Agenda of Regular Meeting

The Board of Trustees
McAllen Independent School District

VISION The McAllen Independent School District is a multicultural community in which students are enthusiastically and actively engaged in the learning process. Students demonstrate academic excellence in a safe, nurturing and challenging environment enhanced by technology and the contributions of the total community.

MISSION The mission of the McAllen Independent School District is to educate all students to become lifelong learners and productive citizens in a global society through a program of educational excellence utilizing technology and actively involving parents and the community.

GOALS
1. Student Achievement/Student Focus
2. People Development
3. Facility Priorities
4. Financial Priorities

STRATEGIES
1. Branding
2. Attract/Retain High Quality Staff
3. Engaging Learning Environment
4. Rigorous/World Class Standards to Customize for Every Learner
5. Partnerships with Business/Civic/Education/Organizations
6. Future Ready Students
7. Financial Priorities

A Regular Meeting of the Board of Trustees of the McAllen Independent School District will be held Monday, May 10, 2021, beginning at 5:00 PM Texas Our Texas room/Staff Development Building, Achieve Early College High School, 1601 North 27th Street, McAllen, TX 78501.

Public comments related to this meeting will be handled as follows: Please follow procedures at the following site https://www.mcallenisd.org/page/public-comments. Public comments may be made in person subject to social distancing requirements at the Texas our Texas room/Staff Development Building at Achieve Early College High School, 1601 North 27th, McAllen, TX 78501, by use of the following video conference site: https://www.mcallenisd.org/page/school-board-meetings or by telephone call to the following number 956 618-6094.

Items listed on this agenda may be taken in an order other than as shown on this agenda. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

At this meeting there may be discussion and action by the Board on the item(s) and subject(s) listed as follows:

1. **CALL MEETING TO ORDER**
2. **INVOCATION**
3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC COMMENT(S)**

5. **RECESS TO CLOSED SESSION: Board of Trustees may go into Closed Session pursuant to Section(s) 551.071, 551.072, and 551.074 Texas Government Code, to discuss the following:**

   A) Human Resources Recommendation(s) for School Year 2020-2021

   B) Human Resources Employee Resignation(s) for School Year 2020-2021

   C) Superintendent's Recommendation Concerning the Renewal of 2020-2021 Employee Contracts of Teachers and Other Professional Personnel for the 2021-2022 School Year DC (LEGAL)

   D) Superintendent's Recommendation Concerning the Termination of Probationary Contracts of Employees At End of Year DFAB (LEGAL)

   E) Superintendent's Proposed Recommendation to Non-Renew Contract of Term Employees as per DFBB (LOCAL)

   F) Pending and/or Potential Litigation

   G) Possible Real Estate Acquisition

6. **RECONVENE IN OPEN SESSION**

7. **SUPERINTENDENT'S REPORT(S)** - Surprises Valedictorians and Salutatorians for 2021

   Presenter: Dr. J. A. Gonzalez, Superintendent

8. **RECOGNITION(S)**

   A) Recognition of District Teacher of the Year 8
   Item Submitted: Norma Zamora-Guerra, Director Community Information

   Presenter: Dr. J. A. Gonzalez, Superintendent

9. **PROCLAMATION(S)**

   A) Approval of Proclamation Regarding National School Nurse Day (May 12, 2021) 9
   Item Submitted: Arely Benavides, Assistant Superintendent District Operations

   Presenter: Dr. J. A. Gonzalez, Superintendent

10. **DONATION(S)**

11. **BOARD MEMBER(S), BOARD COMMITTEE(S) AND DISTRICT REPORT(S)**

   A) Board Committee Reports

      1. Instructional Services Briefing - Chair - Sam Saldivar, Jr.
      2. Human Resources Briefing - Chair - Tony Forina
      3. District Operations Briefing - Chair - Debbie Crane Aliseda
      4. Business Operations Briefing - Chair - Danny Vela

   B) District Reports

      1. Report Regarding McAllen Public Library South Texas Literacy Book Festival 11
      Item Submitted: Dr. Rosalba De Hoyos, Assistant Superintendent Instructional Services

      Presenter: Dr. J. A. Gonzalez, Superintendent

2. Report Regarding the Delinquent Tax Collections for the Period of January 1, 2021 to March 31, 2021 — 12
   Item Submitted: Cynthia Medrano Richards, Assistant Superintendent Business Operations

   Presenter: Dr. J. A. Gonzalez, Superintendent

3. Report Regarding the Monthly Financial and Investment Report for February 2021 — 18
   Item Submitted: Cynthia Medrano Richards, Assistant Superintendent Business Operations

   Presenter: Dr. J. A. Gonzalez, Superintendent

4. Report Regarding the Monthly Financial and Quarterly Investment Report for March 2021 — 44
   Item Submitted: Cynthia Medrano Richards, Assistant Superintendent Business Operations

   Presenter: Dr. J. A. Gonzalez, Superintendent

5. Report Regarding Pandemic Electronic Benefit Transfer — 104
   Item Submitted: Arely Benavides, Assistant Superintendent District Operations

   Presenter: Dr. J. A. Gonzalez, Superintendent

12. **ACTION ON ITEM(S) IN CLOSED SESSION**

A) Approval of Human Resources Recommendation(s) for School Year 2020-2021 — 111
   Item Submitted: Todd Miller, Assistant Superintendent Human Resources

   Presenter: Dr. J. A. Gonzalez, Superintendent

B) Human Resources Employee Resignation(s) for School Year 2020-2021 — 112
   Item Submitted: Todd Miller, Assistant Superintendent Human Resources

   Presenter: Dr. J. A. Gonzalez, Superintendent

C) Approval of Superintendent's Recommendation Concerning the Renewal of 2020-2021 Employee Contracts of Teachers and Other Professional Personnel for the 2021-2022 School Year DC (LEGAL) — 113
   Item Submitted: Todd Miller, Assistant Superintendent Human Resources

   Presenter: Dr. J. A. Gonzalez, Superintendent

D) Approval of Superintendent's Recommendation Concerning the Termination of Probationary Contracts of Employees At End of Year DFAB (LEGAL) — 114
   Item Submitted: Todd Miller, Assistant Superintendent Human Resources

   Presenter: Dr. J. A. Gonzalez, Superintendent

E) Approval of Superintendent's Proposed Recommendation to Non-Renew Contract of Term Employees as per DFBB (LOCAL) — 115
   Item Submitted: Todd Miller, Assistant Superintendent Human Resources

Presenter: Dr. J. A. Gonzalez, Superintendent

F) Pending and/or Potential Litigation

G) Possible Real Estate Acquisition

13. **CONSENT AGENDA ITEMS**

A) Approval of Instructional Material Allotment ("IMA") and Texas Essential Knowledge and Skills ("TEKS") Certification Form — 116
Item Submitted: Dr. Rosalba De Hoyos, Assistant Superintendent Instructional Services

Presenter: Dr. J. A. Gonzalez, Superintendent

B) Approval of Instructional Materials for Ethnic Studies-African American Studies and Ethnic Studies Mexican American Studies Courses
Item Submitted: Dr. Rosalba De Hoyos, Assistant Superintendent Instructional Services

Presenter: Dr. J. A. Gonzalez, Superintendent

C) Approval of Request for Proposal No. 2021-1024 Instructional Materials and Supplies — 119
Item Submitted: Dr. Rosalba De Hoyos, Assistant Superintendent Instructional Services

Presenter: Dr. J. A. Gonzalez, Superintendent

D) Approval of Request for Proposal No. 2021-1005 Professional Development, Site Licenses, Supplemental Materials, and Other Related Products and Services — 122
Item Submitted: Dr. Rosalba De Hoyos, Assistant Superintendent Instructional Services

Presenter: Dr. J. A. Gonzalez, Superintendent

E) Approval of Request for Proposal No. 2021-1007 Career and Technology Materials, Supplies, Equipment and Related Services Discount-from-List — 124
Item Submitted: Dr. Rosalba De Hoyos, Assistant Superintendent Instructional Services

Presenter: Dr. J. A. Gonzalez, Superintendent

F) Approval of Request for Proposal No. 2021-1000R Library Books, eBooks, Textbooks, Audiovisual Materials and Instructional Reading Materials Discount-from-List (Round 5) — 126
Item Submitted: Dr. Rosalba De Hoyos, Assistant Superintendent Instructional Services

Presenter: Dr. J. A. Gonzalez, Superintendent

G) Approval of Request for Proposal No. 2021-1018 Property & Casualty Insurance — 128
Item Submitted: Todd Miller, Assistant Superintendent Human Resources

Presenter: Dr. J. A. Gonzalez, Superintendent

H) Approval of Request for Proposal No. 2021-1021 Workers' Compensation Insurance Self-Funded Claims Administration Services — 138

& Stop Loss Insurance
Item Submitted: Todd Miller, Assistant Superintendent Human Resources

Presenter: Dr. J. A. Gonzalez, Superintendent

I) Approval to Request to Extend the Start of the 2020-2021 School Year Transition for Weeks 9 to 12 — 280
Item Submitted: Arely Benavides, Assistant Superintendent District Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

J) Approval of 2021-2022 Staff Development Waiver — 282
Item Submitted: Arely Benavides, Assistant Superintendent District Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

K) Approval of Request for Proposal No. 2021-1022 Fresh Produce for Child Nutrition Program — 284
Item Submitted: Arely Benavides, Assistant Superintendent District Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

L) Approval of Competitive Sealed Proposal ("CSP") No. 2021-1027 Paving Improvements — 287
Item Submitted: Arely Benavides, Assistant Superintendent District Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

M) Approval of Request for Cooperative Quotes No. 2021-1028 Phenolic Restroom Partition Replacement at McAllen High School and McAllen Memorial High School — 358
Item Submitted: Arely Benavides, Assistant Superintendent District Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

N) Approval of Request for Proposal No. 2021-1012 Trophies, T-Shirt, Awards, Incentives, and Related Products and Services — 427
Item Submitted: Cynthia Medrano Richards, Assistant Superintendent Business Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

O) Approval of Request for Proposal No. 2021-1020 Food, Restaurants, Catering, Fundraising, Field Trips, and Rentals — 429
Item Submitted: Cynthia Medrano Richards, Assistant Superintendent Business Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

