This Agreement, including any Order and any exhibits or attachments thereto, constitute the entire agreement between the parties regarding the subject hereof and supersedes all prior or contemporaneous agreements, understandings, and communication, whether written or oral. This Agreement sets forth the general terms and conditions applicable to all Services provided by MarketPay to Customer under the specific terms and conditions set forth in the applicable Order. By executing this Agreement, the parties agree that the provision and receipt of Services are expressly conditioned on the acceptance of the agreed upon terms in this Agreement. No other terms apply. No terms and conditions proposed by either party shall be binding on the other party unless accepted in writing by both parties, and each party hereby objects to and rejects all terms and conditions not so accepted. To the extent of any conflict between the provisions of this Agreement and the provisions of any Order, the provisions of the Order shall govern. In addition, to the extent of any conflict or inconsistency between the terms and conditions of this
Agreement and Customer’s purchase order, the terms and conditions of this Agreement and its Order will control. This Agreement will not be modified except by a subsequently dated written amendment signed on behalf of MarketPay and Customer by their duly authorized representatives.

The parties by their authorized representatives have entered into this Master Services Agreement as of the Effective Date.

**CUSTOMER:** SAN ANTONIO WATER SYSTEM

**PAYSCALE, INC. D/B/A MARKETPAY ASSOCIATES**

<table>
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<tr>
<th>Signature: ______________________</th>
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<tr>
<td>Title: ______________________</td>
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<td>Date: ______________________</td>
<td>Date: ______________________</td>
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</tbody>
</table>

Address for Notice: 2800 U.S. Highway 281 North, San Antonio, Texas 78212

Address for Notice: 600 Grant St., Suite 400, Denver, Colorado, 80203
ORDER NO. 1

This Order No. 1 ("Order") is entered into __________, 2017 ("Order Effective Date") by and between PayScale, Inc. d/b/a MarketPay Associates ("MarketPay") and the San Antonio Water System, municipally-owned utility of the City of San Antonio in the State of Texas ("Customer"), and incorporated into and made a part of the parties’ Master Services Agreement ("Agreement") and constitutes an “Order” as defined in the Agreement. This Order describes the Services to be performed and provided by MarketPay pursuant to the Agreement. All capitalized terms used and not expressly defined in this Order will have the meanings given to them in the Agreement.

SERVICE-SPECIFIC TERMS FOR MARKETPAY SERVICES.


1.1 Part of this Order is for the initial set-up and on-going use of the MarketPay On-Line Market Pricing System as described in the Documentation and PayScale demonstrations. System Access and related Services are provided to Customer as an “application service” (i.e. the System and its database(s) are resident on PayScale’s web server(s), and Customer employees are granted access and the right to use the System and its database through the Order Term (defined below).

1.2 For the Order Term, PayScale will provide Users with access to the System. The System will be configured at a unique internet address.

1.3 Customer may grant access to the System to as many of its Users as it desires. Only Users (as defined in the Agreement) and PayScale staff may be granted access to the System, unless otherwise requested by Customer and approved in advance by PayScale in writing.

1.4 Loading the Data From Customer’s Salary Surveys.

(a) During the initial Service Year, and subject to 1.4(d) below, PayScale will load into Customer’s database the base salary, total cash and other compensation data from the initial quantity of Third Party Survey Data compensation surveys requested by Customer; provided, however, that the number of Third Party Survey Data sets is limited to the number set forth in Exhibit A (as amended). “Service Year” means a 12-month period beginning on the Order Effective Date (or subsequent anniversary thereof) and ending one year later.

(b) Prior to the start of each subsequent Service Year, Customer will provide to PayScale a list of such compensation surveys purchased by Customer for use in that subsequent Service Year. Subject to 3.1(d) below, PayScale will load those compensation surveys into Customer’s database during such Service Year.

(c) Customer may add additional Third Party Survey Data to the list during any Service Year. Additions to the quantity of compensation survey surveys will impact the Annual Service Fee during any Service Year, according to the Price Schedule included in Exhibit B.

(d) All third party compensation surveys identified by Customer and/or loaded into the System by Customer or by PayScale pursuant to Customer’s instructions for use in System are considered “Third Party Survey Data” under the Agreement. MarketPay shall not load Third Party Survey Data unless and until both MarketPay and Customer has obtained the foregoing licenses to use and rights to disclose the Third Party Survey Data as contemplated under this Agreement. Customer will purchase the “electronic” database versions (i.e. spreadsheet, database, or .csv files) for any and all Third Party Survey Data, where available from the applicable survey publishers. PayScale will convert these into the formats needed in the System. If an electronic database version of any Third Party Survey Data is not available from its publisher, PayScale will work with Customer to identify the data that needs to be loaded from that survey, and PayScale will manually enter that data into the System. Additional fees will be incurred for such manual data entry of a hard copy, .pdf-only, or other data provided to PayScale in non-electronic database format, and Customer will be advised of such additional fees and must pre-approve them before PayScale proceeds with such work.

1.5 Loading Customer’s Job, Employee, and Survey Matching Data.

(a) PayScale will provide Customer with standard spreadsheet templates, designed to outline the structure for periodic downloads of job, employee and salary range information from Customer’s HRIS systems (such data is considered “Customer Data” under the Agreement). Customer will provide the Customer Data, in the form of one spreadsheet table per data type, to PayScale up to one time each week for upload to Customer’s PayScale database. PayScale provides a “Secure File Upload” mechanism within the System to ensure the secure transmission of confidential information or Customer may use PayScale’s SFTP to transmit the data files to PayScale.
Additionally, during the initial implementation, PayScale will provide Customer with a standard spreadsheet template for use in creating one survey matching details spreadsheet table (Customer’s job codes matched to survey job codes and data cut descriptions) for upload into Customer’s PayScale database.

PayScale staff will conduct cursory audits on the data, and format and load it into the Customer’s PayScale database.

1.6 Annual Updates of Customer’s Market Pricing Benchmarks.

(a) During each new Service Year, PayScale will update Customer’s market pricing benchmarks with data from the new survey reports.

(b) PayScale and Customer will agree upon a date for the “migration” of the prior year’s survey matches to the new year’s data, typically following the receipt and loading of all of Customer’s surveys for the new Service Year.

(c) PayScale staff will perform the update and send to Customer an audit list of the survey matches that did not successfully transition to the new year’s survey reports.

1.7 Hosting and System Administration.

(a) PayScale will provide all site hosting and administrative services. The site will be available to Users 24 hours a day, 7 days a week, and PayScale will maintain disaster recovery procedures such that corrective action will be quickly taken should the site become unavailable for any reason.

(b) All data files and applications will be backed-up on a daily basis to prevent the loss of critical data, with back-ups stored in a separate and secure location. At any time during the Order Term, Customer may request and receive a back-up copy of Customer Data and PayScale will provide these files within 5 business days.

1.8 System Security.

(a) At the time that Customer is initially provided with System Access, PayScale will configure the System with the following security features:

(i) The System will be accessible only to Users originating in Customer’s company network(s).

(ii) Each User will be required to enter a unique e-mail address and password.

(iii) Users will be forced to use “complex” passwords.

(iv) Users will be forced to reset their passwords every 90 days, and will not be permitted to re-use an immediately previous password.

(b) The above features are configurable within the System and Customer’s own system administrator will be responsible for maintaining the security configuration after the initial provision of System Access.

(c) PayScale will maintain firewalls and network/intrusion detection software to monitor and prevent unauthorized access to the applications and information.

1.9 Training. During the initial implementation of the System, PayScale will conduct up to six (6) hours of web-based training for Customer. On-site training is available at a rate of $1,500 per day plus expenses in the US and at a rate of $2,500 per day plus expenses (minimum of two days) outside the US. Customer will provide the facilities, computers, and internet connections for this on-site training and PayScale staff will conduct one training session, provided that Customer schedules such training with PayScale at least 14 days in advance, and no changes are made to the date, time or location of such scheduled training session. If scheduling changes are made to the scheduled on-site training session by Customer, then any additional reasonable expenses (cancellation, rebooking, higher fares, etc.) shall be billed to Customer upon Customer’s prior written consent.


2.1 Support.

(a) PayScale will provide emergency support services (for Priority 1 issues, as described below) 24 hours a day, 7 days a week, 365 days a year, excluding PayScale holidays.
Technical and operational support services (Priority 2 and Priority 3 issues) each business day (i.e. from 9:00 AM – 8:00 PM (ET) Monday through Friday excluding any PayScale holidays).

Customer will promptly notify PayScale of Errors or other support request issues by calling our general office number (303) 493-6650, by e-mailing an assigned PayScale support representative or by utilizing the technical support link within the System. Priority 2 or Priority 3 Calls or e-mails may be made or delivered during off-hours, and PayScale will make reasonable efforts to respond during those time periods. PayScale will acknowledge receipt of such notification (by e-mail or phone) within 2 normal business hours.

For each Error reported by Customer, PayScale agrees to maintain a record of all support requests. PayScale will designate the Priority Level of each Error reported to it by Customer. If there is dispute over the classification, Customer will promptly notify PayScale and the parties will make their best efforts to resolve any such disagreement. Such disagreement and discussion shall not delay PayScale’s actions to resolve the problems reported.

PayScale will use reasonable commercial efforts to respond to Errors reported to it by Customer within the Initial Response Period in the table below for the applicable Priority Level and correct such Error within the Resolution Response Time for the applicable Priority Error Level and Service Level.

### Support Request Priority Levels.

- **Priority 1** – PayScale System unavailable due to failure of PayScale’s software, hardware or ISP connections, but not to include system outages to the extent directly caused by failures of Customer’s or general telecom carrier networks/systems/ISP connections.

- **Priority 2** – PayScale System defects which affect a PRIMARY feature or function within the System or cause critical service disruption or degradation, and which require correction to achieve full System functionality as described in the Documentation, but only to include problems with PayScale’s software, hardware or ISP connections. Such problems do not make the System unavailable, but may disable a major feature or function.

- **Priority 3** – PayScale System defects which affect a SECONDARY or minor feature or function within the System or impacts normal business activities, but which do not require correction to achieve full system functionality as described in the Documentation, or general service issues such as slow response time, but only to include problems with PayScale’s software, hardware or ISP connections.

### Initial Response and Resolution Response Times for Each Priority Level.

<table>
<thead>
<tr>
<th>Priority Level</th>
<th>Initial Response Time</th>
<th>Resolution Response Time</th>
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<tbody>
<tr>
<td>1</td>
<td>1 Business Hour</td>
<td>1 Business Day</td>
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<tr>
<td>2</td>
<td>1 Business Day</td>
<td>3 Business Days</td>
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<tr>
<td>3</td>
<td>1 Business Day</td>
<td>10 Business Days</td>
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### Downtime Credits.

- **Priority 1** problems:
  - If PayScale is unable to cure a Priority 1 problem within 72 hours after first notification by Customer of the problem, Customer shall be entitled to receive a credit of one percent (1%) of the Annual Service Fee (applicable to the then-current Service Year) for each full day the problem remains unresolved.

- **Priority 2** problems:
  - If PayScale is unable to cure a Priority 2 problem within 7 business days after first notification by Customer of the problem, Customer shall be entitled to receive a credit of two percent (2%) of the Annual Service Fee (applicable to the then-current Service Year) for each full week the problem remains unresolved.

- **Priority 3** problems:
  - If PayScale is unable to cure a Priority 3 problem within 20 business days after first notification by Customer of the problem, Customer shall be entitled to receive a credit of ½ of one percent (.5%) of the Annual Service Fee (applicable to the then-current Service Year) for each full week the problem remains unresolved.

- Downtime Credits to the Annual Service will be capped at the total amount of the Annual Service Fee paid by Customer for the then-current Service Year.
SERVICE-SPECIFIC TERMS FOR PAYSCALE BENCHMARK SERVICES.

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<tr>
<th>Contact Information</th>
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<tr>
<td>Customer Organization Name:</td>
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<tr>
<td>Location of Primary User:</td>
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<tr>
<td>Location of Corporate HQ:</td>
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<tr>
<td>Total Number of Employees:</td>
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<td>Contact Name:</td>
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<td>Contact Title:</td>
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<td>Phone Number:</td>
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<td>E-mail Address:</td>
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1. **PayScale Responsibilities.** PayScale shall will: (i) provide to customer with standard PayScale basic support for the Benchmark Services at no additional charge, and/or upgraded support if purchased separately, (ii) use reasonable efforts to make the Benchmark Services available 24 hours a day, 7 days a week, except for: (a) planned downtime (of which PayScale will make reasonable efforts to give at least 8 hours' notice via the Benchmark Services and which PayScale will schedule to the extent practicable during the weekend hours from 6:00 p.m. Pacific time Friday to 3:00 a.m. Pacific time Monday), or (b) any unavailability caused by a force majeure event, and (iii) provide the Benchmark Services only in accordance with applicable laws and government regulations.

2. **User Subscriptions.** Unless otherwise specified in this Order, (i) Benchmark Services are purchased as User subscriptions based on the number of employees in your organization and the number of Users specified in the this Order, and may be accessed by no more than the specified number of Users, (ii) additional User subscriptions may be added during the subscription term at the same pricing as that for the pre-existing subscriptions, prorated for the remainder of the subscription term in effect at the time the additional User subscriptions are added, and (iii) the added User subscriptions will terminate on the same date as the pre-existing subscriptions. User subscriptions are for designated Users and must not be shared or used by more than one User.

3. **Participation in Services.** The senior-most Human Resources executive for Customer serves as the main contact for the relationship. Direct reports and colleagues of the customer may access and use Services provided they are licensed for usage. Every licensed staff member of Customer has unlimited access to the PayScale Services during the Order Term. It is Customer’s responsibility to notify PayScale if there is a change in Customer’s primary HR contact. A change in the Customer’s primary HR contact does not alter the terms and conditions outlined herein and in the Agreement.

4. **Benchmark Service Access.**

4.1 Every Customer licensed staff member will be a User and have a user license and access rights to content through the online service. Customer shall not distribute PayScale data to individuals not covered under this Agreement. PayScale Services and associated materials are for Customer’s internal business purposes only. Unless otherwise permitted under Section 9.7 (Confidentiality), Customer is strictly prohibited from selling, transferring, assigning, enabling access via the Internet or otherwise distributing all or any portions of any report or other deliverable produced by PayScale web service to entities outside of the Customer organization. This prohibition includes, but is not limited to: vendors, contractors, consultants, business units or divisions that are not part of the Customer organization, Affiliates, and non-wholly owned subsidiaries. Should any of Customer Affiliates wish to access PayScale professional services, PayScale shall discuss a service structure reflecting the needs of the organization. A Market Report is established by running a Unique Job Code in a Unique Labor Market. A Unique Job Code is defined as a Customer Job title matched to a PayScale title. A Unique Labor Market is a named combination of city, state, region, industry and company size. Customer is allowed to maintain Market Reports up to the Market Reports Scope amount shown above. Once a Market Report is established, a User may:

(a) Get updated market data on a Market Report an unlimited number of times during the subscription.

(b) Change any attribute of a Market Report’s Unique Job Code (title, compensable factors, etc.) or Unique Labor Market (city, state, company size, etc.) with no effect to the total number of Market Reports.

(c) Delete an active Market Report which will reduce the count of active Market Reports and create space for a new Market Report.

(d) Create a new active Market Report which will count toward the Market Report Scope in the purchased subscription.
(e) In the admin section of their account, see their current and historical use of Market Reports, Job Codes, Labor Markets and data updates to Market Reports.

4.2 Should Customer’s Market Report count grow to more than the Market Report Scope covered under this Order during the Order Term, Customer’s annual price may be increased to reflect the additional usage. The adjustment, if any, will be based on PayScale’s standard pricing which reflects volume discounts. In either case, no adjustment will be made without Customer’s prior knowledge and agreement.

5. **Return of Data.** Upon request by Customer made within 30 days after the effective date of termination of this subscription, PayScale will make available to Customer for download a file of Customer Data for the Benchmark Services in comma separated value (.csv) format along with attachments in their native format. After such 30-day period, PayScale will have no obligation to maintain or provide any of data and will thereafter, unless legally prohibited, delete all Customer data in the PayScale systems or otherwise in PayScale’s possession or under PayScale’s control.

**GENERAL TERMS**

1. **Price.** Fees for the System and Services, as described in this Order, are outlined in Exhibit B.

2. **Payment.**

   2.1 Upon execution of this Order and the Agreement, and following the date that Customer is provided with System Access, PayScale will invoice Customer for the Initial Implementation Fee (defined in Exhibit B) and the Annual Service Fee for the first Service Year of the Initial Order Term.

   2.2 For each subsequent Service Year, Customer will be invoiced for the full Annual Service Fee approximately one month prior to the beginning of such new Service Year. The Price Schedule in Exhibit B will remain constant through the Initial Order Term.

3. **Term of this Order.** The initial term of this Order will begin on the Order Effective Date and end three (3) years later (“Initial Order Term”). Thereafter, at least thirty (30) days prior to the expiration of each then-existing term, this Order may be renewed by Customer for up to (2) additional one (1) year periods (each, a “Renewal Order Term”). The Initial Order Term and each Renewal Order Term are collectively referred to as the “Order Term.” Unless the parties otherwise agree in writing, the termination or expiration of this Order shall not terminate or affect Customer’s obligation to make payments to PayScale for Services or System Access provided to Customer prior to termination or expiration. The Annual Service Fee during any Renewal Order Term shall not exceed 5% over the Annual Service Fee in effect during the immediately preceding Service Year, and no increase in the Annual Service Fee on a Renewal Order Term shall be effective unless and until mutually agreed upon between the parties in writing. For clarification, Customer acknowledges that the foregoing cap on fee increases does not apply if there are any changes to the Fee Assumptions set out in Exhibit B below or to any fees for additional, upgrades or other changes to the scope of the Services requested Customer.

4. **Terms and Conditions.**

This Order is expressly subject to the terms and conditions set forth in the Agreement, and Customer specifically agrees to be bound by all of the terms and conditions of the Agreement. In the event of any conflict between the provisions of this Order and the Agreement, this Order shall govern.

**CUSTOMER: SAN ANTONIO WATER SYSTEM**

| Signature: | ______________________________ |
| Printed:   | ______________________________ |
| Title:     | ______________________________ |
| Date:      | ______________________________ |

**PAYSCALE, INC. D/B/A MARKETPAY ASSOCIATES**

| Signature: | ______________________________ |
| Printed:   | ______________________________ |
| Title:     | ______________________________ |
| Date:      | ______________________________ |
## Quantity of Survey Reports to be Loaded in the Initial Service Year

<table>
<thead>
<tr>
<th>Quantity of Survey Reports: 16</th>
<th>Year(s)/ Edition(s)</th>
<th>Standard Data Set? (1)</th>
<th>Standard Data Elements? (2)</th>
<th>Special Mapping? (3)</th>
<th>.PDF, Hard Copy or Similar Only?</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td></td>
</tr>
</tbody>
</table>

1) "**Standard Data Set**" means the survey results as distributed by the publisher to all survey participants, and excludes any special data cuts or peer group reports that Customer may obtain from the survey publisher.

2) "**Standard Data Elements**" means the 10th, 25th, 50th, Average, 75th and 90th percentiles of the following data elements to the extent provided by the publisher in their Standard Data Sets:

- Base Salary $  
- Actual Bonus/Incentive $  
- Actual Bonus/Incentive %  
- Total Cash $  
- Target Bonus/Incentive $  
- Target Bonus/Incentive %  
- Total Target Cash $  
- Actual LTI $  
- Actual LTI %  
- Target LTI %  
- Total Target Direct $  
- Total Guaranteed Pay $  
- Actual Sales Incentive $  
- Actual Sales Incentive %  
- Target Bonus/Incentive %  
- Total Target Cash $  
- Target Sales Incentive $  
- Target Sales Incentive %  
- Cash Allowances $  
- Guaranteed Incentive $  
- Total Guaranteed Pay $  
- Fringe Benefits $  
- Total Remuneration $  

3) "**Special Mapping**" means the loading data elements in a manner that requires special processing, e.g. loading averages into a 50th percentile column, combining Last Fiscal Year data with Current Fiscal year data, or loading Guaranteed Pay data into the Base Salary column.
### Fees

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation Fee</td>
<td>A one-time fee of $6,000 Waived if agreement is signed by 8/11/17</td>
</tr>
<tr>
<td>MarketPay Annual Service Fee; Three Year Commitment</td>
<td>$26,000</td>
</tr>
<tr>
<td>One Year PayScale Benchmark Essential Unlimited Survey Jobs And Unlimited Labor Markets</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

MarketPay and Benchmark fees will be invoiced together at the start of each service year.

### Fee Assumptions

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation Surveys</td>
<td>Quantity of compensation survey reports and data elements as listed in Exhibit A. Each additional compensation survey report added to the quantity of surveys set forth in Exhibit A will increase the Annual Service Fee by $750.</td>
</tr>
<tr>
<td>HRIS Data</td>
<td>Customer may provide data files (formatted in MarketPay’s Excel templates) for loading/updating the database.</td>
</tr>
<tr>
<td>Number of Users</td>
<td>Unlimited</td>
</tr>
<tr>
<td>IT Security Review</td>
<td>Upon request, Customer shall be provided with MarketPay’s annual third party audit reports (SOCii and other penetration/security report), as well as MarketPay Information Security Policies.</td>
</tr>
<tr>
<td>Training</td>
<td>Web-based training provided during implementation.</td>
</tr>
</tbody>
</table>
Special Terms

These Special Terms are entered into __________, 2017 (“Special Terms Effective Date”) by and between PayScale, Inc. d/b/a MarketPay Associates (“MarketPay”) and the San Antonio Water System, municipally-owned utility of the City of San Antonio in the State of Texas (“Customer”), and are incorporated into and made a part of the parties’ Master Services Agreement (“Agreement”). All capitalized terms used and not expressly defined in these Special Terms will have the meanings given to them in the Agreement.

1. Third Party Survey Data.
   a. Section 1.11 (“Third Party Survey Data”) is replaced in entirety with the following:

   1.11 “Third Party Survey Data” means any compensation salary surveys that are purchased by Customer from third party survey publishers and that Customer has requested be loaded into the System per the terms of the Order.

