

YOLANDA FORD
Mayor

VASHAUNDRA EDWARDS
Councilmember at Large Position No. 1

CHRIS PRESTON
Mayor Pro Tem
Councilmember at Large Position No. 2



CHERYL STERLING
Councilmember District A
JEFFREY L. BONEY
Councilmember District B
ANTHONY G. MAROULIS
Councilmember District C
FLOYD EMERY
Councilmember District D

CITY COUNCIL SPECIAL MEETING AGENDA

Notice is hereby given of a Special City Council Meeting to be held on **Tuesday, September 8, 2020**, at **5:30 p.m.** at: **City Hall, Council Chamber, 2nd Floor**, 1522 Texas Parkway, Missouri City, Texas, 77489, for the purpose of considering the following agenda items. All agenda items are subject to action. The City Council reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

NOTICE REGARDING PUBLIC PARTICIPATION

Due to the COVID 19 Disaster and the Center for Disease Control's recommendation regarding social distancing measures, the public will not be allowed to be physically present at this meeting.

The meeting will be available to members of the public and allow for two-way communications for those desiring to participate. Any person interested in speaking on any item on the agenda must notify the City by one of the following methods **before 4:00 p.m. on the day of the City Council meeting**:

1. Email or call the City Secretary at CSO@missouricitytx.gov or 281-403-8686; or,
2. Submit a "Public Comment Form" to the City Secretary from the following webpage: <https://bit.ly/39pw73Q>.

The request must include the speaker's name, address, email address, phone number and the agenda item number.

To livestream the meeting, the public may access the following link:
<https://www.missouricitytx.gov/780/MCTV>.

To access the meeting agenda packet in PDF format, the public may access the following link:
<https://www.missouricitytx.gov/407/City-Council>.

1. CALL TO ORDER

2. DISCUSSION/POSSIBLE ACTION

- (a) Discuss staff's recommendation and seek authorization from City Council to negotiate a contract for an operator for the Mustang Bayou and Steep Bank Service Areas, respectively. *(Proposed presenter: Director of Public Works Shashi Kumar and Utilities Manager Todd Hoover)*
- (b) Presentation on the proposed Interfund Loan Policy. *(Proposed presenter: Director of Financial Services Allena Portis)*

- (c) Presentation of the Missouri City CARES Act survey. *(Proposed presenter: Director of Communications Stacie Walker and Fire Chief Eugene Campbell)*
- (d) Consider a report relating to the misuse of public, educational, and government (“PEG”) funds from the period of October 2018, through February 2019. *(Proposed presenter: City Manager Odis Jones)*
- (e) Discuss a proposed ordinance relating to the use of City resources by councilmembers. *(Proposed presenter: City Attorney E. Joyce Iyamu)*

3. CLOSED EXECUTIVE SESSION

The City Council may go into Executive Session regarding any item posted on the Agenda as authorized by Title 5, Chapter 551 of the Texas Government Code. Notice is hereby given that the City Council may go into Executive Session in accordance with the following provision of the Government Code:

- (a) Texas Government Code, Section 551.071** – Consultation with attorney to seek or receive legal advice regarding pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the City under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act: Brazoria-Fort Bend Counties Municipal Utility District (MUD) No. 3.
- (b) Texas Government Code, Section 551.074** – Deliberations concerning the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee: the city attorney.

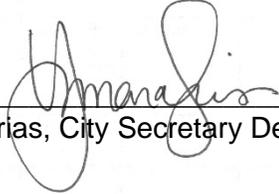
4. RECONVENE into Special Session and consider action, if any, on items discussed in Executive Session.

5. ADJOURN

In compliance with the Americans with Disabilities Act, the City of Missouri City will provide for reasonable accommodations for persons attending City Council meetings. To better serve you, requests should be received 24 hours prior to the meetings. Please contact Maria Jackson, City Secretary, at 281.403.8686.

CERTIFICATION

I certify that a copy of the September 8, 2020, agenda of items to be considered by City Council was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on September 3, 2020, at 4:00 p.m.



Yomara Frias, City Secretary Department



CITY COUNCIL AGENDA ITEM COVER MEMO

September 8, 2020

To: Mayor and City Council

Agenda Item: 2(a)_1 Consider authorizing the City Manager or his representative (Utilities Manager) to negotiate a revised contract for the operations and maintenance of the Mustang Bayou Service Area with Quail Valley Utility District as a result of the RFQ No. 20-331 Plant Operations process.

Submitted by: Todd J. Hoover, Utilities Manager
Shashi K. Kumar, P.E., Director of Public Works and City Engineer

SYNOPSIS

On February 28, 2020, the City posted the Request for Qualifications (RFQ) No. 20-331 Plant Operations. The City solicited the qualifications of firms interested in the operation and maintenance of the City Water Systems, City Wastewater Systems, and the City Storm Water Systems for the Mustang Bayou and Steep Bank Flat Bank Creek Service Areas. Two (2) separate selection committees were formed to evaluate the qualifications of the received utility operations companies.

On August 10, 2020, a meeting of the Planning, Development and Infrastructure (PDI) Committee was held to discuss the City staff recommendations for the RFQ 20-331 Plant Operations contracts for the Mustang Bayou and Steep Bank Flat Bank Creek Service Areas. At that time, it was the City staff recommendation to negotiate a revised contract for the operations and maintenance of the Mustang Bayou Service Area with Quail Valley Utility District as a result of the RFQ No. 20-331 Plant Operations process. After review of the provided evaluation matrix score tabulations and the Staff recommendations, the PDI committee voted unanimously to support the recommendation to negotiate a revised contract for the operations and maintenance of the Mustang Bayou Service Area with Quail Valley Utility District. City staff now seeks the authorization to proceed from the City Council.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Create a great place to live
- Maintain a financially sound City

BACKGROUND

The City of Missouri City manages the unique operations and maintenance of its potable water and wastewater utility systems as compared to most municipalities. Municipal Utility Districts (MUDs) provide these services for the majority of the service areas located within the City of Missouri City (City) and its Extra-Territorial Jurisdiction (ETJ). The City does operate and maintain two (2) wastewater treatment plants in agreement with other MUDs; namely the Steep Bank Flat Bank Creek Wastewater Treatment Plant and the Mustang Bayou Wastewater Treatment Plant. This exception was an attempt to regionalize these treatment plants in an effort to reduce costs due to economies of scale. The City also administers the Ground Water Reduction Program (GRP) thru the GRP oversight committee, which governs the City's Regional Surface Water Treatment Plant (SWTP).

The Mustang Bayou Service Area (MBSA) includes the Mustang Bayou WWTP, Creekmont LS#1, Hightower LS, Lake Shore Harbour LS #1, Lake Shore Harbour LS #2, Lake Shore Harbour LS #3, Fort Bend Town

Center LS, Dry Creek LS, Parks Edge LS #1 (pending), Parks Edge LS #2 (pending), Shipman's Cove LS #1 (pending), Mustang Bayou Water Plant #1, Mustang Bayou Water Plant #2, and the storm water drainage systems in the geographical area (attached MBSA maps). This service area also requires customer water meter reading as well as the operation and maintenance of the water distribution system of Creekmont, Lake Shore Harbour, Fort Bend Town Center, Dry Creek, Parks Edge, Shipman's Cove (pending), and Hightower HS (pending irrigation only).

Quail Valley Utility District (QVUD) has operated and maintained the Mustang Bayou Service Area since 2007 and the Mustang Bayou Water Plants No. 1, and No. 2, and the Wastewater Treatment Plant since 2012. QVUD operates six (6) wastewater treatment plants, seventy-six (76) sewer lift stations, four (4) storm water pump stations, three (3) levee systems, fifteen (15) ground water plants, and one (1) surface water plant. All of these facilities are located within the City of Missouri City, serving 13,768 customers.

Quail Valley Utility District maintains an office/warehouse complex at 3134 Cartwright Road in Missouri City. This location is open for customer utility payments. The warehouse contains inventory of materials for water, sewer, and storm water system repairs, operations, and maintenance. QVUD has thirty-eight (38) full-time employees. QVUD maintains a fleet of 24 vehicles, 2 winch trucks, 1 dump truck, 2 rubber tire backhoe/loaders, 1 rubber track excavator, 3 trailers, 1 fuel trailer, 1 truck mounted sewer jet truck, 2 trailer mounted sewer jet machines, and 3 mobile generators.

The City has an interlocal agreement with two Municipal Utility Districts that constitutes the Mustang Bayou Service Area (MBSA). These participants are Fort Bend County Municipal Utility District No. 47, and No. 48. The MBSA participants voiced their request for consideration of an operations company for the Mustang Bayou Service Area. The participants' request among other considerations prompted the request for qualifications (RFQs) for plant operations of the Mustang Bayou Service Area. Part of the participant's requests was that their input be considered in the evaluation and selection of potentially a new operator.

With the intent to obtain interest of highly qualified utility operations companies, the City posted the RFQ No. 20-331 on February 28, 2020 (attached). The City received qualifications from three (3) utility operations companies as listed below:

Utility Operations Companies

- Si Environmental
- Municipal District Services
- Quail Valley Utility District

Unfortunately, Municipal District Services formally withdrew their RFQ submission to be considered for the Plant Operations opportunity via e-mail on June 12, 2020.

Two (2) separate selection committees were formed to evaluate the qualifications of these utility operations companies. The Mustang Bayou (MB) committee consisted of two (2) MB representatives and three (3) City representatives. Each evaluator used the provided evaluation matrix to score each company independently for the separate service areas. The evaluators calculated and entered their score totals per the instructions and directions for completing the RFQ evaluation matrix. The summary scoring tabulation of the companies are as follows.

**Tabulation of RFQ 20-331 Plant Operations
Mustang Bayou
June 25, 2020**

Respondent	1	2	3	4	5	Totals
Quail Valley Utility District	420	315	435	405	470	2,045
Si Environmental	500	490	410	365	360	2,125

The purpose of the selection committee was to conduct an objective evaluation of each utility operations company based on the criteria established in the respective RFQ's for each category. Per the City's existing interlocal agreement with the participants and the City holding the permits to operate the water and wastewater treatment systems, it is ultimately the City's decision and responsibility to choose the operators for these systems. However, the City granted the participant's requests as mentioned in good faith to allow their input to be considered in the evaluation and selection of potentially new operators. The City of Missouri City staff recommendations for each service area and the summary of the selection committee is provided.

City staff recommends Quail Valley Utility District (QVUD) for the award of a revised contract to continue the operation and maintenance of the Mustang Bayou Service Area. While QVUD received the majority vote, they did not obtain the highest score tabulation from the collective selection committee as shown on the tabulation. One of many considerations for this staff decision is that the wastewater treatment plant is currently in the middle of a significant expansion project. Changing operations companies during this vital construction process can adversely disrupt the operations and impact plant permit compliance. While staff highly recommends that QVUD retain their services for Mustang Bayou Service Area, the company's succession plan needs to be formalized to remedy longevity concerns. Funding for these services are paid from operator fees budgeted in utility accounts.

On August 10, 2020, City staff recommended to the Planning, Development and Infrastructure (PDI) Committee to negotiate a revised contract for the operations and maintenance of the Mustang Bayou Service Area with Quail Valley Utility District as a result of the RFQ No. 20-331 Plant Operations process. After review of the provided evaluation matrix score tabulations and the Staff recommendations, the PDI committee voted unanimously to support the recommendation to negotiate a revised contract for the operations and maintenance of the Mustang Bayou Service Area with Quail Valley Utility District.

BUDGET/FISCAL ANALYSIS

Funding Source	Account Number	Project	FY21 Funds Budgeted	FY21 Funds Available	Amount Requested
45509 – SVC Charges	505-53547-50-057-		200,000		

Purchasing Review: Shannon Pleasant, CTPM - Procurement & Risk Manger
Financial/Budget Review: Bertha Alexander, Budget & Financial Reporting Manager

Note: Compliance with the conflict of interest questionnaire requirements, if applicable, and the interested party disclosure requirements (HB 1295) has been confirmed/is pending within 30-days of this Council action and prior to execution.

SUPPORTING MATERIALS

1. Request for Qualifications (RFQ) 20-331
2. PDI Sub-committee packet

STAFF'S RECOMMENDATION

City staff recommends to the City Council to authorize the City Manager or his representative (Utilities Manager) to negotiate a revised contract with Quail Valley Utility District to continue the operation and maintenance of the Mustang Bayou Service Area. Upon authorization by the City Council, the Utilities Manager will coordinate the negotiations of a revised contract with the input from the City's Attorney, Public Works Director/City Engineer, and Quail Valley Utility District.

Director Approval: **Shashi K. Kumar, P.E.**

**Assistant City Manager/
City Manager Approval:** **Glen A. Martel, ACM**



CITY COUNCIL AGENDA ITEM COVER MEMO

September 8, 2020

To: Mayor and City Council

Agenda Item: 2(a)_2 Consider authorizing the City Manager or his representative (Utilities Manager) to negotiate a new contract and development of a transition plan for the operations and maintenance of the Steep Bank Flat Bank Creek Service Area with Si Environmental as a result of the RFQ No. 20-331 Plant Operations process.

Submitted by: Todd J. Hoover, Utilities Manager
Shashi K. Kumar, P.E., Director of Public Works and City Engineer

SYNOPSIS

On February 28, 2020, the City posted the Request for Qualifications (RFQ) No. 20-331 Plant Operations. The City solicited the qualifications of firms interested in the operation and maintenance of the City Water Systems, City Wastewater Systems, and the City Storm Water Systems for the Mustang Bayou and Steep Bank Flatbank Creek Service Areas. Two (2) separate selection committees were formed to evaluate the qualifications of the received utility operations companies.

On August 10, 2020, a meeting of the Planning, Development and Infrastructure (PDI) Committee was held to discuss the City staff recommendations for the RFQ 20-331 Plant Operations contracts for the Mustang Bayou and Steep Bank Flat Bank Creek Service Areas. At that time, it was the City staff recommendation to negotiate a new contract and to develop and implement a transition plan for the operations and maintenance of the Steep Bank Flat Bank Creek Service Area with Si Environmental as a result of the RFQ No. 20-331 Plant Operations process. After review of the provided evaluation matrix score tabulations and the Staff recommendations, the PDI committee voted unanimously to support the recommendation to negotiate a new contract and transition plan for the operations and maintenance of the Steep Bank Flat Bank Creek Service Area with Si Environmental. City staff now seeks the authorization to proceed from the City Council.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Create a great place to live
- Maintain a financially sound City

BACKGROUND

The City of Missouri City manages the unique operations and maintenance of its potable water and wastewater utility systems as compared to most municipalities. Municipal Utility Districts (MUDs) provide these services for the majority of the service areas located within the City of Missouri City (City) and its Extra-Territorial Jurisdiction (ETJ). The City does operate and maintain two (2) wastewater treatment plants in agreement with other MUDs; namely the Steep Bank Flat Bank Wastewater Treatment Plant and the Mustang Bayou Wastewater Treatment Plant. This exception was an attempt to regionalize these treatment plants in an effort to reduce costs due to economies of scale. The City also administers the Ground Water Reduction Program (GRP) thru the GRP oversight committee, which governs the City's Regional Surface Water Treatment Plant (SWTP).

The Steep Bank Flat Bank Creek Service Area (SBFBCSA) includes the Steep Bank Flat Bank Creek wastewater treatment plant, Colonial Lakes lift station, Thompson Ferry lift station (LS), FBMUD115 LS#1, FBMUD129 LS#1, FBMUD129 LS#2, FBMUD129 LS #3, Sienna MUD LS#1 (pending), and the sanitary sewer force main lines from the lift stations to the WWTP (attached SBFBSA map). Quail Valley Utility District (QVUD) has operated and maintained the Steepbank Flatbank Service Area since 2002 via an interlocal agreement.

The City has an interlocal agreement with seven Municipal Utility Districts that comprises the Steep Bank Flat Bank Creek Service Area. These participants are First Colony MUD No. 9, Fort Bend County Municipal Utility District Nos. 42, 46, 115, 129, 149, and Sienna MUD No. 1. In December of 2019, this group of SBFBCSA participants addressed the City of Missouri City with several concerns and formally requested action by the City to address these concerns as listed in a letter dated December 4, 2019. One of the requested action items was the replacement of QVUD as operator of the Steep Bank Flat Bank Creek wastewater treatment plant. The participants' request among other considerations prompted the request for qualifications (RFQs) for plant operations of the Steep Bank Flat Bank Creek Service Area. Part of the participant's requests was that their input be considered in the evaluation and selection of potentially a new operator.

With the intent to obtain interest of highly qualified utility operations companies, the City posted the RFQ No. 20-331 on February 28, 2020 (attached). The City received qualifications from three (3) utility operations companies as listed below.

Utility Operations Companies

- Si Environmental
- Municipal District Services
- Quail Valley Utility District

Unfortunately, Municipal District Services formally withdrew their RFQ submission to be considered for the Plant Operations opportunity via e-mail on June 12, 2020.

Two (2) separate selection committees were formed to evaluate the qualifications of these utility operations companies. The Steep Bank Flat Bank Creek committee consisted of seven (7) SBFBC representatives and three (3) City of Missouri City (City) representatives. Each evaluator used the provided evaluation matrix to score each company independently for the separate service areas. The evaluators calculated and entered their score totals per the instructions and directions for completing the RFQ evaluation matrix. The summary scoring tabulation of the companies are as follows.

**Tabulation of RFQ 20-331 Plant Operations
Steepbank Flatbank
June 25, 2020**

Respondent	1	2	3	4	5	6	7	8	9	10	11	Totals
Quail Valley Utility District	330	330	0	400	500	500	340	420	375	470	370	4,035
Si Environmental	395	450	0	465	450	350	460	435	415	360	390	4,170

Scores of 0 indicate that the scorer did not submit their scores.

The purpose of the selection committee was to conduct an objective evaluation of each utility operations company based on the criteria established in the respective RFQ's for each category. Per the City's existing interlocal agreement with the participants and the City holding the permits to operate the water and wastewater treatment systems, it is ultimately the City's decision and responsibility to choose the operators

for these systems. However, the City granted the participant's requests as mentioned in good faith to allow their input to be considered in the evaluation and selection of potentially new operators. The City of Missouri City staff recommendations for each service area and the summary of the selection committee is provided. City staff recommends Si Environmental for the award of a new contract to operate and maintain the Steep Bank Flat Bank Creek Service Area. Si Environmental received the majority vote and the highest score tabulation from the selection committee. Funding for these services are paid from operator fees budgeted in utility accounts. Staff also recommends the development and implementation of a transition plan as further explained.

On August 10, 2020, City staff recommended to the Planning, Development and Infrastructure (PDI) Committee negotiate a new contract for the operations and maintenance of the Steep Bank Flat Bank Creek Service Area a result of the RFQ No. 20-331 Plant Operations process. City staff also recommended the authorization of the City's utility manager to develop and implement a transition plan for Si Environmental to systematically take operational and maintenance responsibility for the Steep Bank Flat Bank Creek Service Area as outlined in the planned schedule. After review of the provided evaluation matrix score tabulations and the Staff recommendations, the PDI committee voted unanimously to support the recommendations to negotiate a new contract and the transition plan for the operations and maintenance of the Steep Bank Flat Bank Creek Service Area with Si Environmental.

BUDGET/FISCAL ANALYSIS

Funding Source	Account Number	Project	FY21 Funds Budgeted	FY21 Funds Available	Amount Requested
45510 – SVC Charges	506-53547-50-506-		200,000		

Purchasing Review: Shannon Pleasant, CTPM - Procurement & Risk Manger
Financial/Budget Review: Bertha Alexander, Budget & Financial Reporting Manager

Note: Compliance with the conflict of interest questionnaire requirements, if applicable, and the interested party disclosure requirements (HB 1295) has been confirmed/is pending within 30-days of this Council action and prior to execution.

SUPPORTING MATERIALS

1. Request for Qualifications (RFQ) 20-331
2. PDI Sub-committee packet

STAFF'S RECOMMENDATION

City staff recommends to the City Council to authorize the City Manager or his representative (Utilities Manager) to negotiate a new contract and the development of a transition plan with Si Environmental for the operation and maintenance of the Steep Bank Flat Bank Creek Service Area. Upon authorization by the City Council, the Utilities Manager will coordinate the negotiations of the new contract and transition plan with the input from the City's Attorney, Public Works Director/City Engineer, and Si Environmental.

Director Approval: Shashi K. Kumar, P.E.

**Assistant City Manager/
City Manager Approval:** Glen A. Martel, ACM



POSTING DATE: FEBRUARY 28, 2020

**REQUEST FOR QUALIFICATIONS (RFQ) NO. 20-331
PLANT OPERATIONS**

COMMODITY CODE(S): 958-95

ISSUED BY THE PURCHASING OFFICE OF THE CITY OF MISSOURI CITY, TEXAS

Sealed responses, subject to the terms and conditions of this RFQ, for the above referenced professional service must be received by the Purchasing Division of the Missouri City, at City Hall, 1522 Texas Parkway, Missouri City, Texas 77489 by **March 24, 2020**. Responses received after the specified time will be returned unopened. All necessary information and addendums may be obtained from the following website: <http://www.txsmartbuy.com/sp>

LEGAL NAME OF CONTRACTING COMPANY

CONTACT PERSON

TITLE

TELEPHONE NUMBER

FACSIMILE NUMBER

E-MAIL ADDRESS

COMPLETE MAILING ADDRESS

CITY/STATE

ZIP

COMPLETE STREET ADDRESS (if different)

CITY/STATE

ZIP

AUTHORIZED SIGNATURE

The City of Missouri City, Texas desires to consider the qualifications of firms interested in the operation and maintenance of City Water System, City Wastewater System and the City Stormwater System.