14. **INSTRUCTIONAL SERVICES, INSTRUCTIONAL LEADERSHIP, HUMAN RESOURCES, DISTRICT OPERATIONS, BUSINESS OPERATIONS, AND BOARD OF TRUSTEES ITEMS**

A) **Instructional Services Item(s)** (Dr. Rosalba De Hoyos) **Instructional Leadership Item(s)** (Bridgette Vieh)

B) **Human Resources Item(s)** (Todd Miller)

1. Approval of Direction to Administration to Follow TASB Excerpt for Proposed Revision to Board Policy DEC (LOCAL, Compensation and Benefits Leaves and Absences) Pending Release of TASB Update 117
   Item Submitted: Todd Miller, Assistant Superintendent Human Resources

   Presenter: Dr. J. A. Gonzalez, Superintendent

2. Approval of Job Description for Director of Special Funding 432
   Item Submitted: Todd Miller, Assistant Superintendent Human Resources

   Presenter: Dr. J. A. Gonzalez, Superintendent

C) **District Operations Item(s)** (Arely Benavides)

D) **Business Operations Item(s)** (Cynthia Medrano Richards)

1. Approval of Setting Public Meeting Date for Budget and Vote on Proposed Tax Rate 433
   Item Submitted: Cynthia Medrano Richards, Assistant Superintendent Business Operations

   Presenter: Dr. J. A. Gonzalez, Superintendent

2. Approval of the McAllen Independent School District April Budget Amendment for Fiscal Year Beginning July 1, 2020 and Ending June 30, 2021 435
   Item Submitted: Cynthia Medrano Richards, Assistant Superintendent Business Operations

   Presenter: Dr. J. A. Gonzalez, Superintendent

E) **Board of Trustees Item(s)**

1. Approval of Board of Education Meeting Minutes 439
   a) Regular Board Meeting - April 19, 2021 - 5:00 P. M. - Texas Our Texas room/Staff Development Building
   b) Board Workshop - April 21, 2021 - 5:30 P. M. - Texas Our Texas room/Staff Development Building
   c) Regular Board Meeting - April 26, 2021 - 5:00 P. M. - Texas Our Texas room/Staff Development Building

2. Annual Announcement of Continuing Education of Board Members 440

15. **SCHEDULE OF FUTURE MEETINGS**

A) Special Board Meeting (Canvass of the Election) - Wednesday, May 12, 2021 - 5:30 P.M. - Texas Our Texas room/Staff Development Building at Achieve Early College High School

B) Special Board Meeting (Student Recognitions) - Monday, May 17, 2021 - 5:30 P.M. - Texas Our Texas room/Staff Development Building at Achieve Early College High School

C) Special Board Meeting (Oath of Office/Board Reorganization) - Wednesday, May 19, 2021 - 5:30 P.M. - Auditorium at James "Nikki" Rowe High School, 2101 North Ware Road, McAllen, Texas

D) Regular Board Meeting - Monday, May 24, 2021 - 5:00 P.M. - Texas Our Texas room/Staff Development Building at Achieve Early College High School

E) Special Board Meeting (Superintendent's Performance Appraisal Instrument) - Wednesday, May 26, 2021 - 5:30 P.M. - Texas Our Texas room/Staff Development Building at Achieve Early College High School

F) Board Workshop - Thursday, May 27, 2021 - 5:30 P.M. - Texas Our Texas room/Staff Development Building at Achieve Early College High School

16. **CLOSED SESSION: The Board of Trustees may reconvene in Closed Session for further discussion regarding the agenda item(s) listed.**
17. **OPEN SESSION: The Board of Trustees may reconvene into Open Session for discussion regarding the agenda item(s) listed.**
18. **ADJOURNMENT**

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

The notice for this meeting was posted in compliance with the Texas Open Meeting Act on May 7, 2021at 4:30 P.M.
Natalia Goza
For the Board of Trustees

BOARD RECOGNITION FORM
McALLEN INDEPENDENT SCHOOL DISTRICT

Meeting Date (Recommended): May 10, 2021

Title of Recognition: Recognition of District Teachers of the Year

Person(s) Being Recognized (include names & description i.e student at X High School):
Recognition of 2021 McAllen ISD District Teachers of the Year.

Reason for Recognition: These two Campus of the Year teachers have been named District Teachers of the Year. They are selected to represent the District in Regional Teacher of the Year competition.

Please note any items that will be presented: None

Photographer Requested: Yes

AV needs: None

Name of Presenter: Norma Zamora-Guerra
Phone: (956)618-6023
EMail: norma.z.guerra@mcallenisd.net

Approved for Recognition: _____
Superintendent May 4, 2021

PROCEDURE FOR BOARD RECOGNITION
1. Fill out "Board Recognition Form" in its entirety at least 12 working days before the recommended date for presentation.
2. Submit completed form to Community Information Office with a cc to immediate supervisor and the Secretary to the Board of Trustees

Following the superintendent's executive team approval, confirmation of recognitions (year-at-a-glance) will be done via e-mail each week. Honorees are instructed to report to the Community Information office at 5:15 p.m. on their designated Board Meeting date.

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Proclamation Regarding School Nurse Day (May 12, 2021)

REFERENCE: Goal 1: Student Achievement/Student Focus

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

School Nurse Day is a special day dedicated to the recognition of school nurses. School Nurse Day was established to foster a better understanding of the role of the school nurse in the educational setting. Students within our district and across the country are able to fully access their education because of the interventions and actions performed by school nurses every day. Governor Greg Abbott has therefore proclaimed Wednesday, May 12, 2021, as "School Nurse Day" in Texas.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

At McAllen ISD, this day is dedicated to celebrating our school nurses who make a difference in the lives of children every day. School nurses lead the way in the advancement of student health and support education by ensuring that students are safe, healthy, and ready to learn. At McAllen ISD, we appreciate our professional, knowledgeable, and dedicated nurses. We appreciate their amazing work and grateful for their efforts towards keeping our community healthy and safe.

LEGAL REVIEW:

None required.

BUDGETARY CONSIDERATIONS:

None required.

RECOMMENDED BOARD ACTION:

That the Board of Trustees approve the Proclamation Regarding School Nurse Day (May 12, 2021).

SUBMITTED BY: Elizabeth Gutierrez RN
Elizabeth Gutierrez RN (May 6, 2021 08:36 CDT)

SUPERVISOR:
Arely Benavides (May 6, 2021 08:39 CDT)

For further information contact:
Name: Elizabeth Gutierrez
Office: 956.632.3275
eMail: elizabeth.gutierrez@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

McALLEN
INDEPENDENT SCHOOL DISTRICT

Proclamation

State of Texas
County of Hidalgo
McAllen Independent School District

***Whereas*,** all students have a right to have their health needs safely met while in school and children today face more complex health problems; and

***Whereas*,** school nurses are professional nurses that advance the well-being, academic success, and life-long achievements of all students by providing a critical safety net for fragile children, plus acting as a liaison to the school community, parent and health-care providers on behalf of children; and

***Whereas*,** school nurses stepped up to meet the challenges of COVID-19 including assisting at 19 local COVID-19 Vaccine Clinics where more than 20,000 vaccines were administered this spring; and

Now Therefore, I, Conrado Alvarado, President, Board of Trustees of the McAllen Independent School District do hereby proclaim the day of May 12, 2021 be observed as

"School Nurse Day"

The McAllen Independent School District celebrates and acknowledges the accomplishments of our school nurses and their efforts towards meeting the needs of today's student by improving the effective delivery of health care in our schools and shows gratitude for our school nurses, not just on this School Nurse Day, but at every opportunity throughout the year.

IN WITNESS WHERE OF, I have hereunto set my hand and caused the seal of the McAllen Independent School District to be affixed on this 10th day of May, 2021.

_____
Conrado Alvarado, President, Board of Trustees
McAllen Independent School District

Attest:

_____
Tony Forina, Secretary, Board of Trustees
McAllen Independent School District

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Report Regarding McAllen Public Library South Texas Book Festival

REFERENCE: Goal 1: Student Achievement/Student Focus

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:
In its 8th year, the South Texas Book Festival (STBF) will again feature children, teen, and adult authors in a multi-day event. This year's author appearances will be virtual with author readings. The educational activity emphasis is to care about our native bees, birds, and the environment.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS: N/A

LEGAL REVIEW: N/A

BUDGETARY CONSIDERATIONS: N/A

RECOMMENDED BOARD ACTION:
This item is for information purposes only.

SUBMITTED BY: _____ **SUPERVISOR:** Rosalba De Hoyos

For further information contact:
Name: Dr. Rosalba De Hoyos
Office: 956-618-6048
eMail: rosalba.dehoyos@mcallenisd.net

Approved for presentation to the Board of Education:

11

Superintendent of Schools May 7, 2021

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Report Regarding the Delinquent Tax Collections for the Period of January 1, 2021 to March 31, 2021

REFERENCE: Goal 4, Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

In order to keep the Board of Trustees informed, the firm of Linebarger, Goggan, Blair & Sampson LLP has prepared the enclosed Delinquent Tax Collection Report.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

The report summarizes the results achieved by Linebarger, Goggan, Blair & Sampson LLP on the delinquent tax collection efforts for the 2020 - 2021 fiscal year.

LEGAL REVIEW:

Not required.

BUDGETARY CONSIDERATIONS:

None.

RECOMMENDED BOARD ACTION:

The Report Regarding the Delinquent Tax Collections for the Period of January 1, 2021 to March 31, 2021 is submitted to the Board for information purposes only and requires no Board action.