2. Proprietary Rights.
   a. Section 6.1 (Customer) is replaced in entirety with the following:

   6.1 Data.
   a. Customer Data. As between the parties, Customer owns all right, title, and interest in Customer Data that Customer has provided to MarketPay under this Agreement and any reports produced by the System with respect thereto, including all intellectual property rights thereto. Any rights not expressly granted to MarketPay hereunder are reserved by Customer, its licensors and suppliers.

   b. Third Party Survey Data. The right, title, and interest in Third Party Survey Data are owned by the owner of such Third Party Survey Data, and Customer’s and MarketPay’s use of such Third Party Survey Data is subject to the owner of such Third Party Survey Data granting to Customer the authorization to use and rights to disclose such Third Party Survey Data as contemplated under this Agreement.

   b. Section 6.2 (Customer Data License Grant) is deleted in entirety and replaced with the following:

   6.2 Right to Use.
   a. Customer Data. Subject to the terms and conditions of this Agreement, Customer hereby grants to MarketPay, during the Term, a non-exclusive, non-transferable (except as permitted by Section 11.1) non-sublicensable right to use the Customer Data and the Third Party Survey Data only to the extent Customer is granted the authorization to use and rights to disclose such Third Party Survey pursuant to 6.1(b), in each case solely for the limited purpose of performing the Services for Customer under this Agreement.

   c. The following sentence is added to the end of Section 6.3 (MarketPay):

   The foregoing does not apply to the extent it is Documentation constituting final work product specifically created for and at the express written request of Customer and work papers directly relating thereto (“Work Product”) delivered to Customer by MarketPay in connection with the performance of services pursuant to this Agreement, including public records obtained by MarketPay; all such Work Product shall be the property of Customer whether or not in the possession of MarketPay, for use and re-use by the Customer, its agents, employees, contractors and vendors, as needed from time-to-time.

3. Warranty; Disclaimers.
   a. Section 7.2 (Mutual Warranties) is deleted in entirety and replaced with the following:

   7.2 Mutual Warranties. Each party represents and warrants that: (a) it has the full right, power and authority to enter into, execute, and perform its obligations under this Agreement; (b) it will not transmit to the other party anything it knows or should have known was Malicious Code. “Malicious Code” means software viruses, worms, Trojan horses, time bombs, cancelbots or other harmful computer code, files, scripts, agents, programs or programming routines, (c) it shall comply with those laws and regulations
applicable to such party; and that (d) it shall only use the Third Party Survey Data as permitted under the right to use thereto granted to Customer. In performing this Agreement, the MarketPay agrees to comply with applicable laws and regulations, and to secure, pay for and comply with all permits, governmental fees, licenses, inspections, bonds, security or deposits necessary for proper execution and completion of the services. MarketPay agrees to not make or permit to be made any improper payments, or to perform any unlawful acts in connection with the provision of services under this Agreement or in any that otherwise materially affects the Customer.

b. Section 7.3 (Right to Customer Data and Third Party Survey Data) is deleted in entirety and replaced with the following:

7.3 Right to Customer Data and Third Party Survey Data. Customer represents and warrants that it has the right to use Customer Data as contemplated by this Agreement. Customer’s and MarketPay’s rights to use Third Party Survey Data under this Agreement will be dependent on the authorization Customer obtains from the owner of the Third Party Survey Data pursuant to Section 6.1(b).

c. Section 7.5 is added as follows:

7.5 MarketPay Representation Regarding Intellectual Property Claims. MarketPay represents that, as of the Effective Date, MarketPay has no actual knowledge of any anticipated or actual claims against MarketPay alleging that the Software violates the intellectual property rights of a third party.

4. Nondisclosure. Section 10.1 (Definition) is deleted in entirety and replaced by the following:

10.1 Definition. “Confidential Information” means information disclosed by one party (“Discloser”) to the other party (“Recipient”) relating to or disclosed in the course of the performance of this Agreement and includes, but is not limited to, this Agreement, the services, and any information obtained by MarketPay through Customer in connection with the performance of the services shall not be disclosed by MarketPay to any third party. Except as otherwise permitted under this Agreement, the receiving party of any such Confidential Information shall not (i) disclose such Confidential Information to any third party, (ii) fail to protect such Confidential Information with the same means it uses to protect its own proprietary information, but in no cases with less than a reasonable degree of care, and (iii) use the Confidential Information other than as proved for in this Agreement. In the event MarketPay is subject to the Texas Public Information Act, upon receipt of a request for any information obtained by MarketPay in the performance of this Agreement, MarketPay shall provide written notice to Customer of the request along with a copy of the request, and give Customer the opportunity to respond to the request prior to its release by MarketPay. In no event shall MarketPay or any of its subcontractors provide or participate in any public presentations or prepare or present any papers for public dissemination concerning the Project, or with information obtained in connection with the Project, without receiving prior written approval from the Customer, which approval may be withheld in the sole and absolute discretion of the Customer.

5. Right To Audit. Section 4 (Pricing; Payment; Taxes) is supplemented with the following:

4.4. Right to Audit. MarketPay agrees to maintain appropriate accounting records of costs, expenses, and payrolls of its employees and agents providing Services to the Customer under this Agreement for a period of three years after the termination or expiration of this Agreement and all other pending matters concerning the Agreement have been closed. MarketPay agrees that the Customer, or its authorized representative, shall have access during normal business hours to any and all books, documents, papers, and records of MarketPay which are directly pertinent to the Services to be performed under this Agreement for the purposes of making audits and examinations.

MarketPay further agrees to make the above requirement apply to any and all subcontractor agreements in which the MarketPay has a contractual relationship for the services to be performed under the Agreement. All subcontractors shall agree that the Customer or its authorized representatives shall have access during normal business hours to any and all books, documents, papers, and records of the subcontractor which are directly pertinent to the services to be performed under the Agreement for the purposes of making audits and examinations.
6. **Indemnification.** Section 8 (Indemnification) is deleted in entirety and replaced with the following:

## 8. INDEMNITY AND INSURANCE.

### 8.1 MarketPay covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, Customer and the board members, employees, officers, directors, volunteers and representatives of Customer, individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon Customer by any third-party, directly or indirectly arising out of, resulting from or related to MarketPay’s activities under this contract, including any acts or omissions of MarketPay, any agent, officer, director, representative, employee, vendor or subcontractor of MarketPay, and their respective officers, agents, employees, directors and representatives while in the exercise of the rights or performance of the duties under this contract. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of Customer, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT MARKETPAY AND CUSTOMER ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CUSTOMER UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

### 8.2 MarketPay will defend, at its own expense, Customer and the board members, employees, officers, directors, volunteers and representatives of Customer, individually and collectively, any claim, suit or action brought by a third party and based upon (a) an allegation that the Software or System (excluding Customer Data) infringes any intellectual property rights of such third party, or (b) MarketPay’s breach of its confidentiality or security obligations with regard to the Customer Data (each, “Customer IP Claim”), and MarketPay shall indemnify and hold the Customer harmless from and against those losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) that are attributable to such Customer IP Claim or those costs and damages agreed to in a monetary settlement of such Customer Claim. The foregoing obligations are conditioned on Customer: (a) promptly notifying MarketPay in writing of such Customer IP Claim; (b) giving MarketPay sole control of the defense thereof and any related settlement negotiations, provided that MarketPay shall not in any case (settlement or otherwise) admit any liability on behalf of Customer; and (c) reasonably cooperating with MarketPay’s request and expense, assisting in such defense. In the event that the use of the System is enjoined, MarketPay shall, at its option and at its own expense either (a) procure for Customer the right to continue using the System, (b) replace the Software with a non-infringing but functionally equivalent product, (c) modify the Software so that it becomes non-infringing; or (d) terminate this Agreement and refund the amounts paid by Customer for System Access that relate to the period during which the System was not usable by Customer. Notwithstanding the foregoing, MarketPay will have no obligation under this Section 8.1 or otherwise with respect to any infringement claim based upon: (1) any use of the System in violation of this Agreement; (2) any use of the System in combination with products, equipment, software, or data not supplied or approved by MarketPay if such infringement would have been avoided without the combination with such other products, equipment, software or data; or (3) any modification of the System by any person other than MarketPay or its authorized agents or subcontractors. Section 8.2 states MarketPay’s entire liability and Customer’s sole exclusive remedy for infringement claims or actions. 8.3 The provisions of the indemnities in 8.1 and 8.2 are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. MarketPay shall advise Customer in writing within 24 hours of any claim or demand against Customer or MarketPay known to MarketPay related to or arising out of MarketPay’s activities under this contract, and shall see to the investigation and defense of such claim or demand at MarketPay’s cost. Customer shall have the right, at its option and at its own expense, to participate in such defense without relieving MarketPay of any of its obligations under this paragraph. THE FOREGOING SHALL NOT IN ANY WAY WAIVE ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CUSTOMER UNDER TEXAS LAW.

### 8.3 MarketPay shall maintain and keep in force for the duration of this Agreement such insurance as set forth on Exhibit C of this Agreement, which is attached hereto and incorporated herein for all purposes as if fully set forth herein. Approval of insurance by the Customer shall not relieve or decrease the liability of the MarketPay hereunder and shall not be construed to be a limitation of liability on the part of the MarketPay.
MarketPay shall be responsible for all premiums, deductibles and self-insured retentions, if any, stated in the policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance. All endorsements naming the Customer and the City of San Antonio (the "City") as additional insureds, waivers, and notices of cancellation endorsements as well as the Certificates of Insurance shall indicate: San Antonio Water System, Contract Administration Division, 2800 US Hwy 281 North, San Antonio, Texas 78212.

7. **Limitation of Liability.** Section 9.1(Limitation of Liability) is deleted in entirety and replaced by the following:

9.1 Limitation of Liability.

A. **IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, EXEMPLARY, SPECIAL, OR INCIDENTAL DAMAGES, OR FOR ANY LOST DATA, LOST PROFITS OR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, ARISING FROM OR RELATING TO THIS AGREEMENT, HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY (INCLUDING NEGLIGENCE), EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; PROVIDED, HOWEVER, THAT THE FOREGOING WAIVER SHALL NOT APPLY TO INDEMNITY AND INSURANCE OBLIGATIONS SET FORTH IN SECTION 8 OF THIS AGREEMENT OR TO THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF MARKETPAY.

B. EACH PARTY’S TOTAL CUMULATIVE LIABILITY IN CONNECTION WITH THIS AGREEMENT AND THE SYSTEM, WHETHER IN CONTRACT OR TORT OR OTHERWISE, WILL NOT EXCEED THE AMOUNT OF FEES PAID OR PAYABLE BY CUSTOMER TO MARKETPAY UNDER THIS AGREEMENT; PROVIDED, HOWEVER, THAT THE FOREGOING CAP ON LIABILITY SHALL NOT APPLY TO INDEMNITY AND INSURANCE OBLIGATIONS SET FORTH IN SECTION 8 OF THIS AGREEMENT OR TO THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF MARKETPAY.

C. EACH PARTY’S TOTAL CUMULATIVE LIABILITY FOR CLAIMS ARISING FROM BREACH OF ITS OBLIGATIONS UNDER SECTION 10 SHALL BE LIMITED TO THE GREATER OF (1) $500,000 OR (2) FIVE TIMES THE AMOUNT OF FEES PAID OR PAYABLE BY CUSTOMER TO MARKETPAY UNDER THIS AGREEMENT DURING THE INITIAL TERM OR RENEWAL TERM, AS THE CASE MAY BE, DURING WHICH THE EVENTS GIVING RISE TO SUCH LIABILITY OCCURRED.

8. **Protection of Customer Data.** The following is added to the end of Section 10.4 (Protection of Customer Data):

MarketPay shall notify Customer immediately upon its notice of a data breach potentially or actually affecting Customer Data and shall fully cooperate with Customer, at MarketPay’s cost and expense, in addressing any consequences of such breach.

9. **Termination.** Section 5.2 (Termination) is deleted in entirety and replaced by the following:

5.2 Termination.

a. **Termination for Cause,** Customer may terminate this Agreement at any time for "Cause" in accordance with the procedures provided below. Termination by Customer of this Agreement for "Cause" shall mean termination upon (i) the neglect, breach or inattention by MarketPay of its duties hereunder, and such neglect, breach or inattention has not been cured within thirty (30) days after written notice thereof given by Customer to MarketPay, (ii) the engaging by MarketPay in willful or fraudulent conduct that is injurious to Customer, monetarily or otherwise, (iii) the failure by MarketPay to otherwise perform its duties hereunder and such failure has not been cured within thirty (30) days after written notice thereof given by Customer to MarketPay. Upon such termination for cause, MarketPay shall not be entitled to any further compensation under this Agreement, except for the compensation which has been earned for services rendered by MarketPay in accordance with this Agreement through the date of notice of such termination, subject to offset for damages as set forth in the final contract, and which shall be paid only after final completion of the work provided for under this Agreement by the Customer.

Compensation Management Software
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Special Terms

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In the event termination for cause is not proper under this Section, the termination shall be deemed to constitute a termination for convenience as set forth below.

b. **Other Termination.** Customer may terminate this Agreement at any time for any reason upon thirty (30) days written notice to the MarketPay. If Customer exercises its option to terminate under this provision Customer will not be entitled to a refund of fees pre-paid prior to such termination for the then-current service year; and Customer shall remain obligated to pay to MarketPay any fees that remain unpaid for the then-current service year. No termination of this Agreement shall impair or defeat those obligations set forth elsewhere in this Agreement that require either party to do or refrain from doing any specified act or acts after termination of this Agreement, or to perform any obligation which by its terms or normal meaning survives termination of this Agreement.

10. **Effects of Termination** Subsection (d) of Section 5.3 (Effects of Termination) is deleted in entirety and replaced with the following:

(d) MarketPay will promptly return, destroy or erase all Customer Data, provided however that MarketPay shall immediately provide written certification of any such destruction or erasure to Customer.

11. **Tax Matters.** The second sentence of Section 4.1 (Price) is deleted and replaced in entirety by the following:

MarketPay shall be solely responsible for payment of all taxes related to MarketPay's provision of the services. A tax-exempt certificate is available upon request for the purchase of materials and goods only with regards to the contracted services of this Agreement.

12. **Governing Law; Jurisdiction.** Section 11.4 (Governing Law) is deleted and replaced in entirety by the following:

11.4 **Governing Law; Jurisdiction.** This Agreement was entered in, and shall be governed by and construed in accordance with the laws of the State of Texas, without regard to principles of conflict or choice of law. This Agreement is performable in Bexar County and sole venue shall be in the courts of Bexar County, Texas.

13. **Order of Precedence.** The second to last sentence of Section 11.10 (Entire Agreement) is deleted and replaced in entirety by the following:

To the extent of any conflict or inconsistency between the provisions of this Agreement, Order or Special Terms, the provisions of the Special Terms shall govern first, then the Order, and then the Agreement. In addition, to the extent of any conflict or inconsistency between the terms and conditions of this Agreement, Special Terms or Order and Customer's purchase order, the terms and conditions of this Special Terms, the Agreement and its Order will control in the order of hierarchy set forth above.

14. **Additional Provisions.** The following provisions are added to the Agreement:

11.11 **Opportunity/Minority Business Enterprise.** The MarketPay agrees not to engage in employment practices which have the effect of discriminating against any employee or applicant for employment; and, will take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to their race, color, religion, national origin, sex, age, handicap, or political belief or affiliation. Specifically, the MarketPay agrees to abide by all applicable provisions of the Nondiscrimination Clause and the Small and Minority Business Advocacy Clause as contained in the City of San Antonio's current Affirmative Action Plan on file in the City Clerk's Office. In the event non-compliance occurs, the MarketPay, upon written notification by the Customer, will commence compliance procedures within thirty (30) days.

11.12 **Subcontractors.** MarketPay acknowledges that it is the policy of the Customer to assist in increasing the competitiveness and qualifications of Small, Minority, Woman and Veteran-owned Businesses (“SMWVB”) to afford greater opportunity for such groups to obtain and participate in Customer contracts. MarketPay agrees to complete and submit a Good Faith Effort Plan as part of its response to the Customer’s request for a proposal. MarketPay shall take all reasonable steps to be in compliance with and maintain compliance with at least the minimum percentage participations for SMWVB set out in MarketPay's proposal to the Customer. MarketPay shall be required to electronically report the actual payments to all subcontractors, whether SMWVB or non-SMWVB, utilizing the Subcontractor Payment and Utilization Reporting (S.P.U.R.) System, beginning with the
first Customer payment for services under the contract, and with every payment thereafter (for the duration of the contract). After MarketPay receives payment from Customer, electronic submittals will require data entry of the amount paid to each subcontractor, whether SMWVB or non-SMWVB, listed on the Contractor’s Good Faith Effort Plan. Data entry is required even if the actual payment amount is zero dollars and zero cents ($0.00). This information will be utilized for subcontractor utilization tracking purposes. Any unjustified failure to comply with the committed SWMB levels may be considered breach of contract.

Electronic submittal of subcontractor payment information will be accessed through a link on Customer’s “Business Center” web page. MarketPay and all subcontractors will be provided a unique log-in credential and password to access the Customer subcontractor payment reporting system. The link may also be accessed through the following internet address: https://saws.SMWBe.com.

Respondents and/or their agents may contact the SMWVB Program Manager at 210-233-3420 for assistance or clarification with issues specifically related to the Small, Minority, Woman, and Veteran-owned Business (SMWVB) Program, and S.P.U.R. System reporting.

11.13 Interest in Customer Agreements Prohibited. No officer or employee of the City of San Antonio shall have a financial interest, direct or indirect, in any Agreement with the Customer, or shall be financially interested, directly or indirectly, in the sale to the Customer of any land, materials, supplies or service, except on behalf of the City or Customer as an officer or employee. Any violation of this Section, with the knowledge, expressed or implied, of MarketPay contracting with Customer shall render this Agreement voidable by the Board of Trustees or the President/Chief Executive Officer of the Customer.

To report suspected ethics violations impacting the San Antonio Water System, please call 1-800-687-1918.

11.14 Gift Policy. Customer employees are prohibited from soliciting, accepting or agreeing to accept any gifts from outside sources. A copy of Customer's Policy 2-17 "Procedures for Gift and Meal Policy" is available upon request.

11.15 Non-Appropriation. Notwithstanding any other provision in this Agreement, Customer shall not be obligated for MarketPay’s performance hereunder or by any provision of this Agreement during any of the Customer’s future fiscal years unless and until the San Antonio Water System’s Board of Trustees appropriates funds for this Agreement in the Customer’s budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of August 11 of the last fiscal year for which funds were appropriated. The Customer shall notify MarketPay in writing of any such non-allocation of funds at the earliest possible date.

CUSTOMER: SAN ANTONIO WATER SYSTEM

Signature: ________________________________
Printed: ________________________________
Title: ________________________________
Date: ________________________________
Address for Notice: 2800 U.S. Highway 281 North, San Antonio, Texas 78212

PAYSCALE, INC. D/B/A MARKETPAY ASSOCIATES

Signature: ________________________________
Printed: ________________________________
Title: ________________________________
Date: ________________________________
Address for Notice: 600 Grant St., Suite 400, Denver, Colorado, 80203
SAWS STANDARD INSURANCE &
CERTIFICATE OF LIABILITY INSURANCE REQUIREMENTS

1. Commercial Insurance Specifications (“Specifications”):

Commencing on the date of this Contract, the CONSULTANT shall, at his own expense, purchase, maintain and keep in force such lines of insurance coverage as will protect him and the San Antonio Water System (“SAWS”) and the City of San Antonio (“the City”) and their employees and agents from claims, which may arise out of or result from his operations under this Contract, whether such operations are by himself, by any sub-consultant, supplier or by anyone directly or indirectly employed by any of them or by anyone for whose acts any of them may be liable, including, without limitation, the following lines of insurance coverage:

1) Workers' Compensation (WC) insurance that will protect the CONSULTANT, SAWS and the City from claims under statutory Workers' Compensation laws, disability laws or such other employee benefit laws and that will fulfill the requirements of the jurisdiction in which the work is to be performed.

   The minimum policy limits of liability for this line of insurance coverage shall be statutory limits.

   This line of insurance coverage shall be endorsed to provide a Waiver of Subrogation in favor of SAWS and the City with respect to both this insurance coverage and the Employers’ Liability (EL) insurance (as specified immediately below in section 1.a.2).

2) Employers' Liability (EL) insurance (Part 2 under the standard Workers’ Compensation insurance policy) that will protect the CONSULTANT, SAWS and the City for damages because of bodily injury, sickness, disease of vendor's employees apart from that imposed by Workers’ Compensation laws.

   The EL line of insurance coverage shall have minimum policy limits of liability of not less than:

   - $1,000,000.00 Bodily Injury by Accident
   - $1,000,000.00 Bodily Injury by Disease - Each Employee
   - $1,000,000.00 Bodily Injury by Disease - Policy Limit

3) Commercial General Liability (CGL) insurance that will protect the CONSULTANT, SAWS and the City from claims for damages because of bodily injury, personal injury, sickness, disease or death and insurance that will protect the CONSULTANT, SAWS and the City from claims for damages to or destruction of tangible property of others, including loss of use thereof.

   This line of insurance coverage shall:

   - Cover independent contractors;
   - Not include any exclusions relating to blasting, explosion, collapse of buildings or damage to underground property;
   - Afford coverage for Products Liability and/or Completed Operations and, Contractual Liability.

   The minimum policy limits of liability for this line of insurance coverage shall be:

   - $1,000,000.00 Occurrence Limit
   - $2,000,000.00 General Aggregate
   - $2,000,000.00 Products/Completed Operations Aggregate
   - $1,000,000.00 Personal and Advertising Injury
   - $1,000,000.00 Contractual Liability

   This line of insurance coverage shall be endorsed:

   - Naming SAWS, and the City as an Additional Insured for both ongoing and completed operations; and
• To provide a **Waiver of Subrogation** in favor of SAWS and the City.

4) **Commercial/Business Automobile Liability (AL)** insurance that will protect the CONSULTANT, SAWS and the City from claims for damages arising out of the maintenance, operation, or use of any owned, non-owned or hired vehicles.

Minimum policy limits of liability for this line of insurance coverage for bodily injury and property damage **combined** shall be not less than $1,000,000.00 per each occurrence.

This line of insurance coverage shall be endorsed:

• Naming SAWS, and the City as an **Additional Insured**; and

• To provide a **Waiver of Subrogation** in favor of SAWS and the City.