I
DEFINITIONS

Unless the context indicates otherwise, the following words as used in this Agreement shall have the following meanings:

City means the City of Missouri City, Texas.

City Stormwater System means the storm water collection system, including roads with drainage systems, streets, catch basins, curbs, gutters, ditches, man-made channels or storm drains, detention or retention ponds owned, constructed by, conveyed or otherwise under the control of the City to serve the Service Areas for the collection of storm water from within the Service Area.

City Water System means the water distribution system owned and used by the City in accordance with this Agreement for the distribution of potable water from the mutually agreed upon Points of Delivery to serve customers within the Service Areas.

City Wastewater System means the wastewater collection system owned and used by the City in accordance with this Agreement to serve the Service Areas for the collection of wastewater received from customers within the Service Areas and the transportation of wastewater to the mutually agreed upon Points of Delivery.

Potential Provider means Respondent to this solicitation Request for Qualifications

Stormwater Operation and Maintenance Services means the services provided by the Potential Provider in operating and maintaining the City Stormwater System in accordance with this Agreement.

Wastewater means the water-carried wastes, exclusive of ground, surface, and storm waters, normally discharged from the sanitary conveniences of various structures, particularly dwellings.

Wastewater Operation and Maintenance Services means the services provided by the Potential Provider in operating and maintaining the City Wastewater System in accordance with this Agreement and the services provided by the Potential Provider in receiving, transporting, treating, testing, and disposing of Wastewater from the Points of Delivery to the Potential Provider Wastewater System in accordance with this Agreement.

Water means potable water.

Water Operation and Maintenance Services means the services provided by the Potential Provider in operating and maintaining the City Water System in accordance with this Agreement.

II
**OPERATION AND MAINTENANCE OF CITY WATER
SYSTEM, CITY WASTEWATER SYSTEM AND CITY STORMWATER SYSTEM**

2.1 Potential Provider to Operate and Maintain City System. The Potential Provider agrees to operate and maintain the City Water System, the City Wastewater System and the City Stormwater System in accordance with this Agreement and in accordance with applicable local, state and federal rules and regulations. Specifically, the Potential Provider agrees to operate and maintain such systems in accordance with Chapters 30, 42, 46 and 86 of the Missouri City Code. The Potential Provider agrees to perform any and all necessary tasks associated with the proper operation and maintenance of the City Water System, the City Wastewater System and the City Stormwater System. This includes performing the proper installation, reading and maintenance of meters within the Service Areas; the billing and collection of individual customer accounts pursuant to the terms of this Agreement which, in addition, includes Solid Waste and Recycling Services provided separately by the City; the rendering to the City on a monthly basis of monies collected from customers within the Service Areas and the accounting therefore; the proper performance of any and all reasonable and necessary tests, repairs and improvements to the City Water System, the City Wastewater System and the City Stormwater System to ensure the provision of adequate water and wastewater treatment and stormwater facility protection services to customers within the Service Areas; providing timely and proper responses to service calls, customer requests, complaints and communications; and doing or taking all actions reasonable and necessary to ensure the proper protection of CITY's Water and Wastewater System and of CITY's Water, Wastewater and Stormwater Systems Treatment Services from terrorist activity or any other form of tampering.

Notwithstanding the foregoing, the Potential Provider shall not be obligated to provide services to any property within the Service Areas that has not been platted in accordance with applicable laws and regulations, or which is not exempt therefrom. The Potential Provider may require a certificate of compliance or exemption prior to commencing service.

The Potential Provider will provide plan reviews and written plan review comments to the City for new developments and changes of use in the Steepbank and the Mustang Bayou Utility Service Area 2.2 Commencement of Operation and Maintenance Services.

2.3 Inspection and Access to City Water System and City Wastewater System. The City will grant to contractor access to the City Water System, the City Wastewater System and the City Stormwater System as needed for the proper provision of Water, Wastewater and Stormwater Operation and Maintenance Services by the contractor as set forth in this Agreement.

2.4 Standards for Operation and Maintenance of City Systems. The Operation and Maintenance Services performed by the Potential Provider related to the Service Areas shall be at least substantially equivalent in quality to the services the Potential Provider provides to its current customers, but shall in no event be less than that required by applicable law and this Agreement. The Potential Provider shall make monthly written reports to the City relating to the operations, testing, maintenance, and repairs of said City systems. The potential provider shall attend regularly scheduled monthly and/or field meetings with City management staff that may become necessary.

In addition, the operator will need to attend quarterly meetings with all the City's partners (Municipal Utility Districts, Etc.) in pro-actively addressing any customer service, operational, billing, and regulatory compliance issues that may arise.

III CUSTOMER SERVICES

3.1 Cost of Services to Customers. All costs and policies pertaining to providing Water, Wastewater and Stormwater Operation and Maintenance Services to customers within the Service Areas shall be as set forth pursuant to applicable local, state and federal laws, including Chapters 30, 42, 46 and 86 of the Missouri City Code, as same may, from time to time, be amended. There shall not be any additional charges to customers pursuant to this Agreement except as expressly set forth herein. The parties agree that no person within the Service Areas may take water from the City Water System unless the water is metered, except that fire protection taps may be unmetered. The charges to customers within the Service Areas shall be based on metered consumption.

3.2 Quality of Service. The quality of service provided to customers by the Potential Provider on behalf of the City shall be at least substantially equivalent to what the Potential Provider provides to its current customers, and shall comply with all applicable laws, rules and regulations, including Chapters 30, 42, 46 and 86 of the Missouri City Code.

3.3 Billing. The Potential Provider shall bill customers in the Service Areas monthly for services received pursuant to this Agreement and in such amount and in accordance with Chapters 30, 42, 46 and 86 of the Missouri City Code. The Potential Provider shall perform this service on behalf of the City, and shall remit all monies collected from customers within the Service Areas to the City on a monthly basis. Nothing in this Agreement shall suspend the Potential Provider's obligation to make this remittance of money to the City. Further, operator to bill the City's customers in that area for residential solid waste and recycling by adding it to the billing.

3.4 Investigation and Enforcement of Proper Discharge. The Potential Provider shall be responsible for investigating violations of the City's Wastewater Discharge Rules or any other violations of applicable state or federal laws related to discharging within the City Wastewater System or the City Stormwater System. If the Potential Provider determines that any Service Area customer is violating City regulations or other applicable state or federal law, the Potential Provider shall promptly report the violation to the City in writing and seek compliance by using one or more of the following methods:

- (a) Having the customer voluntarily take corrective action to comply;
- (b) Disconnecting the customer;
- (c) Seeking injunctive relief on behalf of the City to prevent existing or further violations; or
- (d) Recovering civil penalties against the violator as authorized by law.

3.5 Termination of Services to Customers. The Potential Provider agrees to act on the City's behalf, and act as its agent, in implementing termination of services proceedings pursuant to City's ordinances, policies and guidelines. The Potential Provider agrees to give the City a monthly report as to the status of those customers and contracts against whom the termination process is underway.

3.6 Services Contract for Customers. The Potential Provider agrees to ensure that customers within the Service Areas enter into an agreement for services. The Potential Provider agrees to keep and maintain records of these agreements on behalf of the City and to make them available to the City upon reasonable advance notice.

3.7 Water Quality Report. The Potential Provider agrees that it will issue an annual Water Quality Report to customers within the Service Areas informing customers as to the quality of the potable water that they use. The Potential Provider agrees to make its "message board" within said report available to the City for city announcements.

IV COST OF SERVICES

4.1 Cost of Services. The Potential Provider shall charge City an ongoing rate for the provision of services. Both parties agree that at no time will such rate exceed the rate charged by Potential Provider for its current customers. The Potential Provider shall bill the City monthly for such services and City agrees to pay same within 30 days of receipt of invoice.

4.2 Cost of Extraordinary Repairs and Improvements. The City agrees that it shall pay the Potential Provider for any and all reasonable costs of extraordinary repair and improvements to the City Water System and the City Wastewater System at cost plus ten percent (10%). "At cost" shall mean the reasonable cost to the Potential Provider for labor, materials, and equipment actually used or expended by the Potential Provider in performing the repair or making the improvements hereunder. In the event the Potential Provider determines there is need to make substantial repair or improvement to the City Water System or to the City Wastewater System such that the total cost is estimated to exceed \$2,000.00, the Potential Provider agrees to not proceed without obtaining the City's written consent, which consent shall not be unreasonably withheld. However, nothing herein prohibits Potential Provider from making emergency repairs provided City is notified, in writing, by the next working day. The Potential Provider shall bill these costs as they are incurred at the same time that it bills the City monthly for the provision of Water and Wastewater Operation and Maintenance Services. The City agrees to pay for such services within 30 days of receipt of invoice.

4.3 Change in Cost of Services. The cost of services to customers within the Service Areas is determined by the City. However, both parties agree that should the Potential Provider change its monthly rates, this may affect the Potential Provider's cost of providing services under this Agreement.

Nothing herein shall affect the City's ability to change its rate of services to its customers within the Service Areas. All proposed changes in cost of services by Potential Provider to City shall be by mutual written agreement.

V
FINES, PENALTIES AND DAMAGES

5.1 Liability. The Potential Provider shall be entitled to reimbursement from the City for any penalty, fine, or civil liability, or any part thereof, actually paid by the Potential Provider to the extent that the City's negligent or intentional act or omission caused the assessment or imposition of the penalty, fine or civil liability relating to the City Water, Wastewater or Stormwater Systems for the Service Areas. Likewise, the City shall be entitled to reimbursement from the Potential Provider for any penalty, fine, or civil liability, or any part thereof, actually paid by the City to the extent that the Potential Provider's negligent or intentional act or omission caused the assessment or imposition of the penalty, fine or civil liability regarding the same.

VI
RECORDS AND REPORTS AND OPERATION BUDGETS

6.1 Records and Reports. The Potential Provider shall promptly provide to the City upon request and without charge, copies of any records or documents on file with the Potential Provider relating to the provision of Water, Wastewater and Stormwater Operation and Maintenance Services, including the billing and accounting relating thereto. The City shall promptly provide to the Potential Provider upon request, and without charge, copies of any records or documents on file with the City relating to the design and construction of the City Water, Wastewater and Stormwater Systems.

6.2 Governmental Filings. The Potential Provider shall file all reports and other documents required by local, state or federal agencies relating to the Water, Wastewater and Stormwater Operation and Maintenance Services. The Potential Provider shall copy the City on all such filings.

6.3 Monthly Operations Report. Potential Provider will submit to the CITY a monthly operations report, simultaneously with the submission of the respective monthly invoice, which will include at least the following information:

- a. Total service connections (if applicable)
- b. Summary of maintenance and repair backcharges, including customer or other responsible party names and service or incident addresses, and copies of backcharge invoices and payments.
- c. Documentation and support for insurance claims filed or to be filed
- d. Summary of maintenance and repair by facility classification; copies of all potential provider or third party invoices, statements, receipts, purchase orders, work orders and any other expense documentation; and operation and maintenance records including operator's logs, maintenance logs, sample logs, lab reports, certificates of analysis, test results, chain of custody records, wasting schedules and logs, total suspended solids worksheets, hydraulic detention time worksheets, process control logs, flow calculation sheets, electric meter logs, on-site lift station logs, flow, E coli, rain gage and temperature logs, 24 hour flow meter charts and any other operation and maintenance records and logs.
- e. The Texas Commission on Environmental Quality ("TCEQ") and the United States

- Environmental Protection Agency ("EPA") permit reports
- f. Copies of all reports and correspondence made by potential provider to or received from local, state or federal regulatory agencies on behalf of the CITY. A clear audit trail of all potential provider transactions on behalf of the CITY will be maintained by potential provider. Records of such transactions will be available to the CITY's auditor during normal working hours. Potential provider will cooperate in and provide adequate working space for the conduct of audits.
 - g. Copies of all written complaints.

6.4 Operational Budgeting. Potential provider will coordinate with the CITY to prepare an operations budget for review and approval by the CITY each year as part of the CITY's annual budgeting process by the 160th day before the end of the City's fiscal year (September 30).

6.5 Compliance Reporting. Potential provider will promptly prepare and submit all operational and compliance reports required by the TCEQ, the EPA, and any other local, state or federal agency in accordance with the filing deadlines and approved delivery methods for such agencies. Unless another method of submission is approved by the regulatory agency, said reports shall be submitted by certified mail, return receipt requested. Potential provider will ensure that all test results are handled in accordance with all applicable agency rules and will inform the CITY immediately and also in the monthly operations report if any facilities are not in compliance with such agencies' rules.

VII CERTIFIED PERSONNEL

7.1 The facilities shall be operated only under the direct supervision of personnel who possess valid Operational Licenses as required by the State of Texas, each of whom will maintain continuing education consistent with the State of Texas requirements.

ESTIMATED PROJECT SCHEDULE

Due date for RFQ:	March 24, 2020
Staff Recommendation to Subcommittee:	April, 2020
Professional Services Agreement Negotiations:	April/May, 2020
Professional Services Agreement Award:	April/May, 2020

All inquiries prior to the due date of the RFQ shall be emailed (only) to Millie Holifield, Utilities @ millie.holifield@missouricitytx.gov. **NO PHONE CALLS WILL BE PERMITTED.**

The deadline for submitting questions is noon, March 17, 2020.

Note: With the exception of the time and due date of the RFQ, the above schedule is an estimate. The estimated schedule may be modified as schedules and conditions warrant.

SECTION II - SUBMITTAL INSTRUCTIONS

Submit five (5) copies, one marked as "Original" in a sealed package, along with one (1) electronic thumb drives to:

City of Missouri City
Attn: Purchasing Office
1522 Texas Parkway
Missouri City, Texas 77489.

Submittal package must be sealed and marked with the following:
"RFQ No. 20-331 Plant Operations"

Submittals received after the due date will not be accepted. The City of Missouri City is not responsible for submittals that are not properly marked or are delivered to the incorrect address.

SECTION III- EVALUATION PROCESS

1. GENERAL PROCEDURE

The general procedure for soliciting and evaluating Request for Qualifications consists of:

- (a) Selection committee and district representatives, which may include city's other participants, will evaluate the qualifications received from respondents and prepare a short list of three to five submissions.
- (b) City staff may present the proposed list to the Planning, Development and Infrastructure Council Sub-Committee for review and authorization.
- (c) Firms on the resultant short list may be invited to appear for separate presentations to the staff and participant Selection Committee. The personnel that will be assigned to the project will conduct the presentation. The presentation should define the respondents understanding of the project, set forth the approach to the project and establish the experience of the personnel assigned to the project.
- (d) Following the Selectin Committee review of the presentations, a final ranking of the short listed firms will be prepared and authorization to negotiate is given. All short listed firms will be notified.
- (e) Negotiations will be initiated with the top-ranked firm on the short list. The firm will be contacted and requested to meet with the City to develop a detailed proposed scope of work and a schedule of fees for that work. If the City staff is unable to successfully negotiate a contract with the top-ranking firm, then the City staff will proceed to meet with the second ranking firm and enter negotiations with that firm.

This process will be repeated until a successful contract negotiation has occurred, or the City terminates the process.

- (f) Final authorization to award any resultant contracts will be made by City Council based on staff and Selection Committee recommendations.

2. EVALUATION CRITERIA

As a basis for evaluating the qualifications, the following elements merit consideration:

- (a) The qualifications of the firm. (20 points)
- (b) The firm's past experience in performing similar assignments for other owners, and the overall reputation of the firm. (20 points)
- (c) Location of project staff with respect to the general geographic area of the project. (10 points)
- (d) The potential provider has, on past projects, demonstrated innovative concepts. Please provide examples (15 points)
- (e) Suggested approach. (15 points)
- (f) Previous experience on municipal projects. (10 points)
- (g) Knowledge of local conditions. (10 points)

SECTION IV - RESPONDENT SUBMISSION REQUIREMENTS

1. SUGGESTED FORMAT OF RESPONSE

The suggested general format should be as follows:

- (a) A letter of interest, signed by a principle of the firm, with a statement as to the availability of the firm to complete the work within the stated time period (limited to one page).
- (b) A demonstration of the firms understanding of the project through an outline of their suggested approach to the project (limited to five pages).
- (c) Evidence of the firm's ability to perform the work.
- (d) Experience of the staff who would be assigned to the project team including sub-consultants. Provide name, location, role, percentage of time devoted to the project, related experience, and team experience for each team member. (limit to two pages per team member)
- (e) Three sample projects, similar in scope to this project that best illustrates team capabilities (limited to 3 pages per project).
- (f) A breakdown of effort related to technical, managerial and administrative functions.

- (g) References, including names and telephone numbers of previous clients with similar projects.

SECTION V - GENERAL TERMS AND CONDITIONS

1. NO CONTACT PERIOD

All inquiries regarding this solicitation are to be directed to the designated City Representative identified on the first page of the solicitation. Upon issuance of the solicitation through the pre-award phase and up to the date the City Secretary publicly posts notice of any City Council agenda containing the applicable award, aside from respondent's formal response to the solicitation, through the pre-award phase, written requests for clarification during the period officially designated for such purpose by the City Representative, neither Respondent(s) nor persons acting on their behalf shall communicate with any appointed or elected official or employee of the City of Missouri City, their families or staff through written or oral means in an attempt to persuade or influence the outcome of the award or to obtain or deliver information intended to or which could reasonably result in an advantage to any respondent. However, nothing in this paragraph shall prevent a respondent from making public statements to the City Council convened for a regularly scheduled session after the official selection has been made and placed on the City Council agenda for action, or to a City Council committee convened to discuss a recommendation regarding the solicitation.

2. SPECIFICATION CHANGES

NO PERSON has the authority to verbally alter these specifications. Any changes to specifications will be made in writing and posted to the following site:
<http://www.txsmartbuy.com/sp>

3. IMPLEMENTATION OF HOUSE BILL 1295

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency.

The law applies (with a few exceptions) only to a contract between a business entity and a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

Any and all resultant contracts of this RFQ will require the contractor to complete the Texas Ethics Commission requirements under the State of Texas House Bill 1295 Certificate of Interested Parties. Login Information, Forms, and Certification download may be obtained at:

<https://www.ethics.state.tx.us/filinginfo/1295/>

The City strongly encourages respondents to view the instructional video for Business Entities and review the FAQ's prior to proceeding with the filling. A certification will require the respondent to enter a contract/solicitation number in Box 3. That number for this solicitation is **RFQ No. 20-331**

4. VALIDITY OF RESPONSE

The response submitted shall be valid for a period for up to ninety (90) days after the date of opening for negotiation, acceptance and award by the City.

5. CONTRACT

The City will enter agreement with the successful firm using the City's own contract document only. A sample copy of the contract to be used is attached under separate cover.

This AGREEMENT ("Agreement") is entered into by and between the undersigned, CONTRACTOR Name. ("CONTRACTOR"), located at Address and the City of Missouri City ("CITY"), Texas, a municipal corporation of the State of Texas, located at 1522 Texas Parkway, Missouri City, Texas 77489.

Section 1. Services: CONTRACTOR will perform the designated services and/or provide the designated products as set forth in **Exhibit A** ("Services), which is attached hereto and incorporated for all purposes. The work under this Agreement shall be completed as detailed in **Exhibit A**. The terms and conditions of this Agreement take precedence over all exhibits and attachments.

Section 2. Term and Termination: This Agreement shall begin start date and shall terminate end date.

This Agreement may be terminated, upon thirty (30) days written notice, by the CITY without cause or by the CONTRACTOR for cause. This Agreement may be terminated immediately by the CITY for cause. . Upon termination, CITY shall pay CONTRACTOR, at the rate set out in **Exhibit B**, attached hereto and incorporated herein for all purposes, for Services satisfactorily performed up through the date of termination. Notwithstanding any provision in this Agreement to the contrary, CITY will not be required to pay or reimburse CONTRACTOR for any services performed or for expenses incurred by CONTRACTOR after the date of the termination notice that could have been avoided or mitigated by CONTRACTOR.

Section 3. Compensation: CONTRACTOR shall be paid for the services and reimbursable travel expenses, if any, as set forth in **Exhibit B**. CITY shall pay CONTRACTOR in accordance with the Texas Government Code, Chapter 2251. CONTRACTOR must submit invoices for all Services, which invoices must include dates and hours of service and details of services provided. Invoices shall be submitted, not later than the second (2nd) and fourth (4th) Friday of each month, to the City Project Manager or designee. Payment for delivery of Services rendered shall not be unreasonably withheld or delayed. The CITY shall be under no obligation to pay for Services rendered without prior authorization. Upon resolution of any disputed charges, CONTRACTOR shall submit an amended invoice covering any remaining charges to CITY.

Section 4. Travel: CONTRACTOR shall/shall not be reimbursed for travel conducted in the pursuit of this Agreement and appropriate per diem as outlined in **Exhibit B**. Documentation, which shall consist of original receipts, of travel costs, including, but not limited to, hotel and transportation costs, shall be provided by the CONTRACTOR for all travel-related expenses, except mileage from the CONTRACTOR's personal automobile.