SUBMITTED BY: Adel Felix **SUPERVISOR:** Cynthia Medrano-Richards

For further information contact:
Name: Adel Felix, CPA, CFE
Office: (956) 618-6016
Email: adelita.felix@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

McALLEN ISD

DELINQUENT TAX COLLECTION REPORT
MAY 10, 2021

LINEBARGER
ATTORNEYS AT LAW

1512 South Lone Star Way, Edinburg, Texas 78539 ✪ Tel. (956) 383-4500

LAW OFFICES
OF
LINEBARGER GOGGAN BLAIR & SAMPSON, LLP
ATTORNEYS AT LAW
1512 S. Lone Star Way
EDINBURG, TEXAS 78539

Telephone: (956) 383-4500
Facsimile: (956) 383-7820

May 10, 2021

Mr. Conrado Alvarado, President
Mr. Sam Saldivar, Jr., Vice-President
Mr. Tony Forina, Secretary
Ms. Debbie Crane Aliseda, Trustee
Mr. Larry Esparza, Trustee
Mr. Marco Suarez, Trustee
Mr. Daniel D. Vela, Trustee
Dr. José A. Gonzalez Ed. D, Superintendent
McAllen Independent School District
2000 North 23rd Street
McAllen, Texas 78501

RE: Delinquent Tax Collection for January 1, 2021 through March 31, 2021

Dear Dr. Gonzalez and Board of Trustees:

The Linebarger Goggan Blair & Sampson, LLP Report highlights our delinquent ad valorem tax collection program on behalf of McAllen Independent School District. Our collection results, as noted herein, indicate our efforts continue to be successful for the McAllen Independent School District.

Please know that we truly appreciate the opportunity to represent McAllen Independent School District on all delinquent ad valorem tax matters. As always, we will continue to provide McAllen Independent School District with quality representation, consistent results, and an ample experienced staff of attorneys, legal assistants and a certified tax assessor collector dedicated to servicing your account. We are available to address any questions you may have or to discuss any concerns that interest you at your convenience.

Sincerely,



Kelly R. Salazar
Partner

LINEBARGER
ATTORNEYS AT LAW

LINEBARGER GOGGAN BLAIR & SAMPSON APPROACH

We listen and continually adapt to your changing needs to ensure that we are providing the best possible customer service and deliver customized collection programs that yield the best possible results. The delinquent tax collection program for McAllen Independent School District continues to emphasize two basic premises: to work with individual taxpayers to collect taxes owed to the District and to use the tool of litigation as a final option. The following information is an overview of our collection efforts during this reporting period.

MAILINGS

DEMAND MAILINGS

Our extensive mailing program is designed to advise people who have not paid their McAllen Independent School District taxes of their delinquency. During the course of the fiscal year, we send delinquent notices, with varying degrees of intensity to the delinquent taxpayer. The intensity of the notice varies on factors such as: time of year, type of property and the particular needs of the jurisdiction.

2 Demand Mailings – 1,361 Statements Mailed

CONTACTS

TAXPAYER COMMUNICATION

Our comprehensive collection services provide a wide scope of exceptional assistance to McAllen Independent School District and its residents. Equipped with multi-skilled representatives, we create and manage flexible payment plans for taxpayers experiencing any financial hardship.

1,828
Phone Calls

77 Accounts
Paid in Full

13
Payment Agreements

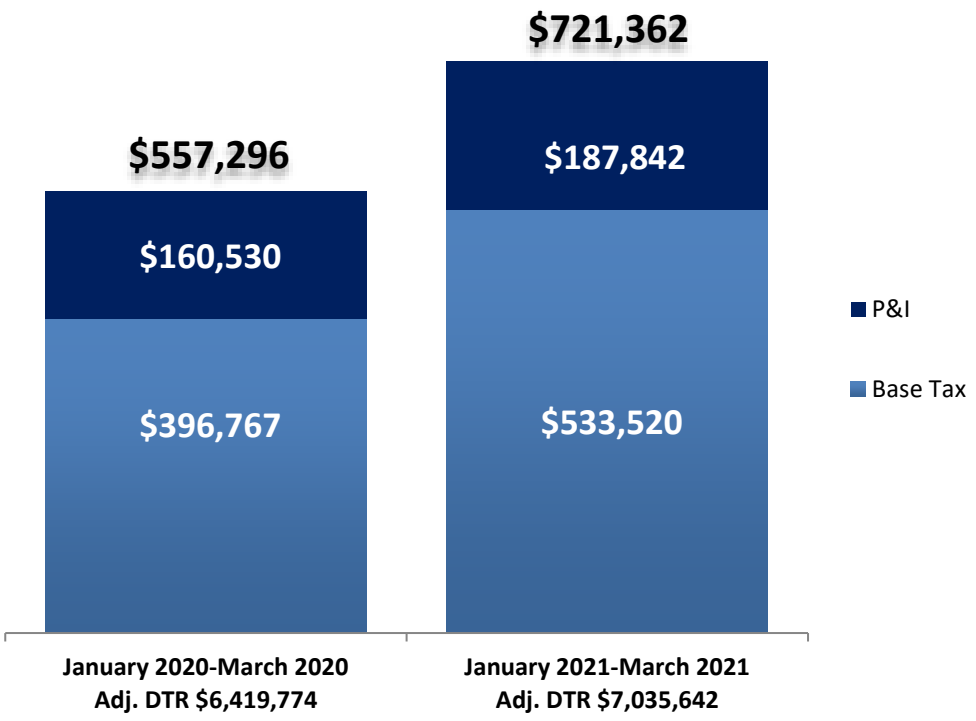
LITIGATION

LITIGATION SUMMARY

Filing a lawsuit to collect delinquent taxes is used as a final resort; after diligent efforts to contact and work with taxpayers are fully exhausted. Once the decision to file suit has been made, a complete property title search is conducted, the taxable property is further identified and all interested parties, including all lien holders, are identified and served with notice of the lawsuit.

Litigation Activity	Cases	Base, Penalty and Interest
• Filed Lawsuits	64	$129,554
• Lawsuits Disposed	14	$36,372
• Judgments Taken	21	$77,717
• Tax Warrants	8	$21,949
• Pending Litigation as of April '21	359	$1,955,146

COLLECTIONS



Source: Hidalgo County Tax Office Reports

FUTURE OVERVIEW

In light of the COVID19 pandemic, our office is committed to making necessary adjustments to our collection procedures and methods to best advocate for the McAllen Independent School District. We will continue to offer firm yet flexible payment options for taxpayers who are financially impacted by the effects of COVID19.

Review of Pending Judgments and the Filing of Additional Lawsuits

During the next quarter we will continue to work pending lawsuits for full payment or payment agreements. We will also continue researching the delinquent tax roll for possible new lawsuits; both real and personal property accounts.

Continued Monitoring of Bankruptcy Accounts

As a continuation of our standard operating practice, we will actively monitor and verify accounts in bankruptcy for the payment of taxes, penalties, and interest owed to the School District.

Mailing Program

We have completed our scheduled mailing on behalf of the School District for the upcoming quarter. In addition to our scheduled mailing, we have implemented a compassionate letter program directed to taxpayers who are otherwise non-responsive to phone calls. These compassionate letters inform the delinquent taxpayer of options available for payment during this difficult period.

Scheduling of Property Sales

As properties are taken to judgment, they will be reviewed and checked for payment. Those judgments with no taxpayer response will be further reviewed and scheduled for possible tax sale.

Execution of the work plan established for the McAllen Independent School District will include the constant monitoring of collection figures in order to adjust resources and enforce the collection of delinquent taxes. Our collection efforts will also include prosecuting pending suits to conclusion, mailing monthly letters, and filing new suits in order to maximize the collection of taxes. We will continue to work closely with you and your administrative staff to provide assistance and advice on all property tax matters, including changes in the law brought about by amendments to the Texas Property Tax Code.

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Report Regarding the Monthly Financial and Investment Report for February 2021

REFERENCE: Goal 4, Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

CDA Local requires the submission of an investment report at least quarterly. In addition, the District has a Board directive to supply monthly financial information.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

The monthly financial reflects the following:

-General Fund Comparison of Budget to Revenues, Expenditures and Encumbrances

-Monthly Investment Report

LEGAL REVIEW:

Not required.

BUDGETARY CONSIDERATIONS:

None.

RECOMMENDED BOARD ACTION:

The Report Regarding the Monthly Financial and Investment Report for February 2021 is submitted to the Board for information purposes only and requires no Board action.

SUBMITTED BY: Adel Felix

SUPERVISOR: Cynthia Medrano-Richards

For further information contact:
Name: Adel Felix, CPA, CFE
Office: (956) 618-6016
Email: adelita.felix@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