5) **Professional Liability (PL)** (Technology errors and omissions) insurance that will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages by reasons of any act, malpractice, copyright infringement, network security, privacy liability, error or omission in providing professional service with minimum coverage limits of $3,000,000 per claim, $3,000,000 in the aggregate and, if this line of coverage is written on a “Claims Made” form, the CONSULTANT must maintain this line of insurance coverage for a period of at least twenty-four (24) months after the date of Contract termination.

**NOTE** - For Professional Liability, include in writing on the **Certificate of Liability Insurance** (“Certificate”) the coverage form under which the respective line of coverage is written – either:

- **Claims-made form**; if the coverage form declared on the Certificate is the Claims-made form, the “Retroactive-date” for this line of coverage must also be included on the Certificate as well; or
- Occurrence basis – no additional wording required.

6) **Media Liability** insurance with limits of at least $1,000,000 each claim or wrongful act.

   a. CONSULTANT shall require all Sub-consultants to carry lines of insurance coverage appropriate to their scope of Work and submit copies of Sub-consultants’ Certificates of Liability Insurance upon request by SAWS.

   b. CONSULTANT agrees that with respect to the above required lines of insurance, all insurance policies are to contain, be endorsed to the extent, not inconsistent with the requirements of the issuing insurance carrier, to provide for an endorsement that the "other insurance" clause shall not apply where SAWS and the CITY are an Additional Insured shown on the policy if such endorsement is permitted by law and regulations.

   c. CONSULTANT shall, upon request of SAWS, provide copies of all insurance policies and endorsements required under Contract.

   d. CONSULTANT is responsible for the deductibles under all lines of insurance coverage required by these Specifications.

   e. The stated policy limits of each line of insurance coverage required by these Specifications are **MINIMUM ONLY** and it shall be the CONSULTANT's responsibility to determine what policy limits are adequate and the length of time each line of insurance coverage shall be maintained; insurance policy limits are not a limit of the CONSULTANT's liability.

   f. These minimum limits required of each line of insurance coverage may be either basic policy limits of the WC, EL, CGL and AL or any combination of basic limits or umbrella (Umbrella form) or excess (Other Than Umbrella form) limits.
g. SAWS acceptance of Certificate(s) that in any respect, do not comply with these Specifications, does not release the CONSULTANT from compliance herewith.

h. Each line of insurance coverage that is specified under these Requirements shall be so written so as to provide SAWS and the City thirty (30) calendar days advance written notice directly of cancellation or non-renewal of coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.

i. Within five (5) calendar days of cancellation or non-renewal of any required line of insurance coverage, the CONSULTANT shall provide SAWS a replacement Certificate with all applicable endorsements included. SAWS shall have the option to suspend the CONSULTANT’s performance should there be a lapse in coverage at any time during this Contract.

j. Failure to provide and to maintain the required lines of insurance coverage shall constitute a material breach of this contract.

k. In addition to any other remedies, SAWS may have, upon the CONSULTANT’s failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, SAWS shall have the right to order the CONSULTANT to stop performing services hereunder and/or withhold any payment(s) which become due to the CONSULTANT hereunder until the CONSULTANT demonstrates compliance with the Specifications hereof.

l. Nothing herein contained shall be construed as limiting, in any way, the extent to which the CONSULTANT may be held responsible for payments for damages to persons or property resulting from the CONSULTANT’s or its subcontractor’s performance of the services covered under this Contract.

m. It is agreed that the CONSULTANT’s insurance shall be deemed primary and non-contributory with respect to any insurance or self-insurance carried by SAWS, the City and their employees and agents for liability arising out of operations under this Contract.

n. CONSULTANT agrees that all lines of insurance coverage required by these Specifications shall be with insurance companies, firms or entities that have an A.M. Best rating of "A- (“A”- minus)” and a Financial Size Category of "VII” or better. All lines of insurance coverage shall be of an "Occurrence" type except for the Professional Liability line of insurance coverage.

SAWS will accept worker's compensation insurance coverage written by the Texas Workers Compensation Insurance Fund.

o. SAWS reserves the right to review the above stated insurance specifications during the effective period of this Contract and any extension or renewal hereof and to request modification of lines of insurance coverage and their respective liability limits when deemed necessary and prudent by SAWS’ Risk Manager and Legal Department based upon changes in statutory law, court decisions, or circumstances surrounding this Contract.

In no instance will SAWS and the City allow modification whereupon SAWS and the City may incur increased risk exposure.

a. **Certificate(s) of Liability Insurance (“Certificate”) Requirements**

Prior to the commencement of any Services under this Contract and once notified by SAWS Contracting Official that your Company has been selected as the apparent successful CONSULTANT pursuant to a Request for Proposal selection process, pending Board final approval, and, a request is made for you to submit your Company’s Certificate of Liability Insurance, that Certificate must meet all of the following...
requirements:

a. The CONSULTANT shall have completed by its insurance agent(s), and submitted to SAWS Contracting Department within 5 business days, a **Certificate(s) of Liability Insurance** ("Certificate(s)"") providing evidence of the lines of insurance coverage pursuant to Section 1.a.1) through 1.a.5) above.

b. The original Certificate(s) or form must include the agent's original signature, including the signer's company affiliation, mailing address, Office and FAX phone numbers, email address, and contact person's name; and, be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative in strictly compliance with sections 2.g. (Certificate Holder) and 2.h. (Distribution of Completed Certificates) below.

c. The Texas Legislature passed and Governor Perry signed Senate Bill 425 to become effective January 1, 2012. This law will require all certificates of insurance forms to be filed with and approved by the Texas Department of Insurance before they can be used after the effective date of the law. In addition, the law codifies current Texas Department of Insurance rules that a certificate of insurance must not obscure or misrepresent the coverage provided by the insurance policies.

d. SAWS will not accept Memorandum of Insurance or Binders as proof of insurance.

e. SAWS shall have no duty to pay or perform under Consulting Services Agreement until such certificate(s) and applicable endorsements have been received, reviewed and deemed 100% compliant with the Insurance Specifications contained therein by SAWS’ Risk Management/Contract Services Department. No one other than SAWS Risk Manager shall have authority to waive any part of these requirements.

f. **Additional Insured:**

SAWS requires that the Automobile Liability ("AL") and the Commercial General Liability ("CGL") policies must be endorsed naming Certificate Holder (as per item 2. i. below) as an **Additional Insured** and, so noted in the DESCRIPTION OF OPERATIONS section of the Certificate;

Suggested wording to be placed on the Certificate is as follows:

**EITHER** use,

The AL and CGL policies include a blanket automatic Additional Insured endorsement that provides additional insured status to the Certificate Holder only when there is a written contract between the named Insured and the Certificate Holder that requires such status.

OR use,

The AL and CGL policies are endorsed naming the Certificate Holder as an **Additional Insured**.

NOTE: If the above wording cannot be placed in the DESCRIPTION OF OPERATIONS section of the Certificate, please provide SAWS with the completed Certificate, a copy of the specific AL and CGL Additional Insured endorsement documents or the policy wording from both the AL and CGL policies.

g. **Waiver of Subrogation:**

SAWS requires that the AL, CGL and Workers’ Compensation/Employer’s Liability ("WC/EL") policies must be endorsed with the **Waiver of Subrogation** in favor of Certificate Holder (as per
item 2. i. below) and, so noted in the DESCRIPTION OF OPERATIONS section of the Certificate;

Suggested wording to be placed on the Certificate is as follows:

EITHER use,

The AL, CGL and WC/EL policies include a blanket, automatic Waiver of Subrogation endorsement that provides this feature only when there is a written contract between the named Insured, the Certificate Holder that requires such status.

OR use,

The AL, CGL and WC/EL policies are endorsed with the Waiver of Subrogation in favor of the Certificate Holder.

NOTE: If the above wording cannot be placed in the DESCRIPTION OF OPERATIONS section of the Certificate, please provide SAWS with the completed Certificate, a copy of the specific AL, CGL and WC/EL Waiver of Subrogation endorsements documents or the policy wording from each of the AL, CGL and WC/EL policies.

h. The SAWS Project/Contract number(s) along with its Descriptor Caption must be included in the Description of Operations section located in the bottom half of the standard ACORD Certificate forms.

i. Certificate Holder - SAWS shall be shown as the Certificate Holder in the Certificate Holder section located in the bottom half of the standard ACORD Certificate forms and formatted as follows:

San Antonio Water System
c/o Ebix BPO
PO Box 12010
Ref. # 107-(Lawson Act's Payable Vendor #)-(SAWS Contract/Project #)*
Hemet, CA 92543

*SAWS Contracting Official will include in the above address, the correct, complete Ref# in the written confirmation of your selection as a CONSULTANT pending final Board approval.

j. Distribution of Completed Certificates - Completed Certificates shall be distributed by the Consultant as follows:

1) Send Original:
   a) By E-Mail: saws@ebix.com
   b) By Fax: 1-770-325-6502

2) Send Copy to the following:
   San Antonio Water System
   Attention: Contract Administration
   P.O. Box 2449
   San Antonio, TX 78298-2449

k. CONSULTANT shall be responsible for obtaining Certificates of Insurance from the first tier Sub-consultant, and upon request furnish copies to SAWS.
3. **SURVIVAL**

Any and all representations, conditions and warranties made by Consultant under this Contract including, without limitation, the provisions of Section 1.a.2), 1.a.3) and 1.a.4) of these Commercial Insurance Specifications and Certificates of Liability Insurance Requirements are of the essence of this Contract and shall survive the execution and delivery of it, and all statements contained in any document required by SAWS whether delivered at the time of the execution, or at a later date, shall constitute representations and warranties hereunder.
EXHIBIT D
TERM OF AGREEMENT

1. The Term of this AGREEMENT shall commence on the 11th day of August, 2017, and automatically expire on the 11th day of August, 2020, unless mutual agreement of the extension periods below has been executed.

2. Time Frame for Extension Periods:
   
   a. AGREEMENT Period 2  
      August 11, 2020 through August 11, 2021
   
   b. AGREEMENT Period 3  
      August 11, 2021 through August 11, 2022

3. Authorization for payment of AGREEMENT for Extension Periods 2 and 3 are only valid upon SAWS BOARD approval of subsequent years’ budgets with a line item for such expenditures.
TO: San Antonio Water System Board of Trustees

FROM: Emma Bridges, Director, Customer Service, and Agnes G. Barard, Vice President, Customer Service

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: RATIFYING PAYMENTS AND APPROVING A SETTLEMENT AGREEMENT WITH CREDIT SYSTEMS INTERNATIONAL, INC. RELATED TO THIRD PARTY COLLECTION SERVICES

Board Action Date: August 1, 2017

SUMMARY AND RECOMMENDATION:

The attached resolution 1) ratifies the actions of the Vice President of Customer Service in approving the expenditure of an additional $167,784.96 to Credit Systems International, Inc. (“CSII”) and $50,674.02 to Municipal Services Bureau (“MSB”); 2) approves a Full and Final Compromise and Settlement Agreement (“Agreement”) with CSII; 3) authorizes San Antonio Water System (the “System”) to pay the sum of $25,037.61 to CSII; and 4) authorizes the President/CEO to execute a Full and Final Compromise Agreement with CSII.

- On January 10, 2012, the System Board of Trustees, through Resolution No. 12-027, authorized consulting services contracts with CSII and MSB for third party collections activities (“Third Party Collections Contracts”) in an amount not to exceed a combined total of $300,000.00 (the “Resolution Combined Fee Cap”).

- The Third Party Collections Contracts were established with a fee not to exceed amount of $300,000.00 each (“Per Contract Fee Cap”) instead of a not to exceed amount of $150,000.00 each, and were set to expire on December 31, 2016 (“Expiration Date”).

- CSII and MSB have each continued to perform third party collections services after reaching the Resolution Combined Fee Cap, and together have taken payment from the System of a combined $218,458.98 in excess of the Resolution Combined Fee Cap (of that amount, $167,784.96 to CSII and $50,674.02 to MSB).

- CSII continued to perform third party collections services after the Expiration Date (“Post-Expiration Collection Services”), and of the total amount the System has paid to CSII, $44,406.51 was paid in excess of the CSII contract’s Per Contract Fee Cap.

- CSII claims that the System still owes CSII an additional $25,037.61 for Post-Expiration Collection Services (the “Post-Expiration Collections Claim”) and System staff concurs with this amount.
• In order to avoid litigation and expense, it is in the best interest of the System to settle the claims by CSII by executing the Agreement with CSII and paying CSII the $25,037.61 (the “Settlement Payment”).

• During the life of these contracts, the System has transferred approximately 91,526 delinquent accounts to both CSII and MSB, collectively. The dollars associated with these delinquent accounts total approximately $20,453,964.00, of which both MSB and CSII combined were able to collect $2,784,760.08.

• Payments made to CSII and MSB have only been remitted based on collections they made on the System’s behalf. Fees associated for any collection activities were based on 19% of collections for MSB and 19.9% of collections for CSII.

• Customer Service has recently discontinued the use of third party collection agencies and is in the process of initiating a pilot project focusing exclusively on in-house collection efforts.

• Customer Service has also recently conducted an inventory of all of its vendor contracts and instilled contract monitoring procedures to ensure that payments to vendors do not exceed the contractual amounts authorized or the expiration dates in the contracts.

Staff recommends that the Board approve this resolution.

**FINANCIAL IMPACT:**

The total Settlement Payment is not to exceed $25,037.61. Funds required for this settlement have been incorporated into the FY 2017 Annual Operating Budget and will be paid from the System Fund (Company: 1000, Accounting Unit: 1000000, Account: 419950).

Emma J. Bridger  
Director, Customer Service

Agnes G. Barard  
Vice President, Customer Service

**APPROVED:**

Robert R. Puente  
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES RATIFYING THE ACTIONS OF THE VICE PRESIDENT OF CUSTOMER SERVICE IN APPROVING THE EXPENDITURE OF AN ADDITIONAL $167,784.96 TO CREDIT SYSTEMS INTERNATIONAL, INC. AND $50,674.02 TO MUNICIPAL SERVICES BUREAU; AUTHORIZING THE SYSTEM TO PAY THE SUM OF $25,037.61 TO CREDIT SYSTEMS INTERNATIONAL, INC.; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER TO EXECUTE A FULL AND FINAL COMPROMISE AND SETTLEMENT AGREEMENT WITH CREDIT SYSTEM INTERNATIONAL, INC.; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, on January 10, 2012, the San Antonio Water System (the “System”) Board of Trustees, through Resolution No. 12-027, authorized consulting services contracts with Credit Systems International, Inc. (“CSII”) and Municipal Services Bureau (“MSB”) for third party collections activities (“Third Party Collections Contracts”) in an amount not to exceed a combined total of $300,000.00 (the “Resolution Combined Fee Cap”);

WHEREAS, the Third Party Collections Contracts were established with a fee not to exceed amount of $300,000.00 each (“Per Contract Fee Cap”) instead of a not to exceed amount of $150,000.00, and were set to expire on December 31, 2016 (“Expiration Date”).

WHEREAS, CSII and MSB have each continued to perform third party collections services after reaching the Resolution Combined Fee Cap and together have taken payment from the System of a combined $218,458.98 in excess of the Resolution Combined Fee Cap (of that amount, $167,784.96 to CSII and $50,674.02 to MSB);

WHEREAS, CSII continued to perform third party collections services after the Expiration Date (“Post-Expiration Collection Services”), and of the total amount the System has paid to CSII, $44,406.51 was paid in excess of the CSII contract’s Per Contract Fee Cap;

WHEREAS, CSII claims that the System still owes CSII an additional $25,037.61 for Post-Expiration Collection Services (the “Post-Expiration Collections Claim) and System concurs with this amount;

WHEREAS, to avoid litigation and expense, it is in the best interest of the System to settle the claims asserted against it by CSII;
WHEREAS, the System and CSII desire to resolve and settle the Post-Expiration Collections Claim;

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to ratify the actions of the Vice President of Customer Service in approving the expenditure of an additional $167,784.96 to Credit Systems International, Inc. and $50,674.02 to Municipal Services Bureau; (ii) to approve a Full and Final Compromise and Settlement Agreement with Credit Systems International, Inc.; (iii) to authorize the System to pay Credit Systems International, Inc. the sum of $25,037.61; and (iv) to authorize the President/Chief Executive Officer to execute a Full and Final Compromise and Settlement Agreement with Credit Systems International, Inc.; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the actions of the Vice President of Customer Service in approving the expenditure of an additional $167,784.96 to Credit Systems International, Inc. and $50,674.02 to Municipal Services Bureau are hereby ratified.

2. That a Full and Final Compromise and Settlement Agreement with Credit Systems International, Inc. in form substantially similar to that attached to this resolution as Attachment 1 is hereby approved.

3. That the System is hereby authorized to pay Credit Systems International, Inc. the sum of $25,037.61 pursuant to the terms of the Full and Final Compromise and Settlement Agreement with Credit Systems International, Inc. in form substantially similar to that attached as Attachment 1 to this resolution.

4. That the President/Chief Executive Officer is hereby authorized to execute a Full and Final Compromise and Settlement with Credit Systems International, Inc. in form substantially similar to that attached as Attachment 1 to this resolution.

5. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

6. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

7. This resolution shall take effect immediately upon its passage.
PASSED AND APPROVED this 1st day of August, 2017.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Ernesto Arrellano, Jr., Secretary

Attachment 1 – Full and Final Compromise and Settlement Agreement
ATTACHMENT 1

FULL AND FINAL COMPROMISE AND SETTLEMENT AGREEMENT

THIS FULL AND FINAL COMPROMISE AND SETTLEMENT AGREEMENT ("Agreement") is entered into by and between Credit Systems International, Inc., a Texas corporation ("CSII") and the San Antonio Water System ("SAWS"), an agency of The City of San Antonio, a Texas home rule municipality (CSII and SAWS may be referred to herein individually as a “Party” and collectively as the “Parties”).

WHEREAS, by contract signed by the Parties on February 1, 2012 (the “Contract”), CSII agreed to perform third party collection services that are more particularly described therein for the San Antonio Water System (the “Collection Services”);

WHEREAS, the Contract expired on December 31, 2016 (the “Expiration Date”) and limits the total fees for Collection Services to a not-to-exceed amount of Three Hundred Thousand U.S. Dollars and No Cents ($300,000.00) (the “Total Fee Cap”);

WHEREAS, through mutual mistake of the Parties, CSII has continued to perform Collection Services after the Expiration Date (“Post-Expiration Collection Services”) and to take payment from SAWS of Forty-Four Thousand Four Hundred and Six U.S. Dollars and Fifty-One Cents ($44,406.51) in excess of the Total Fee Cap;

WHEREAS, CSII claims that SAWS still owes CSII an additional Twenty-Five Thousand Thirty-Seven U.S. Dollars and Sixty-One Cents ($25,037.61) for Post-Expiration Collection Services (the “Post-Expiration Collections Claim”);

WHEREAS, to avoid litigation and expense, the Parties have agreed to compromise and settle all of the claims made by CSII against SAWS for the Post-Expiration Collections Claim or that arise out of or in connection with the Collections Services, the Contract, or the performance of any work in connection with the Collections Services;

NOW, THEREFORE, for and in consideration of the mutual promises and agreements set forth in this Agreement, the Parties agree as follows:

1. Not later than seven (7) days after execution of this Agreement, CSII shall transfer to SAWS copies of all of the records on accounts assigned to CSII for Collection Services, including but not limited to accounts that were assigned to CSII but on which the SAWS customers have not paid identified in Exhibit A attached hereto (“Open SAWS Accounts”).

2. Until SAWS notifies CSII in writing that all Open SAWS Accounts are closed and settled, in the event that CSII receives payments on Open SAWS Accounts notwithstanding their transfer to SAWS, CSII shall have a continuing obligation to
immediately remit all such payments in full to SAWS and CSII agrees it has no right to payment of any portion thereof.

3. Not later than seven (7) days after SAWS has determined in its sole discretion that it has received the records from CSII required to recover on Open SAWS Accounts, SAWS shall pay to CSII the sum of $25,037.61 USD.

4. Upon both the execution of this Agreement by the Parties and payment by SAWS to CSII of the sum of $25,037.61 USD pursuant to the terms of this Agreement, each Party and each Party’s respective agents, partners, officers, directors, employees, attorneys, representatives and assigns forever release, acquit and discharge the other Party, and the other Party’s respective agents, officers, partners, employees, trustees, attorneys, representatives and assigns from all claims, demands, liabilities, causes of action, damages, liquidated damages, costs, extra costs, delay damages, and expenses of whatsoever kind or nature, at law or in equity, known or unknown that each Party or each Party’s respective agents, officers, partners, directors, employees, attorneys, representatives or assigns had, now has, or may have in the future that are related to the Collections Services, the Contract, the performance of any work performed in connection with the Contract, or any of the Post-Expiration Collection Claim.

a. Notwithstanding anything to the contrary that is contained in this Agreement, SAWS does not release, acquit or discharge CSII from surviving obligations under the Contract, including but not limited to those set forth in Sections 1(e)(Work Papers), 1(f)(Nondisclosure), 1(i)(Right to Audit), 1(l)(Consultant’s Warranty), 1(m)(Indemnification), 1(n)(Default), 2(e)(Winding Up), 3(b)(Former Employee Prohibitions), 3(j)(Governing Law; Jurisdiction), and any other provisions which either expressly or by their context or inherent character should survive expiration of the Contract.

5. Each Party agrees that it shall pay its own costs, fees, expenses and attorneys fees incurred in connection with this Agreement, the Collection Services, the Contract, and the Post-Expiration Collection Claim.

6. CSII represents and warrants to SAWS that it presently owns, free and clear of any lien or encumbrance, rights of control, pledges or security interests all of the claims, demands, causes of action, damages and expenses that it has released and discharged in this Agreement; that CSII has not assigned or otherwise transferred to any person or entity any interest in the claims, demands, causes of action, damages or expenses that it has released and discharged in this Agreement; and that CSII presently possesses the exclusive right to settle all claims and causes of action asserted by it in this Agreement.