Section 5. Limit of Appropriation and Fiscal Funding. The CONTRACTOR clearly understands and agrees, such understanding and agreement being of the absolute essence to this Agreement, that the CITY shall have available the amount budgeted by the CITY for to discharge any and all liabilities which may be incurred by the CITY pursuant to this Agreement and that the total maximum compensation that the CONTRACTOR may become entitled to hereunder and the total maximum sum that the CITY shall become liable to pay to the CONTRACTOR hereunder shall not under any conditions, circumstances, or interpretations, hereof, exceed the said total maximum sum provided for in this section without prior written permission from the CITY. The

CITY'S fiscal year is October 1 through September 30. If this Agreement extends beyond September 30th, there shall be a fiscal funding out. If, for any reason, funds are not appropriated to continue the contract in the new fiscal year, this Agreement shall become null and void on the last day of the current appropriation of funds without penalty of any kind or form to the CITY.

Section 6. Relationship of the Parties: CONTRACTOR is an independent CONTRACTOR and is not an employee, partner, joint venture, or agent of CITY. CONTRACTOR understands and agrees that he/she will not be entitled to any benefits generally available to City of Missouri City employees. CONTRACTOR shall be responsible for all expenses necessary to carry out the services under this agreement, and shall not be reimbursed by CITY for such expenses except as otherwise provided in this Agreement.

Section 7. Authority of City Project Manager: All Services to be performed by the CONTRACTOR hereunder shall be performed to the satisfaction of the CITY'S project manager, namely City Manager or designee. The CITY'S project manager shall decide any and all questions, which may arise as to the quality or acceptability of the Services performed by the CONTRACTOR and the decisions of the CITY'S project manager in such cases shall be final and binding on both parties. However, nothing contained herein shall be construed to authorize the CITY'S project manager to alter, vary or amend this Agreement.

Section 8. Intellectual Property: This Agreement shall be an agreement for services and the parties intend and consider any work created as a result of this Agreement, including any and all documentation, images, products or results, to be a work for hire under federal copyright law. Ownership of the work shall belong to and remain the exclusive property of CITY. The work may be edited at any time within the CITY'S discretion. If the work would not be considered a work-for-hire under applicable law, CONTRACTOR hereby assigns, transfers, and conveys any and all rights, title and interest to CITY, including without limitation all copyrights, patents, rights of reproduction, rights to ownership, and right to secure registrations, renewals, reissues and extensions thereof. As the sole copyright holder of the work, CITY maintains and asserts the rights to use, reproduce, make derivative works from, and/or edit the work in any form of medium, expression or technology now known or hereafter developed, at any time within the City's discretion. CONTRACTOR shall not sell, disclose or obtain any other compensation for the Services provided herein. If the work is one to which the provisions of 17 U.S.C. § 106A apply, the CONTRACTOR hereby waives and appoints CITY to assert on the CONTRACTOR's behalf the CONTRACTOR's moral rights or any equivalent rights regarding the form or extent of any alteration to the work (including, without limitation, removal or destruction) or the making of any derivative works based on the work, including, without limitation, photographs, drawings or other visual reproductions of the work, in any medium, for CITY purposes.

Section 9. Confidentiality: During the term of this Agreement, CONTRACTOR may come in contact with confidential information of CITY. CONTRACTOR agrees to treat as confidential the information or knowledge that becomes known to CONTRACTOR during performance of this Agreement and not to use, copy, or disclose such information to any third party unless authorized in writing by CITY. This provision does not restrict the disclosure of any information that is required to be disclosed under applicable law. CONTRACTOR shall promptly notify CITY of any misuse or unauthorized disclosure of its confidential information and upon expiration of this Agreement shall return to CITY all confidential information in CONTRACTOR'S possession or

control. CONTRACTOR shall further comply with all City information security policies that may apply and shall not make any press releases, public statements or advertisement referring to the Services provided under this agreement or the engagement of CONTRACTOR without the prior written approval of CITY.

Section 10. Warranties and Representations: CONTRACTOR warrants and agrees that CONTRACTOR shall perform the Services and conduct all operations in conformity with all applicable federal, state, and local laws, rules, regulations, and ordinances. For any Service performed on premises owned or controlled by CITY, CONTRACTOR warrants and agrees that CONTRACTOR will perform the Services in compliance with all CITY rules, including but not limited to, prohibitions related to tobacco use, alcohol, and other drugs.

Section 11. Licenses/Certifications: CONTRACTOR agrees to obtain, at its own cost, any and all approvals, licenses, filings, registrations and permits required by federal, state or local laws, regulations or ordinances, required for the performance of the Services.

Section 12. Performance/Qualifications and Assignment: CONTRACTOR agrees and represents that CONTRACTOR has the personnel, experience, and knowledge necessary to qualify CONTRACTOR for the particular duties to be performed under this Agreement. CONTRACTOR warrants that all services performed under this Agreement shall be performed consistent with generally prevailing professional or industry standards. The CITY and the CONTRACTOR bind themselves and their successors, executors, administrators, and assigns to this Agreement and to the successors, executors, administrators and assigns of the other party, in respect to all covenants of this Agreement. Neither the CITY nor the CONTRACTOR shall assign, sublet or transfer its or his interest in this Agreement without the written consent of the other, which consent will not be unreasonably withheld. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body, which may be a party hereto.

Section 13. Conflict of Interest: CONTRACTOR warrants, represents, and agrees that CONTRACTOR presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with CONTRACTOR's performance of the services hereunder. CONTRACTOR further warrants and affirms that no relationship or affiliation exists between CONTRACTOR and CITY that could be construed as a conflict of interest with regard to this Agreement. Pursuant to Section 2252.908, Texas Government Code, if this Agreement requires an action or vote by the CITY Council or has a value of at least \$1 million, CONTRACTOR further warrants that CONTRACTOR has submitted a disclosure of interested parties to the CITY.

Section 14. Insurance: For the entire term of the Agreement ("Term"), CONTRACTOR shall maintain Comprehensive General Liability insurance coverage of \$1,000,000 per occurrence, \$2,000,000 in the aggregate or medical malpractice insurance (whichever applies), CONTRACTOR shall also maintain the following insurance: (i) Worker's Compensation coverage with statutory limits for the State of Texas, including Employers Liability coverage of \$500,000 per accident; (ii) Commercial Automobile Liability coverage of \$1,000,000 Combined Single Limit; (iii) for engineers and architects only: Professional Liability coverage of \$1,000,000 per occurrence; and (iv) for builders only: Builder's Risk coverage in the amount of the construction cost, including protection against named windstorm and flood. All policies must contain a waiver

of subrogation against City. Comprehensive General Liability and Commercial Automobile Liability policies must name CITY as Additional Insured. CONTRACTOR shall pay all insurance deductibles and deductibles must not exceed \$10,000 unless approved in advance by City. CONTRACTOR shall provide City Certificates of Insurance evidencing these insurance requirements prior to the start of work. The CONTRACTOR shall notify the CITY in the event of any change in the required coverage or cancellation, and shall give such notices not less than 30 days prior to the change or cancellation. The CONTRACTOR shall provide a replacement Certificate of Insurance prior to such change or cancellation. The CONTRACTOR agrees to waive all the CONTRACTOR's, its officers, employees, agents, assigns, and successors' rights of subrogation, except under the Professional Liability, against the CITY, its officers, employees, and elected representatives for injuries, including death, property damage, or other loss covered by insurance and the CONTRACTOR will provide a waiver of subrogation endorsement against the CITY. The CITY must be named or listed on the endorsement. **COVERAGES SHALL BE WITH A COMPANY (WITH AT LEAST AN A- BEST RATING) ACCEPTABLE TO THE CITY PURCHASING AND RISK MANAGEMENT DIVISION AND A COPY OF THE CERTIFICATE OF COVERAGE SHALL BE DELIVERED TO THE CITY ON OR BEFORE THE DATE OF THIS AGREEMENT.**

Section 15. Indemnification: Except as provided herein, CONTRACTOR shall indemnify and hold harmless City, and each of its directors, officers, agents and employees from and against all claims, actions, suits, demands, proceedings, costs, damages and liabilities, including without limitation attorneys' fees and reasonable litigation costs, arising out of, connected with, or resulting from any acts or omissions of CONTRACTOR or any agent, employee, subCONTRACTOR, or supplier of CONTRACTOR in the execution or performance of this contract. If any action or proceeding shall be brought by or against the CITY in connection with any such claim, action, suit, demand, proceeding, cost, damage, or liability, the CONTRACTOR, on notice from the CITY, shall defend the CITY against such action or proceedings at CONTRACTOR's expense, by or through attorneys reasonably satisfactory to the CITY. The CONTRACTOR's obligations under this section shall not be limited to the limits of coverage of insurance maintained or required to be maintained by the CONTRACTOR under this Agreement. CONTRACTOR agrees to provide engineering or architectural services, as applicable, hereunder as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect, as applicable, and in accordance with the generally accepted standards applicable thereto and shall use that degree of care and skill commensurate with the CONTRACTOR's trade or profession to comply with all applicable state, federal, and local laws, ordinances, rules, and regulations relating to the services provided hereunder and the CONTRACTOR's performance. CONTRACTOR shall and does hereby agree to indemnify and hold harmless the CITY, its officers, agents, and employees from any and all damages, loss, or liability of any kind, whatsoever, including, but not limited to, death, injury, or property damages, to the extent caused by the intentional, knowing, reckless, or negligent act or omission (hereinafter referred to as "fault") of the CONTRACTOR, its officers, agents, employees, invitees or other persons for whom it is legally liable, with regard to the performance of engineering and architectural services, as applicable, pursuant to this Agreement, and the CONTRACTOR will reimburse the CITY's reasonable legal costs, including reasonable attorney's fees, in proportion to CONTRACTOR's liability for such engineering and architectural services, as applicable.

Section 16. Force Majeure: Neither CITY nor CONTRACTOR will be liable for any failure, breach, loss, damage or delay in the performance of this Agreement due to any cause beyond its reasonable control, including, an act of war, an act of God, earthquake, flood, embargo, riot, sabotage, labor shortage or dispute, governmental act or failure of the Internet (not resulting from the negligence or willful misconduct of CONTRACTOR), provided that the delayed party: (a) gives the other party prompt notice of such cause, and (b) uses its reasonable commercial efforts to promptly correct such failure or delay in performance.

Section 17. Notices: Any notice given under this contract by either party to the other may be given by personal delivery in writing or by mail, registered or certified postage prepaid with return receipt requested. Mailed notices shall be addressed to the addresses of the parties as they appear in the contract. Notices delivered personally shall be deemed communicated at the time of actual receipt. Mailed notice shall be deemed communicated three (3) days after mailing.

Section 18. Texas Family Code Child Support Certification: Pursuant to Section 231.006, Texas Family Code, CONTRACTOR certifies that it is not ineligible to receive the award of or payments under the Agreement and acknowledges that the Agreement may be terminated and payment may be withheld if this certification is inaccurate.

Section 19. Jurisdiction: CITY and CONTRACTOR agree that any dispute under this Agreement shall be brought in a court of competent jurisdiction in Fort Bend County, Texas, and that this Agreement shall be governed by Texas law, except for the conflict of law provisions.

Section 20. Prohibition on Boycotting Israel. Pursuant to Section 2270.002, Texas Government Code, CITY may not enter into a contract for goods or services unless the contract contains a written verification that the CONTRACTOR: (1) does not boycott Israel; and (2) will not boycott Israel during the term of this Agreement. By executing the House Bill 89 Verification Form, **Exhibit C**, attached hereto and incorporated herein for all purposes, CONTRACTOR verifies that CONTRACTOR does not boycott Israel or will not boycott Israel during the term of this Agreement.

Section 21. Engaging in Business with Sudan, Iran or Foreign Terrorist Organizations Prohibited. Pursuant to Section 2252.152, Texas Government Code, CONTRACTOR warrants, represents, and agrees that CONTRACTOR is not identified on a list prepared and maintained by the Texas Comptroller of Public Accounts as a company that engages in business with Sudan, Iran or a foreign terrorist organization.

Section 22. Entire Agreement: This Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements, and understanding, oral or written between the parties relating to this Agreement. This Agreement may not be modified except by mutual written agreement of the parties executed subsequent to this agreement.

Section 23. Severability: In the event that any provision(s) of this Agreement shall for any reason be held invalid, illegal, or unenforceable, the invalidity, illegality or unenforceability of that provision(s) shall not affect any other provision(s) of this Agreement, and it shall further be construed as if the invalid, illegal, or unenforceable provision(s) had never been a part of this Agreement.

Section 24. Address and Notices and Communication: The parties contemplate that they will engage in informal communications with respect to the subject matter of this Agreement. However, any formal notices or other communications (“Notice”) required to be given by one party to the other party under this Agreement shall be given in writing addressed to the party to be notified at the address set forth below for such party, (i) by delivering the same in person, (ii) by depositing the same in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed to the party to be notified, or (iii) by depositing the same with a nationally recognized courier service guaranteeing “next day delivery,” addressed to the party to be notified, (iv) by sending the same by telefax with confirming copy sent by mail, or (v) by sending the same by electronic mail with confirming copy sent by mail. Notice deposited in the United States mail in the manner hereinabove described shall be deemed effective from and after the date of such deposit. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties, until changed by providing written notice in accordance hereunder, shall be as follows:

All notices and communications under this Agreement shall be mailed to the CONTRACTOR at the following address:

NAME OF CONTRACTOR
ADDRESS
PHONE
EMAIL

All notices and communications under this Agreement shall be sent to the CITY at the following address:

City of Missouri City
Attn: Procurement and Risk Management
1522 Texas Parkway
Missouri City, Texas 77489
purchasing@missouricitytx.gov

Section 25. Authority: CONTRACTOR warrants and represents that CONTRACTOR has full power and authority to enter into and perform this agreement and to make the grant of rights contained herein. The person signing on behalf of CITY represents that he/she has authority to sign this agreement on behalf of CITY.

Reviewed by: _____
Shannon Pleasant, CTPM - Procurement & Risk Manager

Department Director: _____ Date: _____

CONTRACTOR

CITY OF MISSOURI CITY

Signature

Assistant City Manager

Title

Date: _____

Date: _____

****If more than \$25K****

City Manager

Date: _____

EXHIBIT "A"
SERVICES

Scope of Services

EXHIBIT "B"
COMPENSATION

EXHIBIT "C"
AFFIDAVIT

I, _____, being an adult over the age of eighteen (18) years and the undersigned authorized representative of _____ (hereafter referred to as "Company"), do hereby verify that the above-named Company, under the provisions of Subtitle F, Title 10, Texas Government Code, Chapter 2270:

(1) Does not boycott Israel; and

(2) Will not boycott Israel during the term of this Agreement with the City of Missouri City.

Pursuant to Section 2270.001, Texas Government Code, the following term has the following meaning:

1. "*Boycott Israel*" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Signature

Date

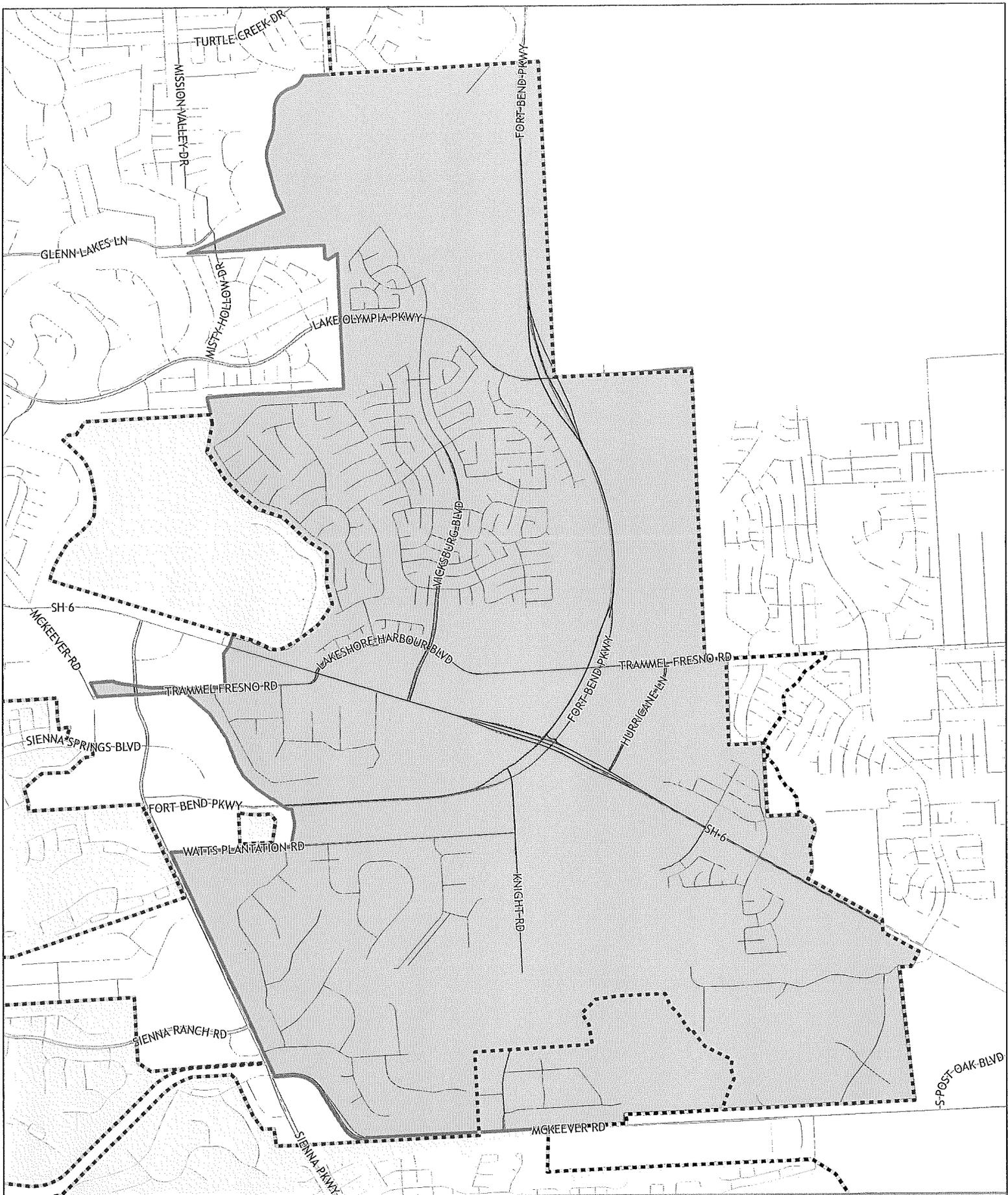
STATE OF TEXAS §

§

COUNTY OF _____ §

This instrument was acknowledged before me this _____ day of _____, 2020,
by _____.

Notary Public, State of Texas



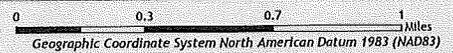
Map By:
GIS Division
February 2020



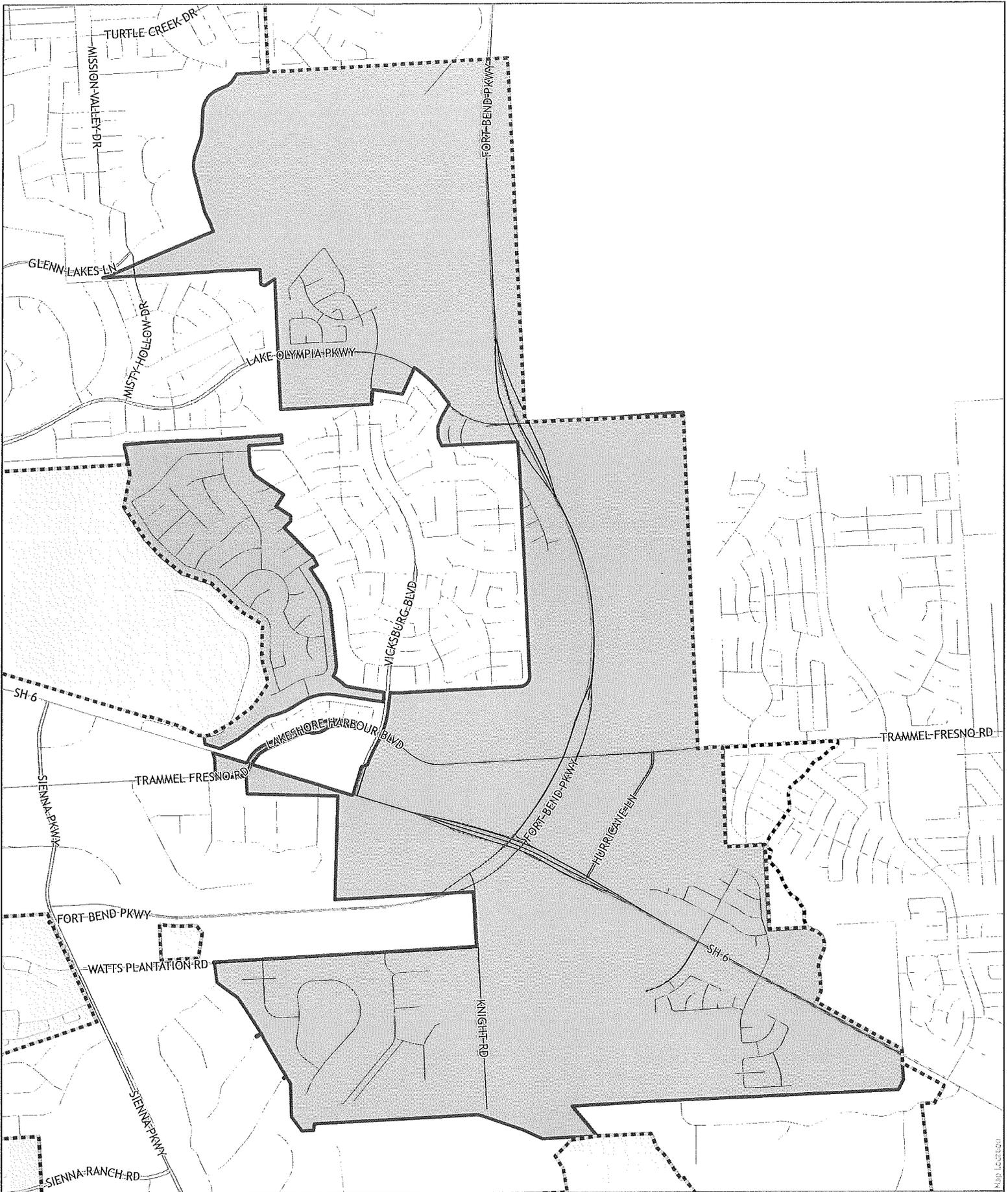
Mustang Bayou Waste Water Service Area

Legend

- Mustang Bayou Waste Water Service Area
- City Limits
- ETJ



The information on this map is provided and maintained by various agencies, including county departments, municipal governments, state and federal agencies. The map is designed to serve as a secondary representation of real property found within this jurisdiction, and is compiled from the recorded deeds, plats, and other public records, which are primary sources for this public information. The data layers do not take the place of a legal survey or other primary source documentation. The City and its vendors assume no legal responsibility for the information on this map.