COMPARISON OF BUDGET TO REVENUES, EXPENDITURES AND ENCUMBRANCES
FOR THE MONTH OF FEBRUARY 28, 2021

	A APPROVED BUDGET 2019-20 02/29/20	B YTD ACTUAL 07/01/19 TO 02/29/20	C APPROVED BUDGET 2020-21 02/28/21	D YTD ACTUAL 07/01/20 TO 02/28/21	E DIFFERENCE C - D	F OUTSTANDING ENCUMBRANCES 03/01/21 TO 06/30/21	G YTD REVENUES, EXPENSES AND ENCUMBRANCES D + F	H BUDGET LESS EXPENSES AND ENCUMBRANCES C - G
REVENUES:								
LOCAL AND INTERMEDIATE SOURCES	$5,186,470	$3,356,824	$3,692,530	$1,426,058	$2,266,472		$1,426,058	$2,266,472
PROPERTY TAXES	80,312,155	75,321,487	79,823,682	77,507,289	2,316,393		77,507,289	2,316,393
STATE PROGRAM REVENUES	141,082,125	76,426,938	137,374,797	74,791,040	62,583,757		74,791,040	62,583,757
FEDERAL PROGRAM REVENUES	20,310,258	14,091,819	19,964,409	13,477,556	6,486,853		13,477,556	6,486,853
OTHER RESOURCES/NON-OPERATING REVENUES	5,879,396	5,510,461	6,285,690	6,458,884	(173,194)		6,458,884	(173,194)
SUB TOTAL	$252,770,404	$174,707,529	$247,141,108	$173,660,826	$73,480,282		$173,660,826	$73,480,282
EXPENDITURES:								
11 INSTRUCTION	$138,089,381	$87,197,153	$131,016,952	$78,988,433	$52,028,519	$36,794,824	$115,783,257	$15,233,695
12 INST. RES. & MEDIA SERVICES	3,666,150	2,423,540	3,629,843	2,312,481	1,317,362	1,065,849	3,378,330	251,513
13 CURRICULUM DEV. & INST. STAFF DEV.	4,842,084	2,373,288	5,240,212	2,724,042	2,516,170	1,041,573	3,765,615	1,474,597
21 INST. LEADERSHIP	3,116,682	1,702,252	3,203,060	1,690,577	1,512,483	857,828	2,548,404	654,656
23 SCHOOL LEADERSHIP	13,585,452	8,869,929	13,823,801	8,890,508	4,933,293	4,057,254	12,947,762	876,039
31 GUID., COUNSELING & EVAL. SER.	10,370,360	6,160,504	9,972,308	5,951,083	4,021,225	2,914,894	8,865,978	1,106,330
32 SOCIAL WORK SERVICES	1,753,652	1,079,792	1,949,245	1,218,948	730,297	576,822	1,795,770	153,475
33 HEALTH SERVICES	3,108,136	1,953,151	3,129,417	1,902,222	1,227,196	870,962	2,773,184	356,233
34 STUDENT (PUPIL) TRANS.	5,251,239	3,225,647	4,825,668	2,376,105	2,449,563	219,648	2,595,753	2,229,915
35 FOOD SERVICES	18,041,735	10,837,030	19,374,472	13,135,939	6,238,533	4,103,678	17,239,617	2,134,855
36 CURRICULAR/EXTRACURRICULAR ACT.	10,239,721	5,872,772	9,591,364	4,468,100	5,123,264	1,965,716	6,433,816	3,157,548
41 GENERAL ADMINISTRATION	8,079,143	5,209,419	8,757,340	5,269,845	3,487,495	2,034,701	7,304,546	1,452,794
51 PLANT MAINT. & OPERATIONS	21,463,439	13,409,913	22,437,949	12,727,787	9,710,162	4,283,900	17,011,687	5,426,262
52 SECURITY AND MONITORING SERV.	5,122,343	2,911,681	5,067,296	2,746,769	2,320,527	1,387,556	4,134,325	932,971
53 DATA PROCESSING SERVICES	5,921,826	3,884,389	6,899,155	3,834,325	3,064,830	1,339,980	5,174,304	1,724,851
61 COMMUNITY SERVICES	43,129	23,715	56,161	21,528	34,633	28,594	50,122	6,039
71 DEBT SERVICE	5,094,864	2,699,304	7,078,590	5,578,360	1,500,230	0	5,578,360	1,500,230
81 FAC. ACQUISITION & CONST.	7,413,716	5,070,398	938,018	333,972	604,046	198,122	532,093	405,925
95 PMT. TO JUV. JUSTICE ALT. ED. PRG.	40,000	30,000	40,000	40,000	0	0	40,000	0
99 OTHER INTERGOVERNMENTAL CHARGES	857,439	631,438	906,079	675,174	230,905	229,870	905,044	1,035
00 OTHER USES/NON-OPERATING EXPENSES	3,637,470	3,586,532	2,659,330	$500,000	2,159,330	0	500,000	2,159,330
SUB TOTAL	$269,737,961	$169,151,848	$260,596,260	$155,386,198	$105,210,062	$63,971,770	$219,357,968	$41,238,292
REVENUES OVER (UNDER) EXPENDITURES		$5,555,681		$18,274,628				
BEGINNING FUND BALANCE		98,070,422		97,700,231				
PRELIMINARY ENDING FUND BALANCE		$103,626,103		$115,974,859				
OPTIMUM FUND BALANCE FOR UNFORESEEN EVENTS		$83,408,833		$103,042,102				

McALLEN
INDEPENDENT SCHOOL DISTRICT

Monthly Investment Report

February 28, 2021

PATTERSON & ASSOCIATES
P&A
INVESTMENT PROFESSIONALS

Taxiing for Take-off ??

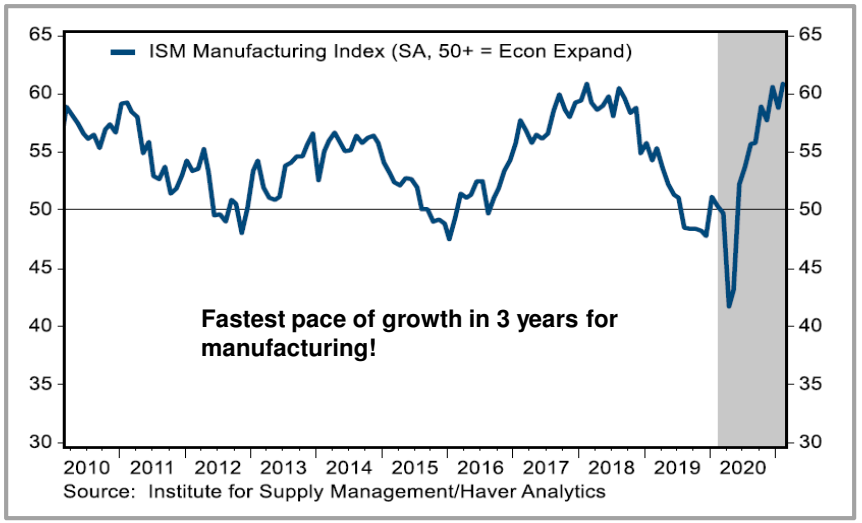
While everyone agrees further support is needed in particular areas of the economy, many are beginning to question the need for an additional near $2 trillion in aid particularly with a rising savings rate (which won't be spent), billions in stimulus yet to be utilized from the December 2020 package, and a growing improvement in the economic data, not to mention the inclusion of many non-COVID related items. The stimulus package appears to have passed, but without the $15 an hour minimum wage.

The bond market is strongly indicating the coming of inflation . It's not totally from the promise of growth as it is the mounting consequences of massive government spending. We are seeing massive monetary *and* fiscal support pumping funds into a slowly growing economy. The Fed sees inflation only as a long term concern. The market definitely disagrees. The Fed could once again be slow on policy adjustments. This is the import of the FAIT (flexible avg. inflation target) that the Fed can let inflation rise well above 2%.

Who is right – the *bond vigilantes* or the Fed?

Not that it will stop the spending but the US debt is now 100.1% of GDP – the highest level since WWII.

Temporary volatility aside, inflation is likely to remain modest aside from debt pressure. With the vaccine now available consumers have been more willing to spend. Consumer spending rose as did personal income(10%) in January. Durable goods (major purchases) are also up with a healthy gain, the best in six months. GDP itself is up to 4.1% and jobless claims are down. The claims numbers must however be considered in light of the fact that many people – especially women – are no longer seeking a job.





Still a Question of When

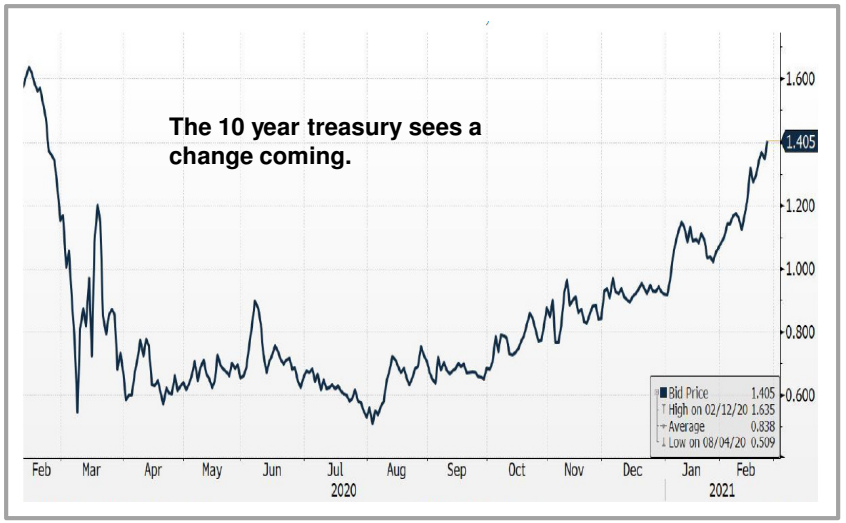
Fed Chairman Powell attributes the rise in yields as "*a statement of confidence"* in the economy which seems to have calmed the stock markets, which continue to gobble up risk assets.

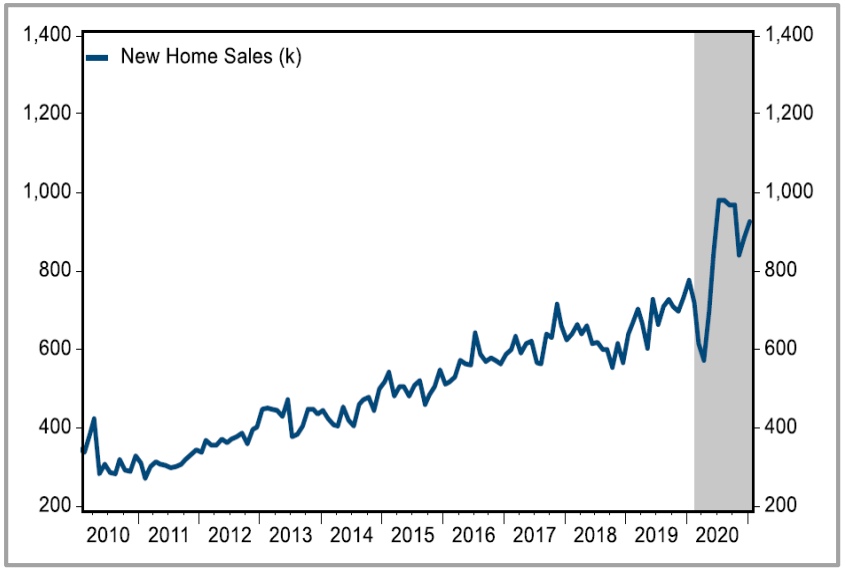
He will undoubtedly be echoed by a prior Fed Chair Janet Yellen (2014-2018) who became Treasury Secretary (not Treasurer). In confirmation hearing she called for "big" stimulus action. She is expected to also somewhat surprisingly call for a stronger dollar. Surprisingly because a stronger dollar makes our products more expensive to a world also just recovering from Covid and its aftermath. Yellen is not a supporter of relaxing financial firms regulations and has called for a "new Dodd-Frank." That's quite scary!

Banks are in a precarious position now. With all the stimulus money the banking system is awash with liquidity. Although that sounds favorable, it is a problem because they are limited in efforts to loan it out. In addition, banks need a steeper curve to borrow low (on deposits) and sell high (on loans).

There is good news to be found indicating a building on the strong elements of the economy. Even Boeing is selling planes again as airlines look forward to an increase in air travel.