7. This Agreement represents the compromise of disputed claims. This Agreement may not be construed in any action or proceeding as an admission, direct or indirect, of liability, obligation or duty of any kind, other than as expressly set forth in this Agreement.
8. The terms, conditions and agreements contained in this Agreement shall be binding upon and the benefits and advantages of the same shall inure to all Parties and their respective successors and assigns. The Parties acknowledge, understand and agree that the agreements and representations contained in this Agreement were made to induce the other Party to enter into and sign this Agreement. The terms, provisions, agreements and representations made or contained in this Agreement are contractual and are not mere recitals, and the same will survive perpetually following the execution of this Agreement.

9. This Agreement may be extended, revised, waived, discharged, released, modified, terminated or otherwise amended only by a written instrument executed by the Party against whom enforcement of such revision is asserted.

10. This Agreement contains the final agreement between the Parties relating to the compromise and settlement of all matters described in this Agreement. Except as otherwise provided in paragraph 4(a), all prior agreements, if any, related to the subject matter of this Agreement are terminated and are of no force or effect.

11. The Parties represent each to the other that they and their duly authorized representatives have read this Agreement and understand it; that they have executed this Agreement with the intent to be fully bound according to its terms; that in signing this Agreement they have relied solely on their own knowledge of their duly authorized representative's knowledge and judgment and/or the advice of their own attorneys and not in reliance upon any representation, advice, statement or action of any kind of the other Party or other Party's representatives or attorneys, except to the extent that such representations, statements, or actions are expressly set forth in this Agreement. The Parties expressly disclaim reliance on any fact or representation made by any other Party or any other Party's representatives or attorneys that is not expressly contained in this Agreement.

12. The construction, enforcement, interpretation and validity of this Agreement shall be governed by the laws of the State of Texas. The obligations of the Parties are performable and venue of any legal action arising out of this Agreement shall lie exclusively in Bexar County, Texas.

13. If any one or more of the provisions of this Agreement or the applicability of any such provision to a specific situation is held invalid or unenforceable, such provision will be modified to the minimum extent necessary to make it or its application valid and enforceable and the validity and enforceability of all other provisions of this Agreement and all other applications of any such provision will not be affected thereby.

14. No Party may assign this Agreement without the prior written consent of the other Party.

15. This Agreement will be executed in two (2) identical originals, which taken together shall constitute one and the same instrument.

16. Each person signing this Agreement for or on behalf of a Party to this Agreement
represents and warrants to the other Party that the person signing has authority to and
is authorized to execute this Agreement for and on behalf of the Party for whom this
Agreement is executed, in the capacity in which this Agreement is executed.

17. In the event that this Agreement, or any provision hereof, is construed or determined to
be ambiguous by a court of law, then in that event, the Parties agree that each Party has
contributed to the preparation of this Agreement and that they have jointly written or
composed this Agreement and that no Party shall be given any advantage over the other
Party under the laws of construction of instruments based upon the authorship of this
Agreement.

18. This Agreement is made by and for the benefit of the Parties to this Agreement only.
There are no third-party beneficiaries of this Agreement, save and except only those
persons against whom CSII has released any claim, demand, cause of action, damage, or
expense as provided in paragraph 4 of this Agreement.

19. Time is of the essence in the performance of every term and provision of this Agreement.

Signature Pages Follow
Agreed to, executed and effective as of the date of the last signature by a Party, below.

San Antonio Water System

By: __________________________
    Robert R. Puente
    President/Chief Executive Officer

Date: _________________________

STATE of TEXAS §
COUNTY of BEXAR §

Before me, the undersigned notary public on this day personally appeared Robert R. Puente, known to me to be the person whose name is subscribed to the foregoing instrument who acknowledged to me that he executed the same for the purposes and consideration, and in the capacity therein stated.

Given under my hand and seal of office on this ___ day of ______________, 2017.

_____________________________
Notary Public in and for the State of Texas
Credit Systems International, Inc.

By: ______________________

Date: ______________________

STATE of TEXAS
COUNTY of _________

Before me, the undersigned notary public on this day personally appeared ___________________________ known to me to be the person whose name is subscribed to the foregoing instrument who acknowledged to me that he executed the same for the purposes and consideration, and in the capacity therein stated.

Given under my hand and seal of office on the ___ day of ____________, 2017

_____________________________
Notary Public in and for the State of Texas
TO: San Antonio Water System Board of Trustees

FROM: Gail Hamrick-Pigg, P.E., Director, Pipelines, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE C_5 CULEBRA - CASTROVILLE TO LAREDO & C_28 ZARZAMORA CREEK - SAN GABRIEL TO NW 23RD STREET, PHASE 2 PROJECT

Board Action Date: August 1, 2017

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $4,995,569.50 to Qro Mex Construction Company, Inc., a non-local, MBE-Hispanic contractor, in connection with the C_5 Culebra - Castroville to Laredo & C_28 Zarzamora Creek - San Gabriel to NW 23rd Street, Phase 2 Project.

- The contract that is the subject of the attached resolution will, if approved, authorize work that is required by Section V. B- Early Action Program of the Consent Decree between the System, the United States of America and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

- The C_5 Culebra – Castroville to Laredo and C_28 Zarzamora Creek – San Gabriel to NW 23rd Street is being constructed in multiple phases: Phase 1A, 1B, 2, and 3. The project consists of approximately 26,000 feet of 12-inch to 42-inch sewer main for the Central Basin along Apache Creek and Bandera Branch Tributary between South San Jacinto Street and Culebra Road and approximately 6,000 feet of 15-inch to 21-inch sewer main along West Houston, Landa Avenue and Zarzamora Creek from Northwest 23rd Street to North San Gabriel.

- This project was identified in the Comprehensive Wastewater Master Plan development by the System’s Master Planning Division. This project will replace sewer pipe and associated siphons, which are in poor condition and require additional capacity.

- Phase 2 will construct approximately 7,500 feet of 8-inch through 36-inch sewer main along Nueva Leon Street starting at Chihuahua Street. The alignment will follow Apache Creek and will terminate just west of 19th Street. Construction will also take place along Colima Street from Nueva Leon Street to Barclay Street.
• Qro Mex Construction Company, Inc., is the lowest responsible bidder and has submitted the low responsible bid of $4,995,569.50.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the 2017 Capital Improvements Program. This work is included in the Wastewater Core Business, Main Replacement - Sewer budget line item. The amount is $4,995,569.50 for sewer related work. The job number is 17-4501.

SUPPLEMENTARY COMMENTS:

CP&Y, Inc., prepared the plans and specifications for this project under their professional services contract. The engineer’s estimated construction cost was $6,470,000.00.

A bid opening was held on July 6, 2017 at 1:00 PM. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qro Mex Construction Company, Inc.*</td>
<td>$4,995,569.50</td>
<td>Non–Local/MBE-Hispanic</td>
</tr>
<tr>
<td>San Antonio Constructors, Ltd.</td>
<td>$5,256,050.80</td>
<td>Local/SBE</td>
</tr>
<tr>
<td>S.J. Louis Construction of Texas, Ltd.</td>
<td>$5,969,843.83</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$6,470,000.00</td>
<td></td>
</tr>
<tr>
<td>BRH-Garver Construction, LP</td>
<td>$7,327,738.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
<tr>
<td>Spiess Construction Co., Inc.</td>
<td>$7,698,376.00</td>
<td>Local/Non–SMWVB</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 22.8 percent decrease from the estimated construction cost. This contract has 380 days for construction completion.
C.5 Culebra - Castroville to Laredo and
C.28 Zarzamora Creek - San Gabriel to NW 23rd Street, Phase 2

QRO MEX CONSTRUCTION
COMPANY, INC.

SMWVB ANALYSIS – BOARD AWARD

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>SBE</td>
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<tr>
<td>MBE – African American</td>
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<tr>
<td>MBE – Asian</td>
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<tr>
<td>MBE – Hispanic</td>
<td>0.90%</td>
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<tr>
<td>MBE – Other</td>
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<tr>
<td>WBE – Minority</td>
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<tr>
<td>WBE – Non-Minority</td>
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<td><strong>Total SMWVB</strong></td>
<td><strong>93.39%</strong></td>
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</tbody>
</table>

Gail Hamrick-Pigg, P.E.
Director
Pipelines

Andrea L.H. Beymer, P.E.
Vice President
Engineering and Construction

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Map
C5 CULEBRA - CASTROVILLE TO LAREDO &
C28 ZARZAMORA CREEK, SAN GABRIEL
TO NW 23rd ST, PHASE 2

LEGEND
- PROJECT LIMITS
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF QRO MEX CONSTRUCTION COMPANY, INC., IN THE AMOUNT OF $4,995,569.50 IN CONNECTION WITH THE C_5 CULEBRA - CASTROVILLE TO LAREDO & C_28 ZARZAMORA CREEK - SAN GABRIEL TO NW 23RD STREET, PHASE 2; AWARDING A CONTRACT TO QRO MEX CONSTRUCTION COMPANY, INC., IN THE AMOUNT OF $4,995,569.50 FOR THE PROJECT WORK; APPROVING THE EXPENDITURE AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $4,995,569.50 FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH QRO MEX CONSTRUCTION COMPANY, INC., AND TO PAY QRO MEX CONSTRUCTION COMPANY, INC., AN AMOUNT NOT TO EXCEED $4,995,569.50 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the San Antonio Water System (the “System”) is undertaking replacement of C_5 Culebra – Castroville to Laredo and C_28 Zarzamora Creek – San Gabriel to NW 23rd Street Project sewer infrastructure as part of its Capital Improvement Program; and

WHEREAS, the C_5 Culebra – Castroville to Laredo and C_28 Zarzamora Creek – San Gabriel to NW 23rd Street, Phase 2 Project (the “Project”) was identified in the Comprehensive Wastewater Master Plan developed by the System’s Master Planning Division to repair or replace mains in poor condition due to deterioration and require additional capacity; and

WHEREAS, the System has solicited bids for the project work; and

WHEREAS, Qro Mex Construction Company, Inc., a non-local, MBE-Hispanic contractor, has submitted the bid in the amount of $4,995,569.50 for the project work and this bidder has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $4,995,569.50 are required for the project work; and
WHEREAS, the total amount of $4,995,569.50 is available from the System’s Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of Qro Mex Construction Company, Inc., in the amount of $4,995,569.50 for the project work in connection with the C_5 Culebra - Castroville to Laredo & C_28 Zarzamora Creek - San Gabriel to NW 23rd Street, Phase 2 Project, (ii) to award a construction contract to Qro Mex Construction Company, Inc., in the amount $4,995,569.50 for the project work, (iii) to approve a total expenditure and make available an amount not to exceed $4,995,569.50 from the System’s Project Fund for the project work, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with Qro Mex Construction Company, Inc., and to pay Qro Mex Construction Company, Inc., an amount not to exceed $4,995,569.50 for the project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the bid of Qro Mex Construction Company, Inc., in the amount of $4,995,569.50 for the project work in connection with the C_5 Culebra - Castroville to Laredo & C_28 Zarzamora Creek - San Gabriel to NW 23rd Street, Phase 2 Project is hereby accepted.

2. That a construction contract in the amount of $4,995,569.50 for the project work is hereby awarded to Qro Mex Construction Company, Inc.

3. That a total sum not to exceed $4,995,569.50 for the project work is hereby made available and is to be expended from the System’s Project Fund.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a contract with Qro Mex Construction Company, Inc., for the project work and to pay an amount not to exceed $4,995,569.50 to Qro Mex Construction Company, Inc., for the project work in connection with the C_5 Culebra - Castroville to Laredo & C_28 Zarzamora Creek - San Gabriel to NW 23rd Street, Phase 2 Project.

5. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

6. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.
7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 1st day of August, 2017.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Gail Hamrick-Pigg, P.E., Director, Pipelines, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE C_13 BROADWAY CORRIDOR PROJECT PACKAGE B

Board Action Date: August 1, 2017

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $15,261,501.00 to Oscar Renda Contracting, Inc., a local, non-SMWVB firm, in connection with the C_13 Broadway Corridor Project Package B.

- The contract that is the subject of the attached resolution will authorize work that is required by Section V.B. Early Action Program of the Consent Decree between the San Antonio Water System (the “System”), the United States of America, and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

- This project was identified by the Sanitary Sewer Overflow Reduction team to rehabilitate pipes in poor condition to add sufficient capacity to handle future sewer flows due to growth and during peak storm events.

- The C_13 Broadway Corridor Project Package B includes the construction of approximately 7,300 feet of 24-inch to 60-inch sewer main by open cut and tunneling methods, and rehabilitation by cured-in-place pipe method for approximately 7,000 feet of existing 60-inch gravity sewer main in poor condition.

- Oscar Renda Contracting, Inc., submitted the lowest responsible bid of $15,261,501.00.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2016 Capital Improvement Program. This project is included in the Wastewater Core Business, Main Replacements Category, and the C_13 Broadway Corridor Project Package B budget line item. The total amount is $15,261,501.00 for sewer related construction work. The job number is 16-4508.
SUPPLEMENTARY COMMENTS:

CH2M Hill Engineers, Inc., prepared the plans and specifications for this project under their professional services contract. The engineer’s estimated construction cost was $17,946,784.53.

A bid opening was held on June 13, 2017, at 10:00 AM. Four firms responded to the request for bids. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWVB</th>
</tr>
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<tbody>
<tr>
<td>Oscar Renda Contracting, Inc.*</td>
<td>$15,261,501.00</td>
<td>Local/Non–SMWVB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$17,946,784.53</td>
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<tr>
<td>BRH Garver Construction, LP</td>
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<td>Non–Local/Non–SMWVB</td>
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<td>Spiess Construction Co., Inc.</td>
<td>$18,734,033.33</td>
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<td>S.J. Louis Construction of Texas, LLP</td>
<td>$18,897,425.24</td>
<td>Local/Non–SMWVB</td>
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</table>

*Lowest Responsible Bidder

The bid amount represents a 17.6 percent decrease from the estimated construction cost. This contract has 540 days for construction completion.
Award of Construction Contract
C_13 Broadway Corridor Project – Package B

Gail Hamrick-Pigg, P.E.
Director
Pipelines

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Area Map
2. Project Site Map
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF OSCAR RENDA CONTRACTING, INC., IN THE AMOUNT OF $15,261,501.00 IN CONNECTION WITH THE C_13 BROADWAY CORRIDOR PROJECT PACKAGE B; AWARDING A CONTRACT TO OSCAR RENDA CONTRACTING, INC., IN THE AMOUNT OF $15,261,501.00 FOR THE PROJECT WORK; APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF $15,261,501.00 FOR THE PROJECT WORK; APPROVING TOTAL EXPENDITURES AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $15,261,501.00 FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH OSCAR RENDA CONTRACTING, INC., AND TO PAY OSCAR RENDA CONTRACTING, INC., AN AMOUNT NOT TO EXCEED $15,261,501.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) is undertaking to replace and upgrade sewer facilities within the C_13 Broadway Corridor Project Package B as part of its Capital Improvement Program; and

WHEREAS, the System has solicited bids for the project work; and

WHEREAS, Oscar Renda Contracting, Inc., a local, non-SMWVB contractor, has submitted a bid in the amount of $15,261,501.00 for the project work and this bidder has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $15,261,501.00 are required for the project work; and

WHEREAS, the total amount of $15,261,501.00 is available from the System’s Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of Oscar Renda Contracting, Inc., in the amount of $15,261,501.00 for the project work in connection with the C_13 Broadway Corridor Project Package B, (ii) to award a construction
contract to Oscar Renda Contracting, Inc., in the amount of $15,261,501.00 for the project work, 
(iii) to approve the expenditure of System funds in an amount of $15,261,501.00 for the project 
work, (iv) to make available an amount not to exceed $15,261,501.00 from the System’s Project 
Fund for the project work, and (v) to authorize the President/Chief Executive Officer or his duly 
appointed designee to execute a contract with Oscar Renda Contracting, Inc., and to pay an amount 
not to exceed $15,261,501.00 to Oscar Renda Contracting, Inc., for the project work; now, 
therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF 
TRUSTEES:

1. That the bid of Oscar Renda Contracting, Inc., in the amount of $15,261,501.00 for the 
project work in connection with the C_13 Broadway Corridor Project Package B is hereby 
accepted.

2. That a construction contract in the amount of $15,261,501.00 for the project work is hereby 
awarded to Oscar Renda Contracting, Inc.

3. That the expenditure of System funds in the amount of $15,261,501.00 for the project work 
is hereby approved.

4. That a total sum not to exceed $15,261,501.00 for the project work is hereby made available 
and is to be expended from the System’s Project Fund.

5. That the President/Chief Executive Officer or his duly appointed designee is hereby 
authorized to execute a standard contract for general construction with Oscar Renda Contracting, 
Inc., and to pay the amount of $15,261,501.00 to Oscar Renda Contracting, Inc., for the project 
work in connection with the C_13 Broadway Corridor Project Package B.

6. It is officially found, determined, and declared that the meeting at which this resolution is 
adopted was open to the public, and that the public notice of the time, place, and subject matter of 
the public business to be conducted at such meeting, including this resolution, was given to all as 
required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

7. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason 
held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon 
any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, 
the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted 
without the portion held to be unconstitutional, illegal, invalid or ineffective.

8. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 1\textsuperscript{st} day of August, 2017.

\underline{Berto Guerra, Jr., Chairman}

ATTEST:

\underline{Ernesto Arrellano, Jr., Secretary}
TO: San Antonio Water System Board of Trustees

FROM: Gail Hamrick-Pigg, P.E., Director, Pipelines, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE EARLY ACTION PHASE 2 PACKAGE – 2017 PROJECT

Board Action Date: August 1, 2017

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $1,017,299.90 to Horseshoe Construction, Inc., a non-local, non-SMWVB firm, in connection with the Early Action Phase 2 Package – 2017 Project.

- The contract that is the subject of the attached resolution will, if approved, authorize work that is required by the Consent Decree for the Early Action Phase II between the San Antonio Water System the United States of America and the State of Texas that was lodged in the United States District Court for the Western District of Texas on July 23, 2013.

- This contract will be used to rehabilitate sewer mains in need of repair based on condition assessment.

- This contract will be for the rehabilitation of approximately 3,745 feet of 8-inch to 15-inch diameter sewer pipe by cured-in-place pipe method and 3,189 feet of 8-inch diameter sewer pipe by pipe bursting method. Additionally, the manholes will be replaced/adjusted or rehabilitated.

- Horseshoe Construction, Inc., has submitted the lowest responsible bid of $1,017,299.90.

Staff recommends that the Board approve this resolution.

FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2017 Capital Improvement Program. This project is included in the Wastewater Core Business budget line item. The amount is $1,017,299.90 for wastewater related construction work under job number 17-4525.
SUPPLEMENTARY COMMENTS:

K Friese & Associates, Inc., prepared the bid proposal and specifications for the project. The engineer’s estimated construction cost for this project is $1,295,939.00 and the contractor’s construction cost is $1,017,299.90.

A bid opening was held on July 6, 2017, at 2:00 PM. The following bids were submitted:

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<th>BIDDER</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Horseshoe Construction, Inc.*</td>
<td>$1,017,299.90</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
<tr>
<td>T Construction, LLC</td>
<td>$1,207,402.40</td>
<td>Non–Local/MBE–Hispanic</td>
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<td>Engineer’s Estimate</td>
<td>$1,295,939.00</td>
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<tr>
<td>Pronto Sandblasting &amp; Coating &amp;</td>
<td>$1,596,915.40</td>
<td>Local/MBE–Hispanic</td>
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<td>Oil-Field Services Co., Inc.</td>
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<tr>
<td>PM Construction &amp; Rehab, LLC dba IPR</td>
<td>$1,864,830.75</td>
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<td>South Central, LLC</td>
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<tr>
<td>National Power Rodding Corp.</td>
<td>$1,902,515.40</td>
<td>Non–Local/Non–SMWVB</td>
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*Lowest Responsible Bidder

The bid amount represents a 21.5 percent decrease from the Engineer’s estimated construction cost.
Award of Construction Contract
Early Action Phase 2 Package – 2017 Project

Gail Hamrick-Pigg, P.E.
Director
Pipelines

APPROVED:

Robert R. Puente
President/Chief Executive Officer

Andrea L.H. Beymer, P.E.
Vice President
Engineering and Construction
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF HORSESHOE CONSTRUCTION, INC., IN THE AMOUNT OF $1,017,299.90 IN CONNECTION WITH THE EARLY ACTION PHASE 2 PACKAGE - 2017 CONSTRUCTION CONTRACT; AWARDING A CONSTRUCTION CONTRACT TO HORSESHOE CONSTRUCTION, INC., IN THE AMOUNT OF $1,017,299.90 FOR THE PROJECT WORK; APPROVING EXPENDITURES AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $1,017,299.90 FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONSTRUCTION CONTRACT WITH HORSESHOE CONSTRUCTION, INC., AND TO PAY HORSESHOE CONSTRUCTION, INC., AN AMOUNT NOT TO EXCEED $1,017,299.90 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, this contract will be used to rehabilitate sewer mains in need of repair based on condition assessments; and

WHEREAS, the San Antonio Water System (the “System”) has solicited bids for the project work; and

WHEREAS, Horseshoe Construction, Inc., a non–local, non–SMWVB contractor, has submitted a bid in the amount of $1,017,299.90 for the project work and this bidder has been determined to be the lowest responsible bidder; and

WHEREAS, System funds in the amount of $1,017,299.90 are required for the project work; and

WHEREAS, the total amount of $1,017,299.90 is available from the System’s Project Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of Horseshoe Construction, Inc., in the amount of $1,017,299.90 for the project work in connection with the Early Action Phase 2 Package – 2017 Construction Contract, (ii) to award a construction contract to Horseshoe Construction, Inc., in the amount $1,017,299.90 for the project
work, (iii) to approve a total expenditure and make available an amount not to exceed $1,017,299.90 from the System’s Project Fund for the project work, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with Horseshoe Construction, Inc., and to pay Horseshoe Construction, Inc., an amount not to exceed $1,017,299.90 for the project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the bid of Horseshoe Construction, Inc., in the amount of $1,017,299.90 for the project work in connection with the Early Action Phase 2 Package – 2017 Construction Contract is hereby accepted.

2. That a construction contract in the amount of $1,017,299.90 for the project work is hereby awarded to Horseshoe Construction, Inc.

3. That a total sum not to exceed $1,017,299.90 for the project work is hereby made available and is to be expended from the System’s Project Fund.

4. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a standard contract for general construction with Horseshoe Construction, Inc., and to pay Horseshoe Construction, Inc., the amount not to exceed $1,017,299.90 for the project work in connection with the Early Action Phase 2 Package – 2017 Construction Contract.

5. It is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public, and that the public notice of the time, place, and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

6. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, ineffective or invalid, or if any exception to or limitation upon any general provision hereof is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

7. This resolution becomes effective immediately upon its passage.
PASSED AND APPROVED this 1st day of August, 2017.

______________________________
Berto Guerra, Jr., Chairman

ATTEST:

______________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees
FROM: Michael L. Myers, P.E., Director, Plants and Major Projects, and Andrea L.H. Beymer, P.E., Vice President, Engineering and Construction
THROUGH: Robert R. Puente, President/Chief Executive Officer
SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE LIFT STATIONS REHABILITATION – PHASE 4 PROJECT

Board Action Date: August 1, 2017

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $3,166,000.00 to Austin Engineering Company, Inc., a non-local, non-SMWVB contractor, in connection with the Lift Stations Rehabilitation - Phase 4 Project (the “project”).

- The San Antonio Water System (the “System”) operates and maintains over 160 wastewater lift stations located throughout the service area including 28 lift stations over the Edwards Aquifer Recharge Zone.

- The rehabilitation of these lift stations is required to ensure regulatory compliance and to prevent operational failures. The System initiated a program to assess, rehabilitate and upgrade lift stations in five phases. Completion of the Lift Station Rehabilitation Program is a requirement of the Environmental Protection Agency’s 2013 Consent Decree whereas all work is to be completed by 2023.

- The Project includes the rehabilitation of six lift stations located in western, central, and eastern service areas. The work includes:
  - Eliminating one lift station
  - Five lift stations require wet well rehabilitation
  - Two lift stations require increased wet well capacity
  - Two lift stations require raising the electrical equipment pads out of the 100-year floodplain
  - Five lift stations require pump replacement
  - All lift stations require remote Supervisory Control and Data Acquisition System monitoring, electrical, instrumentation, and safety and security upgrades

- Austin Engineering Company, Inc., has submitted a low responsible bid of $3,166,000.00.

Staff recommends that the Board approve this resolution.
FINANCIAL IMPACT:

The Project Fund will finance this expenditure included in the CY 2017 Capital Improvement Program. This work is included in the Wastewater Core Business, Collection Facilities category, Lift Station Rehabilitation Phase 4 project. The total amount is $3,166,000.00 under job number 15-2512.

SUPPLEMENTARY COMMENTS:

Weston Solutions, Inc., prepared the bid proposal and specifications for this project. The engineer’s estimated construction cost is $2,997,000.00.

A bid opening was held on June 28, 2017 at 10:00 AM. The following bids were submitted:

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<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWVB</th>
</tr>
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<tbody>
<tr>
<td>Engineer’s Estimate</td>
<td>$2,997,000.00</td>
<td></td>
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<tr>
<td>Austin Engineering Company, Inc.*</td>
<td>$3,166,000.00</td>
<td>Non–Local/Non–SMWVB</td>
</tr>
<tr>
<td>Spiess Construction Co., Inc.</td>
<td>$3,484,475.00</td>
<td>Local/Non–SMWVB</td>
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<tr>
<td>Veritas Management Company LLC, dba, Black Castle General Contractor</td>
<td>$3,534,334.00</td>
<td>Local/Non–SMWVB</td>
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<tr>
<td>Shannon-Monk, Inc.</td>
<td>$4,617,500.00</td>
<td>Local/SBE</td>
</tr>
</tbody>
</table>

*Lowest Responsible Bidder

The bid amount represents a 5.6 percent increase from the estimated construction cost. The contract allows 300 calendar days for the completion of the work.
The following is an updated status of the Lift Station Rehabilitation Program:

Phase 1: Rehabilitation of 20 lift stations is complete.

Lift Stations Connection of 14 lift stations to the central control and monitoring system is complete

Phase 2: Rehabilitation of 38 lift stations is complete.

Phase 3: Rehabilitation of 21 lift stations is complete.

Phase 4: This authorization includes six stations, one of which will be eliminated. The Environmental Protection Agency’s 2013 Consent Decree requires that these lift stations be rehabilitated by 2018.

Phase 5: Rehabilitates lift stations that are not included in the previous rehabilitation phases and not eliminated by other planned projects. This phase includes lift stations located at Port San Antonio and Lackland Air Force Base. The Environmental Protection Agency’s 2013 Consent Decree requires that these lift stations be rehabilitated by 2023.

Michael L. Myers, P.E.
Director
Plants and Major Projects

Andrea L.H. Beymer, P.E.
Vice President
Engineering and Construction

Robert R. Puente
President/Chief Executive Officer

Attachments:
1. Project Site Map
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF AUSTIN ENGINEERING COMPANY, INC., IN THE AMOUNT OF $3,166,000.00 FOR THE CONSTRUCTION OF THE LIFT STATIONS REHABILITATION - PHASE 4 PROJECT; AWARDING A CONSTRUCTION CONTRACT IN THE AMOUNT OF $3,166,000.00 TO AUSTIN ENGINEERING COMPANY, INC., FOR THE PROJECT WORK; APPROVING EXPENDITURES AND MAKING AVAILABLE AN AMOUNT NOT TO EXCEED $3,166,000.00 FROM THE SYSTEM’S PROJECT FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT WITH AUSTIN ENGINEERING COMPANY, INC., AND TO PAY AUSTIN ENGINEERING COMPANY, INC., THE AMOUNT OF $3,166,000.00 FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) operates and maintains over 160 wastewater lift stations located throughout the service area including 28 lift stations over the Edwards Aquifer Recharge Zone; and

WHEREAS, the rehabilitation of these lift stations is required to ensure regulatory compliance and to prevent operational failures; and

WHEREAS, the System initiated a program to assess, rehabilitate and upgrade lift stations in five phases; and

WHEREAS, completion of the Lift Station Rehabilitation Program is a requirement of the Environmental Protection Agency’s 2013 Consent Decree whereas all work is to be completed by 2023; and

WHEREAS, the Lift Stations Rehabilitation Design - Phase 4 Project (the “project”) project includes the rehabilitation of five lift stations and the elimination of one lift station located in western, central, and eastern service areas; and

WHEREAS, the System has solicited bids for the project work; and
WHEREAS, Austin Engineering Company, Inc., a non-local, non-SMWVB contractor, is declared the lowest responsible bidder, and has submitted the lowest responsible bid of $3,166,000.00 for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of Austin Engineering Company, Inc., for a construction contract in the amount of $3,166,000.00 for the project work in connection with the Lift Stations Rehabilitation - Phase 4 Project, (ii) to award a construction contract in the amount $3,166,000.00 to Austin Engineering Company, Inc., for the project work, (iii) to authorize System funds in an amount not to exceed $3,166,000.00 for the project work, (iv) to make available a total amount not to exceed $3,166,000.00 from the System’s Project Fund for the project work, and (v) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with Austin Engineering Company, Inc., and to pay Austin Engineering Company, Inc., an amount not to exceed $3,166,000.00 for the project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the bid of Austin Engineering Company, Inc., in the amount of $3,166,000.00 for the project work in connection with the Lift Stations Rehabilitation - Phase 4 Project is hereby accepted.

2. That a construction contract in the amount of $3,166,000.00 for the project work is hereby awarded to Austin Engineering Company, Inc.

3. That the expenditure of System funds in the amount of $3,166,000.00 for the project work is hereby authorized and approved.

4. That a total sum not to exceed $3,166,000.00 for the project work is hereby made available, and is to be expended from the System’s Project Fund.

5. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a general construction contract with Austin Engineering Company, Inc., for the project work, and to pay the amount of $3,166,000.00 to Austin Engineering Company, Inc., for the project work in connection with the Lift Stations Rehabilitation - Phase 4 Project.

6. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place, and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.

7. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.
8. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 1st day of August, 2017.

________________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Alissa R. Lockett, Director, Construction and Maintenance, and Michael S. Brinkmann, Vice President, Distribution and Collection Operations

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARD OF A CONSTRUCTION CONTRACT IN CONNECTION WITH THE 2017 BI-ANNUAL ASPHALT OVERLAY WORK ORDER CONSTRUCTION CONTRACT, PACKAGE 2

Board Action Date: August 1, 2017

SUMMARY AND RECOMMENDATION:

The attached resolution awards a construction contract in the amount of $1,218,954.25 to J&P Paving Co., Inc., a local, MBE-Hispanic contractor, in connection with the 2017 Bi-Annual Asphalt Overlay Work Order Construction Contract, Package 2.

- Following the repair or replacement of San Antonio Water System (SAWS) buried infrastructure, restoration of asphalt paving may be required. The City of San Antonio requires curb to curb mill and overlay of asphalt roadways that were previously in good condition prior to SAWS repair work. This type of restoration cannot be completed by SAWS forces due to equipment requirements and workload; therefore, this contract provides contractor support to assist Distribution and Collection Operations with asphalt construction activities.

- This type of annual contract, which has unit prices for various predefined line items, has been in place since 2003, increasing available resources and reducing cycle times, thus providing our customers with improved service.

- Work orders will be issued and managed by SAWS maintenance staff and will be charged against the contract as executed for a time period of up to two years or until funds have been exhausted.

- Funds will soon be exhausted from the 2015 Bi-Annual Asphalt Overlay Work Order Construction Contract, and the work for 2017 and 2018 has been split into two packages to facilitate increased participation by small businesses.

- J&P Paving Co., Inc., has submitted the lowest responsible bid of $1,218,954.25.

Staff recommends that the Board approve this resolution.
FINANCIAL IMPACT:

The cost will be paid from System funds in the 2017 and 2018 Distribution and Collection Operations budget (Company: 1000, Accounting Unit: 5029000, Account: 511222) in the amount of $1,218,954.25, pursuant to and contingent upon Board approval of the 2018 budget with a line item for such expenditures. The SAWS job number for this project is 17-0115.

SUPPLEMENTARY COMMENTS:

SAWS staff prepared the specifications for this project. The bid opening was held on June 9, 2017 at 2:00 p.m. The following bids were submitted:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID AMOUNT</th>
<th>LOCAL/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>J&amp;P Paving Co., Inc.*</td>
<td>$1,218,954.25</td>
<td>Local / MBE-Hispanic</td>
</tr>
<tr>
<td>Asphalt Inc. LLC dba Lone Star Paving</td>
<td>$1,321,608.50</td>
<td>Local / Non-SMWVB</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$1,500,000.00</td>
<td></td>
</tr>
<tr>
<td>Clark Construction of Texas, Inc.</td>
<td>$2,513,689.45</td>
<td>Local / Non-SMWVB</td>
</tr>
<tr>
<td>San Antonio Constructors, Ltd.</td>
<td>Withdrawn bid</td>
<td>Local / SBE</td>
</tr>
</tbody>
</table>

* Lowest responsible bidder

The bid amount is an 18.7 percent decrease from the estimated construction cost. This contract provides for seven to 14 calendar days for completion of each individual work order issued.

The SMWVB analysis is shown in the following table:

<table>
<thead>
<tr>
<th>2017 Bi-Annual Asphalt Overlay Work Order Construction Contract</th>
<th>J&amp;P PAVING CO., INC.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMWVB ANALYSIS – BOARD AWARD</td>
<td></td>
</tr>
<tr>
<td>SBE</td>
<td>3.00%</td>
</tr>
<tr>
<td>MBE – African American</td>
<td>7.00%</td>
</tr>
<tr>
<td>MBE – Asian</td>
<td>0.00%</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
<td>75.0%</td>
</tr>
<tr>
<td>MBE – Other</td>
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</tr>
<tr>
<td>WBE – Minority</td>
<td>15.0%</td>
</tr>
<tr>
<td>WBE – Non-Minority</td>
<td>0.00%</td>
</tr>
<tr>
<td>SMWVB Total</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
Alissa R. Lockett, P.E.  
Director, Construction and Maintenance

Michael S. Brinkmann  
Vice President, Distribution and Collection Ops

APPROVED:

Robert R. Puente  
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES ACCEPTING THE BID OF J&P PAVING CO., INC., FOR A CONSTRUCTION CONTRACT IN THE AMOUNT OF $1,218,954.25 IN CONNECTION WITH THE 2017 BI-ANNUAL ASPHALT OVERLAY WORK ORDER CONSTRUCTION CONTRACT, PACKAGE 2; AWARDING A CONSTRUCTION CONTRACT IN THE AMOUNT OF $1,218,954.25 TO J&P PAVING CO., INC., IN CONNECTION WITH THE 2017 BI-ANNUAL ASPHALT OVERLAY WORK ORDER CONSTRUCTION CONTRACT, PACKAGE 2; APPROVING THE EXPENDITURE OF FUNDS AND TO MAKE AVAILABLE THE AMOUNT NOT TO EXCEED $1,218,954.25 FROM THE SYSTEM FUND FOR THE PROJECT WORK; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A CONTRACT WITH J&P PAVING CO., INC., AND TO PAY J&P PAVING CO., INC., THE AMOUNT OF $1,218,954.25 FOR THE SYSTEM'S OBLIGATIONS UNDER THE TERMS OF THE CONTRACT FOR THE PROJECT WORK; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, following the repair or replacement of the San Antonio Water System’s (the “System”) buried infrastructure, restoration of asphalt paving may be required; this contract provides contractor support to assist Distribution and Collection Operations with asphalt construction activities (the “project work”) that cannot be completed in-house due to equipment requirements and workload; and

WHEREAS, annual asphalt overlay work order contracts have been successfully implemented in the past; and

WHEREAS, this contract will allow for work orders with defined scopes and schedules to be issued to a contractor, increasing available resources, allowing for a quicker response time, and reducing cycle times, thus providing our customers with improved service; and

WHEREAS, funds will soon be exhausted from the 2015 Bi-Annual Asphalt Overlay Work Order Construction Contract, and the work for 2017 and 2018 has been split into two packages to facilitate increased participation by small businesses; and
WHEREAS, J&P Paving Co., Inc., a local, MBE-Hispanic contractor, has submitted a bid in the amount of $1,218,954.25 for the project work, and this bid has been determined to be the lowest responsible bid; and

WHEREAS, System funds in the not to exceed amount of $1,218,954.25 are required for the project work; and

WHEREAS, the total amount of $1,218,954.25 is available from the System Fund for the project work; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to accept the bid of J&P Paving Co., Inc., for a construction contract in the amount of $1,218,954.25 in connection with the 2017 Bi-Annual Asphalt Overlay Work Order Construction Contract, Package 2, (ii) to award a construction contract in the amount of $1,218,954.25 to J&P Paving Co., Inc., in connection with the 2017 Bi-Annual Asphalt Overlay Work Order Construction Contract, Package 2, (iii) to approve the expenditure of funds in the amount not to exceed $1,218,954.25 from the System Fund for the project work, and (iv) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a contract with J&P Paving Co., Inc., and to pay J&P Paving Co., Inc., in the amount of $1,218,954.25 for the System’s obligations under the terms of the contract for the project work; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the bid of J&P Paving Co., Inc., in the amount of $1,218,954.25 for the project work in connection with the 2017 Bi-Annual Asphalt Overlay Work Order Construction Contract, Package 2 is hereby accepted.

2. That the contract is hereby awarded to J&P Paving Co., Inc., in the amount of $1,218,954.25 for the project work in connection with the 2017 Bi-Annual Asphalt Overlay Work Order Construction Contract, Package 2.

3. That the expenditure of funds in the not to exceed amount of $1,218,954.25 for the project work is hereby approved and made available from the System Fund.

4. That the System’s President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a contract with J&P Paving Co., Inc., for the project work and to pay an amount of $1,218,954.25 for the System’s obligations under the terms of the contract to J&P Paving Co., Inc., for the project work in connection with the 2017 Bi-Annual Asphalt Overlay Work Order Construction Contract, Package 2.

5. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.
6. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

7. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 1st day of August, 2017.

_______________________________
Berto Guerra, Jr., Chairman

ATTEST:

_______________________________
Ernesto Arrellano, Jr., Secretary
TO: San Antonio Water System Board of Trustees

FROM: Sree Pulapaka, Vice President/Chief Information Officer, and Douglas P. Evanson, Senior Vice President/Chief Financial Officer

THROUGH: Robert R. Puente, President/Chief Executive Officer

SUBJECT: AWARD OF PROFESSIONAL SERVICES CONTRACT FOR AUTOMATED METERING FEASIBILITY ANALYSIS AND BUSINESS CASE DEVELOPMENT

Board Action Date: August 01, 2017

SUMMARY AND RECOMMENDATION:

The attached resolution awards a professional services contract to West Monroe Partners, LLC (“West Monroe”), a non-local, non-SMWVB firm, and authorizes funds in the amount not to exceed $293,855.00 for the assessment of alternatives and formulation of a business case on the feasibility of adopting Automated Metering Technologies.

• San Antonio Water System (the “System”) intends to explore the utilization of Automated Metering Technologies in order to improve operational efficiencies, provide superior service to the ratepayers and achieve potential cost savings.

• As part of this initiative, the System issued a Request for Proposals on February 17, 2017. The scope of services encompassed the following items: 1) Strategic Assessment and Formulation including vision workshops, vendor research, program risk identification, readiness review and gap analysis; 2) Development of a Request for Information for advanced metering system acquisition and installation including evaluation of alternative solutions, risk assessment, and risk mitigation strategies; and 3) Strategic Business Case Development including cost benefit analysis.

• On April 5, 2017, ten firms responded to the Request for Proposals and were evaluated by the Selection Committee.

• The top four firms were interviewed by the Selection Committee and were asked to submit their best and final offer.

• After the interviews and the evaluation of the best and final offers, West Monroe was deemed to have submitted the best value proposal.

• West Monroe will provide the professional services in an amount not to exceed $293,855.00, for a term of 100 days from the Notice to Proceed.

Staff recommends that the Board approve this resolution.
FINANCIAL IMPACT:

Total cost of the professional services contract including reimbursable business expenses is not to exceed $293,855.00. Funds required for this contract are included in the FY 2017 Annual Operating Budget and will be paid from the System Fund (Company: 1000; Accounting Unit: 5020800; Account: 511312).

SUPPLEMENTARY COMMENTS:

Ten firms responded to the Request for Proposals. West Monroe was selected as the overall best value for the Automated Metering Technologies assessment of alternatives and the formulation of a business case. The submitting firms are as follows:

<table>
<thead>
<tr>
<th>NAME OF FIRM</th>
<th>LOCAL/SMWVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black &amp; Veatch Management Consulting, LLC</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>Deloitte Consulting, LLP</td>
<td>Local/Non-SMWVB</td>
</tr>
<tr>
<td>EMA, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Exergy Corporation</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Modern Grid Partners</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Node Consulting Services</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>SL-serco, Inc.</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>UtiliWorks Consulting</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td>Utilligent</td>
<td>Non-Local/Non-SMWVB</td>
</tr>
<tr>
<td><strong>West Monroe Partners, LLC</strong>*</td>
<td><strong>Non-Local/Non-SMWVB</strong></td>
</tr>
</tbody>
</table>

*Successful firm

<table>
<thead>
<tr>
<th>Automated Metering Technology Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>WEST MONROE PARTNERS, LLC</td>
</tr>
<tr>
<td>SMWVB ANALYSIS – BOARD AWARD</td>
</tr>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>MBE – African American</td>
</tr>
<tr>
<td>MBE – Asian</td>
</tr>
<tr>
<td>MBE – Hispanic</td>
</tr>
<tr>
<td>WBE – Minority</td>
</tr>
<tr>
<td>WBE – Non–Minority</td>
</tr>
<tr>
<td><strong>SMWVB Total</strong></td>
</tr>
</tbody>
</table>
Award of Professional Services Contract
Automated Metering Technologies

Sree Pulapaka
Vice President/Chief Information Officer

Douglas P. Evanson
Senior Vice President/Chief Financial Officer

APPROVED:

Robert R. Puente
President/Chief Executive Officer
RESOLUTION NO.

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES AWARDING A PROFESSIONAL SERVICES CONTRACT TO WEST MONROE PARTNERS, LLC IN AN AMOUNT NOT TO EXCEED $293,855.00 IN CONNECTION WITH THE FEASIBILITY ANALYSIS OF ADVANCED METERING TECHNOLOGIES; APPROVING THE EXPENDITURE OF FUNDS IN THE AMOUNT NOT TO EXCEED $293,855.00 FROM THE SYSTEM FUND; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH WEST MONROE PARTNERS, LLC, AND TO PAY WEST MONROE PARTNERS, LLC AN AMOUNT NOT TO EXCEED $293,855.00 FOR THE AGREEMENT DELIVERABLES; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the San Antonio Water System (the “System”) is evaluating the feasibility of implementing an advanced metering technology solution; and

WHEREAS, the implementation is to potentially improve operational efficiencies, provide superior service to rate payers and achieve cost savings; and

WHEREAS, a Request for Proposals was issued on February 17, 2017 for the professional services for this project; and

WHEREAS, the System received 10 proposals for these services and West Monroe Partners, LLC, a non-local, non-SMWVB firm, was deemed the best value proposal; and

WHEREAS, the proposal from West Monroe Partners, LLC was for an amount not to exceed $293,855.00 to complete the scope of services listed for Phase I in the Request for Proposals; and

WHEREAS, approval of funds in an amount not to exceed $293,855.00 is required to analyze the feasibility and develop the business case for Advanced Metering Technology; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to award a professional services contract to West Monroe Partners, LLC in the amount not to exceed $293,855.00 for the feasibility analysis of the Advanced Metering Technology, (ii) to approve the expenditure of funds in the amount not to exceed $293,855.00 from the System Fund, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute a
professional services contract with West Monroe Partners, LLC, and to pay West Monroe Partners, LLC an amount not to exceed $293,855.00 for the services deliverables; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That a professional services contract in an amount not to exceed $293,855.00 is hereby awarded to West Monroe Partners, LLC, in form substantially similar to that attached as Attachment 1 to this resolution, for the feasibility analysis of Advanced Metering Technology.

2. That an amount not to exceed $293,855.00 for feasibility analysis of Advanced Metering Technology is hereby approved and to be expended from the System Fund.

3. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute a professional services contract with West Monroe Partners, LLC, and to pay West Monroe Partners, LLC an amount not to exceed $293,855.00 for the services deliverables.

4. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Titles 5, Chapter 551, Government Code.

5. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

6. This Resolution is effective immediately upon passage of this resolution.

PASSED AND APPROVED this 1st day of August, 2017.

___________________________________
Berto Guerra, Jr., Chairman

ATTEST:

________________________________
Ernesto Arrellano, Jr., Secretary

Attachment 1 - Consulting Agreement - Advanced Metering Technology Feasibility Analysis
SAN ANTONIO WATER SYSTEM
CONSULTING AGREEMENT

AGREEMENT FOR

Advanced Metering Technology Feasibility Analysis
(the “Project”)

Contract No. S-17-005-JG

THIS IS A CONSULTING AGREEMENT (this “Agreement”) by and between

WEST MONROE PARTNERS, LLC
222 West Adams Street
Chicago, IL 60606

(the “Consultant”), and San Antonio Water System, municipally-owned utility of the City of San Antonio in the State of Texas (the "Water System" or “SAWS”), and by which parties to this Agreement, in consideration of the mutual covenants set forth below and other good and valuable consideration (the mutuality, adequacy, and sufficiency of which are hereby acknowledged), hereby agree as follows:

1. Consulting.

   (a) Consulting and Advisory Services. During the term of this Agreement, the Consultant will provide Services (as defined below) to the Water System in accordance with commercially reasonable professional standards. Consultant’s sole obligation and liability and the Water System’s sole and exclusive remedy for breach of the foregoing shall be for Consultant to reperform any Services brought to its attention within sixty (60) days after the Services are performed.

   Consultant shall perform the services described on the Scope of Service, Exhibit B (“Services”), attached hereto and incorporated herein. The Consultant shall perform such duties in accordance with the time schedule attached hereto as Exhibit D and comply with the Security Procedures attached as Exhibit E. Acceptance of work of the Consultant by the Water System shall not constitute or be deemed a release of the responsibility, obligations or liability of the Consultant under this Agreement for any errors, omissions, defect in the design, drawings, specifications, documents, reports and work performed by the Consultant. Consultant will utilize only qualified personnel to perform the work under this Agreement. All of such work shall be under the direct supervision of properly licensed professionals as appropriate for the Project and work.

   (b) Compensation and Expenses. The Water System shall pay Consultant as set forth on the attached Exhibit A. If Water System IP does not conform to the material specifications stated on Exhibit B, as determined by Water System, Consultant shall promptly correct the Water System IP to the reasonable satisfaction of Water System at no additional charge.
to Water System. Any non-conformance must be brought to the attention of the Consultant within sixty (60) days from performance of the Services ("Correction Period").

(c) **Independent Contractor.** It is acknowledged and agreed that the Consultant is an independent contractor of the Water System and not an employee or agent or fiduciary of Water System, and each of the parties to this Agreement agrees to take actions consistent with the foregoing. Consultant is not being engaged to perform any fiduciary functions of Water System. Further, nothing in this Agreement shall be construed to create a partnership, joint venture, or other association between the parties.

(d) **Water System's Responsibilities.** Water System will use its reasonable best efforts to provide Consultant with all documentation and information in the possession of the Water System required to enable Consultant to provide the services, and will cause its employees and agents to cooperate with Consultant's reasonable requests in order to assist Consultant in providing the services. The Consultant may reasonably rely on such documentation and information provided by the Water System as reliable and accurate for the purposes of performing the Services under this Agreement.

(e) **Work Papers.** Consultant owns and will continue to exclusively own the proprietary tools, intellectual property, templates, concepts, data, processes, formula, know-how, techniques, routines, models, displays, manuals, algorithms, tools, methodology, and all other intellectual property developed, owned, or licensed by Consultant before entering into this agreement or developed, owned, or licensed outside the scope of this Agreement, as well as all derivatives and modifications to the foregoing, including, but not limited to, Consultant’s Proprietary Tool (the “Consultant IP”). Except for any Consultant IP and third party intellectual property contained therein, and to the extent the following are expressly identified as a deliverable in the Scope of Service, all tools, methodology, final work product and work papers developed by Consultant, and delivered to Water System by the Consultant in connection with the performance of services pursuant to this Agreement shall be the property of the Water System whether or not in the possession of the Consultant for use and re-use by the Water System, its agents, employees, contractors and consultants, as needed from time-to-time (the “Water System IP”). Subject to the restrictions in 1(f), Consultant shall be free to use the general knowledge, skills and experience of its personnel, and any ideas, concepts, know-how, and techniques that are acquired or used in the course of providing the Services, as well as aggregated, anonymous data derived from the provision of Services.

(f) **Nondisclosure.** This Agreement, the nature of the services provided, and any information obtained by one party (“Receiving Party”) from the other party (“Disclosing Party”) in connection with the performance of the Services (“Confidential Information”) shall not be disclosed by the Receiving Party to any third party, except as permitted below. The obligations set forth in this Section shall not apply to information which is: (a) publicly known; (b) already known to the Receiving Party; (c) disclosed to Receiving Party by a third party who is not, to Receiving Party’s knowledge, under a confidentiality restriction with respect to such Confidential Information; or (d) independently developed by the Receiving Party. In the event Consultant or Water System is subject to the Texas Public Information Act, upon receipt of a request for any information obtained by Receiving Party in the performance of this Agreement, the Receiving Party shall provide written notice to Disclosing Party of the request along with a copy of the
request, and give Disclosing Party the opportunity to respond to the request prior to its release by the Receiving Party. Other than as set forth above with respect to the Texas Public Information Act, disclosure of Confidential Information is also permitted pursuant to applicable law, a subpoena or other validly issued administrative or judicial process shall not be a breach of Recipient's obligations, provided that Recipient shall provide prior notice to Discloser of such disclosure if permitted by law and a reasonably opportunity to respond to the request prior to its release. In no event shall Consultant or any of its sub-consultants provide or participate in any public presentations or prepare or present any papers for public dissemination that expressly identify the Project, disclose facts about the Project that could reasonably be expected to identify the Project, or disclose in any way information obtained in connection with the Project (other than aggregated, anonymous data), without receiving the prior written approval from the Water System, which approval may be withheld in the sole and absolute discretion of the Water System.

(g) Compliance with Law. In performing this Agreement, the Consultant agrees to comply with applicable laws and regulations, and to secure, pay for and comply with all permits, governmental fees, licenses, inspections, bonds, security or deposits necessary for proper execution and completion of the services. Consultant agrees to not make or permit to be made any improper payments, or to perform any unlawful acts.

(h) Insurance. Consultant shall maintain and keep in force for the duration of this Agreement such insurance as set forth on Exhibit C of this Agreement, which is attached hereto and incorporated herein for all purposes, if fully set forth herein. Approval of insurance by the Water System shall not relieve or decrease the liability of the Consultant hereunder and shall not be construed to be a limitation of liability on the part of the Consultant. Consultant shall be responsible for all premiums, deductibles and self-insured retentions, if any, stated in the policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance. All endorsements naming the Water System and the City of San Antonio (the "City") as additional insureds, waivers, and notices of cancellation endorsements as well as the Certificates of Insurance shall indicate: San Antonio Water System, c/o Ebix BPO, P.O. Box 100085-ZD, Duluth, GA 30096.

(i) Right To Audit. Consultant agrees to maintain appropriate accounting records of costs, expenses, and payrolls of its employees and agents working on the Project for a period of three years after final payment for completed work has been made and all other pending matters concerning the Agreement have been closed. Consultant agrees that the Water System or its authorized representative shall have access during normal business hours upon reasonable prior written notice to Consultant and on reasonable request to any and all books, documents, papers, and records of the Consultant which are directly pertinent to the services to be performed under this Agreement for the purposes of making audits and examinations. The Water System shall be responsible for its cost in connection with any inspections pursuant to this paragraph, unless the inspection reflects errors in the records that have an adverse impact to the Water System.

The Consultant further agrees to make the above requirement apply to any and all sub-consultant agreements in which the Consultant has a contractual relationship for the services to be performed under the Agreement. All sub-consultants shall agree that the Water System or its authorized representatives shall have access during normal business hours to any and all books,
documents, papers, and records of the sub-consultant which are directly pertinent to the services to be performed under the Agreement for the purposes of making audits and examinations.

(j) **Equal Employment Opportunity/Minority Business Enterprise.** The Consultant agrees not to engage in employment practices which have the effect of discriminating against any employee or applicant for employment; and, will take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to their race, color, religion, national origin, sex, age, disability, genetic information or political belief or affiliation.

(k) **Sub-consultants.** The Consultant acknowledges that the SAWS Board of Trustees has adopted a Small, Minority, Woman, and Veteran-owned Business (SMWVB) Policy to establish and oversee a program that will support the inclusion of local small, minority, woman, and veteran-owned businesses (SMWVB). It is the policy of SAWS that it will ensure that local small, minority, woman, and veteran-owned businesses have an equal opportunity to compete for, receive and participate in SAWS contracts. Consultant agrees to complete and submit a Good Faith Effort Plan as part of its response to the Water System’s request for a proposal. Consultant shall take all reasonable steps to maintain compliance with at least the minimum percentage of participation for SMWBs set out in Consultant’s proposal to the Water System. Consultant shall be required to electronically report the actual payment to all subcontractors, whether SMWVB or non-SMWVB, using the Subcontractor Payment and Utilization Reporting (S.P.U.R.) System, beginning with the first SAWS payment for services under the contract, and with every payment thereafter (for the duration of the contract). After Consultant receives payment from SAWS, electronic submittals will require data entry of the amount paid to each subcontractor, whether SMWB or non-SMWB, listed on the Consultant’s Good Faith Effort Plan. Data entry is required even if the actual payment amount is zero dollars and zero cents ($0.00). This information will be used for subcontractor utilization tracking purposes. Any unjustified failure to comply with the committed SMWVB levels may be considered breach of contract.

Electronic submittal of subcontractor payment information will be accessed through a link on SAWS’ “Business Center” web page. Consultant and all subcontractors will be provided a unique log-in credential and password to access the SAWS subcontractor payment reporting system. The link may also be accessed through the following internet address: [https://saws.smwbe.com](https://saws.smwbe.com).

Respondents and/or their agents may contact the SMWVB Program Manager at 210-233-3420 for assistance or clarification with issues specifically related to the Small, Minority, Woman, and Veteran-owned Business (SMWVB) Program, and S.P.U.R. System reporting.

By entering into this Contract, the Water System approves the use of subcontractors and sub-consultants identified in **Exhibit F** (attached).

(l) **Consultant’s Warranty.** The Consultant warrants that he has not employed or retained any company or person other than a bona fide employee working solely for the Consultant, to solicit or secure this Agreement, and that he has not for the purpose of soliciting or securing this Agreement paid or agreed to pay any company or person, other than a bona fide employee working solely for the Consultant, any fee, commission, percentage, brokerage fee, gift,
or any other consideration, contingent upon or resulting from the award or making of this Agreement. Consultant further warrants that Consultant IP is proprietary to or licensed by Consultant, that there are no intellectual property infringement claims existing in relation to Consultant IP and that nothing in such Consultant IP, nor the Water System’s use of such Consultant IP, to Consultant’s knowledge, will infringe or constitute a misappropriation of the intellectual property rights of a third party. For breach of any of these warranties, the Water System shall have the right to terminate this Agreement under the provisions of Section 2 below.

(m) General Indemnification. Consultant agrees to and does hereby indemnify, defend, and hold harmless Water System and the City of San Antonio, and their respective, board members, employees, officers, directors, and trustees (collectively, “Indemnites”), individually or collectively, from and against any and all third party claims, proceedings, actions, demands, suits, or causes of action for personal injury or death and tangible property damage, as well as related costs, damages, losses, expenses, fees (including, without limitation, reasonable attorneys’ fees and costs), fines, penalties, and liability incurred, asserted against or made upon any of the Indemnites, to the extent caused by the negligent commissions, commissions, the intentional or willful misconduct of Consultant, any agent, officer, director, representative, employee, consultant, contractor or sub-consultant or subcontractor of Consultant, and their respective officers, employees, directors, and representatives, while in the exercise or performance of the rights or duties under this Agreement. The foregoing indemnity is conditioned upon Indemnites’ prompt notification to Consultant in writing of any claim or demand against the Indemnites which relates to or arises out of Consultant’s activities under this Agreement, as well as Consultant’s sole right to conduct the defense of the claim (subject to the proceeding sentence). Any of the Indemnites shall have the right, at their option and at their own expense, to participate in such defense without relieving Consultant of any of its obligations under this paragraph. The terms and provisions of this Section 1(m) shall survive the expiration of the term or earlier termination of this Agreement. Nothing in this Section 1(m) shall be interpreted to constitute a waiver of any governmental immunity available under Texas law or any available defenses under Texas law.

(n) IP Indemnity. Consultant shall defend, at its own expense, the Indemnites, individually and collectively, against any claim, suit or action brought by a third party and based upon an allegation that any Water System IP infringes any U.S. intellectual property rights of such third party (each, an “IP Infringement Claim”), and Consultant shall pay all damages, costs and expenses (including, without limitation, reasonable attorneys’ fees and costs) that are finally awarded against the Indemnites or those costs, expenses (including reasonable attorneys’ fees and costs), and damages agreed to in a monetary settlement of such IP Infringement Claim. Consultant will have no obligations pursuant to this subsection (n) to the extent such third party claim is caused by: (i) misuse or modification of the Water System IP by or on behalf of Indemnites, or use of the Water System IP in breach of the terms of the Agreement; (ii) Indemnites’ failure to use corrections or enhancements made available by Consultant; (iii) Indemnites’ use of the Water System IP in combination with any product or information not owned or developed by Consultant; (iv) Indemnites’ distribution, marketing or use for the benefit of third parties of the Water System IP, except for Indemnites’ distribution, marketing, or use of a deliverable identified in Exhibit B (including (but not limited to) the RFI) as reasonably contemplated by Exhibit B; or (v) information, direction, specification or materials provided by Indemnites or any third party.
(except for Consultant’s subcontractors); provided, however, that in each of clauses (i) through (v) above the Water System IP would not have been infringing but for the existence of the matters set forth in clauses (i) through (v) and, without limiting the exception in (v), provided further that (i) through (iv) shall not apply if such actions by Water System were taken at the written direction of Consultant or its subcontractors. If any Water System IP is, or in Consultant’s opinion is likely to be, held to be infringing, Consultant shall at its expense and option either: (a) procure for Water System the right to continue to use the Water System IP; or (b) replace or modify the Water System IP with a non-infringing equivalent; or (c) direct the return of the Water System IP and upon such return Consultant shall refund a prorated portion of the fees paid under the applicable Scope of Work for such Water System IP based on a five year straight line depreciation from the date of initial delivery. The foregoing indemnity is conditioned upon Indemnitees’ prompt notification to Consultant in writing of any claim of infringement against the Indemnitees, as well as Consultant’s sole right to conduct the defense of the claim (subject to the proceeding sentence). Any of the Indemnitees shall have the right, at their option and at their own expense, to participate in such defense without relieving Consultant of any of its obligations under this paragraph. The remedies set forth in this subsection (n) constitute Indemnitees’ sole and exclusive remedies and Consultant’s entire liability with respect to infringement. The terms and provisions of this Section 1(n) shall survive the expiration of the term or earlier termination of this Agreement. Nothing in this Section 1(n) shall be interpreted to constitute a waiver of any governmental immunity available under Texas law or any available defenses under Texas law.

(o) License to use Consultant IP. Consultant hereby grants to the Water System a nonexclusive, nonassignable, right and license to use and modify the Consultant IP solely as incorporated into the Water System IP for Water System’s internal business purposes only.

(p) Default. In the event Consultant fails to perform its duties or obligations under this Agreement, Water System shall be entitled to any and all remedies available at law or in equity (including, without limitation, the recovery from Consultant of all losses and damages, whether actual, direct, consequential, liquidated or otherwise, and all reasonable attorneys’ and other professional fees and costs suffered or incurred by the Water System arising from such default, except to the extent the foregoing rights and remedies are modified and limited by the terms of this Agreement), and, in addition, the Water System shall have the right to terminate this Agreement by written notice, provided in Section 2 below. The Water System shall have the right to (1) take possession of all materials and work completed under this Agreement, upon payment of any sums earned prior to notice of termination, and excluding any Consultant IP and (2) accept assignment of any sub-consultant agreements relating to this Agreement on terms and conditions acceptable to the Water System. No action by the Water System shall constitute an election of remedies.

(q) Limitation on Liability. Notwithstanding anything to the contrary in this Agreement, except for Consultant’s willful misconduct, Consultant’s total liability arising out of the Agreement for all claims in any manner arising in connection with the Agreement (whether in contract, tort, negligence, strict liability in tort or by statute or otherwise, whether arising from contractual or extra-contractual liability) shall be the payment of damages and shall in no event exceed in the aggregate (i) the greater of Two Million Dollars and No Cents ($2,000,000.00) or (ii) three times (3x) the Contract Price, except in the case of Consultant’s indemnification
obligations under 1(m) above, which shall in no event exceed in the aggregate the greater of Five Millions Dollars and No Cents ($5,000,000.00) or five times (5x) the Contract Price; or (ii) include any indirect, special, consequential, incidental, punitive or exemplary damages or loss (including business interruption, lost profits, lost savings or lost business) (“Indirect Damages”), even if it has been advised of their possible existence; provided, however, that (ii) shall not apply to Indirect Damages payable to a third party by judgment or settlement for which Consultant is responsible pursuant to Section 1(m).

(r) Third Party Materials. Consultant does not warrant and is not responsible for any third party products or services, if any. Water System’s sole and exclusive rights and remedies with respect to any third party products or services are against the third party vendor and not against Consultant.

(s) Disclaimer. THE EXPRESS WARRANTIES SET FORTH IN SECTION 1(l) ABOVE ARE CONSULTANT’S ONLY WARRANTIES ARISING OUT OF PROVISION OF THE SERVICES AND WATER SYSTEM IP, AND IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, CONDITIONS AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES AND CONDITIONS OF MERCHANTABILITY, MERCHANTABILITY QUALITY, NON-INFRINGEMENT, INFORMATIONAL CONTENT, SYSTEMS INTEGRATION, INTERFERENCE WITH ENJOYMENT, FITNESS FOR A PARTICULAR PURPOSE, THAT THE SERVICES OR DELIVERABLES WILL SATISFY ANY STATUTORY OR REGULATORY OBLIGATIONS OR WILL ASSIST WITH OR ENSURE COMPLIANCE WITH ANY APPLICABLE LAWS OR REGULATIONS, OR OTHERWISE.

2. Term, Termination and Suspension.

(a) Term. The term of this Agreement shall be for the period provided in Exhibit D attached hereto and incorporated herein, beginning and ending on the dates provided in Exhibit D. In the event that Consultant has not completed the work specified on Exhibit B prior to the end of the term of this Agreement, in addition to any other remedies to which the Water System may be entitled, at law or in equity, Consultant shall pay to Water System, or the Water System may withhold from sums then due and owing the Consultant.

(b) Termination For Cause. Water System may terminate this Agreement at any time for "Cause" in accordance with the procedures provided below. Termination by Water System of this Agreement for "Cause" shall mean termination upon (i) the neglect, breach or inattention by Consultant of its duties hereunder, and such neglect, breach or inattention has not been cured within five (5) days after written notice thereof given by Water System to Consultant, (ii) the engaging by Consultant in willful or fraudulent conduct that is injurious to Water System, monetarily or otherwise, (iii) the failure by Consultant to otherwise perform its duties hereunder and such failure has not been cured within five (5) days after written notice thereof given by Water System to Consultant. Notice shall be deemed given as provided in Section 3(a) of this Agreement. Upon such termination for cause, the Consultant shall not be entitled to any further compensation under this Agreement, except for the compensation which has been earned for services rendered by Consultant in accordance with this Agreement through the date of notice of such termination,
subject to offset for damages as set forth in Section 1(p) above, and which shall be paid only after final completion of the work provided for under this Agreement by the Water System.

In the event termination for cause is not proper under this Section, the termination shall be deemed to constitute a termination for convenience as set forth in Section 2(c) below.

(c) **Other Termination.** The Water System may terminate this Agreement at any time for any reason upon thirty (30) days written notice to the Consultant. Upon termination of this Agreement, the Consultant will be entitled only to the compensation and expenses which have been earned for services rendered in accordance with this Agreement through the date of such termination. No termination of this Agreement shall impair or defeat those obligations set forth elsewhere in this Agreement which require either party to do or refrain from doing any specified act or acts after termination of this Agreement, or to perform any obligation which by its terms or normal meaning survives termination of this Agreement.

(d) **Suspension.** The Water System reserves the right to suspend work under this Agreement at any time and from time-to-time work for the convenience of the Water System by issuing a written notice of suspension, which notice outlines the reasons for the suspension and the then estimated duration of the suspension, but in no way will guarantee the total number of days of suspension. Such suspension shall take effect immediately upon the date specified in the notice and if no date is specified, the date of delivery of the notice of suspension to the Consultant. Upon receipt of notice to return to work and prior to the re-commencement of Services, the parties shall agree in a mutually signed change order upon updates to scope, schedule, pricing, staffing, and other relevant terms. Upon receipt of a notice of suspension in excess of one hundred eighty (180) days, the Consultant shall have the right to terminate this Agreement by written notice to the Water System. Consultant may exercise this right to terminate any time after a suspension has continued for more than one hundred eighty (180) days, but before the Water System gives Consultant written notice to resume the work. Termination (under this paragraph) by Consultant shall be effective immediately upon the Water System’s receipt of said written notice from Consultant.

(e) **Winding Up.** Upon receipt of a written notice of suspension or termination, unless the notice otherwise directs, Consultant shall immediately phase-out and discontinue all services in connection with the performance of this Agreement and shall proceed to promptly cancel all existing orders and contracts insofar as such orders and contracts are chargeable to the Water System under this Agreement.

3. **Miscellaneous.**

(a) **Notices.** Any notice, communication or request under this Agreement to any of the parties shall be in writing and shall be effectively delivered if delivered personally or sent by overnight courier service (with all fees prepaid), or by facsimile as follows:

If to Water System: San Antonio Water System  
Contract Administration  
2800 U.S. Hwy. 281 North  
San Antonio, Texas 78212

CONSULTING AGREEMENT  
REV 03/13/17  
Page 8 of 12

DRAFT
Any such notice, request, demand or other communication shall be deemed to be given if delivered in person, on the date delivered, if made by facsimile, on the date transmitted, or, if sent by overnight courier service, on the date sent as evidenced by the date of the bill of lading; and shall be deemed received if delivered in person, on the date of personal delivery, if made by facsimile, upon confirmation of receipt (including electronic confirmation), or if sent by overnight courier service, on the first business day after the date sent.