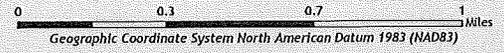


Map By:
GIS Division
February 2020



Mustang Bayou Water Service Area

- Legend**
- Mustang Bayou Service Area
 - City Limits
 - ETJ

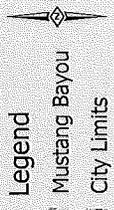


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ANSP LOCATION

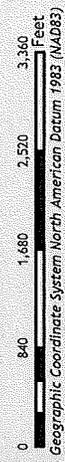


Mustang Bayou



Legend
Mustang Bayou
City Limits

Map By:
GIS Division
February 2020



Geographic Coordinate System North American Datum 1983 (NAD83)
The information on this map is provided and maintained by various agencies, including county departments, municipal governments, state and federal agencies. The map is designed to serve as a secondary representation of real property found within this jurisdiction, and is compiled from the recorded deeds, plats, and other public records, which are primary sources for this public information. The data layers do not take the lead of a legal survey or other professional survey documentation. The City and its vendors assume no legal responsibility for the information on this map.



J11A J11B J11C J11D J11E J11F J11G J11H J11I J11J J11K J11L J11M J11N J11O J11P J11Q J11R J11S J11T J11U J11V J11W J11X J11Y J11Z
J12A J12B J12C J12D J12E J12F J12G J12H J12I J12J J12K J12L J12M J12N J12O J12P J12Q J12R J12S J12T J12U J12V J12W J12X J12Y J12Z
J13A J13B J13C J13D J13E J13F J13G J13H J13I J13J J13K J13L J13M J13N J13O J13P J13Q J13R J13S J13T J13U J13V J13W J13X J13Y J13Z
J14A J14B J14C J14D J14E J14F J14G J14H J14I J14J J14K J14L J14M J14N J14O J14P J14Q J14R J14S J14T J14U J14V J14W J14X J14Y J14Z
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CITY OF MISSOURI CITY, TEXAS

PLANNING, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE

Vashaundra Edwards
Chair
Council At Large Position #1

CHERYL STERLING
Councilmember District A

FLOYD EMERY
Councilmember District D

A meeting of the Planning, Development and Infrastructure Committee will be held on **Monday, August 10, 2020 at 5:00 p.m.** in the City Hall, Council Conference Room, 2nd Floor, 1522 Texas Parkway, Missouri City, Texas, 77489, to consider the following:

NOTICE REGARDING PARTICIPATION

Due to the COVID 19 Disaster and the Center for Disease Control's recommendation regarding social distancing measures, the committee will not be physically present at this meeting.

The toll-free dial-in number and access code to participate in the telephonic meeting are as follows:

- +1415-655-0003
- Access Code: 801 903 832

-
1. **CALL TO ORDER**
 2. **DISCUSSION/POSSIBLE ACTION**
 - (a) Discuss an RFQ 20-331 for Plant Operations Contract for the Mustang and Steep Bank Service Areas.
 3. **ADJOURN**
-



Public Works

1522 Texas Parkway
Missouri City, Texas 77489

Phone: 281.403.8500
www.missouricitytx.gov

To: The Planning, Development & Infrastructure (PDI) Committee

From: Todd J. Hoover, Utilities Manager
Shashi K. Kumar, P. E., Director of Public Works and City Engineer
Glen A. Martel, Assistant City Manager

Date: August 10, 2020

Project: Plant Operations – Steepbank Flatbank & Mustang Bayou (RFQ No. 20-331)

Summary

The City of Missouri City manages the unique operations and maintenance of its potable water and wastewater utility systems as compared to most municipalities. Municipal Utility Districts (MUDs) provide these services for the majority of the service areas located within the City of Missouri City (City) and it’s Extra-Territorial Jurisdiction (ETJ). The City does operate and maintain two (2) wastewater treatment plants in agreement with other MUDs; namely the Steepbank Flatbank Wastewater Treatment Plant and the Mustang Bayou Wastewater Treatment Plant. This exception was an attempt to regionalize these treatment plants in an effort to reduce costs due to economies of scale. The City also administers the Ground Water Reduction Program (GRP) thru the GRP oversight committee, which governs the City’s Regional Surface Water Treatment Plant (SWTP).

The Steepbank Flatbank Service Area (SBFBSA) includes the Steepbank Flatbank wastewater treatment plant, Colonial Lakes lift station, Thompson Ferry lift station (LS), FBMUD115 LS#1, FBMUD129 LS#1, FBMUD129 LS#2, FBMUD129 LS #3, Sienna MUD LS#1 (pending), and the sanitary sewer force main lines from the lift stations to the WWTP (attached SBFBSA map).

The Mustang Bayou Service Area (MBSA) includes the Mustang Bayou WWTP, Creekmont LS#1, Hightower LS, Lake Shore Harbour LS #1, Lake Shore Harbour LS #2, Lake Shore Harbour LS #3, Fort Bend Town Center LS, Dry Creek LS, Parks Edge LS #1 (pending), Parks Edge LS #2 (pending), Shipman’s Cove LS #1 (pending), Mustang Bayou Water Plant #1, Mustang Bayou Water Plant #2, and the storm water drainage systems in the geographical area (attached MBSA maps). This service area also requires customer water meter reading as well as the operation and maintenance of the water distribution system of Creekmont, Lake Shore Harbour, Fort Bend Town Center, Dry Creek, Parks Edge, Shipman’s Cove (pending), and Hightower HS (pending irrigation only).

Quail Valley Utility District (QVUD) has operated and maintained the Steepbank Flatbank Creek Service Area since 2002 via an interlocal agreement. QVUD has operated and maintained the Mustang Bayou Service Area since 2007 and the Mustang Bayou Water Plants No. 1, and No. 2, and the Wastewater Treatment Plant since 2012. QVUD operates six (6) wastewater treatment plants, seventy-six (76) sewer lift stations, four (4) storm water pump stations, three (3) levee systems, fifteen (15) ground water plants, and one (1) surface water plant. All of these facilities are located within the City of Missouri City, serving 13,768 customers.

Quail Valley Utility District maintains an office/warehouse complex at 3134 Cartwright Road in Missouri City. This location is open for customer utility payments. The warehouse contains inventory of materials for water, sewer, and storm water system repairs, operations, and maintenance. QVUD has thirty-eight (38) full-time employees. QVUD maintains a fleet of 24 vehicles, 2 winch trucks, 1 dump truck, 2 rubber tire backhoe/loaders, 1 rubber track excavator, 3 trailers, 1 fuel trailer, 1 truck mounted sewer jet truck, 2 trailer mounted sewer jet machines, and 3 mobile generators.

The City has an interlocal agreement with seven municipal utility districts that comprises the Steepbank Flatbank Service Area (SBFBSA). These participants are First Colony MUD No. 9, Fort Bend County Municipal Utility District Nos. 42, 46, 115, 129, 149, and Sienna MUD No. 1. In December of 2019, this group of SBFBSA participants addressed the City of Missouri City with several concerns and formally requested action by the City to address these concerns as listed in a letter dated December 4, 2019. One of the requested action items was the replacement of QVUD as operator of the Steepbank Flatbank wastewater treatment plant.

The City has an interlocal agreement with two municipal utility districts that constitutes the Mustang Bayou Service Area (MBSA). These participants are Fort Bend County Municipal Utility District No. 47, and No. 48. Similarly, the MBSA participants voiced their request for consideration of an operations company for the Mustang Bayou Service Area.

These separate participants' requests among other considerations prompted the request for qualifications (RFQs) for plant operations of the Steepbank Flatbank and Mustang Bayou Service Areas. Part of the participant's requests was also that their input be considered in the evaluation and selection of potentially a new operator.

With the intent to obtain interest of highly qualified utility operations companies, the City posted the RFQ No. 20-331 on February 28, 2020 (attached). The City received qualifications from three (3) utility operations companies as listed below:

Utility Operations Companies

- Si Environmental
- Municipal District Services
- Quail Valley Utility District

Unfortunately, Municipal District Services formally withdrew their RFQ submission to be considered for the Plant Operations opportunity via e-mail on June 12, 2020.

Two (2) separate selection committees were formed to evaluate the qualifications of these utility operations companies. The Steepbank Flatbank committee consisted of seven (7) SBFBSA representatives and three (3) City of Missouri City (City) representatives. The Mustang Bayou (MB) committee consisted of two (2) MB representatives and three (3) City representatives. Each evaluator used the provided evaluation matrix to score each company independently for the separate service areas. The evaluators calculated and entered their score totals per the instructions and directions for completing the RFQ evaluation matrix. The summary scoring tabulation of the companies are as follows:

**Tabulation of RFQ 20-331 Plant Operations
Steepbank Flatbank
June 25, 2020**

Respondent	1	2	3	4	5	6	7	8	9	10	11	Totals
Quail Valley Utility District	330	330	0	400	500	500	340	420	375	470	370	4,035
Si Environmental	395	450	0	465	450	350	460	435	415	360	390	4,170

Scores of 0 indicate that the scorer did not submit their scores.

**Tabulation of RFQ 20-331 Plant Operations
Mustang Bayou
June 25, 2020**

Respondent	1	2	3	4	5	Totals
Quail Valley Utility District	420	315	435	405	470	2,045
Si Environmental	500	490	410	365	360	2,125

The purpose of the selection committee was to conduct an objective evaluation of each utility operations company based on the criteria established in the respective RFQ’s for each category. Per the City’s existing interlocal agreement with the participants and the City holding the permits to operate the water and wastewater treatment systems, it is ultimately the City’s decision and responsibility to choose the operators for these systems. However, the City granted the participant’s requests in good faith to allow their input to be considered in the evaluation and selection of potentially new operators. The City of Missouri City staff recommendations for each service area and the summary of the selection committee is provided below:

City staff recommends Si Environmental for the award of a contract to operate and maintain the Steepbank Flatbank Service Area. Si Environmental received the majority vote and the highest score tabulation from the selection committee. Funding for these services are paid from operator fees budgeted in utility accounts. Staff recommends the development and implementation of a transition plan as explained in the next steps section below.

City staff recommends Quail Valley Utility District (QVUD) for the award of a revised contract to continue the operation and maintenance of the Mustang Bayou Service Area. While QVUD received the majority vote, they did not obtain the highest score tabulation from the collective selection committee as shown on the tabulation. One of many considerations for this staff decision is that the wastewater treatment plant is currently in the middle of a significant expansion project. Changing operations companies during this vital construction process can adversely disrupt the operations and impact plant permit compliance. While staff highly recommends that QVUD retain their services for Mustang Bayou Service Area, the company’s succession plan needs to be formalized to remedy longevity concerns. Funding for these services are paid from operator fees budgeted in utility accounts.

Next Steps

City staff recommends to the Planning, Development & Infrastructure (PDI) committee to authorize the City's utility manager to develop and implement a transition plan for Si Environmental to systematically take operational and maintenance responsibility for the Steepbank Flatbank Service Area as outlined in the planned schedule. Staff also recommends that the City Council provide a positive recommendation to the City Council to award Si Environmental a contract to operate and maintain the Steepbank Flatbank Service Area. Staff further recommends that the City Council award Quail Valley Utility District a revised contract to continue the operation and maintenance of the Mustang Bayou Service Area. Upon authorization by the PDI committee, City staff will present these recommendations to the City Council with the objective to obtain authorization to negotiate and enter into contracts with the selected operations companies.

Attachments

- 1) Steepbank Flatbank Service Area Map
- 2) Mustang Bayou Service Area Map
- 3) Request for Qualifications (RFQ) 20-331

Steepbank/Flatbank WWTP MUD Service Area Gravity Sewer & Sanitary Force Main Utilities Map



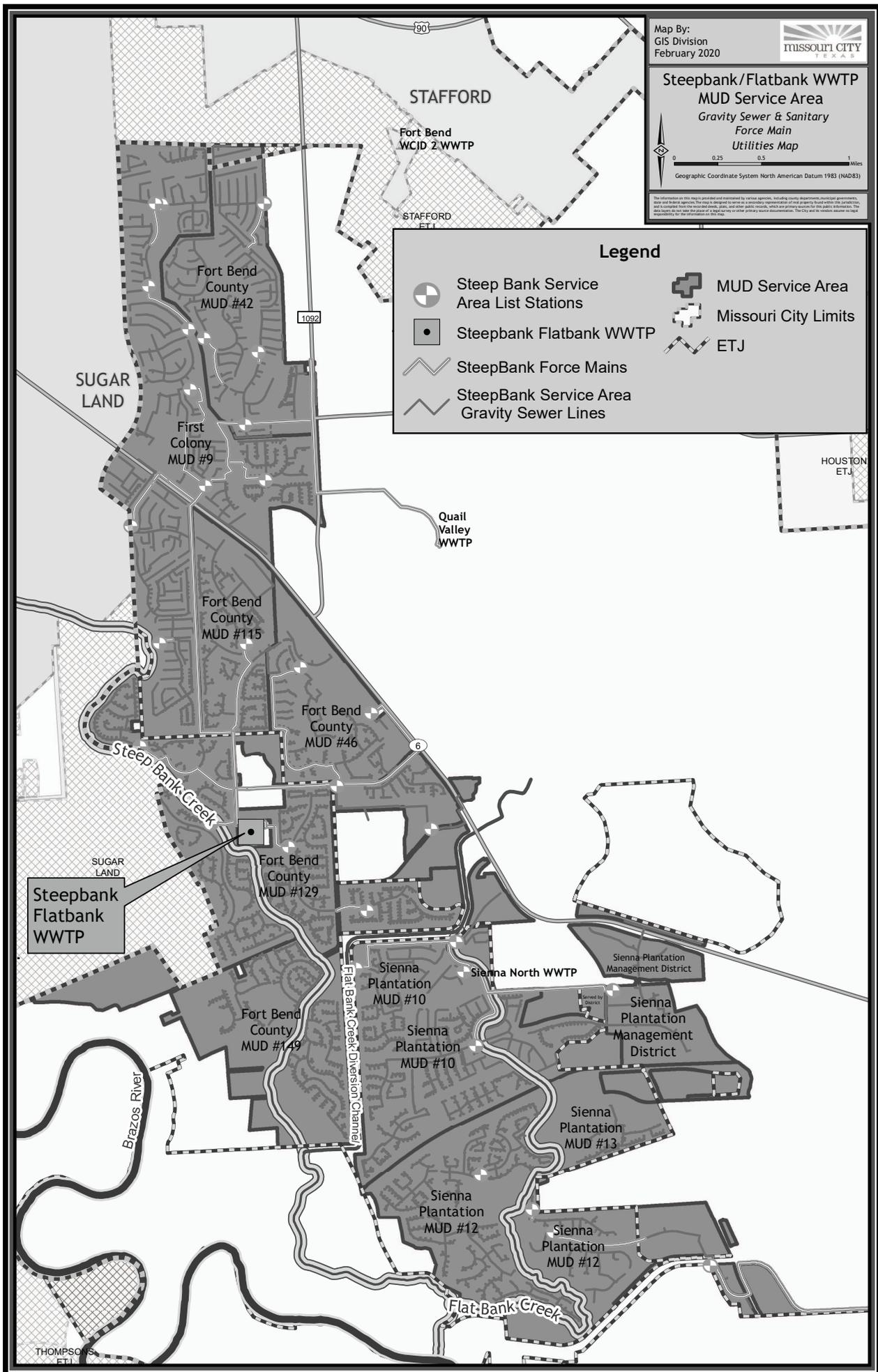
0 0.25 0.5 1 Miles

Geographic Coordinate System North American Datum 1983 (NAD83)

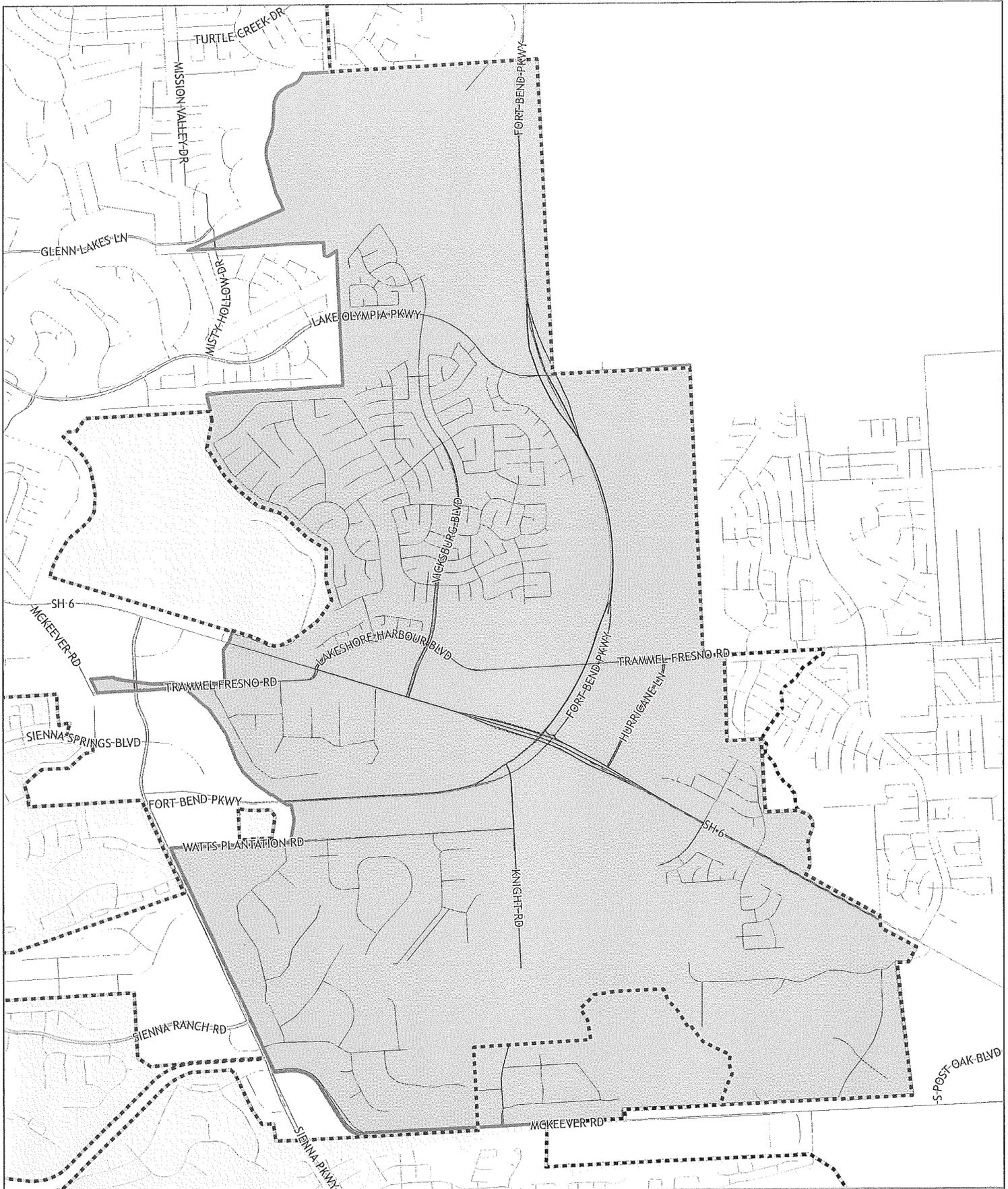
The information on this map is provided and maintained by various agencies, including county departments, municipal government, state and federal agencies. The map is designed to provide a secondary representation of the existing facts within the jurisdiction, and is compiled from the most reliable data, plans, and other public records, which are primary sources for the public information. The data shown on this map are subject to change without notice or other primary record documentation. The City and its vendors accept no liability for any errors or omissions on this map.