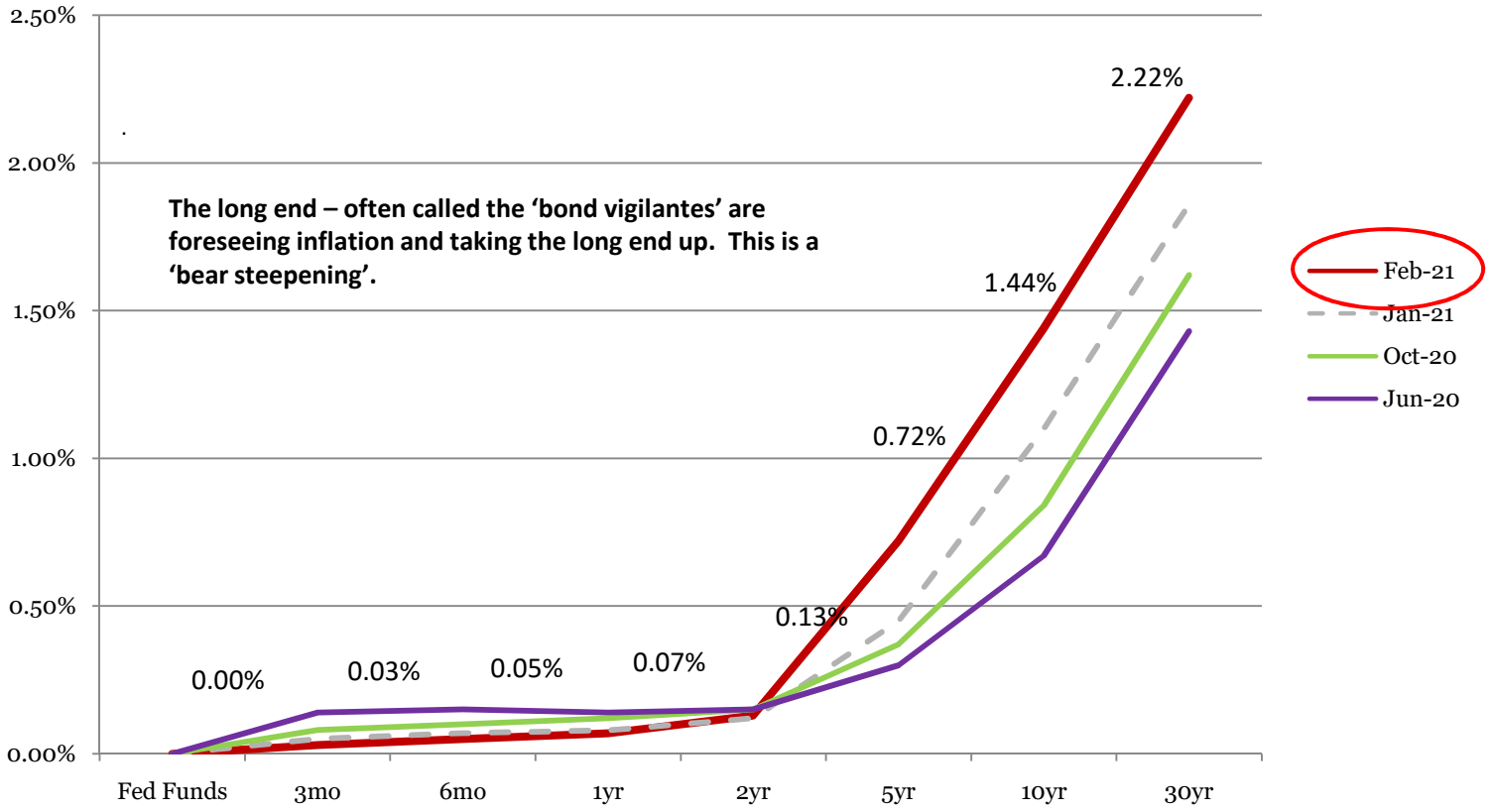
One key area that continues to boom is housing and it has a tremendous ripple affect through building supply commodities. There is already a major increase in lumber prices. The FHFA house price index is in a three month run and the 20 city home price index jumped 10.1% over last year. New and existing homes rarely stay on the market long as people grab the low interest rates and as others move out of city centers.





A Different Look

- The curve continues to fight the virus.
- The bond market is foreseeing inflation especially with a new stimulus payment passed and talk of an infrastructure stimulus package.
- The market will fight the Fed and their asset purchases on the long end. Usually the market wins.
- The various Covid vaccines have been a major boost to confidence. A more robust economic recovery may require several more months.
- The Fed has stated its intention to stay at 0.0% Fed Funds rate through 2023. Looks like the curve will do its job for it.



End of Month Rates - Full Yield Curve – Fed Funds to 30yr

McAllen Independent School District
Monthly Investment Report
February 1, 2021 – February 28, 2021

Portfolio Summary Management Report

This report and investment portfolio of the District is in compliance with the District investment strategy as expressed in the District's investment policy and relevant provisions of the Government Code, Chapter 2256, the Public Funds Investment Act.

Portfolio as of 01/31/21:		**Portfolio as of 02/28/21:**	
Beginning Book Value	$ 157,525,828	Ending Book Value	$ 169,365,234
Beginning Market Value	$ 157,561,028	Ending Market Value	$ 169,398,345
		Unrealized Gain/Loss	$ 33,111
WAM at Beginning Period Date[1]	38 days	WAM at Ending Period Date[1]	31 days
(Increase in market value is due to seasonal cash inflows)		Change in Market Value[2]	$ 11,837,317

Average Yield to Maturity for period **0.142%**
Average Yield 180-Day Treasury Bill for period **0.060%**

Cynthia Medrano-Richards, Asst. Superintendent for Bus. Operations
McAllen ISD

Iris Luna, Director of Accounting
McAllen ISD

Dyanira Diaz, Coordinator for Accounting
McAllen ISD

Adelita Felix, CFO
McAllen ISD

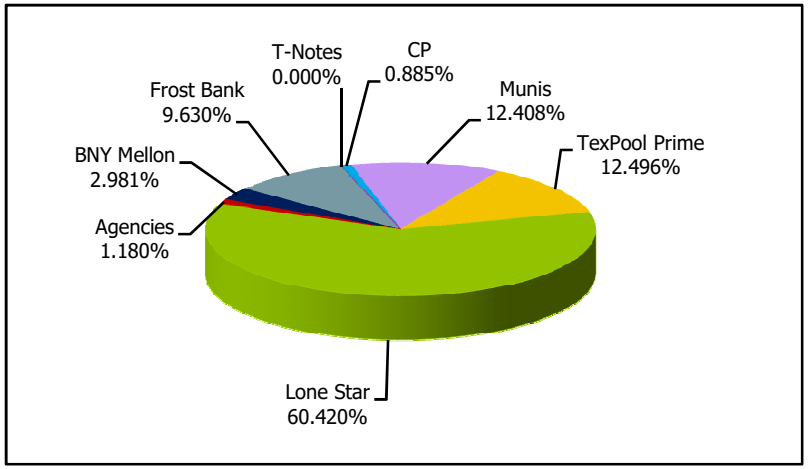
1 WAM – weighted average maturity

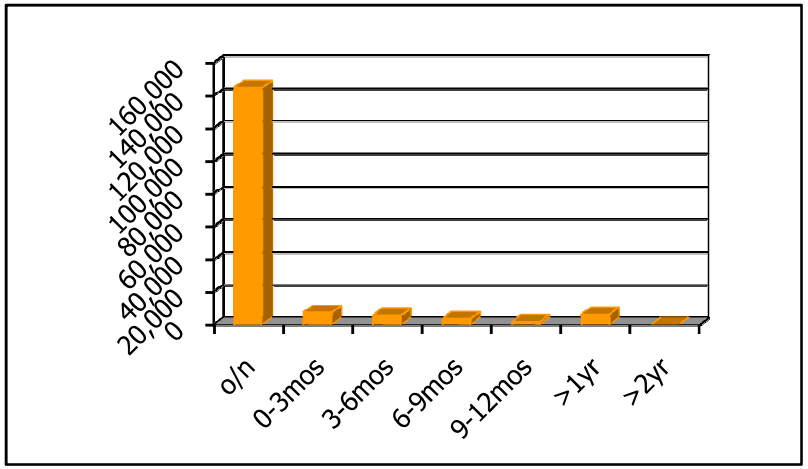
2 "Change in Market Value" is required data, but will primarily reflect the receipt and expenditure of the District's funds from month to month. *Patterson & Associates* has assisted in the preparation of this consolidated investment report, with additional input provided by McAllen ISD.

Your Portfolio

As of February 28, 2021

- P&A constantly reviews your portfolio for optimal asset allocation and a controlled average maturity because a diversified portfolio can better adjust to volatile market conditions. These are unusual times and where extensions can be made it is important to make them to find any available safe value in the markets.
- The graphs below show asset allocations by market sector and by maturity in your portfolio. Liquidity still yields little or no value but with a flat short curve it may be the only sector available out to six months without the use of CP. Our expectation is of continuing dismally low rates but we look for value in your authorized sectors to capture the yield available as markets change.
- Fed actions will continue and additional stimulus will boost some risk-on confidence providing opportunities in the markets.
- The non-cash portion of your portfolio is yielding 0.66%.





PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

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-

McAllen ISD
Portfolio Management
Portfolio Summary
February 28, 2021

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
BNY Mellon	5,049,319.31	5,049,319.31	5,049,319.31	2.98	1	1	0.000
Frost Bank	16,310,216.25	16,310,216.25	16,310,216.25	9.63	1	1	0.010
Commercial Paper Disc. -Amortizing	1,500,000.00	1,498,750.00	1,498,750.00	0.88	180	100	0.305
Federal Agency Coupon Securities	2,000,000.00	1,999,975.56	1,999,411.76	1.18	727	507	0.258
Municipal Bonds	20,838,000.00	21,047,941.79	21,015,394.39	12.41	400	190	0.724
Texpool/Texpool Prime	21,162,865.46	21,162,865.46	21,162,865.46	12.50	1	1	0.070
Lone Star	102,329,276.46	102,329,276.46	102,329,276.46	60.42	1	1	0.060
Investments	**169,189,677.48**	**169,398,344.83**	**169,365,233.63**	**100.00%**	**61**	**31**	**0.142**
Cash and Accrued Interest							
Accrued Interest at Purchase		138.89	138.89				
Subtotal		138.89	138.89				
Total Cash and Investments	**169,189,677.48**	**169,398,483.72**	**169,365,372.52**		**61**	**31**	**0.142**

Total Earnings	February 28 Month Ending	Fiscal Year To Date
Current Year	21,047.99	263,134.36

The following reports are submitted in accordance with the Public Funds Investment Act (Texas Gov't Code 2256). The reports also offer supplemental information not required by the Act in order to fully inform the governing body of McAllen ISD of the position and activity within the District's portfolio of investment. The reports include a management summary overview, a detailed inventory report for the end of the period, a transaction report, as well as graphic representations of the portfolio to provide full disclosure to the governing body.