(b) Interest in Water System Agreements Prohibited. No officer or employee of the City shall have a financial interest, direct or indirect, in any Agreement with the Water System, or shall be financially interested, directly or indirectly, in the sale to the Water System of any land, materials, supplies or service, except on behalf of the City or Water System as an officer or employee. Any violation of this Section, with the knowledge, expressed or implied, of Consultant contracting with Water System shall render this Agreement voidable by the Board of Trustees or the President/Chief Executive Officer of the Water System.

To report suspected ethics violations impacting the San Antonio Water System, please call 1-800-687-1918.

(c) Gift Policy. Water System employees are prohibited from soliciting, accepting or agreeing to accept any gifts from outside sources; please see Section M. – Gifts or Benefits of the Water System’s Code of Ethical Standards. Section M of the Water System’s Code of Ethical Standards regarding Gifts or Benefits is available on the SAWS Business Center website.

(d) Tax Matters. Consultant shall be solely responsible for payment of all taxes related to Consultant's provision of the services. A tax exempt certificate is available upon request for the purchase of materials and goods only with regards to the contracted services of this Agreement.
(e) Assignment; Binding Effect. No assignment, transfer, or delegation of any rights or obligations under this Agreement by Consultant shall be made without the prior written consent of the Water System, which may be withheld in the sole and absolute discretion of the Water System. This Agreement shall be binding upon the parties to this Agreement and their respective legal representatives, heirs, devisees, legatees, or other successors and permitted assigns, and shall inure to the benefit of the parties to this Agreement and their respective legal representatives, heirs, devisees, legatees, or other permitted successors and permitted assigns.

(f) Interpretation; Captions. Whenever the context so requires, the singular number shall include the plural and the plural shall include the singular, and the gender of any pronoun shall include the other genders. Titles and captions of or in this Agreement are inserted only as a matter of convenience and for reference and in no way affect the scope for this Agreement or the intent of its provisions.

(g) Entire Agreement. This Agreement constitutes the entire agreement of the parties to this Agreement with respect to its subject matter, supersedes all prior agreements, if any, of the parties to this Agreement with respect to its subject matter, and may not be amended except in writing signed by the party to this Agreement against whom the change is being asserted. This Agreement consists of this document and attached Exhibits A, B, C, D, E, F, and G, all of which are incorporated herein by reference for all purposes. Should any conflict arise between the terms of this document and the attached Exhibits, this document shall be controlling.

(h) No Waiver. The failure of any party to this Agreement at any time or times to require the performance of any provisions of this Agreement shall in no manner affect the right to enforce the same; and no waiver by any party of this Agreement of any provision (or of a breach of any provision) of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed or construed either as a further or continuing waiver of any such provision or breach or as a waiver of any other provision (or of a breach of any other provision) of this Agreement.

(i) Governing Law; Jurisdiction. This Agreement has been entered in, and shall be governed by and construed in accordance with the laws of the State of Texas, without regard to principles of conflict or choice of law. This Agreement is performable in Bexar County and sole venue shall be in the courts of Bexar County, Texas.

(j) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement or its terms to produce or account for more than one of such counterparts.

(k) Non-Appropriation. Consultant agrees that the Water System has projected costs for this Agreement and Water System expects to pay all obligations of this Agreement from projected revenues of the Water System. All obligations of the Water System are subject to annual appropriations by its Board of Trustees. Accordingly, notwithstanding anything in this Agreement to the contrary, in the event that the Water System should fail to appropriate funds to pay any of Water System’s obligations under the terms of this Agreement, then the Water System’s obligations under this Agreement shall terminate, and the Consultant’s sole option and remedy
shall be to terminate this Agreement by written notice to Water System, and neither the Water System nor the Consultant shall have any further duties or obligations hereunder, except those which expressly survive.

(l) **Office Space.** The Water System will provide Consultant personnel with reasonable office space at SAWS' headquarters facility in San Antonio, Texas on business days of the Water System during the hours of 8 AM to 5 PM, San Antonio, Texas time, as reasonably required to perform the Scope of Service under this Agreement. All Consultant personnel will be required to comply with reasonable rules regarding use of the office facilities as may be reasonably established by SAWS from time-to-time.

(m) **Third Party Beneficiaries.** Notwithstanding anything to the contrary herein, nothing contained in the Agreement, whether express or implied, is intended, or shall be deemed, to create or confer any right, interest or remedy for the benefit of any person other than the parties hereto, the municipality of the City of San Antonio to the extent of the indemnity obligations set forth in 1(m) and 1(n), and their successors in interest and their mutual permitted assignees.
DULY EXECUTED and delivered by the parties to this Agreement, effective on the date counter signed by the Water System.

THE WATER SYSTEM:  
San Antonio Water System

By:___________________________________  
Philip C. Campos, Jr., CPA  
Director, Contracting

________________________________________  
Date

CONSULTANT:  
West Monroe Partners, LLC

By:__________________________________  
Signature

______________________________  
Title

______________________________  
Date

LIST OF EXHIBITS:

Exhibit A: Compensation for Consulting Agreement  
Exhibit B: Scope of Services  
Exhibit C: Standard Insurance Specifications  
Exhibit D: Term and Timeframe for Deliverables  
Exhibit E: Security Procedures  
Exhibit F: List of Sub-Consultants  
Exhibit G: Consultant Reimbursable Policy
EXHIBIT A
COMPENSATION FOR CONSULTING AGREEMENT
NOT TO EXCEED PAYMENT METHOD

Section 1 - Basis of Compensation

1.1 The total of all fees, costs and expenses for the services set forth in Exhibit B of this Contract shall be a not to exceed amount of $293,855.00 – Two Hundred Ninety Three Thousand Eight Hundred Fifty Five dollars and no cents (the “Contract Price”), which includes any potential travel expenses. Consultant agrees that the Contract Price, when earned, is full and complete compensation for the full and timely performance of the services in this Contract, and Consultant shall not be entitled to any compensation in excess of the Contract Price. Consultant acknowledges that compensation will be paid upon the completion of a task as provide in Section 3.1. Consultant shall not undertake a task until given written authorization from the Water System to proceed. Upon completion of a task the Water System will determine whether to proceed to the next task. If a determination is made by the Water System that no further tasks are required to be completed, Consultant shall only be entitled to compensations for the tasks completed to that point.

1.2 For the purpose of establishing costs to the Water System for any additional services payable on an hourly rate basis authorized in writing by the Water System, the following Hourly Billing Rate Table of the fees shall apply:

<table>
<thead>
<tr>
<th>Description</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement Lead</td>
<td>$283.00</td>
</tr>
<tr>
<td>Project Manager</td>
<td>$202.00</td>
</tr>
<tr>
<td>Utility Transformation SME</td>
<td>$400.00</td>
</tr>
<tr>
<td>Contractor Project Manager</td>
<td>$163.00</td>
</tr>
<tr>
<td>Business Case Analyst (BCA) &amp; IT Quality Assurance (QA)</td>
<td>$283.00</td>
</tr>
</tbody>
</table>

Section 2 - Changes

2.1 The Consultant and the Water System acknowledge the fact that the Contract Price Amount contained in paragraph 1.1 above has been established predicated upon the total estimated cost of services to be rendered under the Contract. For additional services or if the Scope of Services are changed materially, compensation shall be re-negotiated.

Section 3 - Method of Payments

3.1 Payment will be made to the Consultant upon the completion of each task, after the acceptance and approval of each task by the Water System, based upon Pricing Schedule below.
### Task Pricing Schedule

<table>
<thead>
<tr>
<th>Task #</th>
<th>Task Description</th>
<th>Lump Sum Amount</th>
<th>Completion days post NTP*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strategic Assessment and Formulation.</td>
<td>$115,000.00</td>
<td>60 calendar days</td>
</tr>
<tr>
<td>2</td>
<td>Request for Information (RFI)</td>
<td>$33,000.00</td>
<td>90 calendar days</td>
</tr>
<tr>
<td>3</td>
<td>Business Case</td>
<td>$125,000.00</td>
<td>100 calendar days</td>
</tr>
<tr>
<td></td>
<td><strong>Total – All Tasks:</strong></td>
<td><strong>$273,000.00</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Consultant shall be paid pursuant to 3.1.

### Section 4 - Reimbursable Travel Expenses

4.1 Reimbursable travel expenses are not to exceed the amount of $20,855.00 and must comply with the SAWS Consultant Reimbursable Policy in Exhibit G.

4.2 The assumptions for the reimbursable travel expenses are as follows:

<table>
<thead>
<tr>
<th>Month 1</th>
<th>Days on Site</th>
<th>Team Member</th>
<th>Wk 1</th>
<th>Wk 2</th>
<th>Wk 3</th>
<th>Wk 4</th>
<th>Total Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Utility Transformation SME</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$883.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Engagement Lead</td>
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<td>3</td>
<td>3</td>
<td>3</td>
<td>$2,862.00</td>
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<tr>
<td></td>
<td></td>
<td>Project Manager</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>$3,262.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BCA &amp; IT QA</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>$2,496.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contractor PM</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Total Expenses Month 1</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month 2</th>
<th>Days on Site</th>
<th>Team Member</th>
<th>Wk 1</th>
<th>Wk 2</th>
<th>Wk 3</th>
<th>Wk 4</th>
<th>Total Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Utility Transformation SME</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$0.00</td>
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<td>Engagement Lead</td>
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<td>3</td>
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<td>0</td>
<td>$1,398.00</td>
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<td>0</td>
<td>$1,798.00</td>
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<tr>
<td></td>
<td></td>
<td>BCA &amp; IT QA</td>
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<td>2</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Total Expenses Month 2</strong></td>
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<td><strong>Total Expenses Month 3</strong></td>
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Section 5 - Payment for Services

5.1 No initial payment shall be paid to the Consultant prior to rendering services.
5.2 Invoices shall be submitted separately for each individual project assignment on a monthly basis to the Vice President identified in Section 3. Miscellaneous, paragraph (a) - Notices.
5.3 For all services rendered, payment by the Water System is due within thirty (30) days after receipt of invoice. If payment of the amounts due, or any portion thereof, is not made as described above, interest on the unpaid balance thereof will accrue at the lesser rate of 6 percent per annum (0.5 percent per month) or the maximum lawful rate under Section 271.005 (c) of the Texas Local Government Code until such payment is made, unless delay in payment is due to improper invoicing procedures followed by the Consultant.
5.4 For all services rendered, Consultant's payment to sub-consultants is due within ten calendar days after receipt of payment from the Water System.
5.5 For project assignments that are to be compensated on an hourly rate basis, the Consultant's invoice shall show the name of all consultants, employees, titles, charging time to the project, the amount of time billed, the hourly rates, and the activity or activities performed by all consultants and employees. Payroll time sheets shall be provided on request of the Water System.
5.6 For project assignments that are to be compensated on a lump sum basis, the Consultant's invoice shall include a detailed summary of the progress and completion of tasks to substantiate the percentage of completion of services as rendered during the previous month.
5.7 Reimbursable expenses included on the Consultant's invoice shall have copies of invoices, receipts, and other evidence of expenses.

Section 6 - Payment for Supplemental and Additional Services

Payments for Consultant's supplemental and additional services shall show the same information required in subparagraphs 5.5 through 5.7 dependent upon the type of compensation.

Section 7 - Payments Withheld

The Water System may withhold, amend, or reject any request for payment by the Consultant under conditions that include those described below:

7.2 Consultant's failure to provide adequate documentation for reimbursable expenses.
7.3 Consultant's failure to invoice as required in subparagraphs 5.5 through 5.7.
7.4 Failure of the Consultant to submit timely records of project conference proceedings.
7.5 Water System's receipt of evidence that the Consultant's sub-consultants have not been duly paid for their services in connection with this project subsequent to the Water System having disbursed compensation to the Consultant in consideration of and stemming from the efforts extended by the sub-consultants.
7.6 Failure of the Consultant to render any service required by this Contract per Exhibit D, Time Frame for Deliverables.
7.7 Any claim for Indemnification that arise under Section 1. Consulting, paragraph (m) Indemnification, of the Contract.
If any of these conditions exist, then interest charges will not be applicable. The Water System shall provide the Consultant with written notice of its intention to withhold, amend, or reject any request for payment by the Consultant. Upon written request by the Consultant to the Water System made within 10 days after the date of notice sent by the Water System, representatives of the Water System will meet with representatives of the Consultant at a mutually agreed time to discuss the circumstances surrounding the determination to withhold, amend, or reject any request for payment by the Consultant.
EXHIBIT B
SCOPE OF SERVICE

Consultant shall provide the following services in accordance with the terms and conditions of the Agreement:

Task 1 – Strategic Assessment and Formulation

- Request data & existing documentation
- Facilitate kick off meeting
- Set strategic, functional and tactical goals
- Evaluate current state business processes, applications, and system architecture
- Conduct visioning and strategic planning workshops
  - 4 with executives and
  - 6 with management – Field & Metering, Customer Service and Technical Operations
- Conduct vendor and industry outreach on current product offerings through Consultant’s internal center of excellence (CoE)
- Research AWWA, internal CoE, and industry publications for best practices, trends, and market pertaining to AMS and organizational change management (OCM) technologies
- Conduct gap analysis for business processes, employees, and technology
- Develop gap closing initiatives, which includes OCM activities
- Develop program risks and success criteria
- Identify business readiness activities
- Conduct preliminary financial analysis
- Conduct project management activities and weekly updates

Task 1 – Deliverables:

- 4 Workshops for Executive vision
- 6 Workshops for management vision
- Strategic plan with program risks and success criteria
- Vendor and technology market research
- Meter to Cash operations gap analysis
- Project charter, meeting agendas, and meeting notes (as needed and desired by SAWS)

Task 2 – Request for Information (RFI)

- Create RFI evaluation tool
- Draft RFI to capture vendor product features, performance metrics and SLAs, customer references, roadmap offerings, and projected pricing
- Conduct RFI review sessions with executive and management team (2 - 1 hour sessions)
- Finalize RFI document
- Support RFI distribution and procurement process
- Evaluate vendor responses using analysis tool previously created
• Update strategic plan and business case based on RFI responses
• Review RFI results, analysis, and updated strategic plan with steering committee (2 – 1 hour sessions)
• Develop preliminary vendor management plan and quality assurance (QA) plans

**Task 2 - Deliverables:**

• RFI evaluation tool, enabling data driven decision making by SAWS
• 2 – 1 hour RFI review sessions
• RFI
• 2 – 1 hour RFI results review sessions
• Updated strategic plan
• Vendor Management Plan
• Meeting agendas and minutes

**Task 3 – Business Case**

• Update costs and benefits (hard and soft) based on RFI, internal research, and phone calls
• Develop costs and benefits for organizational transformation initiatives identified in the strategic plan
• Review preliminary business case with steering committee (1 – 2 hour session)
• Complete scenario analysis
• Sequence business readiness initiatives and estimate benefits and cost (both Operating Expenses and Capital Expenses) by year
• Update previous business case using Consultant’s Proprietary Tool (as defined herein), or develop a new business case. For purposes of this Agreement, the Consultant’s Proprietary Tool shall mean the methodology, data points and algorithms that Consultant has developed, matured, and incorporated into Excel and Powerpoint templates and models as part of the part of our AMI Center of Excellence (CoE).
• Update strategic plan (if requested by SAWS)
• Review strategic plan – including adjustments made due to the business case analysis – with the steering committee (1 – 2 hour session)
• Finalize the strategic plan
• Author report on phase 1: Strategic Assessment and Business Case

**Task 3 - Deliverables:**

• 1 – 2 hour review session for the preliminary business case with steering committee
• Business Case Analysis (BCA) with scenario analysis
• Updated strategic plan
• 1 – 2 hour review session for the strategic plan
• Final strategic plan
• Strategic Assessment and Business Case report
• Meeting agendas and minutes
1. **Commercial Insurance Specifications (“Specifications”):**

   a. Commencing on the date of this Contract, the CONSULTANT shall, at his own expense, purchase, maintain and keep in force such lines of insurance coverage as will protect him and the San Antonio Water System (“SAWS”) and the City of San Antonio (“the City”) and their employees and agents from claims, which may arise out of or result from his operations under this Contract, whether such operations are by himself, by any sub-consultant, supplier or by anyone directly or indirectly employed by any of them or by anyone for whose acts any of them may be liable, specifically, the following lines of insurance coverage:

   1) **Workers’ Compensation (WC)** insurance that will protect the CONSULTANT, SAWS and the City from claims under statutory Workers’ Compensation laws, disability laws or such other employee benefit laws and that will fulfill the requirements of the jurisdiction in which the work is to be performed.

   The minimum policy limits of liability for this line of insurance coverage shall be statutory limits.

   This line of insurance coverage shall be endorsed to provide a Waiver of Subrogation in favor of SAWS and the City with respect to both this insurance coverage and the **Employers’ Liability (EL)** insurance (as specified immediately below in section 1.a.2).

   2) **Employers’ Liability (EL)** insurance (Part 2 under the standard Workers’ Compensation insurance policy) that will protect the CONSULTANT, SAWS and the City for damages because of bodily injury, sickness, disease of vendor’s employees apart from that imposed by Workers’ Compensation laws.

   The EL line of insurance coverage shall have minimum policy limits of liability of not less than:

   $1,000,000.00   Bodily Injury by Accident

   $1,000,000.00   Bodily Injury by Disease - Each Employee

   $1,000,000.00   Bodily Injury by Disease - Policy Limit

   3) **Commercial General Liability (CGL)** insurance that will protect the CONSULTANT, SAWS and the City from claims for damages because of bodily injury, personal injury, sickness, disease or death and insurance that will protect the CONSULTANT, SAWS and the City from claims for damages to or destruction of tangible property of others, including loss of use thereof.
This line of insurance coverage shall:

- Cover independent contractors;
- Not include any exclusions relating to blasting, explosion, collapse of buildings or damage to underground property;
- Afford coverage for Products Liability and/or Completed Operations and, Contractual Liability.

The minimum policy limits of liability for this line of insurance coverage shall be:

- $1,000,000.00 Occurrence Limit
- 2,000,000.00 General Aggregate
- 2,000,000.00 Products/Completed Operations Aggregate
- 1,000,000.00 Personal and Advertising Injury
- 1,000,000.00 Contractual Liability

This line of insurance coverage shall be endorsed:

- Naming SAWS, and the City as an Additional Insured for both ongoing and completed operations; and
- To provide a Waiver of Subrogation in favor of SAWS and the City.

4) **Commercial/Business Automobile Liability (AL)** insurance that will protect the CONSULTANT, SAWS and the City from claims for damages arising out of the maintenance, operation, or use of any owned, non-owned or hired vehicles.

Minimum policy limits of liability for this line of insurance coverage for bodily injury and property damage combined shall be not less than $1,000,000.00 per each occurrence.

This line of insurance coverage shall be endorsed:

- Naming SAWS, and the City as an Additional Insured; and
- To provide a Waiver of Subrogation in favor of SAWS and the City.

5) **Professional Liability Insurance** with minimum coverage limits of $1,000,000.00 per claim, $1,000,000.00 in the aggregate and, if this line of coverage is written on a “Claims Made” form, the CONSULTANT must maintain this line of insurance coverage for a period of at least twenty-four (24) months after the date of Contract termination.

**NOTE** - For Professional Liability, include in writing on the Certificate of
**Liability Insurance** (“Certificate”) the coverage form under which the respective line of coverage is written – either:

- **Claims-made form:** if the coverage form declared on the Certificate is the Claims-made form, the “**Retroactive-date**” for this line of coverage must also be included on the Certificate as well; or

Occurrence basis – no additional wording required.

b. CONSULTANT shall require all Sub-consultants to carry lines of insurance coverage appropriate to their scope of Work and submit copies of Sub-consultants’ Certificates of Liability Insurance upon request by SAWS.

c. CONSULTANT agrees that with respect to the above required lines of insurance, all insurance policies are to contain or be endorsed to the extent, not inconsistent with the requirements of the issuing insurance carrier, to provide for an endorsement that the "other insurance" clause shall not apply where SAWS and the CITY are an Additional Insured shown on the policy if such endorsement is permitted by law and regulations.

d. CONSULTANT shall, upon request of SAWS, provide copies of all insurance policies and endorsements required under Contract.

e. CONSULTANT is responsible for the deductibles under all lines of insurance coverage required by these Specifications.

f. The stated policy limits of each line of insurance coverage required by these Specifications are MINIMUM ONLY; insurance policy limits are not a limit of the CONSULTANT’s liability.

g. These minimum limits required of each line of insurance coverage may be either basic policy limits of the WC, EL, CGL and AL or any combination of basic limits or umbrella (Umbrella form) or excess (Other Than Umbrella form) limits.

h. SAWS acceptance of Certificate(s) that in any respect, do not comply with these Specifications, does not release the CONSULTANT from compliance herewith.

i. Each line of insurance coverage that is specified under these Requirements shall be so written so as to provide SAWS and the City thirty (30) calendar days advance written notice directly of cancellation of coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.

j. Within five (5) calendar days of cancellation of any required line of insurance coverage, the CONSULTANT shall provide SAWS a replacement Certificate with all applicable endorsements included. SAWS shall have the option to suspend the
CONSULTANT's performance should there be a lapse in coverage at any time during this Contract.

k. Failure to provide and to maintain the required lines of insurance coverage shall constitute a material breach of this contract.

l. In addition to any other remedies, SAWS may have, upon the CONSULTANT's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, SAWS shall have the right to order the CONSULTANT to stop performing services hereunder and/or withhold any payment(s) which become due to the CONSULTANT hereunder until the CONSULTANT demonstrates compliance with the Specifications hereof.

m. Nothing in this insurance section shall be construed as limiting, in any way, the extent to which the CONSULTANT may be held responsible for payments for damages to persons or property resulting from the CONSULTANT 's or its sub-consultant's performance of the services covered under this Contract.

n. It is agreed that the CONSULTANT's insurance shall be deemed primary and non-contributory with respect to any insurance or self-insurance carried by SAWS, the City and their employees and agents for liability arising out of operations under this Contract.

o. CONSULTANT agrees that all lines of insurance coverage required by these Specifications shall be with insurance companies, firms or entities that have an A.M. Best rating of "A- ("A" minus)" and a Financial Size Category of "VII" or better. All lines of insurance coverage shall be of an "Occurrence" type except for the Professional Liability line of insurance coverage.