Legend

-  Steep Bank Service Area List Stations
-  Steepbank Flatbank WWTP
-  SteepBank Force Mains
-  SteepBank Service Area Gravity Sewer Lines
-  MUD Service Area
-  Missouri City Limits
-  ETJ



Steepbank
Flatbank
WWTP



Map By:
GIS Division
February 2020



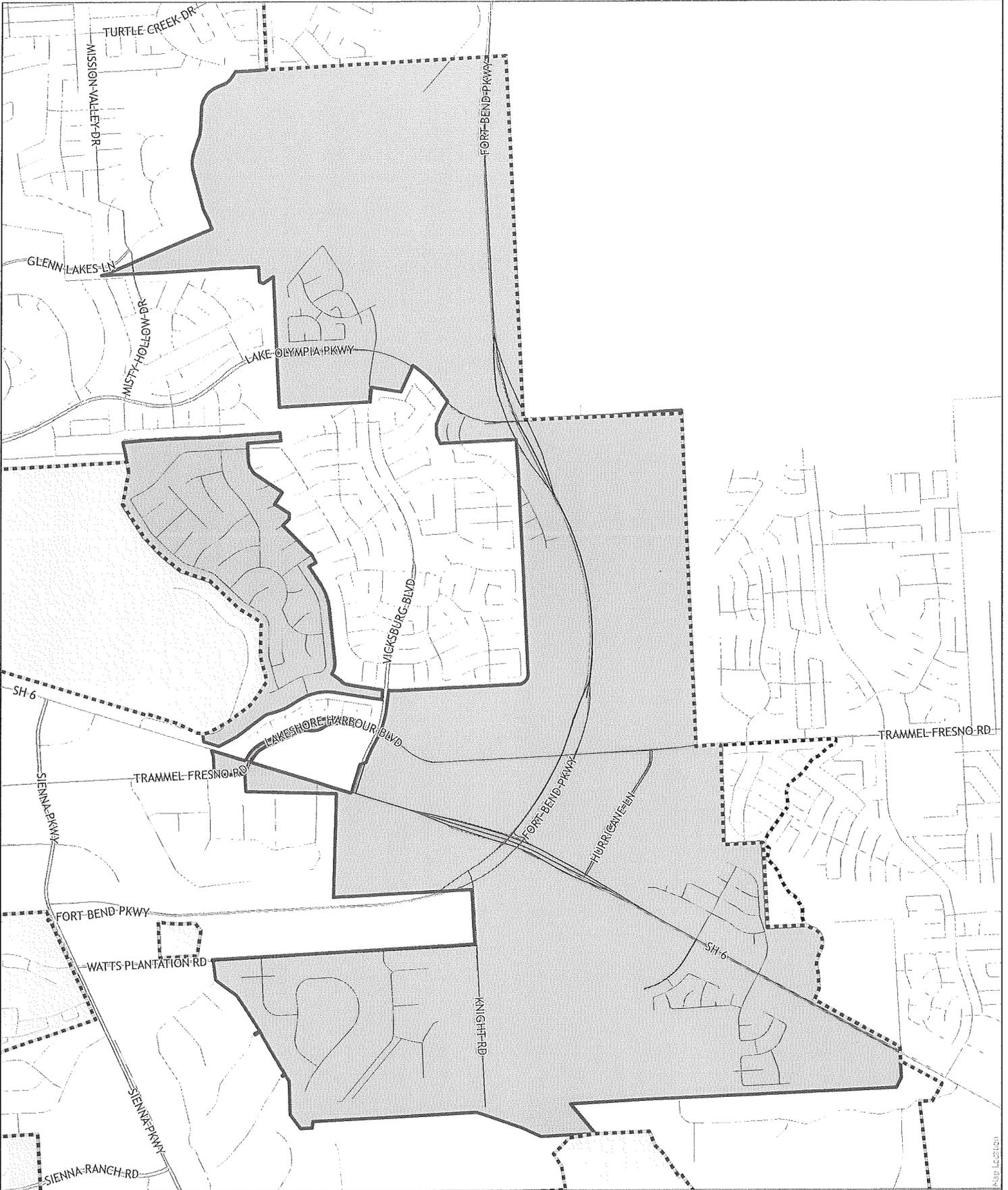
Mustang Bayou Waste Water Service Area

Legend

-  Mustang Bayou Waste Water Service Area
-  City Limits
-  ETJ

0 0.3 0.7 1 Miles
Geographic Coordinate System North American Datum 1983 (NAD83)

The information on this map is provided and maintained by various agencies, including county departments, municipal governments, state and federal agencies. The map is designed to serve as a secondary representation of real property found within this jurisdiction, and is compiled from the recorded deeds, plats, and other public records, which are primary sources for this public information. The data layers do not take the place of a legal survey or other primary source documentation. The City and its vendors assume no legal responsibility for the information on this map.



Map By:
GIS Division
February 2020



Mustang Bayou Water Service Area

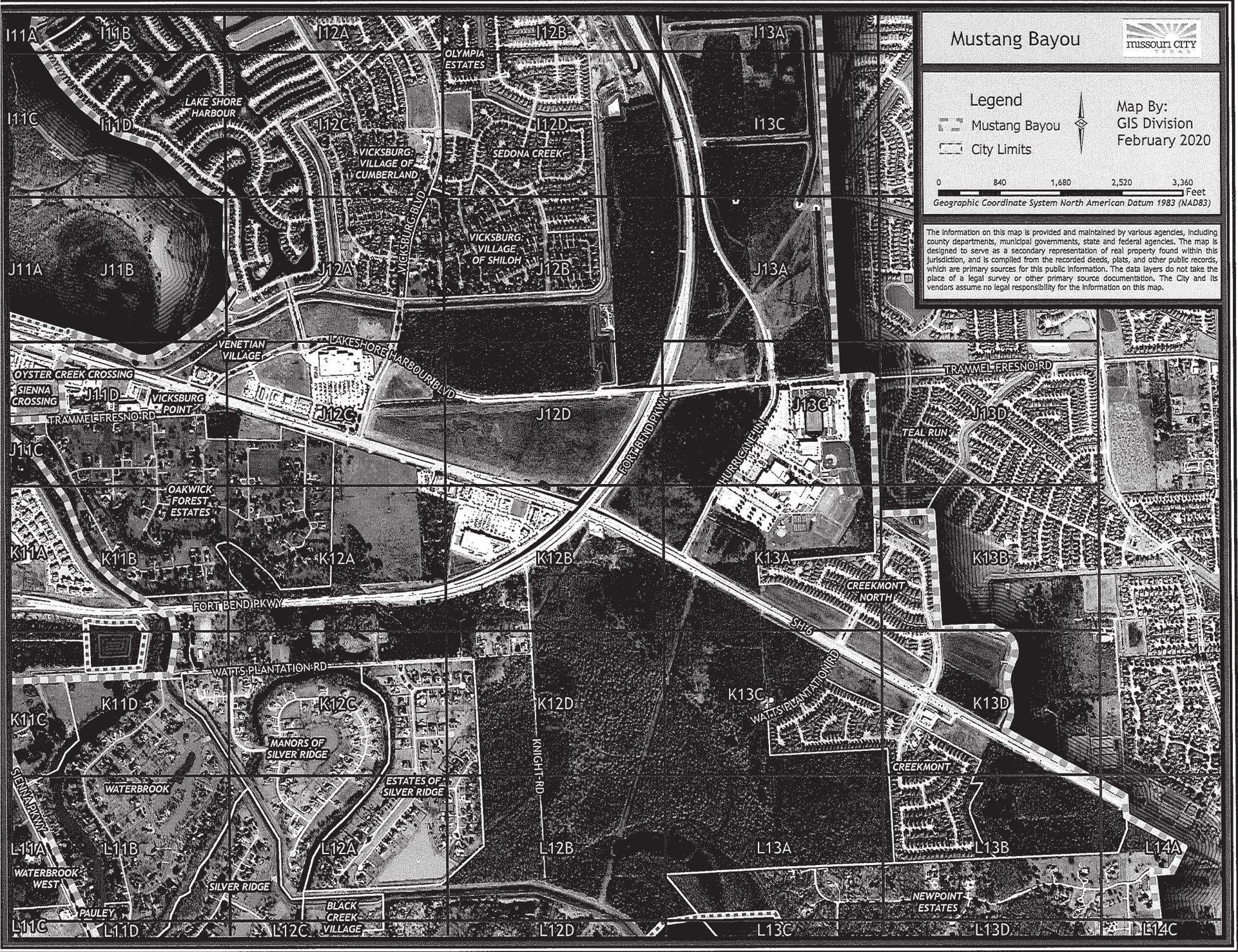
- Legend**
- Mustang Bayou Service Area
 - City Limits
 - EIT



0 0.1 0.7 1 Miles
Geographic Coordinate System North American Datum 1983 (NAD83)

The information on this map is provided and maintained by various agencies, including county departments, municipal governments, state and federal agencies. The map is designed to serve as a secondary representation of real property found within this jurisdiction, and is compiled from the recorded deeds, plats, and other public records, which are primary sources for this public information. The data layers do not take the place of a legal survey or other primary source documentation. The City and its vendors assume no legal responsibility for the information on this map.

MSD LOCATION



Mustang Bayou



Legend

- Mustang Bayou
- City Limits

Map By:
GIS Division
February 2020

0 840 1,680 2,520 3,360 Feet
Geographic Coordinate System North American Datum 1983 (NAD83)

The information on this map is provided and maintained by various agencies, including county departments, municipal governments, state and federal agencies. The map is designed to serve as a secondary representation of real property found within this jurisdiction, and is compiled from the recorded deeds, plats, and other public records, which are primary sources for this public information. The data layers do not take the place of a legal survey or other primary source documentation. The City and its vendors assume no legal responsibility for the information on this map.



POSTING DATE: FEBRUARY 28, 2020

**REQUEST FOR QUALIFICATIONS (RFQ) NO. 20-331
PLANT OPERATIONS**

COMMODITY CODE(S): 958-95

ISSUED BY THE PURCHASING OFFICE OF THE CITY OF MISSOURI CITY, TEXAS

Sealed responses, subject to the terms and conditions of this RFQ, for the above referenced professional service must be received by the Purchasing Division of the Missouri City, at City Hall, 1522 Texas Parkway, Missouri City, Texas 77489 by **March 24, 2020**. Responses received after the specified time will be returned unopened. All necessary information and addendums may be obtained from the following website: <http://www.txsmartbuy.com/sp>

LEGAL NAME OF CONTRACTING COMPANY

CONTACT PERSON

TITLE

TELEPHONE NUMBER

FACSIMILE NUMBER

E-MAIL ADDRESS

COMPLETE MAILING ADDRESS

CITY/STATE

ZIP

COMPLETE STREET ADDRESS (if different)

CITY/STATE

ZIP

AUTHORIZED SIGNATURE

The City of Missouri City, Texas desires to consider the qualifications of firms interested in the operation and maintenance of City Water System, City Wastewater System and the City Stormwater System.

I
DEFINITIONS

Unless the context indicates otherwise, the following words as used in this Agreement shall have the following meanings:

City means the City of Missouri City, Texas.

City Stormwater System means the storm water collection system, including roads with drainage systems, streets, catch basins, curbs, gutters, ditches, man-made channels or storm drains, detention or retention ponds owned, constructed by, conveyed or otherwise under the control of the City to serve the Service Areas for the collection of storm water from within the Service Area.

City Water System means the water distribution system owned and used by the City in accordance with this Agreement for the distribution of potable water from the mutually agreed upon Points of Delivery to serve customers within the Service Areas.

City Wastewater System means the wastewater collection system owned and used by the City in accordance with this Agreement to serve the Service Areas for the collection of wastewater received from customers within the Service Areas and the transportation of wastewater to the mutually agreed upon Points of Delivery.

Potential Provider means Respondent to this solicitation Request for Qualifications

Stormwater Operation and Maintenance Services means the services provided by the Potential Provider in operating and maintaining the City Stormwater System in accordance with this Agreement.

Wastewater means the water-carried wastes, exclusive of ground, surface, and storm waters, normally discharged from the sanitary conveniences of various structures, particularly dwellings.

Wastewater Operation and Maintenance Services means the services provided by the Potential Provider in operating and maintaining the City Wastewater System in accordance with this Agreement and the services provided by the Potential Provider in receiving, transporting, treating, testing, and disposing of Wastewater from the Points of Delivery to the Potential Provider Wastewater System in accordance with this Agreement.

Water means potable water.

Water Operation and Maintenance Services means the services provided by the Potential Provider in operating and maintaining the City Water System in accordance with this Agreement.

II
**OPERATION AND MAINTENANCE OF CITY WATER
SYSTEM, CITY WASTEWATER SYSTEM AND CITY STORMWATER SYSTEM**

2.1 Potential Provider to Operate and Maintain City System. The Potential Provider agrees to operate and maintain the City Water System, the City Wastewater System and the City Stormwater System in accordance with this Agreement and in accordance with applicable local, state and federal rules and regulations. Specifically, the Potential Provider agrees to operate and maintain such systems in accordance with Chapters 30, 42, 46 and 86 of the Missouri City Code. The Potential Provider agrees to perform any and all necessary tasks associated with the proper operation and maintenance of the City Water System, the City Wastewater System and the City Stormwater System. This includes performing the proper installation, reading and maintenance of meters within the Service Areas; the billing and collection of individual customer accounts pursuant to the terms of this Agreement which, in addition, includes Solid Waste and Recycling Services provided separately by the City; the rendering to the City on a monthly basis of monies collected from customers within the Service Areas and the accounting therefore; the proper performance of any and all reasonable and necessary tests, repairs and improvements to the City Water System, the City Wastewater System and the City Stormwater System to ensure the provision of adequate water and wastewater treatment and stormwater facility protection services to customers within the Service Areas; providing timely and proper responses to service calls, customer requests, complaints and communications; and doing or taking all actions reasonable and necessary to ensure the proper protection of CITY's Water and Wastewater System and of CITY's Water, Wastewater and Stormwater Systems Treatment Services from terrorist activity or any other form of tampering.

Notwithstanding the foregoing, the Potential Provider shall not be obligated to provide services to any property within the Service Areas that has not been platted in accordance with applicable laws and regulations, or which is not exempt therefrom. The Potential Provider may require a certificate of compliance or exemption prior to commencing service.

The Potential Provider will provide plan reviews and written plan review comments to the City for new developments and changes of use in the Steepbank and the Mustang Bayou Utility Service Area 2.2 Commencement of Operation and Maintenance Services.

2.3 Inspection and Access to City Water System and City Wastewater System. The City will grant to contractor access to the City Water System, the City Wastewater System and the City Stormwater System as needed for the proper provision of Water, Wastewater and Stormwater Operation and Maintenance Services by the contractor as set forth in this Agreement.

2.4 Standards for Operation and Maintenance of City Systems. The Operation and Maintenance Services performed by the Potential Provider related to the Service Areas shall be at least substantially equivalent in quality to the services the Potential Provider provides to its current customers, but shall in no event be less than that required by applicable law and this Agreement. The Potential Provider shall make monthly written reports to the City relating to the operations, testing, maintenance, and repairs of said City systems. The potential provider shall attend regularly scheduled monthly and/or field meetings with City management staff that may become necessary.

In addition, the operator will need to attend quarterly meetings with all the City's partners (Municipal Utility Districts, Etc.) in pro-actively addressing any customer service, operational, billing, and regulatory compliance issues that may arise.

III CUSTOMER SERVICES

3.1 Cost of Services to Customers. All costs and policies pertaining to providing Water, Wastewater and Stormwater Operation and Maintenance Services to customers within the Service Areas shall be as set forth pursuant to applicable local, state and federal laws, including Chapters 30, 42, 46 and 86 of the Missouri City Code, as same may, from time to time, be amended. There shall not be any additional charges to customers pursuant to this Agreement except as expressly set forth herein. The parties agree that no person within the Service Areas may take water from the City Water System unless the water is metered, except that fire protection taps may be unmetered. The charges to customers within the Service Areas shall be based on metered consumption.

3.2 Quality of Service. The quality of service provided to customers by the Potential Provider on behalf of the City shall be at least substantially equivalent to what the Potential Provider provides to its current customers, and shall comply with all applicable laws, rules and regulations, including Chapters 30, 42, 46 and 86 of the Missouri City Code.

3.3 Billing. The Potential Provider shall bill customers in the Service Areas monthly for services received pursuant to this Agreement and in such amount and in accordance with Chapters 30, 42, 46 and 86 of the Missouri City Code. The Potential Provider shall perform this service on behalf of the City, and shall remit all monies collected from customers within the Service Areas to the City on a monthly basis. Nothing in this Agreement shall suspend the Potential Provider's obligation to make this remittance of money to the City. Further, operator to bill the City's customers in that area for residential solid waste and recycling by adding it to the billing.

3.4 Investigation and Enforcement of Proper Discharge. The Potential Provider shall be responsible for investigating violations of the City's Wastewater Discharge Rules or any other violations of applicable state or federal laws related to discharging within the City Wastewater System or the City Stormwater System. If the Potential Provider determines that any Service Area customer is violating City regulations or other applicable state or federal law, the Potential Provider shall promptly report the violation to the City in writing and seek compliance by using one or more of the following methods:

- (a) Having the customer voluntarily take corrective action to comply;
- (b) Disconnecting the customer;
- (c) Seeking injunctive relief on behalf of the City to prevent existing or further violations; or
- (d) Recovering civil penalties against the violator as authorized by law.

3.5 Termination of Services to Customers. The Potential Provider agrees to act on the City's behalf, and act as its agent, in implementing termination of services proceedings pursuant to City's ordinances, policies and guidelines. The Potential Provider agrees to give the City a monthly report as to the status of those customers and contracts against whom the termination process is underway.

3.6 Services Contract for Customers. The Potential Provider agrees to ensure that customers within the Service Areas enter into an agreement for services. The Potential Provider agrees to keep and maintain records of these agreements on behalf of the City and to make them available to the City upon reasonable advance notice.

3.7 Water Quality Report. The Potential Provider agrees that it will issue an annual Water Quality Report to customers within the Service Areas informing customers as to the quality of the potable water that they use. The Potential Provider agrees to make its "message board" within said report available to the City for city announcements.

IV COST OF SERVICES

4.1 Cost of Services. The Potential Provider shall charge City an ongoing rate for the provision of services. Both parties agree that at no time will such rate exceed the rate charged by Potential Provider for its current customers. The Potential Provider shall bill the City monthly for such services and City agrees to pay same within 30 days of receipt of invoice.

4.2 Cost of Extraordinary Repairs and Improvements. The City agrees that it shall pay the Potential Provider for any and all reasonable costs of extraordinary repair and improvements to the City Water System and the City Wastewater System at cost plus ten percent (10%). "At cost" shall mean the reasonable cost to the Potential Provider for labor, materials, and equipment actually used or expended by the Potential Provider in performing the repair or making the improvements hereunder. In the event the Potential Provider determines there is need to make substantial repair or improvement to the City Water System or to the City Wastewater System such that the total cost is estimated to exceed \$2,000.00, the Potential Provider agrees to not proceed without obtaining the City's written consent, which consent shall not be unreasonably withheld. However, nothing herein prohibits Potential Provider from making emergency repairs provided City is notified, in writing, by the next working day. The Potential Provider shall bill these costs as they are incurred at the same time that it bills the City monthly for the provision of Water and Wastewater Operation and Maintenance Services. The City agrees to pay for such services within 30 days of receipt of invoice.

4.3 Change in Cost of Services. The cost of services to customers within the Service Areas is determined by the City. However, both parties agree that should the Potential Provider change its monthly rates, this may affect the Potential Provider's cost of providing services under this Agreement.

Nothing herein shall affect the City's ability to change its rate of services to its customers within the Service Areas. All proposed changes in cost of services by Potential Provider to City shall be by mutual written agreement.

V
FINES, PENALTIES AND DAMAGES

5.1 Liability. The Potential Provider shall be entitled to reimbursement from the City for any penalty, fine, or civil liability, or any part thereof, actually paid by the Potential Provider to the extent that the City's negligent or intentional act or omission caused the assessment or imposition of the penalty, fine or civil liability relating to the City Water, Wastewater or Stormwater Systems for the Service Areas. Likewise, the City shall be entitled to reimbursement from the Potential Provider for any penalty, fine, or civil liability, or any part thereof, actually paid by the City to the extent that the Potential Provider's negligent or intentional act or omission caused the assessment or imposition of the penalty, fine or civil liability regarding the same.

VI
RECORDS AND REPORTS AND OPERATION BUDGETS

6.1 Records and Reports. The Potential Provider shall promptly provide to the City upon request and without charge, copies of any records or documents on file with the Potential Provider relating to the provision of Water, Wastewater and Stormwater Operation and Maintenance Services, including the billing and accounting relating thereto. The City shall promptly provide to the Potential Provider upon request, and without charge, copies of any records or documents on file with the City relating to the design and construction of the City Water, Wastewater and Stormwater Systems.

6.2 Governmental Filings. The Potential Provider shall file all reports and other documents required by local, state or federal agencies relating to the Water, Wastewater and Stormwater Operation and Maintenance Services. The Potential Provider shall copy the City on all such filings.

6.3 Monthly Operations Report. Potential Provider will submit to the CITY a monthly operations report, simultaneously with the submission of the respective monthly invoice, which will include at least the following information:

- a. Total service connections (if applicable)
- b. Summary of maintenance and repair backcharges, including customer or other responsible party names and service or incident addresses, and copies of backcharge invoices and payments.
- c. Documentation and support for insurance claims filed or to be filed
- d. Summary of maintenance and repair by facility classification; copies of all potential provider or third party invoices, statements, receipts, purchase orders, work orders and any other expense documentation; and operation and maintenance records including operator's logs, maintenance logs, sample logs, lab reports, certificates of analysis, test results, chain of custody records, wasting schedules and logs, total suspended solids worksheets, hydraulic detention time worksheets, process control logs, flow calculation sheets, electric meter logs, on-site lift station logs, flow, E coli, rain gage and temperature logs, 24 hour flow meter charts and any other operation and maintenance records and logs.
- e. The Texas Commission on Environmental Quality ("TCEQ") and the United States

- Environmental Protection Agency ("EPA") permit reports
- f. Copies of all reports and correspondence made by potential provider to or received from local, state or federal regulatory agencies on behalf of the CITY. A clear audit trail of all potential provider transactions on behalf of the CITY will be maintained by potential provider. Records of such transactions will be available to the CITY's auditor during normal working hours. Potential provider will cooperate in and provide adequate working space for the conduct of audits.
 - g. Copies of all written complaints.