Apr 30, 2021

Adelita Felix, Chief Financial Officer

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

McAllen ISD
Summary by Type
February 28, 2021
Grouped by Fund

Patterson & Associates
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-

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Activity Fund						
Frost Bank	1	1,528,863.67	1,528,863.67	0.90	0.010	1
Subtotal	**1**	**1,528,863.67**	**1,528,863.67**	**0.90**	**0.010**	**1**
Fund: Clearing Fund						
Frost Bank	1	4,986,783.91	4,986,783.91	2.94	0.010	1
Subtotal	**1**	**4,986,783.91**	**4,986,783.91**	**2.94**	**0.010**	**1**
Fund: Capital Projects Fund						
Frost Bank	2	867,697.27	867,697.27	0.51	0.010	1
Lone Star	4	20,477,534.94	20,477,534.94	12.09	0.059	1
Municipal Bonds	2	5,728,000.00	5,757,093.61	3.40	1.157	79
Subtotal	**8**	**27,073,232.21**	**27,102,325.82**	**16.00**	**0.291**	**17**
Fund: Debt Service Fund						
Frost Bank	1	4,732.27	4,732.27	0.00	0.010	1
Lone Star	2	1,848,705.93	1,848,705.93	1.09	0.082	1
Subtotal	**3**	**1,853,438.20**	**1,853,438.20**	**1.09**	**0.081**	**1**
Fund: General Fund						
Commercial Paper Disc. -Amortizing	1	1,500,000.00	1,498,750.00	0.88	0.305	100
Municipal Bonds	6	11,045,000.00	11,147,697.63	6.58	0.476	195
Frost Bank	1	6,597,681.28	6,597,681.28	3.90	0.010	1
Lone Star	3	74,968,777.60	74,968,777.60	44.26	0.061	1
Texpool/Texpool Prime	2	21,162,865.46	21,162,865.46	12.50	0.070	1
Subtotal	**13**	**115,274,324.34**	**115,375,771.97**	**68.12**	**0.103**	**21**
Fund: Plan 457 Fund						
Frost Bank	1	16,932.39	16,932.39	0.01	0.010	1
Subtotal	**1**	**16,932.39**	**16,932.39**	**0.01**	**0.010**	**1**
Fund: Proprietary Fund						

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Proprietary Fund						
Frost Bank	1	2,307,525.46	2,307,525.46	1.36	0.010	1
Lone Star	2	5,034,257.99	5,034,257.99	2.97	0.047	1
Subtotal	**3**	**7,341,783.45**	**7,341,783.45**	**4.33**	**0.035**	**1**
Fund: QSCB - Reserve Fund						
BNY Mellon	1	5,049,319.31	5,049,319.31	2.98	0.000	1
Federal Agency Coupon Securities	1	2,000,000.00	1,999,411.76	1.18	0.258	507
Municipal Bonds	2	4,065,000.00	4,110,603.15	2.43	0.790	333
Subtotal	**4**	**11,114,319.31**	**11,159,334.22**	**6.59**	**0.337**	**214**
Fund: QSCB - Debt Service						
BNY Mellon	1	0.00	0.00	0.00	0.000	0
Subtotal	**1**	**0.00**	**0.00**	**0.00**	**0.000**	**0**
Total and Average	**35**	**169,189,677.48**	**169,365,233.63**	**100.00**	**0.142**	**31**

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

Patterson & Associates
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-

McAllen ISD
Fund ACT - Activity Fund
Investments by Fund
February 28, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999915	10020	Frost Bank Public Checking	07/01/2020	1,528,863.67	1,528,863.67	1,528,863.67	0.010	0.009	0.010	1
		Subtotal and Average		**1,528,863.67**	**1,528,863.67**	**1,528,863.67**		**0.010**	**0.010**	**1**
		Total Investments and Average		**1,528,863.67**	**1,528,863.67**	**1,528,863.67**		**0.010**	**0.010**	**1**

Fund CLEAR - Clearing Fund
Investments by Fund
February 28, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999914	10019	Frost Bank Public Checking	07/01/2020	4,986,783.91	4,986,783.91	4,986,783.91	0.010	0.009	0.010	1
		Subtotal and Average		**4,986,783.91**	**4,986,783.91**	**4,986,783.91**		**0.010**	**0.010**	**1**
		Total Investments and Average		**4,986,783.91**	**4,986,783.91**	**4,986,783.91**		**0.010**	**0.010**	**1**

Fund CP - Capital Projects Fund
Investments by Fund
February 28, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Frost Bank											
999922	10103	Frost Bank Public Checking	07/01/2020	537,755.47	537,755.47	537,755.47	0.010	0.009	0.010		1
SYS10109	10109	Frost Bank Public Checking	07/01/2020	329,941.80	329,941.80	329,941.80	0.010	0.009	0.010		1
		Subtotal and Average		**867,697.27**	**867,697.27**	**867,697.27**		**0.010**	**0.010**		**1**
Municipal Bonds											
114727VW7	10118	Broome County NY	04/30/2020	3,420,761.65	3,418,000.00	3,422,545.94	1.750	1.233	1.250	04/30/2021	60
95639PBF9	10116	West Virginia State Eco Dev	04/28/2020	2,336,331.96	2,310,000.00	2,339,799.00	5.000	1.006	1.020	06/15/2021	106
		Subtotal and Average		**5,757,093.61**	**5,728,000.00**	**5,762,344.94**		**1.141**	**1.157**		**78**
Lone Star											
108906G	10101	Lone Star Corporate Overnight	12/18/2019	1,892,558.86	1,892,558.86	1,892,558.86	0.090	0.088	0.090		1
108906I	10108	Lone Star Corporate Overnight	02/21/2020	7,987,846.17	7,987,846.17	7,987,846.17	0.090	0.088	0.090		1
108906H	10102	Lone Star Government ON	12/18/2019	2,612,283.89	2,612,283.89	2,612,283.89	0.030	0.029	0.030		1
108906J	10113	Lone Star Government ON	03/12/2020	7,984,846.02	7,984,846.02	7,984,846.02	0.030	0.029	0.030		1
		Subtotal and Average		**20,477,534.94**	**20,477,534.94**	**20,477,534.94**		**0.058**	**0.059**		**1**
		Total Investments and Average		**27,102,325.82**	**27,073,232.21**	**27,107,577.15**		**0.287**	**0.291**		**17**

Fund DS - Debt Service Fund
Investments by Fund
February 28, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999918	10023	Frost Bank Public Checking	07/01/2020	4,732.27	4,732.27	4,732.27	0.010	0.009	0.010	1
		Subtotal and Average		**4,732.27**	**4,732.27**	**4,732.27**		**0.010**	**0.010**	**1**
Lone Star										
108906B	10032	Lone Star Corporate Overnight	10/22/2015	1,588,193.51	1,588,193.51	1,588,193.51	0.090	0.088	0.090	1
108906C	10089	Lone Star Government ON	08/05/2019	260,512.42	260,512.42	260,512.42	0.030	0.029	0.030	1
		Subtotal and Average		**1,848,705.93**	**1,848,705.93**	**1,848,705.93**		**0.080**	**0.082**	**1**
		Total Investments and Average		**1,853,438.20**	**1,853,438.20**	**1,853,438.20**		**0.080**	**0.081**	**1**

Fund GEN - General Fund
Investments by Fund
February 28, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Frost Bank											
999917	10022	Frost Bank Public Checking	07/01/2020	6,597,681.28	6,597,681.28	6,597,681.28	0.010	0.009	0.010		1
		Subtotal and Average		**6,597,681.28**	**6,597,681.28**	**6,597,681.28**		**0.010**	**0.010**		**1**
Commercial Paper Disc. -Amortizing											
06742VR94	10129	Barclays Bank CP	12/11/2020	1,498,750.00	1,500,000.00	1,498,750.00		0.300	0.304	06/09/2021	100
		Subtotal and Average		**1,498,750.00**	**1,500,000.00**	**1,498,750.00**		**0.300**	**0.305**		**100**
Municipal Bonds											
010609FV2	10127	Alabama St Public Sch&Clg Auth	11/04/2020	1,000,000.00	1,000,000.00	1,000,440.00	0.253	0.249	0.253	09/01/2021	184
096575KZ7	10125	Boces NY Sole Supervisory	10/29/2020	4,005,880.44	4,000,000.00	4,006,600.00	1.250	0.346	0.351	04/30/2021	60
186523DZ6	10128	Cleveland TN	11/10/2020	1,210,594.39	1,170,000.00	1,211,546.70	5.000	0.356	0.361	12/01/2021	275
64971WJ35	10123	NYC Trans Finance Auth	10/13/2020	2,534,849.46	2,500,000.00	2,542,950.00	1.650	0.443	0.449	05/01/2022	426
720424D31	10126	Pierce County WA SD	11/02/2020	500,000.00	500,000.00	500,225.00	0.279	0.275	0.278	12/01/2021	275
95639PBF9	10117	West Virginia State Eco Dev	04/28/2020	1,896,373.34	1,875,000.00	1,899,187.50	5.000	1.006	1.020	06/15/2021	106
		Subtotal and Average		**11,147,697.63**	**11,045,000.00**	**11,160,949.20**		**0.470**	**0.476**		**195**
Texpool/Texpool Prime											
999921	10092	Texpool	08/05/2019	10,559,695.34	10,559,695.34	10,559,695.34	0.043	0.042	0.043		1
999920	10034	Texpool Prime	11/03/2015	10,603,170.12	10,603,170.12	10,603,170.12	0.097	0.095	0.097		1
		Subtotal and Average		**21,162,865.46**	**21,162,865.46**	**21,162,865.46**		**0.069**	**0.070**		**1**
Lone Star											
108906F	10099	Lone Star Corporate Overnight+	11/18/2019	0.00	0.00	0.00					1
108906	10003	Lone Star Corporate Overnight	11/01/2014	39,112,376.35	39,112,376.35	39,112,376.35	0.090	0.088	0.090		1
108906D	10090	Lone Star Government ON	08/05/2019	35,856,401.25	35,856,401.25	35,856,401.25	0.030	0.029	0.030		1
		Subtotal and Average		**74,968,777.60**	**74,968,777.60**	**74,968,777.60**		**0.060**	**0.061**		**1**
		Total Investments and Average		**115,375,771.97**	**115,274,324.34**	**115,389,023.54**		**0.102**	**0.103**		**21**