SAWS will accept worker's compensation insurance coverage written by the Texas Workers' Compensation Insurance Fund.

p. SAWS reserves the right to review the above stated insurance specifications during the effective period of this Contract and any extension or renewal hereof and to request modification of lines of insurance coverage and their respective liability limits when deemed necessary and prudent by SAWS’ Risk Manager and Legal Department based upon changes in statutory law, court decisions, or circumstances surrounding this Contract.

In no instance will SAWS and the City allow modification whereupon SAWS and the City may incur increased risk exposure.

2. Certificate(s) of Liability Insurance (“Certificate”) Requirements
Prior to the commencement of any Services under this Contract and once notified by SAWS Contracting Official that your Company has been selected as the apparent successful CONSULTANT pursuant to a Request for Proposal selection process, pending Board final approval, and, a request is made for you to submit your Company’s Certificate of Liability Insurance, that Certificate must meet all of the following requirements:

a. The CONSULTANT shall have completed by its insurance agent(s), and submitted to SAWS Contracting Department within 5 business days, a Certificate(s) of Liability Insurance (“Certificate(s)” providing evidence of the lines of insurance coverage pursuant to Section 1.a.1) through 1.a.5) above.

b. The original Certificate(s) or form must include the agent's original signature, including the signer's company affiliation, mailing address, Office and FAX phone numbers, email address, and contact person’s name; and, be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative in strictly compliance with sections 2.g. (Certificate Holder) and 2.h. (Distribution of Completed Certificates) below.

c. The Texas Legislature passed and Governor Perry signed Senate Bill 425 to become effective January 1, 2012. This law will require all certificates of insurance forms to be filed with the Texas Department of Insurance before they can be used after the effective date of the law. In addition, the law codifies current Texas Department of Insurance rules that a certificate of insurance must not obscure or misrepresent the coverage provided by the insurance policies.

d. SAWS will not accept Memorandum of Insurance or Binders as proof of insurance.

e. SAWS shall have no duty to pay or perform under Consulting Services Agreement until such certificate(s) and applicable endorsements have been received, reviewed and deemed 100% compliant with the Insurance Specifications contained herein by SAWS’ Risk Management/Contract Services Department. No one other than SAWS Risk Manager shall have authority to waive any part of these requirements.

f. Additional Insured:

SAWS requires that the Automobile Liability (“AL”) and the Commercial General Liability (“CGL”) policies must be endorsed naming Certificate Holder (as per item 2. i. below) as an Additional Insured and, so noted in the DESCRIPTION OF OPERATIONS section of the Certificate;

Suggested wording to be placed on the Certificate is as follows:

EITHER use,
The AL and CGL policies include a blanket automatic Additional Insured endorsement that provides additional insured status to the Certificate Holder only when there is a written contract between the named Insured and the Certificate Holder that requires such status.

OR use,

The AL and CGL policies are endorsed naming the Certificate Holder as an Additional Insured.

NOTE: If the above wording cannot be placed in the DESCRIPTION OF OPERATIONS section of the Certificate, please provide SAWS with the completed Certificate, a copy of the specific AL and CGL Additional Insured endorsement documents or the policy wording from both the AL and CGL policies.

g. **Waiver of Subrogation:**

SAWS requires that the AL, CGL and Workers’ Compensation/Employer’s Liability (‘WC/EL”) policies must be endorsed with the **Waiver of Subrogation** in favor of Certificate Holder (as per item 2. i. below) and so noted in the DESCRIPTION OF OPERATIONS section of the Certificate;

Suggested wording to be placed on the Certificate is as follows:

EITHER use,

The AL, CGL and WC/EL policies include a blanket, automatic **Waiver of Subrogation** endorsement that provides this feature only when there is a written contract between the named Insured, the Certificate Holder that requires such status.

OR use,

The AL, CGL and WC/EL policies are endorsed with the **Waiver of Subrogation** in favor of the Certificate Holder.

NOTE: If the above wording cannot be placed in the DESCRIPTION OF OPERATIONS section of the Certificate, please provide SAWS with the completed Certificate, a copy of the specific AL, CGL and WC/EL Waiver of Subrogation endorsements documents or the policy wording from each of the AL, CGL and WC/EL policies.

h. The SAWS Project/Contract number(s) along with its Descriptor Caption **must be included** in the Description of Operations section located in the bottom half of the standard ACORD Certificate forms.
i. **Certificate Holder** - SAWS shall be shown as the Certificate Holder in the Certificate Holder section located in the bottom half of the standard ACORD Certificate forms and formatted as follows:

San Antonio Water System  
c/o Ebix BPO  
PO Box 100085-ZD  
Ref. # S-17-005-JG  
Duluth, GA 30096  

*SAWS Contracting Official will include in the above address, the correct, complete Ref# in the written confirmation of your selection as a CONSULTANT pending final Board approval.*

j. **Distribution of Completed Certificates** - Completed Certificates shall be distributed by the Consultant as follows:

1) Send Original:
   a) By Mail:
      
      San Antonio Water System  
      C/O Ebix BPO  
      PO Box 100085-ZD  
      Ref. # S-17-005-JG  
      Duluth, GA 30096

   b) By Fax: 1-770-325-6502
   c) By E-Mail: saws@ebix.com
   d) To Upload: https://www.ebixcerts.com

2) Send Copy to the following:

San Antonio Water System  
Attention: Contract Administration  
P.O. Box 2449  
San Antonio, TX 78298-2449

k. CONSULTANT shall be responsible for obtaining Certificates of Insurance from the first tier Sub-consultant, and upon request furnish copies to SAWS.

3. **SURVIVAL**
Any and all representations, conditions and warranties made by Consultant under this Contract including, without limitation, the provisions of Section 1.a.2), 1.a.3) and 1.a.4) of these Commercial Insurance Specifications and Certificates of Liability Insurance Requirements are of the essence of this Contract and shall survive the execution and delivery of it.
EXHIBIT D
TIME FRAME FOR DELIVERABLES

I. The Term of this Agreement shall commence on the 16\textsuperscript{th} day of August, 2017 and shall expire on December 31, 2017, but unless earlier terminated pursuant to an express provision of this Contract, shall continue until Consultant has fulfilled all of its duties and obligations provided in this contract.

II. The overall project schedule is as follows:

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EXHIBIT E
SECURITY PROCEDURES

If work will be conducted on SAWS property, on a SAWS customer’s property, involve any SAWS networks or any SAWS facility the Consultant shall ensure a Prime Contractor Data Form (PCDF) and a Background Screening Letter (provided by SAWS Security) is properly completed for all employees performing work under this Agreement and is on file with SAWS Security prior to work commencement. Any person found to have an unacceptable background check will not be allowed to perform work under this Agreement (A waiver may be given by SAWS Security for an unacceptable finding but must be signed off by the Director of SAWS Security). Sub-Consultants performing work must be listed on the PCDF and the Background Screening Letter. Consultant shall be responsible for the accuracy of information on the PCDF and the Background Screening Letter, and for obtaining any and all required items (badges and parking tags) necessary to fulfilling the work under this Agreement. The PCDF and Background Screening Letter must be sent electronically to securitygroup@saws.org. Consultant shall advise the SAWS Project Manager/Inspector of any employee terminations or changes to personnel performing work under this Agreement and the Consultant shall immediately turn in any and all badges and/or parking tags of employees who are terminated or no longer performing work under this Agreement. If there are any changes in the information contained in the PCDF or the Background Screening Letters, Consultant shall immediately notify the SAWS Project Manager/Inspector and provide updated PCDF and Background Screening Letters, with copies to securitygroup@saws.org.

Consultant, its employees, and agents shall obtain a SAWS photo identification badge (Consultant's Badge) and parking tag, prior to any work on SAWS property, which shall be used only for purposes necessary to perform the work under this Agreement. SAWS Badge Office hours are Monday, Wednesday, and Friday 8:00am to 12:00pm excluding SAWS holidays (hours are subject to change). Security staff can be contacted at (210) 233-3177 or (210) 233-3338. A replacement fee may be charged for lost or damaged badges or parking tags. As a condition of final payment, Consultant shall return all badges and parking tags to the Security Office. In the event Consultant fails to return all security badges and parking tags, in addition to any other rights or remedies to which SAWS may be entitled at law or in equity, SAWS may withhold from payment to Consultant the sum of $500.00 dollars per badge or parking tag as liquidated damages. Consultant agrees that the actual amount of damages for failure to return the badges and/or parking tags are difficult to determine, and the liquidated damages herein are not a penalty, but are a reasonable estimate of the costs and expenses that may be incurred by SAWS for failure to return the badges or parking tags.

SAWS facilities require a SAWS employee to physically escort Consultant at all times. SAWS may, in its sole discretion, waive the escort requirements if the PCDF and a “clean” Background Screening Letter, signed by an authorized representative of Consultant, are approved by SAWS Security.

Sub-Consultants must always be under escort of the Consultant while performing work on any SAWS property. Sub-Consultants must display either a company photo badge, with name, or a valid driver’s license at all times while working on any SAWS property. Consultant is solely responsible for the actions of its employees, agents, Sub-Consultants and Consultants.

Consultant MUST be prepared for additional security requirements at its expense if violations of SAWS Security procedures are noted. Some examples of additional requirements include hiring of SAWS approved security guards, temporary fencing, mobile Closed Circuit Television Monitoring trailer(s), or extra lighting. Notwithstanding anything herein to the contrary, any provisions in these Security Procedures that may appear to give SAWS the right to direct Consultant as to details of doing any work under this Agreement or to exercise a measure of control over any security measures or such work shall be deemed to mean that Consultant shall follow the desires of SAWS in the results of the work or security measures only.

Advance coordination by Consultant with SAWS Security for these security requirements is necessary to ensure no delays with timely performance of the work. In the event Consultant fails to comply with SAWS Security requirements, SAWS may, with no penalty or claim against SAWS:

- Issue a Work Stoppage Order until the security violation(s) are remedied
- Ask any unidentified or improperly identified person or equipment to leave SAWS site immediately and not return until items are remedied.

CONSULTING AGREEMENT
EXHIBIT E
EXHIBIT F
LIST OF SUB-CONSULTANTS

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<th>Sub Consultant</th>
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Consultant

Reimbursable Expense Policy

San Antonio Water System
1. GENERAL

1. Introduction
The Reimbursable Expense Policy should be used as a basis for submitting expenses relating to any Consultant and/or Contractor Agreement for the San Antonio Water System (SAWS). This policy also pertains to all reimbursable expenses by sub-consultants/contractors on any SAWS project.

2. Policy
Official reimbursable expenses shall be properly authorized, processed, conducted, reported, and reimbursed in accordance to this Policy. Consultants/Contractors are expected to exercise good judgment in the type and amount of expense incurred.

The Consultant/Contractor is responsible for becoming familiar with and adhering to the Policy as applicable for each reimbursable expense submitted.

For travel expenses, Consultants/Contractors are expected to plan in advance of the departure date to obtain lowest cost fares, rates and accommodations. In addition, Consultant/Contractors are encouraged to use all practical means, including internet discounters, to obtain the lowest cost fares, rates, and accommodations.

3. Definitions
The following definitions apply to this Policy:

Domestic Travel – Travel between business points within the continental United States (CONUS).

Actual and Reasonable Expenses – The specific, itemized expenses incurred, based on original receipts up to the amount judged by the SAWS Contracting Director to justifiable under the circumstances.

Official Travel Time – For computing per diem allowances, official travel starts at the day (time) the consultant leaves their home, office, or other authorized point and ends on the day (time) the consultant returns home, to the office, or other authorized point.
1. **GENERAL continued**

3. **Definitions continued**

- **Travel Expenses** – Includes meals, lodging, transportation and incidental expenses for less than 30 consecutive days.

- **Extended Travel Expenses** - Includes meals, lodging, transportation and incidental expenses for 30 or more consecutive days.

- **Reimbursable expenses** – those official expenses directly related to a project or assignment related to an executed contract or agreement.

4. **Reimbursements**

   Expenses incurred by the Consultant/Contractor performed outside the scope of the Consultant/Contractor Agreement will be denied. This includes, but is not limited to, expenses incurred:
   - Prior to the execution of the Agreement;
   - After the expiration of the Agreement;
   - At a location not included in the Agreement;
   - At a cost in excess of those costs allowed within the Agreement and/or within this Policy.
   - In connection with other agreements the Consultant/Contractor has with other clients.

   Only those expenses which are ordinary and necessary, and within the allowable budget, to accomplish the official business purpose are eligible for reimbursement.

   Entertainment expenses, including alcohol, are not reimbursable.

   Consultants/Contractors will be responsible for all unapproved travel and related expenses.

5. **Interrupted Itinerary**

   If official business travel is interrupted for personal convenience, any resulting expense shall be borne by the Consultant/Contractor.
2. Transportation Expenses

1. Guideline
   Consultants must utilize the most economical mode of transportation and the most usually traveled route consistent with the business purpose of the trip.

2. Air Travel

   Lowest Available Airfare
   Airfare reimbursement shall not exceed the lowest practical, available cost of competing airfare. When all considerations are equal (e.g. travel time dates, times, destination, and work impacted by travel), the consultant must choose the lowest fare available at that time, regardless of personal preferences for air carrier.

   Use of Business or First Class
   No reimbursement will be made for Business or First Class travel without advance written approval from the SAWS Contracting Director (or designee). (Note: Business or First Class accommodations obtained through use of frequent flyer programs or at Consultant’s expense will not require advance approval. However, Consultant must be able to the lowest available price of Coach accommodations in order to be reimbursed from that portion of the expense.)

   First Class travel may be approved under the following circumstances:
   • Required to accommodate a disability or special medical need (requires proof from a medical doctor);
   • No other class of service (coach or business) is available within 24 hours of the proposed departure or arrival time.

   Business Class travel may be approved under the following circumstances:
   • No other class of service is provided on regularly scheduled flights between origin and destination.
   • Required to accommodate a disability or special medical need.
   • An overall savings (subsistence costs, overtime, lost productivity time) compared to waiting for coach class.

   Extended Travel to Save Costs
   The additional expenses associated with travel that includes an extended stay (e.g. Saturday night stay) may be reimbursed when the overall savings is at least $150 compared to the cost if the Consultant had not extended the trip.

   The additional expenses that must be considered for the extended stay savings include but not limited to are, additional cost of lodging, rental car, meals and parking.
2. Transportation Expenses continued

3. Travel by Private Automobile

*Reimbursement for Travel by Private Automobile*

When a private automobile is used *due to business necessity*, actual mileage will be reimbursed at the most current rate allowable by the Internal Revenue Service. The number of miles driven must be documented by the Consultant. No additional reimbursement is made for expenses related to the use of the automobile. Routine repairs, cleaning, detailing, tires, gasoline, or other automobile expense items are not reimbursed for privately owned automobiles.

When two or more persons share a privately owned automobile, only the driver may claim the reimbursement for mileage. Two or more persons traveling to the same destination, for the same purpose, and same or approximately the same time span on the same days or days shall be expected to share a privately owned automobile whenever possible.

Charges for parking and toll roads are allowed, however receipts must be provided.

*Reimbursement for Travel by Private Automobile in Lieu of Air Travel*

When a private automobile is used instead of available air travel for the personal convenience of the Consultant, reimbursement of transportation costs by private automobile shall not exceed the documented amount of airfare Consultant would have paid had the Consultant traveled by air.

*Reimbursement for Travel To or From a Common Carrier Terminal*

When a Consultant drives a privately owned automobile to or from a common carrier terminal, the mileage and tolls for one round trip, plus parking for the duration of the trip may be claimed for reimbursement. Documented miles driven and receipts must be provided. Consultant is expected to use the lowest, reasonable cost parking option available.

4. Rental Vehicles

Rental cars may be used for transportation to or from a common carrier terminal. Rental cars may also be used upon arrival at the official business destination when the use of public transportation or other transportation such as taxis is not practical when cost, number of miles to be traveled and other factors are taken into consideration. Only commercial agencies may be used. Consultants are strongly encouraged to request the lowest available rate when making rental car reservations.
2. **Transportation Expenses continued**

**Rental Vehicles continued**

**Reimbursement**
Reimbursement is limited to standard sedans or a vehicle commensurate with the requirements of the trip. The cost of the rental car and gasoline will be reimbursed. Documented miles driven and receipts are must be provided.

The car must be turned in promptly. Daily charges, outside Official Travel Time, will not be reimbursed.

**Insurance**
The Consultant assumes all risks and expenses associated with obtaining insurance deemed necessary when using a rental car. Car rental insurance, including collision damage waivers, is not reimbursable.

5. **Ground Transportation**
The following guidelines apply to ground transportation to or from a common carrier terminal at the business point.

**Taxis**
The cost of the taxi ride plus gratuity will be reimbursed. Receipts must be provided.

**Airport Shuttle Service**
The cost of the airport shuttle ride plus gratuity will be reimbursed. Receipts must be provided.

**Local Buses and Subways**
Local bus and subway fares are reimbursable; however, receipts are not required.

3. **Living Expenses**

1. **Lodging**
Lodging expenses for travel within the Continental United States (CONUS) are reimbursed at actual cost, up to the maximum rate established in the U. S. General Services Administration (GSA) Federal Travel Regulation Domestic Per Diem Rates. Lodging taxes, although not included in the GSA per diem rate for lodging, are additionally reimbursable. Consultants are strongly encouraged to request the lowest available rate when making the lodging reservations.
3. **Living Expenses continued**

**Lodging continued**

Hotel bills should show the hotel name and locations, dates room was occupied and the rate per day. Other items appearing on the hotel bill should be identified as to the business reason for the charges.

Consultant will not be reimbursed for the following expenses appearing on the hotel bill:
- Alcohol (alone or part of meal)
- Entertainment
- Personal services in general
- Laundry/Dry cleaning if travel is less than five days

When accommodations are shared with other than an official Consultant, reimbursement is limited to the cost that would have been incurred had the Consultant been traveling alone.

2. **Non-Commercial Lodging**

Consultants lodging in non-commercial facilities such as house trailers or field camping are reimbursed actual expenses up to the maximum applicable GSA lodging rate. No reimbursement for housing as a guest in a private home.

3. **Meals Expense**

Meals expense for travel within the Continental United States (CONUS) are reimbursed at actual cost, up to the maximum rate established in the U.S. General Services Administration (GSA) Federal Travel Regulation Domestic Per Diem Rates.

Meals expense for the first and last day of travel are reimbursed at the lower of actual costs or the pro-rated GSA per diem rate listed below:

<table>
<thead>
<tr>
<th>Beginning of “Official Travel Time”</th>
<th>Ending of “Official Travel Time”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Departure</td>
<td>Date of Departure</td>
</tr>
<tr>
<td>Prior to 11:00 am</td>
<td>Prior to 11:00 am</td>
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<tr>
<td>11:01 am to 5:00 pm</td>
<td>11:01 am to 5:00 pm</td>
</tr>
<tr>
<td>After 5:00 pm</td>
<td>After 5:00 pm</td>
</tr>
</tbody>
</table>

| 100% per diem                     | 33% per diem                     |
| 66% per diem                      | 66% per diem                     |
| 33% per diem                      | 100% per diem                    |

For travel of more than 12 hours but less than 24 hours; meals are reimbursed at the pro-rated GSA per diem rates defined above.

Daily expenses incurred within the vicinity of the Consultant’s primary work site shall not be reimbursed.

4. **Incidental Expenses**

Payments for tolls, parking charges, cab fares can be reimbursed with proper documentation. Reasonable laundry and dry cleaning expenses will be allowed if travel is
3. **Living Expenses continued**

**Incidental Expenses continued**

over a period of 5 consecutive days. Additionally, reasonable gratuities shall be reimbursed.

Expenses for entertainment and personal convenience items such as alcohol, in-room movies, reading materials and clothing are not reimbursable.

5. **Daily Allowance and Lodging Allowance for Extended Travel**

A Consultant remaining at one location for 30 days or more but not more than six months shall be considered extended travel. The 30 days begins on the first day at the assignment location. The Consultant’s return home for weekends does not break the continuity of an extended travel assignment.

The maximum reimbursable rate for extended travel will be the lesser of actual costs of lodging (housekeeping, utilities and furniture rental), meals, and incidentals (as previously outlined above) or 60% of the maximum rate established in the U. S. General Services Administration (GSA) Federal Travel Regulation Domestic Per Diem Rates.

All extended travel must be approved in advance by the Contracting Director or designee prior to Consultant committing to any extended lodging arrangement.

Consultants are encouraged to require employees to relocate to the primary work site, when practical, to avoid excessive Extended Travel and/or repetitive Travel for weekly commute to the primary work site from Consultant or Consultant’s employees’ homes.

4. **Miscellaneous Expenses**

1. **General**

Miscellaneous expenses that are ordinary and necessary to accomplish the official business purpose of the trip are reimbursable. Receipts are required for all miscellaneous expenses. The most common of these expenses are as follows:

- Use of computers, printers, faxing machines, and scanners.
- Postage and delivery.
- Office supplies specific to the project.

Expenses that will not be reimbursed will be items for personal use or items that do not have a direct business reason or benefit to the project. Examples of these expenses are:

- Business gifts.
- Snacks or other entertainment items for staff meetings and/or meetings with sub-consultants.
4. Miscellaneous Expenses

General continued

- Mileage expense for purchase of items, where the direct project related item was purchased was not the sole reason for the trip.
- Carrying cases for cell phones or computers.
- Items that could be used on more than one project.

2. Telephone Calls

Telephone calls should be made in the most economical method possible. Claims for phone call require a statement of the date, person called, phone number, and business reason for the call.

Personal phone calls are not reimbursable.

5. Travel Expense Statements

1. Reimbursement

A travel expense statement must be prepared and submitted with the appropriate supporting documents for all expenses exceeding $75. Expenses should be itemized chronologically according to the nature and type of travel expense (i.e. airfare, hotel, meals, etc.). The completed and supported travel expense statement should be submitted in the next billing cycle closest to the actual expense.