6.4 Operational Budgeting. Potential provider will coordinate with the CITY to prepare an operations budget for review and approval by the CITY each year as part of the CITY's annual budgeting process by the 160th day before the end of the City's fiscal year (September 30).

6.5 Compliance Reporting. Potential provider will promptly prepare and submit all operational and compliance reports required by the TCEQ, the EPA, and any other local, state or federal agency in accordance with the filing deadlines and approved delivery methods for such agencies. Unless another method of submission is approved by the regulatory agency, said reports shall be submitted by certified mail, return receipt requested. Potential provider will ensure that all test results are handled in accordance with all applicable agency rules and will inform the CITY immediately and also in the monthly operations report if any facilities are not in compliance with such agencies' rules.

VII CERTIFIED PERSONNEL

7.1 The facilities shall be operated only under the direct supervision of personnel who possess valid Operational Licenses as required by the State of Texas, each of whom will maintain continuing education consistent with the State of Texas requirements.

ESTIMATED PROJECT SCHEDULE

Due date for RFQ:	March 24, 2020
Staff Recommendation to Subcommittee:	April, 2020
Professional Services Agreement Negotiations:	April/May, 2020
Professional Services Agreement Award:	April/May, 2020

All inquiries prior to the due date of the RFQ shall be emailed (only) to Millie Holifield, Utilities @ millie.holifield@missouricitytx.gov. **NO PHONE CALLS WILL BE PERMITTED.**

The deadline for submitting questions is noon, March 17, 2020.

Note: With the exception of the time and due date of the RFQ, the above schedule is an estimate. The estimated schedule may be modified as schedules and conditions warrant.

SECTION II - SUBMITTAL INSTRUCTIONS

Submit five (5) copies, one marked as "Original" in a sealed package, along with one (1) electronic thumb drives to:

City of Missouri City
Attn: Purchasing Office
1522 Texas Parkway
Missouri City, Texas 77489.

Submittal package must be sealed and marked with the following:
"RFQ No. 20-331 Plant Operations"

Submittals received after the due date will not be accepted. The City of Missouri City is not responsible for submittals that are not properly marked or are delivered to the incorrect address.

SECTION III- EVALUATION PROCESS

1. GENERAL PROCEDURE

The general procedure for soliciting and evaluating Request for Qualifications consists of:

- (a) Selection committee and district representatives, which may include city's other participants, will evaluate the qualifications received from respondents and prepare a short list of three to five submissions.
- (b) City staff may present the proposed list to the Planning, Development and Infrastructure Council Sub-Committee for review and authorization.
- (c) Firms on the resultant short list may be invited to appear for separate presentations to the staff and participant Selection Committee. The personnel that will be assigned to the project will conduct the presentation. The presentation should define the respondents understanding of the project, set forth the approach to the project and establish the experience of the personnel assigned to the project.
- (d) Following the Selectin Committee review of the presentations, a final ranking of the short listed firms will be prepared and authorization to negotiate is given. All short listed firms will be notified.
- (e) Negotiations will be initiated with the top-ranked firm on the short list. The firm will be contacted and requested to meet with the City to develop a detailed proposed scope of work and a schedule of fees for that work. If the City staff is unable to successfully negotiate a contract with the top-ranking firm, then the City staff will proceed to meet with the second ranking firm and enter negotiations with that firm.

This process will be repeated until a successful contract negotiation has occurred, or the City terminates the process.

- (f) Final authorization to award any resultant contracts will be made by City Council based on staff and Selection Committee recommendations.

2. EVALUATION CRITERIA

As a basis for evaluating the qualifications, the following elements merit consideration:

- (a) The qualifications of the firm. (20 points)
- (b) The firm's past experience in performing similar assignments for other owners, and the overall reputation of the firm. (20 points)
- (c) Location of project staff with respect to the general geographic area of the project. (10 points)
- (d) The potential provider has, on past projects, demonstrated innovative concepts. Please provide examples (15 points)
- (e) Suggested approach. (15 points)
- (f) Previous experience on municipal projects. (10 points)
- (g) Knowledge of local conditions. (10 points)

SECTION IV - RESPONDENT SUBMISSION REQUIREMENTS

1. SUGGESTED FORMAT OF RESPONSE

The suggested general format should be as follows:

- (a) A letter of interest, signed by a principle of the firm, with a statement as to the availability of the firm to complete the work within the stated time period (limited to one page).
- (b) A demonstration of the firms understanding of the project through an outline of their suggested approach to the project (limited to five pages).
- (c) Evidence of the firm's ability to perform the work.
- (d) Experience of the staff who would be assigned to the project team including sub-consultants. Provide name, location, role, percentage of time devoted to the project, related experience, and team experience for each team member. (limit to two pages per team member)
- (e) Three sample projects, similar in scope to this project that best illustrates team capabilities (limited to 3 pages per project).
- (f) A breakdown of effort related to technical, managerial and administrative functions.

- (g) References, including names and telephone numbers of previous clients with similar projects.

SECTION V - GENERAL TERMS AND CONDITIONS

1. NO CONTACT PERIOD

All inquiries regarding this solicitation are to be directed to the designated City Representative identified on the first page of the solicitation. Upon issuance of the solicitation through the pre-award phase and up to the date the City Secretary publicly posts notice of any City Council agenda containing the applicable award, aside from respondent's formal response to the solicitation, through the pre-award phase, written requests for clarification during the period officially designated for such purpose by the City Representative, neither Respondent(s) nor persons acting on their behalf shall communicate with any appointed or elected official or employee of the City of Missouri City, their families or staff through written or oral means in an attempt to persuade or influence the outcome of the award or to obtain or deliver information intended to or which could reasonably result in an advantage to any respondent. However, nothing in this paragraph shall prevent a respondent from making public statements to the City Council convened for a regularly scheduled session after the official selection has been made and placed on the City Council agenda for action, or to a City Council committee convened to discuss a recommendation regarding the solicitation.

2. SPECIFICATION CHANGES

NO PERSON has the authority to verbally alter these specifications. Any changes to specifications will be made in writing and posted to the following site:
<http://www.txsmartbuy.com/sp>

3. IMPLEMENTATION OF HOUSE BILL 1295

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency.

The law applies (with a few exceptions) only to a contract between a business entity and a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

Any and all resultant contracts of this RFQ will require the contractor to complete the Texas Ethics Commission requirements under the State of Texas House Bill 1295 Certificate of Interested Parties. Login Information, Forms, and Certification download may be obtained at:

<https://www.ethics.state.tx.us/filinginfo/1295/>

The City strongly encourages respondents to view the instructional video for Business Entities and review the FAQ's prior to proceeding with the filling. A certification will require the respondent to enter a contract/solicitation number in Box 3. That number for this solicitation is **RFQ No. 20-331**

4. VALIDITY OF RESPONSE

The response submitted shall be valid for a period for up to ninety (90) days after the date of opening for negotiation, acceptance and award by the City.

5. CONTRACT

The City will enter agreement with the successful firm using the City's own contract document only. A sample copy of the contract to be used is attached under separate cover.

This AGREEMENT ("Agreement") is entered into by and between the undersigned, CONTRACTOR Name. ("CONTRACTOR"), located at Address and the City of Missouri City ("CITY"), Texas, a municipal corporation of the State of Texas, located at 1522 Texas Parkway, Missouri City, Texas 77489.

Section 1. Services: CONTRACTOR will perform the designated services and/or provide the designated products as set forth in **Exhibit A** ("Services), which is attached hereto and incorporated for all purposes. The work under this Agreement shall be completed as detailed in **Exhibit A**. The terms and conditions of this Agreement take precedence over all exhibits and attachments.

Section 2. Term and Termination: This Agreement shall begin start date and shall terminate end date.

This Agreement may be terminated, upon thirty (30) days written notice, by the CITY without cause or by the CONTRACTOR for cause. This Agreement may be terminated immediately by the CITY for cause. . Upon termination, CITY shall pay CONTRACTOR, at the rate set out in **Exhibit B**, attached hereto and incorporated herein for all purposes, for Services satisfactorily performed up through the date of termination. Notwithstanding any provision in this Agreement to the contrary, CITY will not be required to pay or reimburse CONTRACTOR for any services performed or for expenses incurred by CONTRACTOR after the date of the termination notice that could have been avoided or mitigated by CONTRACTOR.

Section 3. Compensation: CONTRACTOR shall be paid for the services and reimbursable travel expenses, if any, as set forth in **Exhibit B**. CITY shall pay CONTRACTOR in accordance with the Texas Government Code, Chapter 2251. CONTRACTOR must submit invoices for all Services, which invoices must include dates and hours of service and details of services provided. Invoices shall be submitted, not later than the second (2nd) and fourth (4th) Friday of each month, to the City Project Manager or designee. Payment for delivery of Services rendered shall not be unreasonably withheld or delayed. The CITY shall be under no obligation to pay for Services rendered without prior authorization. Upon resolution of any disputed charges, CONTRACTOR shall submit an amended invoice covering any remaining charges to CITY.

Section 4. Travel: CONTRACTOR shall/shall not be reimbursed for travel conducted in the pursuit of this Agreement and appropriate per diem as outlined in **Exhibit B**. Documentation, which shall consist of original receipts, of travel costs, including, but not limited to, hotel and transportation costs, shall be provided by the CONTRACTOR for all travel-related expenses, except mileage from the CONTRACTOR's personal automobile.

Section 5. Limit of Appropriation and Fiscal Funding. The CONTRACTOR clearly understands and agrees, such understanding and agreement being of the absolute essence to this Agreement, that the CITY shall have available the amount budgeted by the CITY for to discharge any and all liabilities which may be incurred by the CITY pursuant to this Agreement and that the total maximum compensation that the CONTRACTOR may become entitled to hereunder and the total maximum sum that the CITY shall become liable to pay to the CONTRACTOR hereunder shall not under any conditions, circumstances, or interpretations, hereof, exceed the said total maximum sum provided for in this section without prior written permission from the CITY. The

CITY'S fiscal year is October 1 through September 30. If this Agreement extends beyond September 30th, there shall be a fiscal funding out. If, for any reason, funds are not appropriated to continue the contract in the new fiscal year, this Agreement shall become null and void on the last day of the current appropriation of funds without penalty of any kind or form to the CITY.

Section 6. Relationship of the Parties: CONTRACTOR is an independent CONTRACTOR and is not an employee, partner, joint venture, or agent of CITY. CONTRACTOR understands and agrees that he/she will not be entitled to any benefits generally available to City of Missouri City employees. CONTRACTOR shall be responsible for all expenses necessary to carry out the services under this agreement, and shall not be reimbursed by CITY for such expenses except as otherwise provided in this Agreement.

Section 7. Authority of City Project Manager: All Services to be performed by the CONTRACTOR hereunder shall be performed to the satisfaction of the CITY'S project manager, namely City Manager or designee. The CITY'S project manager shall decide any and all questions, which may arise as to the quality or acceptability of the Services performed by the CONTRACTOR and the decisions of the CITY'S project manager in such cases shall be final and binding on both parties. However, nothing contained herein shall be construed to authorize the CITY'S project manager to alter, vary or amend this Agreement.

Section 8. Intellectual Property: This Agreement shall be an agreement for services and the parties intend and consider any work created as a result of this Agreement, including any and all documentation, images, products or results, to be a work for hire under federal copyright law. Ownership of the work shall belong to and remain the exclusive property of CITY. The work may be edited at any time within the CITY'S discretion. If the work would not be considered a work-for-hire under applicable law, CONTRACTOR hereby assigns, transfers, and conveys any and all rights, title and interest to CITY, including without limitation all copyrights, patents, rights of reproduction, rights to ownership, and right to secure registrations, renewals, reissues and extensions thereof. As the sole copyright holder of the work, CITY maintains and asserts the rights to use, reproduce, make derivative works from, and/or edit the work in any form of medium, expression or technology now known or hereafter developed, at any time within the City's discretion. CONTRACTOR shall not sell, disclose or obtain any other compensation for the Services provided herein. If the work is one to which the provisions of 17 U.S.C. § 106A apply, the CONTRACTOR hereby waives and appoints CITY to assert on the CONTRACTOR's behalf the CONTRACTOR's moral rights or any equivalent rights regarding the form or extent of any alteration to the work (including, without limitation, removal or destruction) or the making of any derivative works based on the work, including, without limitation, photographs, drawings or other visual reproductions of the work, in any medium, for CITY purposes.

Section 9. Confidentiality: During the term of this Agreement, CONTRACTOR may come in contact with confidential information of CITY. CONTRACTOR agrees to treat as confidential the information or knowledge that becomes known to CONTRACTOR during performance of this Agreement and not to use, copy, or disclose such information to any third party unless authorized in writing by CITY. This provision does not restrict the disclosure of any information that is required to be disclosed under applicable law. CONTRACTOR shall promptly notify CITY of any misuse or unauthorized disclosure of its confidential information and upon expiration of this Agreement shall return to CITY all confidential information in CONTRACTOR'S possession or

control. CONTRACTOR shall further comply with all City information security policies that may apply and shall not make any press releases, public statements or advertisement referring to the Services provided under this agreement or the engagement of CONTRACTOR without the prior written approval of CITY.

Section 10. Warranties and Representations: CONTRACTOR warrants and agrees that CONTRACTOR shall perform the Services and conduct all operations in conformity with all applicable federal, state, and local laws, rules, regulations, and ordinances. For any Service performed on premises owned or controlled by CITY, CONTRACTOR warrants and agrees that CONTRACTOR will perform the Services in compliance with all CITY rules, including but not limited to, prohibitions related to tobacco use, alcohol, and other drugs.

Section 11. Licenses/Certifications: CONTRACTOR agrees to obtain, at its own cost, any and all approvals, licenses, filings, registrations and permits required by federal, state or local laws, regulations or ordinances, required for the performance of the Services.

Section 12. Performance/Qualifications and Assignment: CONTRACTOR agrees and represents that CONTRACTOR has the personnel, experience, and knowledge necessary to qualify CONTRACTOR for the particular duties to be performed under this Agreement. CONTRACTOR warrants that all services performed under this Agreement shall be performed consistent with generally prevailing professional or industry standards. The CITY and the CONTRACTOR bind themselves and their successors, executors, administrators, and assigns to this Agreement and to the successors, executors, administrators and assigns of the other party, in respect to all covenants of this Agreement. Neither the CITY nor the CONTRACTOR shall assign, sublet or transfer its or his interest in this Agreement without the written consent of the other, which consent will not be unreasonably withheld. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body, which may be a party hereto.

Section 13. Conflict of Interest: CONTRACTOR warrants, represents, and agrees that CONTRACTOR presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with CONTRACTOR's performance of the services hereunder. CONTRACTOR further warrants and affirms that no relationship or affiliation exists between CONTRACTOR and CITY that could be construed as a conflict of interest with regard to this Agreement. Pursuant to Section 2252.908, Texas Government Code, if this Agreement requires an action or vote by the CITY Council or has a value of at least \$1 million, CONTRACTOR further warrants that CONTRACTOR has submitted a disclosure of interested parties to the CITY.

Section 14. Insurance: For the entire term of the Agreement ("Term"), CONTRACTOR shall maintain Comprehensive General Liability insurance coverage of \$1,000,000 per occurrence, \$2,000,000 in the aggregate or medical malpractice insurance (whichever applies), CONTRACTOR shall also maintain the following insurance: (i) Worker's Compensation coverage with statutory limits for the State of Texas, including Employers Liability coverage of \$500,000 per accident; (ii) Commercial Automobile Liability coverage of \$1,000,000 Combined Single Limit; (iii) for engineers and architects only: Professional Liability coverage of \$1,000,000 per occurrence; and (iv) for builders only: Builder's Risk coverage in the amount of the construction cost, including protection against named windstorm and flood. All policies must contain a waiver

of subrogation against City. Comprehensive General Liability and Commercial Automobile Liability policies must name CITY as Additional Insured. CONTRACTOR shall pay all insurance deductibles and deductibles must not exceed \$10,000 unless approved in advance by City. CONTRACTOR shall provide City Certificates of Insurance evidencing these insurance requirements prior to the start of work. The CONTRACTOR shall notify the CITY in the event of any change in the required coverage or cancellation, and shall give such notices not less than 30 days prior to the change or cancellation. The CONTRACTOR shall provide a replacement Certificate of Insurance prior to such change or cancellation. The CONTRACTOR agrees to waive all the CONTRACTOR's, its officers, employees, agents, assigns, and successors' rights of subrogation, except under the Professional Liability, against the CITY, its officers, employees, and elected representatives for injuries, including death, property damage, or other loss covered by insurance and the CONTRACTOR will provide a waiver of subrogation endorsement against the CITY. The CITY must be named or listed on the endorsement. **COVERAGES SHALL BE WITH A COMPANY (WITH AT LEAST AN A- BEST RATING) ACCEPTABLE TO THE CITY PURCHASING AND RISK MANAGEMENT DIVISION AND A COPY OF THE CERTIFICATE OF COVERAGE SHALL BE DELIVERED TO THE CITY ON OR BEFORE THE DATE OF THIS AGREEMENT.**

Section 15. Indemnification: Except as provided herein, CONTRACTOR shall indemnify and hold harmless City, and each of its directors, officers, agents and employees from and against all claims, actions, suits, demands, proceedings, costs, damages and liabilities, including without limitation attorneys' fees and reasonable litigation costs, arising out of, connected with, or resulting from any acts or omissions of CONTRACTOR or any agent, employee, subCONTRACTOR, or supplier of CONTRACTOR in the execution or performance of this contract. If any action or proceeding shall be brought by or against the CITY in connection with any such claim, action, suit, demand, proceeding, cost, damage, or liability, the CONTRACTOR, on notice from the CITY, shall defend the CITY against such action or proceedings at CONTRACTOR's expense, by or through attorneys reasonably satisfactory to the CITY. The CONTRACTOR's obligations under this section shall not be limited to the limits of coverage of insurance maintained or required to be maintained by the CONTRACTOR under this Agreement. CONTRACTOR agrees to provide engineering or architectural services, as applicable, hereunder as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect, as applicable, and in accordance with the generally accepted standards applicable thereto and shall use that degree of care and skill commensurate with the CONTRACTOR's trade or profession to comply with all applicable state, federal, and local laws, ordinances, rules, and regulations relating to the services provided hereunder and the CONTRACTOR's performance. CONTRACTOR shall and does hereby agree to indemnify and hold harmless the CITY, its officers, agents, and employees from any and all damages, loss, or liability of any kind, whatsoever, including, but not limited to, death, injury, or property damages, to the extent caused by the intentional, knowing, reckless, or negligent act or omission (hereinafter referred to as "fault") of the CONTRACTOR, its officers, agents, employees, invitees or other persons for whom it is legally liable, with regard to the performance of engineering and architectural services, as applicable, pursuant to this Agreement, and the CONTRACTOR will reimburse the CITY's reasonable legal costs, including reasonable attorney's fees, in proportion to CONTRACTOR's liability for such engineering and architectural services, as applicable.

Section 16. Force Majeure: Neither CITY nor CONTRACTOR will be liable for any failure, breach, loss, damage or delay in the performance of this Agreement due to any cause beyond its reasonable control, including, an act of war, an act of God, earthquake, flood, embargo, riot, sabotage, labor shortage or dispute, governmental act or failure of the Internet (not resulting from the negligence or willful misconduct of CONTRACTOR), provided that the delayed party: (a) gives the other party prompt notice of such cause, and (b) uses its reasonable commercial efforts to promptly correct such failure or delay in performance.

Section 17. Notices: Any notice given under this contract by either party to the other may be given by personal delivery in writing or by mail, registered or certified postage prepaid with return receipt requested. Mailed notices shall be addressed to the addresses of the parties as they appear in the contract. Notices delivered personally shall be deemed communicated at the time of actual receipt. Mailed notice shall be deemed communicated three (3) days after mailing.

Section 18. Texas Family Code Child Support Certification: Pursuant to Section 231.006, Texas Family Code, CONTRACTOR certifies that it is not ineligible to receive the award of or payments under the Agreement and acknowledges that the Agreement may be terminated and payment may be withheld if this certification is inaccurate.

Section 19. Jurisdiction: CITY and CONTRACTOR agree that any dispute under this Agreement shall be brought in a court of competent jurisdiction in Fort Bend County, Texas, and that this Agreement shall be governed by Texas law, except for the conflict of law provisions.

Section 20. Prohibition on Boycotting Israel. Pursuant to Section 2270.002, Texas Government Code, CITY may not enter into a contract for goods or services unless the contract contains a written verification that the CONTRACTOR: (1) does not boycott Israel; and (2) will not boycott Israel during the term of this Agreement. By executing the House Bill 89 Verification Form, **Exhibit C**, attached hereto and incorporated herein for all purposes, CONTRACTOR verifies that CONTRACTOR does not boycott Israel or will not boycott Israel during the term of this Agreement.