Fund PLAN457 - Plan 457 Fund
Investments by Fund
February 28, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999916	10021	Frost Bank Public Checking	07/01/2020	16,932.39	16,932.39	16,932.39	0.010	0.009	0.010	1
		Subtotal and Average		**16,932.39**	**16,932.39**	**16,932.39**		**0.010**	**0.010**	**1**
		Total Investments and Average		**16,932.39**	**16,932.39**	**16,932.39**		**0.010**	**0.010**	**1**

Fund PROP - Proprietary Fund
Investments by Fund
February 28, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999919	10024	Frost Bank Public Checking	07/01/2020	2,307,525.46	2,307,525.46	2,307,525.46	0.010	0.009	0.010	1
		Subtotal and Average		**2,307,525.46**	**2,307,525.46**	**2,307,525.46**		**0.010**	**0.010**	**1**
Lone Star										
108906A	10025	Lone Star Corporate Overnight	08/05/2015	1,410,577.59	1,410,577.59	1,410,577.59	0.090	0.088	0.090	1
108906E	10091	Lone Star Government ON	08/05/2019	3,623,680.40	3,623,680.40	3,623,680.40	0.030	0.029	0.030	1
		Subtotal and Average		**5,034,257.99**	**5,034,257.99**	**5,034,257.99**		**0.046**	**0.047**	**1**
		Total Investments and Average		**7,341,783.45**	**7,341,783.45**	**7,341,783.45**		**0.035**	**0.035**	**1**

Fund QSCB - QSCB - Reserve Fund
Investments by Fund
February 28, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
BNY Mellon											
882521	10014	BNY Mellon - Cash	07/01/2020	5,049,319.31	5,049,319.31	5,049,319.31					1
		Subtotal and Average		**5,049,319.31**	**5,049,319.31**	**5,049,319.31**		**0.000**	**0.000**		**1**
Federal Agency Coupon Securities											
3133ELW67	10122	FFCB Call Note	07/24/2020	1,999,411.76	2,000,000.00	1,999,975.56	0.220	0.254	0.257	07/21/2022	507
		Subtotal and Average		**1,999,411.76**	**2,000,000.00**	**1,999,975.56**		**0.254**	**0.258**		**507**
Municipal Bonds											
64971WP38	10124	NYC Trans Finance Auth	10/13/2020	1,605,791.25	1,575,000.00	1,611,839.25	1.850	0.456	0.462	08/01/2022	518
796815ZF8	10119	San Bernardino County CA	05/27/2020	2,504,811.90	2,490,000.00	2,512,808.40	2.030	0.986	1.000	10/01/2021	214
		Subtotal and Average		**4,110,603.15**	**4,065,000.00**	**4,124,647.65**		**0.779**	**0.790**		**332**
		Total Investments and Average		**11,159,334.22**	**11,114,319.31**	**11,173,942.52**		**0.333**	**0.337**		**213**

Fund QSCBDS - QSCB - Debt Service
Investments by Fund
February 28, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
BNY Mellon										
882520	10040	BNY Mellon - Cash	07/01/2020	0.00	0.00	0.00				1
			Subtotal and Average	**0.00**	**0.00**	**0.00**		**0.000**	**0.000**	**0**
			Total Investments and Average	**0.00**	**0.00**	**0.00**		**0.000**	**0.000**	**0**

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

McAllen ISD
Cash Reconciliation Report
For the Period February 1, 2021 - February 28, 2021
Grouped by Fund

Patterson & Associates
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Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
QSCB - Reserve Fund											
02/01/2021	10124	QSCB	Interest	64971WP38	1,575,000.00	NYTRAN 1.6M 1.85% Mat.	08/01/2022	0.00	14,568.75	0.00	14,568.75
02/15/2021	10083	QSCB	Interest	9143013U8	1,305,000.00	UNIVHS 1.3M 3.30% Mat.	02/15/2021	0.00	21,532.50	0.00	21,532.50
02/15/2021	10083	QSCB	Maturity	9143013U8	1,305,000.00	UNIVHS 1.3M 3.30% Mat.	02/15/2021	0.00	0.00	1,305,000.00	1,305,000.00
							Subtotal	**0.00**	**36,101.25**	**1,305,000.00**	**1,341,101.25**
							Total	**0.00**	**36,101.25**	**1,305,000.00**	**1,341,101.25**

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McAllen ISD
Maturity Report
Sorted by Maturity Date
Receipts during February 1, 2021 - February 28, 2021

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
9143013U8	10083	QSCB	MC2	UNIVHS	1,305,000.00	02/15/2021	02/27/2019	3.300	1,305,000.00	21,532.50	1,326,532.50	21,532.50
			Total Maturities		**1,305,000.00**				**1,305,000.00**	**21,532.50**	**1,326,532.50**	**21,532.50**

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McAllen ISD
Interest Earnings
Sorted by Fund - Fund
February 1, 2021 - February 28, 2021
Yield on Average Book Value

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings: Interest Earned	Adjusted Interest Earnings: Amortization/ Accretion	Adjusted Interest Earnings: Adjusted Interest Earnings
Fund: Activity Fund												
999915	10020	ACT	LA2	1,528,863.67	1,534,903.93	1,534,257.18		0.010	0.009	10.57	0.00	10.57
			Subtotal	**1,528,863.67**	**1,534,903.93**	**1,534,257.18**			**0.009**	**10.57**	**0.00**	**10.57**
Fund: Clearing Fund												
999914	10019	CLEAR	LA2	4,986,783.91	3,885,723.21	4,003,694.97		0.010	0.008	23.43	0.00	23.43
			Subtotal	**4,986,783.91**	**3,885,723.21**	**4,003,694.97**			**0.008**	**23.43**	**0.00**	**23.43**
Fund: Capital Projects Fund												
108906I	10108	CP	RR2	7,987,846.17	8,187,274.34	8,058,764.18		0.090	0.092	571.83	0.00	571.83
108906G	10101	CP	RR2	1,892,558.86	2,251,998.32	7,633,207.81		0.090	0.092	539.54	0.00	539.54
999922	10103	CP	LA2	537,755.47	549,564.71	866,868.90		0.010	0.009	5.98	0.00	5.98
SYS10109	10109	CP	LA2	329,941.80	331,344.03	351,114.84		0.010	0.009	2.42	0.00	2.42
108906H	10102	CP	RR2	2,612,283.89	22,166,008.85	11,450,786.83		0.030	0.030	264.23	0.00	264.23
108906J	10113	CP	RR2	7,984,846.02	8,484,678.61	8,163,267.98		0.030	0.027	167.41	0.00	167.41
95639PBF9	10116	CP	MC2	2,310,000.00	2,343,927.71	2,340,238.35	06/15/2021	5.000	1.130	9,625.00	-7,595.75	2,029.25
114727VW7	10118	CP	MC2	3,418,000.00	3,422,165.88	3,421,483.82	04/30/2021	1.750	1.364	4,984.59	-1,404.23	3,580.36
			Subtotal	**27,073,232.21**	**47,736,962.45**	**42,285,732.70**			**0.221**	**16,161.00**	**-8,999.98**	**7,161.02**
Fund: Debt Service Fund												
108906B	10032	DS	RR2	1,588,193.51	3,648,840.41	2,093,944.90		0.090	0.094	151.01	0.00	151.01
999918	10023	DS	LA2	4,732.27	4,286.10	208,308.47		0.010	0.009	1.44	0.00	1.44
108906C	10089	DS	RR2	260,512.42	1,850,307.14	1,099,179.17		0.030	0.029	24.28	0.00	24.28
			Subtotal	**1,853,438.20**	**5,503,433.65**	**3,401,432.54**			**0.068**	**176.73**	**0.00**	**176.73**
Fund: General Fund												
999921	10092	GEN	RRP	10,559,695.34	10,559,346.52	10,559,383.89		0.043	0.043	348.82	0.00	348.82
108906	10003	GEN	RR2	39,112,376.35	32,457,995.99	33,326,513.54		0.090	0.093	2,367.86	0.00	2,367.86
999917	10022	GEN	LA2	6,597,681.28	8,991,689.45	8,735,190.40		0.010	0.010	65.52	0.00	65.52
999920	10034	GEN	RRP	10,603,170.12	10,602,378.83	10,602,463.61		0.097	0.097	791.29	0.00	791.29
108906D	10090	GEN	RR2	35,856,401.25	6,833,839.74	25,664,648.21		0.030	0.024	481.32	0.00	481.32
06742VR94	10129	GEN	ACP	1,500,000.00	1,498,400.00	1,498,581.25	06/09/2021		0.304	0.00	350.00	350.00