Section 21. Engaging in Business with Sudan, Iran or Foreign Terrorist Organizations Prohibited. Pursuant to Section 2252.152, Texas Government Code, CONTRACTOR warrants, represents, and agrees that CONTRACTOR is not identified on a list prepared and maintained by the Texas Comptroller of Public Accounts as a company that engages in business with Sudan, Iran or a foreign terrorist organization.

Section 22. Entire Agreement: This Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements, and understanding, oral or written between the parties relating to this Agreement. This Agreement may not be modified except by mutual written agreement of the parties executed subsequent to this agreement.

Section 23. Severability: In the event that any provision(s) of this Agreement shall for any reason be held invalid, illegal, or unenforceable, the invalidity, illegality or unenforceability of that provision(s) shall not affect any other provision(s) of this Agreement, and it shall further be construed as if the invalid, illegal, or unenforceable provision(s) had never been a part of this Agreement.

Section 24. Address and Notices and Communication: The parties contemplate that they will engage in informal communications with respect to the subject matter of this Agreement. However, any formal notices or other communications (“Notice”) required to be given by one party to the other party under this Agreement shall be given in writing addressed to the party to be notified at the address set forth below for such party, (i) by delivering the same in person, (ii) by depositing the same in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed to the party to be notified, or (iii) by depositing the same with a nationally recognized courier service guaranteeing “next day delivery,” addressed to the party to be notified, (iv) by sending the same by telefax with confirming copy sent by mail, or (v) by sending the same by electronic mail with confirming copy sent by mail. Notice deposited in the United States mail in the manner hereinabove described shall be deemed effective from and after the date of such deposit. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties, until changed by providing written notice in accordance hereunder, shall be as follows:

All notices and communications under this Agreement shall be mailed to the CONTRACTOR at the following address:

NAME OF CONTRACTOR
ADDRESS
PHONE
EMAIL

All notices and communications under this Agreement shall be sent to the CITY at the following address:

City of Missouri City
Attn: Procurement and Risk Management
1522 Texas Parkway
Missouri City, Texas 77489
purchasing@missouricitytx.gov

Section 25. Authority: CONTRACTOR warrants and represents that CONTRACTOR has full power and authority to enter into and perform this agreement and to make the grant of rights contained herein. The person signing on behalf of CITY represents that he/she has authority to sign this agreement on behalf of CITY.

Reviewed by: _____
Shannon Pleasant, CTPM - Procurement & Risk Manager

Department Director: _____ Date: _____

CONTRACTOR

CITY OF MISSOURI CITY

Signature

Assistant City Manager

Title

Date: _____

Date: _____

****If more than \$25K****

City Manager

Date: _____

EXHIBIT "A"
SERVICES

Scope of Services

EXHIBIT "B"
COMPENSATION

EXHIBIT "C"
AFFIDAVIT

I, _____, being an adult over the age of eighteen (18) years and the undersigned authorized representative of _____ (hereafter referred to as "Company"), do hereby verify that the above-named Company, under the provisions of Subtitle F, Title 10, Texas Government Code, Chapter 2270:

(1) Does not boycott Israel; and

(2) Will not boycott Israel during the term of this Agreement with the City of Missouri City.

Pursuant to Section 2270.001, Texas Government Code, the following term has the following meaning:

1. "*Boycott Israel*" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Signature

Date

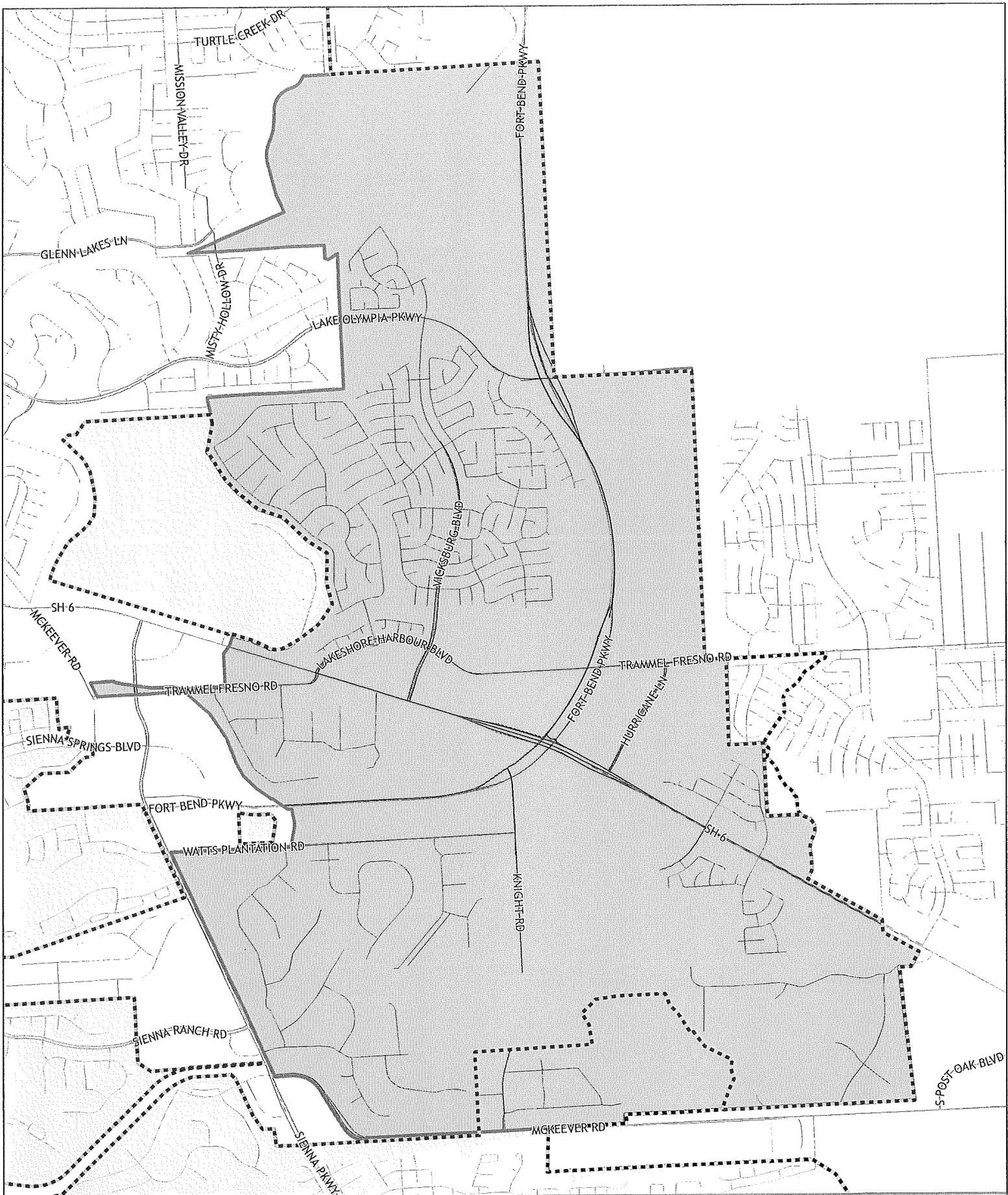
STATE OF TEXAS §

§

COUNTY OF _____ §

This instrument was acknowledged before me this _____ day of _____, 2020,
by _____.

Notary Public, State of Texas



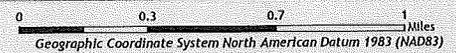
Map By:
GIS Division
February 2020



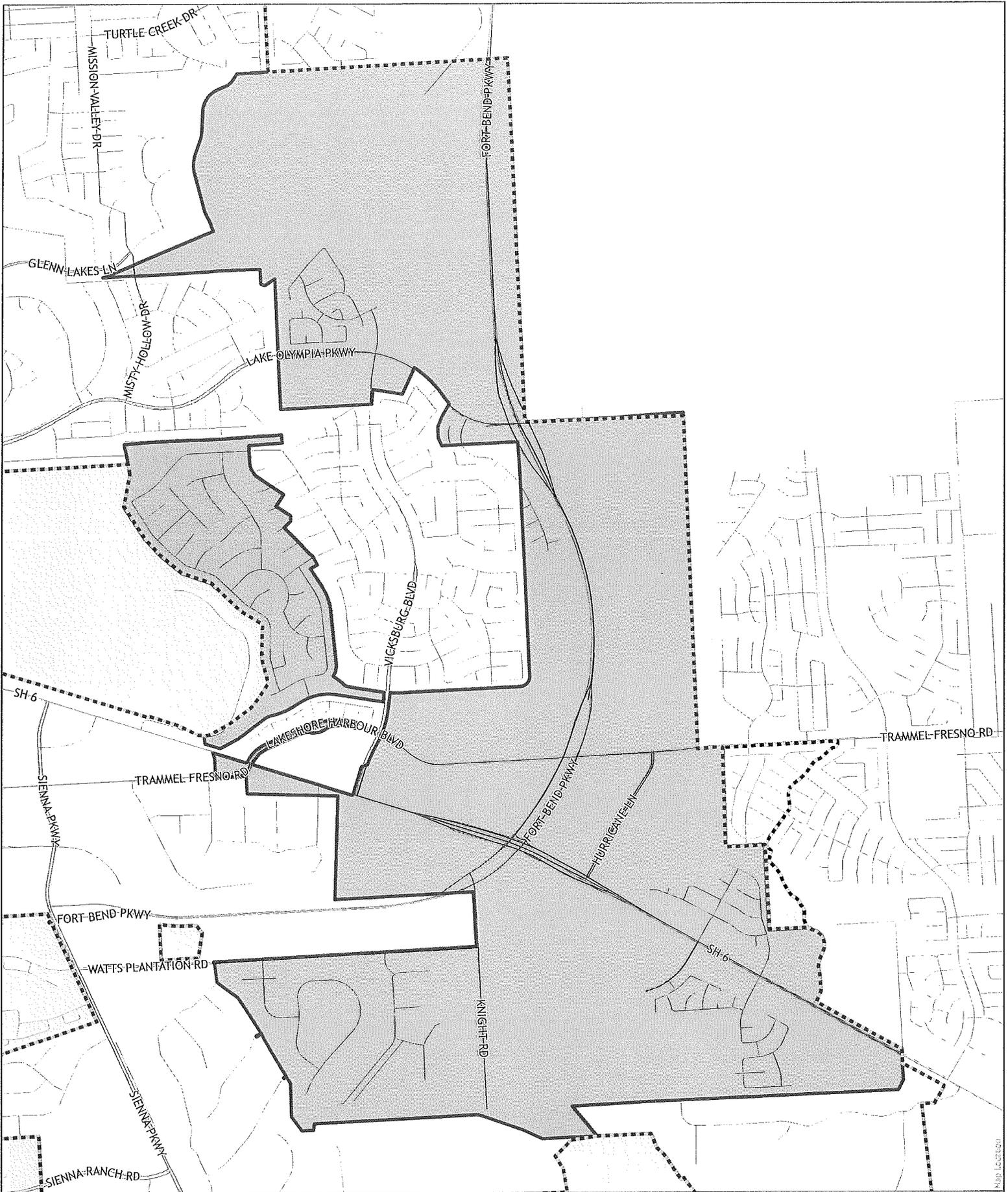
Mustang Bayou Waste Water Service Area

Legend

- Mustang Bayou Waste Water Service Area
- City Limits
- ETJ



The information on this map is provided and maintained by various agencies, including county departments, municipal governments, state and federal agencies. The map is designed to serve as a secondary representation of real property found within this jurisdiction, and is compiled from the recorded deeds, plats, and other public records, which are primary sources for this public information. The data layers do not take the place of a legal survey or other primary source documentation. The City and its vendors assume no legal responsibility for the information on this map.

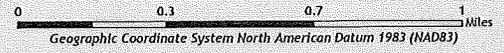


Map By:
GIS Division
February 2020



Mustang Bayou Water Service Area

- Legend**
- Mustang Bayou Service Area
 - City Limits
 - ETJ



The information on this map is provided and maintained by various agencies, including county departments, municipal governments, state and federal agencies. The map is designed to serve as a secondary representation of real property found within this jurisdiction, and is compiled from the recorded deeds, plats, and other public records, which are primary sources for this public information. The data layers do not take the place of a legal survey or other primary source documentation. The City and its vendors assume no legal responsibility for the information on this map.

ANSP LOCATION

RFQ No. 20-331 Plant Operations

Mustang Bayou & Steep Bank Flat Bank Creek Service Areas



RFQ No. 20-331 Plant Operations Overview

Mustang Bayou and Steep Bank Flat Bank Creek Services Areas

RFQ No. 20-311: On February 28, 2020, the City solicited qualifications of firms.

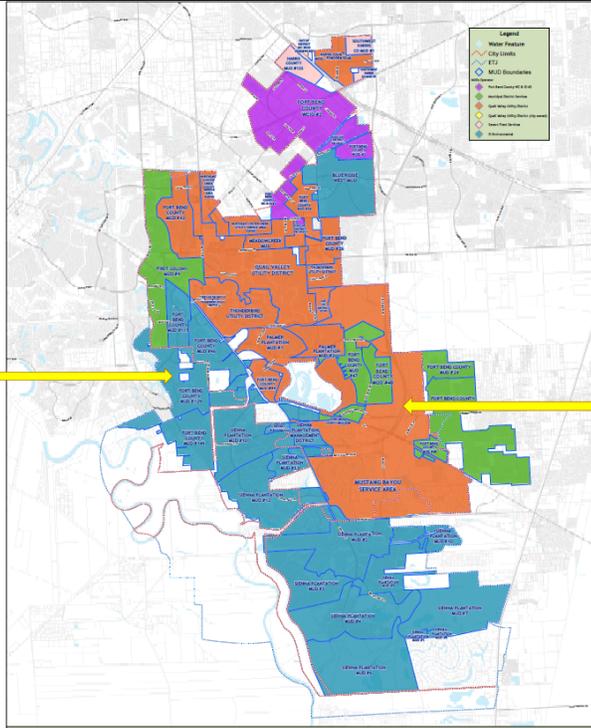
Selection Committee: Two separate committees were formed

- Mustang Bayou - two area and three City representatives
- Steep Bank Flat Bank Creek - seven area and three City representatives

Operations Companies: Were provided an opportunity to present



Steep Bank Flat Bank Creek
WWTP



Mustang Bayou
WWTP



Mustang Bayou Service Area

- ❖ City has agreements with two (2) participants: MUDs No. 47 and 48
- ❖ Quail Valley Utility District has operated Service Area since 2007 and Wastewater Treatment Plant since 2012
- ❖ Approximately seven square mile area
- ❖ Request from participants to re-evaluate operators



Mustang Bayou Service Area

❖ Service Area Includes

- **1 Wastewater Treatment Plant:** Mustang Bayou
- **7 Lift Stations:** Creekmont #1, Hightower, Lake Shore Harbour #1, #2, and #3, Fort Bend Town Center, and Dry Creek
- **3 Lift Stations (pending):** Parks Edge #1 and #2, and Shipman's Cove #1,
- **2 Ground Water Well Plants:** Mustang Bayou #1 and #2
- **Storm Water System:** Drainage systems in seven mile geographical area
- **5 Water Distribution Systems:** Creekmont, Lake Shore Harbour, Fort Bend Town Center, Dry Creek, and Parks Edge
- **2 Water Distribution Systems (pending):** Shipman's Cove and Hightower High School (irrigation only)



Mustang Bayou Wastewater Treatment Plant

- ❖ Area experiencing rapid growth
 - Current rated wastewater treatment plant capacity (0.95 MGD)
 - Need based on projected 10-year growth (1.6 MGD)
 - Rehabilitate existing plant units
- ❖ Expansion project underway. Integrating a 1 MGD package plant recently purchased
- ❖ Changing operations companies during this vital expansion project process can adversely disrupt operations



Mustang Bayou RFQ 20-331 Evaluation Score

❖ Summary

- Quail Valley Utility District received the majority vote
- Si Environmental received the highest score tabulation

Tabulation of RFQ 20-331 Plant Operations
Mustang Bayou
June 25, 2020

Respondent	1	2	3	4	5	Totals
Quail Valley Utility District	420	315	435	405	470	2,045
Si Environmental	500	490	410	365	360	2,125



Mustang Bayou RFQ 20-331 Results

❖ City Staff

- City staff recommends Quail Valley Utility District for the award of a revised contract to continue the operation and maintenance of the Mustang Bayou Service Area

❖ Planning, Development and Infrastructure Committee

- On August 10, 2020, the Planning, Development and Infrastructure (PDI) Committee voted unanimously to support the City staff recommendation as provided above



Steep Bank Flat Bank Creek Service Area

- ❖ City has agreements with seven (7) participants: First Colony MUD No. 9, Fort Bend County Municipal Utility District Nos. 42, 46, 115, 129, 149, and Sienna MUD No. 1
- ❖ Quail Valley Utility District has operated Service Area since 2002
- ❖ Request from participants to re-evaluate operators



Steep Bank Flat Bank Creek Service Area

- ❖ Service Area Includes
 - **1 Wastewater Treatment Plant:** Steep Bank Flat Bank Creek
 - **6 Lift Stations:** Colonial Lakes, Thompson Ferry, Forth Bend MUD 115 #1, FBMUD129 #1, #2, and #3
 - **1 Lift Station (pending):** Sienna MUD #1,
 - **Sanitary Sewer Systems:** All sanitary sewer force main lines from lift stations to the Steep Bank Flat Bank Creek WWTP



Steep Bank Flat Bank Creek Wastewater Treatment Plant

- ❖ Expansion
 - Current rated wastewater treatment plant capacity (3.0 MGD)
 - Proposed expansion (4.5 MGD)
- ❖ Rehabilitation
 - Bar Screen System
 - Grit Removal System



Steep Bank Flat Bank RFQ 20-331 Evaluation Score

- ❖ Summary
 - Si Environmental received the majority vote
 - Si Environmental received the highest score tabulation

Tabulation of RFQ 20-331 Plant Operations
Steepbank Flatbank
June 25, 2020

Respondent	1	2	3	4	5	6	7	8	9	10	11	Totals
Quail Valley Utility District	330	330	0	400	500	500	340	420	375	470	370	4,035
Si Environmental	395	450	0	465	450	350	460	435	415	360	390	4,170

Scores of 0 indicate that the scorer did not submit their scores.



Steep Bank Flat Bank RFQ 20-331 Results

- ❖ City Staff
 - City staff recommends Si Environmental for the award of a new contract for the operations and maintenance of the Steep Bank Flat Bank Creek Service Area
 - City staff also recommends the development and implementation of a transition plan for Si Environmental to systematically take responsibility of Steep Bank Flat Bank Creek Service Area from QVUD
- ❖ Planning, Development and Infrastructure Committee
 - On August 10, 2020, the Planning, Development and Infrastructure (PDI) Committee voted unanimously to support the City staff recommendation as provided above



STAFF'S RECOMMENDATIONS TO COUNCIL

- ❖ Mustang Bayou Service Area
 - City staff recommends to the City Council to authorize the City Manager or his representative (Utilities Manager) to negotiate a revised contract with Quail Valley Utility District
- ❖ Steep Bank Flat Bank Creek Service Area
 - City staff recommends to the City Council to authorize the City Manager or his representative (Utilities Manager) to negotiate a new contract and the development of a transition plan with Si Environmental
- ❖ Next Steps
 - Award the contracts at a future City Council Meeting



Questions?





CITY COUNCIL AGENDA ITEM COVER MEMO

September 8, 2020

To: Mayor and City Council
Agenda Item: 2(b) Discuss the Proposed Interfund Loan Policy
Submitted by: Allena Portis, Director of Financial Services

SYNOPSIS

Interfund loans involve the lending of cash from one City fund to another for a specific purpose with a requirement for repayment. The practice of interfund loans is a recognized and necessary aspect of municipal finance. Such loans are typically short-term in nature, and constitute the allocation of resources between individual funds for working capital purposes.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Maintain a financially sound City

BACKGROUND

The City should implement and follow policies to address the borrowing to cover negative cash balances. This policy would implement an interfund loan policy and procedures to ensure that all long-term interfund borrowing (borrowing longer than one year) is governed by formal interfund loan agreements that have an appropriate level of authorization (i.e., City Council).

Staff believes inclusion of this Policy will ensure adherence and compliance with best practices and will most importantly, provide authority for interfund loans.

Temporary borrowing of cash may be made for the following reasons:

- To offset timing differences in cash flow
- To offset timing differences between expenditures and reimbursements, typically associated with grant funding
- To provide for advance spending for a capital project prior to securing project financing, especially in instances where reimbursement resolutions have been passed by City Council.
- For other needs as deemed appropriate by City Council.

The term of the interfund loan may continue over a period of more than one year, but must be “temporary” in the sense that no permanent diversion of the lending fund results from the failure to repay by the borrowing fund. Additionally, interfund loans should not hinder the accomplishment of any function or project for which the lending fund was established.

Interfund loans should not be used to solve ongoing structural budget problems. Over the past three fiscal years, the LGC has received interfund loans instead of transfers as in previous years. Due to the loans being issued to solve structural budget problems, staff is requesting to forgive the loans and address year-end trumps with transfers formally with a future agenda item.

BUDGET ANALYSIS

There are currently two long-term interfund loans included in the FY2021 budget. These loans are as follows:

Lending Fund	Paying Fund	Outstanding Balance
505 (Mustang Bayou)	506 (Surface Water)	\$5,565,350
506 (Surface Water)	505 (Mustang Bayou)	\$6,157,696

Net Balance: \$592,346

There is currently an interfund loan (Due To/Due From and Advance To/Advance From) with the Missouri City Recreation and Leisure Local Government Corporation. A budget amendment for FY2020 will be presented at a future meeting that will record the elimination of prior structural deficits via a transfer from the general fund in the amount of \$420,453.68. This amount excludes the loan agreement with the City for netting, flooring, tee-line and the El Dorado Bridge at Hold Number 5 (\$149,287)

The City has an active reimbursement resolution (R-20-07) for capital expenditures to be paid/reimbursed with the 2020 Series Certificate of Obligation debt issuance.

SUPPORTING MATERIALS

1. Proposed Resolution
2. Proposed Interfund Loan Policy
3. Resolution R-20-07
4. Utilities Interfund Loan Schedule

STAFF'S RECOMMENDATION

Staff recommends approval of the Interfund Loan Policy, ratification of existing interfund loans and approval forgiveness of past loans between the LGC in the amount of \$420,453.68.

Director Approval: Allena Portis, Director of Financial Services

**Assistant City Manager/
City Manager Approval: Bill Atkinson**

RESOLUTION NO. R-20-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MISSOURI CITY, TEXAS, AMENDING THE COMPREHENSIVE FINANCIAL POLICY FOR THE CITY OF MISSOURI CITY, TEXAS, BY ADOPTING AN INTERFUND LOAN POLICY GOVERNING THE TRANSFER OF CITY OF MISSOURI CITY FUNDS FROM ONE MISSOURI CITY FUND TO ANOTHER; AND PROVIDING FOR REPEAL.

* * * * *

WHEREAS, pursuant to Resolution No. R-16-22, adopted by the City Council of the City of Missouri City on June 20, 2016, the City Council of the City of Missouri City adopted a Comprehensive Financial Policy (the "Financial Policy"); and

WHEREAS, the Financial Policy was amended pursuant to Resolution No. R-19-42, to amend the Fund Balance Policy; and

WHEREAS, the City Council has determined that it is in the best interest of the residents of the City to adopt an interfund loan policy governing the transfer of City of Missouri City funds from one fund to another; now therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MISSOURI CITY, TEXAS:

Section 1. The facts and recitals set forth in the preamble of this Resolution are hereby found to be true and correct and are in all things incorporated herein and made a part hereof.

Section 2. The City Council of the City of Missouri City, Texas hereby amends the Comprehensive Financial Policy, adopted by Resolution No. R-16-22 and amended by Resolution No. R-19-42, by renumbering Articles V, VI, VII, and VIII, as Articles VI, VII, VIII, and IX, respectively.

Section 3. The City Council of the City of Missouri City, Texas hereby amends the Comprehensive Financial Policy, adopted by Resolution No. R-16-22 and amended by Resolution No. R-19-42, by adding a new Article V, the attached Interfund Loan Policy, as set forth in Exhibit "A," attached hereto and made a part hereof for all purposes.

Section 4. The officers and employees of the City are hereby authorized and directed to execute such instruments and take such actions as are consistent with the provisions of this Resolution.

Section 5. Repeal. All resolutions or parts of resolutions, if any, in conflict herewith, shall be and are expressly repealed to the extent of such conflict.

Section 6. Severability. In the event any clause, phrase, provision, sentence or part of this Resolution or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Missouri City, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

PASSED, APPROVED and ADOPTED this 8th day of September, 2020.

Yolanda Ford, Mayor

ATTEST:

APPROVED AS TO FORM:

Maria Jackson, City Secretary

E. Joyce Iyamu, City Attorney

CITY OF MISSOURI CITY INTERFUND LOAN POLICY

DEFINITION

Interfund loans are loans from one City fund to another City fund for a specific purpose with a requirement for repayment. Interfund borrowing is a tool employed by the City of Missouri City Financial Services Department to assist funds experiencing short-term transitory cash imbalances created in the conduct of City Council approved budget activities. It is not to be used to fund activities not contemplated in the fund's adopted budget.

PURPOSE

The purpose of this policy is to provide guidelines regarding the establishment, management, and repayment of interfund loans.

POLICY

General

Interfund loans should be considered temporary or short-term borrowing of cash and may be made for the following reasons:

- To offset timing differences in cash flow
- To offset timing differences between expenditures and reimbursements, typically associated with grant funding
- To provide for advance spending for a capital project prior to securing project financing.
- For other needs as deemed appropriate by City Council.

The term of the interfund loan may continue over a period of more than one year, but must be "temporary" in the sense that no permanent diversion of the lending fund results from the failure to repay by the borrowing fund. Additionally, interfund loans should not hinder the accomplishment of any function or project for which the lending fund was established.

Interfund loans should not be used to solve ongoing structural budget problems. Inter fund loans may not be used to support operating needs, but are allowable for cash flow needs related to projects involving third party financial transactions, such as grants, reimbursements, or debt issuances with accompanying reimbursement resolutions.

Interfund loans may be considered when one fund has excess reserves (over policy requirements) that are not anticipated to be needed prior to repayment.

Procedures

All City interfund borrowing requests will be in writing and will be signed by the City Manager. City Council approval is required for loans that exceed one year. City Council approval should be indicated by a signature of a member of the City Council empowered to provide such approval.

The establishment of Interfund loans requires coordination among several parties, including the department overseeing the funds that would provide or receive the loan, the Financial Services Department, and the City Attorney's Office.

The following procedures should be followed in establishing an interfund loan:

The department managing the borrowing fund should prepare a request for interfund loan. The request shall include the amount requested, loan period, and monthly/annual payment plan. The department should analyze projected revenues and expenditures for the particular fund. The interfund loan request and supporting documentation should be forwarded to the Financial Services Department.

In addition to the above information, all request must include the following:

- Purpose/use of funds: Discussions should be supported by cash flow history and projections (three years of history, if available, and projected cash flows for the loan period), budget narratives describing the program or project, and other documents as needed to provide a complete and clear understanding of the use of funds.
- Reasons cash balances and current revenues cannot fund activity
- Analysis of other options available to fund activity. Discussion should address all actions the Department has already taken and their outcomes, any actions other than the loan currently being contemplated by the department and any actions that are not available to the department due to legal or other constraints.
- Source(s) of repayment and any conditions that must change to allow repayment.
- Implications of not receiving funding: Discussion should identify significant impacts to the project or program (such as services that are being denied, utilities that are being shut off, or failure of timely payment of emergency services) and any costs associated with delayed payments (such as interest, penalties, or re-activation fees). Where appropriate, recognition of department alternatives should be acknowledged.

The Financial Services Department should provide information on the status of the funds providing and receiving the loan, potential funding options, and estimated loan and interest repayment calculation. Interfund loans should include an interest component that equals the investment earnings the providing fund would have received had the loan not occurred.

Documents prepared should be forwarded to the City Attorney's Office to determine if there are legal restrictions associated with the use of the identified funding source for the interfund loan, and to prepare the resolution with the loan terms, when required.

Interfund loans shall be in writing and specify the terms and conditions of the loan including the:

1. Effective date of the loan;
2. Name of fund loaning the money;
3. Name of the fund receiving the money;
4. Amount of the loan;
5. Use of Funds
6. Term of and repayment schedule for the loan;
7. Interest rate of the loan;
8. Method of calculating interest applicable to the loan;

Repayment

Repayment of the loan is top priority of the borrowing fund once cash is available.

As part of the annual budget process, the Financial Services Department should ensure that the loan repayment is budgeted consistent with the loan terms.

If the borrowing fund continues to maintain negative cash balance for periods beyond the term of the loan, scheduled payments should be postponed until the fund has a positive cash balance. Interest should continue to accrue and be added to the principal of the loan.

If the borrowing fund is an operating fund, it must maintain positive cash balance of at least 10% of its operating expense/expenditure budget to be able to repay the loan; excess cash balance (over the 10%) should be used to make scheduled payments and catch-up payments.

Modification

Modification of loan term, interest rate, and/or repayment schedule of an interfund loan should be approved by the City Council.

ATTACHMENT 1

Recording of Transactions

Interfund loans are treated as balance sheet transactions. Being such, the transactions should be recorded in the general ledger as follows:

Account Codes

Due To (24####)/Due From (14####) – Used to record short-term cash borrowings, such as those reflected in the Comprehensive Annual Financial Report for funds with temporary negative balances

Advance To (17####)/Advance From (27####) – Used to record cash borrowings that exceed 1 year

Account Code Structure

Due From account begins with 14 and ends with the fund number of the borrowing fund.

For example, a loan from General Fund 101 to Capital Project Fund 403 would be 101-14403.

Due To accounts begin with 24 and ends with the fund number of the loaning fund.

For example, a loan from the General Fund 101 to Capital Project Fund 403 would be 403-24101.

This structure is identical to the structure for the Advance To/Advance From accounts.

Example 1 – Short-Term

Entry to record short-term loan- 1 year or less

To record disbursement in the loaning fund for the advance to the borrowing fund:

Due From Other Funds	\$50,000
Cash	\$50,000

To record receipt of the advance in the borrowing fund:

Cash	\$50,000
Due to Other Funds	\$50,000

Entry to record loan payment

To record repayment of the advance in the borrowing fund:

Due to Other Funds	\$50,000
Cash	\$50,000

**

To record receipt of repayment in the loaning fund:

Cash	\$50,000
Due From Other Funds	\$50,000

**

To record repayment of loan with interest in the loaning fund:

Cash	\$50,500	
Due From Other Funds		\$50,000
Interest Income		\$ 500

**

To record repayment of loan with interest in the borrowing fund:

Due to Other Funds	\$50,000	
Expenditure – Interest Expense	\$ 500	
Cash		\$50,500

Example 2 – Exceeds 1 Year

Entries to record loan that exceeds 1 year

To record disbursement in the loaning Fund for the advance to the borrowing Fund:

Advances to Other Funds	\$50,000	
Cash		\$50,000

**

To record receipt of the advance in the borrowing fund:

Cash	\$50,000	
Advances from Other Funds		\$50,000

Entry to record loan payment

To record repayment of the advance in the borrowing fund:

Advances from Other Funds	\$50,000	
Cash		\$50,000

**

To record receipt of repayment in the loaning fund:

Cash	\$50,000	
Advances to Other Funds		\$50,000

**

To record repayment of loan with interest in loaning fund:

Cash	\$50,500	
Advances to Other Funds		\$50,000
Revenue - Interest Income		\$ 500

**

To record repayment of loan with interest in borrowing fund:

Advances From Other Funds	\$50,000	
Expenditure – Interest Expense	\$ 500	
Cash		\$50,500

RESOLUTION NO. R-20-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MISSOURI CITY, TEXAS DECLARING THE CITY'S INTENTION TO REIMBURSE THE COST OF CERTAIN EXPENDITURES FROM THE PROCEEDS OF CERTIFICATES OF OBLIGATION TO BE ISSUED FOR THE CONSTRUCTION OF PUBLIC WORKS AND A FIRE TRUCK AND ANY ITEMS RELATED THERETO.

* * * * *

WHEREAS, the City Council of the City of Missouri City, Texas (hereinafter, the "City") anticipates constructing public works and purchasing a fire truck and related items; and

WHEREAS, the City anticipates providing funds to finance the cost of constructing public works and the purchase of a fire truck and items related thereto by issuing, after the date hereof, certain certificates of obligation; and

WHEREAS, no funds of the City are, or are reasonably expected to be, allocated, reserved, or otherwise set aside in the City's budget on a long-term basis to pay the cost of the construction of public works or purchase of a fire truck and items related thereto; and

WHEREAS, the City anticipates that it will be obligated to pay certain costs constituting expenditures in the aggregate amount of not more than \$11,000,000.00 for costs related to the construction of public works and the purchase of a fire truck and items related thereto (hereinafter, the "Expenditures"); and

WHEREAS, pending the issuance of the certificates of obligation, the funds to be used initially to pay the Expenditures set forth in this Resolution are in the City's Capital Projects Fund No. 402, the general purpose of which is to pay certain capital expenditures of the City; and

WHEREAS, the City reasonably expects that it will be reimbursed for the Expenditures with proceeds from the issuance of the certificates of obligation; and

WHEREAS, after the issuance of the certificates of obligation, the City will: (i) evidence each allocation of proceeds of the certificates of obligation to the reimbursement of the Expenditures with an entry in its books and records maintained with respect to the certificates of obligation, and (ii) identify in such entry the actual prior Expenditure being reimbursed or the fund from which the Expenditure was made; now therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MISSOURI CITY, TEXAS:

Section 1. The City Council hereby adopts the findings set out in the preamble hereof.

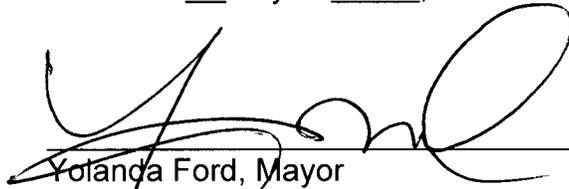
Section 2. The City hereby declares its intent to reimburse itself for all costs to be paid in connection with the construction of public works and the purchase of a fire truck and items related thereto from the proceeds of the certificates of obligation to be issued subsequent to the payment of all or a portion of such costs.

Section 3. In lieu of incurring debt at this time, the City expects to pay the costs associated with the construction of public works and purchase of a fire truck and items related thereto from the City's Capital Projects Fund No. 402.

Section 4. The City expects that debt service on the certificates of obligation to be issued to reimburse the City for the costs to be paid in connection with the construction of public works and the purchase of a fire truck and any items related thereto will be paid from the taxes levied, assessed and collected by the City to pay the certificates of obligation.

Section 5. The maximum principal amount of certificates of obligation to be issued to finance the cost of the construction of public works and the purchase of a fire truck and items related thereto will be no more than \$11,000,000.00.

PASSED, APPROVED and ADOPTED this 2nd day of March, 2020.



Yolanda Ford, Mayor

ATTEST:



Maria Jackson, City Secretary

APPROVED AS TO FORM:



E. Joyce Iyamu, City Attorney



**City of Missouri, City
Interfund Loans**

FY	B=D-A			
	A LOAN Mustang Bayou to Surface Water	B MB Escrow for Debt	C Total MB Payment	D LOAN Surface Water to Mustang Bayou
2020	\$ 292,600	\$ -	\$ 292,600	\$ 615,368
2021	291,600	324,862	616,462	616,462
2022	295,350	321,227	616,577	616,577
2023	293,600	321,831	615,431	615,431
2024	291,600	323,765	615,365	615,365
2025	294,350	322,391	616,741	616,741
2026	291,600	325,193	616,793	616,793
2027	293,600	321,608	615,208	615,208
2028	295,100	319,503	614,603	614,603
2029	296,100	319,047	615,147	615,147
2030	23,022		23,022	
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
Total	\$ 2,958,522	\$ 2,899,428	\$ 5,565,350	\$ 6,157,696



CITY COUNCIL AGENDA ITEM COVER MEMO

September 8, 2020

To: Mayor and City Council
Agenda Item: 2(c) CARES Act priority 3 Community Input
Submitted by: Eugene Campbell, Jr.

SYNOPSIS

Present MCTX CARES Act survey metrics to City Council.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Create a great place to live
- Maintain a financially sound City

BACKGROUND

The CARES Act established the Coronavirus Relief Fund (the "Fund") and appropriated \$150 billion to the Fund. Fort Bend County received \$134,262,393.00 from the State of Texas from the Fund. Missouri City is eligible to receive up to \$3,763,760.00 in reimbursements from Fort Bend County.

Harris County has received \$426,000,000 of this Fund to the cities within its boundaries and Missouri City is eligible to receive up to \$345,015 in reimbursements from Harris County. The total funds available for Missouri City is up to \$4,108,775.

The City would be required to make expenditures up front before receiving reimbursements. The CARES Act provides that payments from the Fund may only be used to cover costs that;

1. Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. Funds not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

SUPPORTING MATERIALS

1. CARES Act priority 3 Community Input (*forthcoming*)

STAFF'S RECOMMENDATION

Staff recommends Council further review use of CARES Act funds based on the MCTX survey responses.

Director Approval: Eugene Campbell, Jr.

**Assistant City Manager/
City Manager Approval:** Odis Jones, City Manager



CITY COUNCIL AGENDA ITEM COVER MEMO

September 8, 2020

To: Mayor and City Council
Agenda Item: 2(d) PEG Funds
Submitted by: City Manager Odis Jones

SYNOPSIS

Discuss the misuse of PEG Funds from the period of October 2018 through February 2019.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Maintain a financially sound City

BACKGROUND

The purpose of this memo is to inform you of an impropriety in regards to PEG fund spending from the periods of October 2018 through February 2019. The impropriety exists, as the federal and state law requires that PEG funds be only to be spent for the purposes of capital costs associated with the operations of a city or community. As a part of the preliminary preparation for the internal controls audit that I am currently implementing through a sub-contractor, there are several instances that have been identified where PEG fund dollars have been spent for travel related expenses, such as airfare, lodging, etc. These expenses are not in compliance with the Texas Municipal League and those dollars should not have been spent. As I am required to by law, I am bringing this to your attention and I have also provided this information to law enforcement. Fort Bend District Attorney is currently investigating whether or not this impropriety is of the criminal nature and therefore I cannot disclose more detail than I have provided to you.

SUPPORTING MATERIALS

1. Memorandum
2. Texas Utilities Code

STAFF'S RECOMMENDATION

Recommendation is that the funds spent be transferred back into the PEG fund from the general fund in the amount not to exceed \$20,000.

**Assistant City Manager/
City Manager Approval:** Odis Jones, City Manager



Council & Management

1522 Texas Parkway
Missouri City, Texas 77489

Phone: 281.403.8500
www.missouricitytx.gov

MEMORANDUM

To: Mayor and Council
From: City Manager Odis Jones
Date: September 8, 2020
Re: Misuse of PEG Funds

The purpose of this memo is to inform you of an impropriety in regards to PEG fund spending from the period of October 2018 through February 2019. The impropriety exists, as the federal and state law requires that PEG funds are only to be spent for the purposes of capital costs associated with the operations of a city or community. As a part of the preliminary preparation for the internal controls audit that I am currently implementing through a sub-contractor, there are several instances that have been identified where PEG dollars have been spent for travel related expenses, such as airfare, lodging, etc. These expenses are not in compliance with the Texas Municipal League and those dollars should not have been spent.

As I am required to by law, I am bringing this to your attention and I have also provided this information to law enforcement. Fort Bend District Attorney is currently investigating whether or not this impropriety is of the criminal nature and therefore I cannot disclose more detail than I have provided to you. I am requesting that you transfer the dollars that were spent back into the PEG fund from the general fund in the amount not to exceed \$20,000. If I should discover after the conclusion of the internal audit that there is additional spending I will come to you and advise on additional amounts that need to be transferred.

revenue or, at the city's election, the per-subscriber line fee that was paid under previous franchise agreements.³⁹²

Every Texas city should now be compensated pursuant to a SIFCA from each provider. However, due to recent legislation, cities might not receive right-of-way rental fees from certain providers in a given year. In 2019, the legislature passed S.B. 1152, which authorizes a “bundled” cable and telecommunications provider to stop paying the lesser of its state cable right-of-way rental fees or telephone access line fees, whichever is less for the company statewide.³⁹³ By October 1st of each year, the provider must file a written notification with each city of which fee will be eliminated.³⁹⁴

How must the fees be spent?

The quarterly five-percent franchise fee can be spent in any manner a city council chooses. However, state law imposes limitations on the use of and accounting related to the one-percent PEG fee. Under Chapter 66, the PEG fee is paid quarterly in the same manner as the five percent franchise fee. The law requires:

1. the holder of a SICFA to specifically identify the amount of the PEG fee when it is paid;³⁹⁵ and
2. a city to: (a) establish a separate account for the PEG fee revenue; and (b) maintain “a record of each deposit to and disbursement from [the PEG fee] the separate account, including a record of the payee and purpose of each disbursement.”³⁹⁶

Note that a city must have only one separate PEG fee account, not necessarily a separate account for each provider in the city. It is advisable that a city keep the PEG fee account entirely separate from its general fund to comply with the law, which states that the city “may not comingle” PEG fees “with any other money.”³⁹⁷

What if my city has no PEG channels and doesn't anticipate having any in the near future?

Under Chapter 66, a PEG fee may be spent only as permitted by federal law.³⁹⁸ Federal law provides that the fee must be used for “capital costs for PEG facilities.”³⁹⁹ This means that a city may not spend PEG fee revenue on general expenditures or PEG channel operational or other, non-capital costs. Some cities may not have enough PEG fee revenue now—or in the foreseeable future—to operate a PEG channel. Other cities may not desire to operate a PEG channel. Cities in either situation may choose to accumulate the PEG fee revenue in anticipation of spending it

³⁹² TEX. UTIL. CODE § 66.006.

³⁹³ TEX. UTIL. CODE § 66.005(d).

³⁹⁴ TEX. UTIL. CODE § 66.005(f).

³⁹⁵ TEX. UTIL. CODE § 66.006(c-1).

³⁹⁶ TEX. UTIL. CODE § 66.006(c-2).

³⁹⁷ TEX. UTIL. CODE § 66.006(c-2)(2).

³⁹⁸ TEX. UTIL. CODE § 66.006(c).

³⁹⁹ 47 U.S.C. § 521, *et seq.* (Federal Cable Law).



**Council Agenda Item
September 8, 2020**

2. DISCUSSION/POSSIBLE ACTION

- (e) Discuss a proposed ordinance relating to the use of City resources by councilmembers.
(Proposed presenter: City Attorney E. Joyce Iyamu)
-

Cover memo – *Forthcoming*