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings: Interest Earned	Adjusted Interest Earnings: Amortization/ Accretion	Adjusted Interest Earnings: Adjusted Interest Earnings
Fund: General Fund												
95639PBF9	10117	GEN	MC2	1,875,000.00	1,902,538.73	1,899,544.11	06/15/2021	5.000	1.130	7,812.50	-6,165.39	1,647.11
64971WJ35	10123	GEN	MC2	2,500,000.00	2,537,338.71	2,536,129.65	05/01/2022	1.650	0.487	3,437.50	-2,489.25	948.25
096575KZ7	10125	GEN	MC2	4,000,000.00	4,008,870.50	4,007,418.18	04/30/2021	1.250	0.383	4,166.66	-2,990.06	1,176.60
720424D31	10126	GEN	MC2	500,000.00	500,000.00	500,000.00	12/01/2021	0.279	0.303	116.25	0.00	116.25
010609FV2	10127	GEN	MC2	1,000,000.00	1,000,000.00	1,000,000.00	09/01/2021	0.253	0.275	210.83	0.00	210.83
186523DZ6	10128	GEN	MC2	1,170,000.00	1,215,104.88	1,212,914.07	12/01/2021	5.000	0.392	4,875.00	-4,510.49	364.51
			Subtotal	**115,274,324.34**	**82,107,503.35**	**101,542,786.93**			**0.114**	**24,673.55**	**-15,805.19**	**8,868.36**
Fund: Plan 457 Fund												
999916	10021	PLAN457	LA2	16,932.39	16,932.27	16,932.29		0.010	0.009	0.12	0.00	0.12
			Subtotal	**16,932.39**	**16,932.27**	**16,932.29**			**0.009**	**0.12**	**0.00**	**0.12**
Fund: Proprietary Fund												
108906A	10025	PROP	RR2	1,410,577.59	3,023,800.16	2,257,619.74		0.090	0.093	161.43	0.00	161.43
999919	10024	PROP	LA2	2,307,525.46	145,609.57	377,243.55		0.010	0.037	10.62	0.00	10.62
108906E	10091	PROP	RR2	3,623,680.40	3,623,606.36	3,623,614.29		0.030	0.027	74.04	0.00	74.04
			Subtotal	**7,341,783.45**	**6,793,016.09**	**6,258,477.59**			**0.051**	**246.09**	**0.00**	**246.09**
Fund: QSCB - Reserve Fund												
882521	10014	QSCB	LA1	5,049,319.31	2,528,218.06	3,285,105.47				0.00	0.00	0.00
3133ELW67	10122	QSCB	FAC	2,000,000.00	1,999,285.71	1,999,346.94	07/21/2022	0.220	0.321	366.67	126.05	492.72
9143013U8	10083	QSCB	MC2	0.00	1,305,318.95	652,574.04	02/15/2021	3.300	2.708	1,674.75	-318.95	1,355.80
796815ZF8	10119	QSCB	MC2	2,490,000.00	2,506,927.88	2,505,900.12	10/01/2021	2.030	1.090	4,212.25	-2,115.98	2,096.27
64971WP38	10124	QSCB	MC2	1,575,000.00	1,607,602.50	1,606,722.75	08/01/2022	1.850	0.500	2,428.13	-1,811.25	616.88
			Subtotal	**11,114,319.31**	**9,947,353.10**	**10,049,649.32**			**0.592**	**8,681.80**	**-4,120.13**	**4,561.67**
			Total	**169,189,677.48**	**157,525,828.05**	**169,092,963.50**			**0.162**	**49,973.29**	**-28,925.30**	**21,047.99**

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

Patterson & Associates
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McAllen ISD
Amortization Schedule
February 1, 2021 - February 28, 2021
Sorted By Fund - Fund

Investment # / Issuer	Fund	Maturity Date / Amort. Date	Beginning Par Value / Current Rate	Purchase Principal	Original Premium or Discount	Ending Book Value	Amounts Amortized And Unamortized As of 02/01/2021	Amount Amortized This Period	Amt Amortized Through 02/28/2021	Amount Unamortized Through 02/28/2021
Capital Projects Fund										
10118 Broome County NY	CP	04/30/2021	3,418,000.00 1.750	3,434,850.74	16,850.74	3,420,761.65	-12,684.86 4,165.88	-1,404.23	-14,089.09	2,761.65
10116 West Virginia State Eco Dev	CP	06/15/2021	2,310,000.00 5.000	2,413,049.10	103,049.10	2,336,331.96	-69,121.39 33,927.71	-7,595.75	-76,717.14	26,331.96
		Subtotal		**5,847,899.84**	**119,899.84**	**5,757,093.61**	**-81,806.25 38,093.59**	**-8,999.98**	**-90,806.23**	**29,093.61**
General Fund										
10129 Barclays Bank CP	GEN	06/09/2021	1,500,000.00	1,497,750.00	-2,250.00	1,498,750.00	650.00 -1,600.00	350.00	1,000.00	-1,250.00
10125 Boces NY Sole Supervisory	GEN	04/30/2021	4,000,000.00 1.250	4,018,040.00	18,040.00	4,005,880.44	-9,169.50 8,870.50	-2,990.06	-12,159.56	5,880.44
10128 Cleveland TN	GEN	12/01/2021	1,170,000.00 5.000	1,227,283.20	57,283.20	1,210,594.39	-12,178.32 45,104.88	-4,510.49	-16,688.81	40,594.39
10123 NYC Trans Finance Auth	GEN	05/01/2022	2,500,000.00 1.650	2,546,300.00	46,300.00	2,534,849.46	-8,961.29 37,338.71	-2,489.25	-11,450.54	34,849.46
10117 West Virginia State Eco Dev	GEN	06/15/2021	1,875,000.00 5.000	1,958,643.75	83,643.75	1,896,373.34	-56,105.02 27,538.73	-6,165.39	-62,270.41	21,373.34
		Subtotal		**11,248,016.95**	**203,016.95**	**11,146,447.63**	**-85,764.13 117,252.82**	**-15,805.19**	**-101,569.32**	**101,447.63**
QSCB - Reserve Fund										
10122 FFCB Call Note	QSCB	07/21/2022 07/21/2021	2,000,000.00 0.220	1,998,500.00	-1,500.00	1,999,411.76	785.71 -714.29	126.05	911.76	-588.24
10124 NYC Trans Finance Auth	QSCB	08/01/2022	1,575,000.00 1.850	1,614,123.00	39,123.00	1,605,791.25	-6,520.50 32,602.50	-1,811.25	-8,331.75	30,791.25
10119 San Bernardino County CA	QSCB	10/01/2021	2,490,000.00 2.030	2,524,137.90	34,137.90	2,504,811.90	-17,210.02 16,927.88	-2,115.98	-19,326.00	14,811.90
10083 University of Houston	QSCB	02/15/2021	1,305,000.00 3.300	1,321,129.80	16,129.80	0.00	-15,810.85 318.95	-318.95	-16,129.80	0.00
		Subtotal		**7,457,890.70**	**87,890.70**	**6,110,014.91**	**-38,755.66 49,135.04**	**-4,120.13**	**-42,875.79**	**45,014.91**
		Total		**24,553,807.49**	**410,807.49**	**23,013,556.15**	**-206,326.04 204,481.45**	**-28,925.30**	**-235,251.34**	**175,556.15**

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

McAllen ISD
Projected Cashflow Report
Sorted by Monthly
For the Period March 1, 2021 - September 30, 2021

Patterson & Associates
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Austin, TX 78746
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Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
March 2021										
03/01/2021	10127	GEN	010609FV2	Interest	Alabama St Public Sch&Clg Auth	0.00	0.00	0.00	822.25	822.25
					Total for March 2021	**0.00**	**0.00**	**0.00**	**822.25**	**822.25**
April 2021										
04/01/2021	10119	QSCB	796815ZF8	Interest	San Bernardino County CA	0.00	0.00	0.00	25,273.50	25,273.50
04/30/2021	10118	CP	114727VW7	Maturity	Broome County NY	3,418,000.00	3,434,850.74	3,418,000.00	59,815.00	3,477,815.00
04/30/2021	10125	GEN	096575KZ7	Maturity	Boces NY Sole Supervisory	4,000,000.00	4,018,040.00	4,000,000.00	25,277.78	4,025,277.78
					Total for April 2021	**7,418,000.00**	**7,452,890.74**	**7,418,000.00**	**110,366.28**	**7,528,366.28**
May 2021										
05/01/2021	10123	GEN	64971WJ35	Interest	NYC Trans Finance Auth	0.00	0.00	0.00	20,625.00	20,625.00
					Total for May 2021	**0.00**	**0.00**	**0.00**	**20,625.00**	**20,625.00**
June 2021										
06/01/2021	10126	GEN	720424D31	Interest	Pierce County WA SD	0.00	0.00	0.00	809.88	809.88
06/01/2021	10128	GEN	186523DZ6	Interest	Cleveland TN	0.00	0.00	0.00	29,250.00	29,250.00
06/09/2021	10129	GEN	06742VR94	Maturity	Barclays Bank CP	1,500,000.00	1,497,750.00	1,500,000.00	0.00	1,500,000.00
06/15/2021	10116	CP	95639PBF9	Maturity	West Virginia State Eco Dev	2,310,000.00	2,413,049.10	2,310,000.00	57,750.00	2,367,750.00
06/15/2021	10117	GEN	95639PBF9	Maturity	West Virginia State Eco Dev	1,875,000.00	1,958,643.75	1,875,000.00	46,875.00	1,921,875.00
					Total for June 2021	**5,685,000.00**	**5,869,442.85**	**5,685,000.00**	**134,684.88**	**5,819,684.88**
July 2021										
07/21/2021	10122	QSCB	3133ELW67	Interest	FFCB Call Note	0.00	0.00	0.00	2,200.00	2,200.00
07/21/2021	10122	QSCB	3133ELW67	Call	FFCB Call Note	2,000,000.00	1,998,500.00	2,000,000.00	0.00	2,000,000.00
					Total for July 2021	**2,000,000.00**	**1,998,500.00**	**2,000,000.00**	**2,200.00**	**2,002,200.00**
August 2021										
08/01/2021	10124	QSCB	64971WP38	Interest	NYC Trans Finance Auth	0.00	0.00	0.00	14,568.75	14,568.75
					Total for August 2021	**0.00**	**0.00**	**0.00**	**14,568.75**	**14,568.75**
September 2021										
09/01/2021	10127	GEN	010609FV2	Maturity	Alabama St Public Sch&Clg Auth	1,000,000.00	1,000,000.00	1,000,000.00	1,265.00	1,001,265.00
					Total for September 2021	**1,000,000.00**	**1,000,000.00**	**1,000,000.00**	**1,265.00**	**1,001,265.00**
					GRAND TOTALS:	**16,103,000.00**	**16,320,833.59**	**16,103,000.00**	**284,532.16**	**16,387,532.16**

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Report Regarding the Monthly Financial and Quarterly Investment Report for March 2021

REFERENCE: Goal 4, Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

CDA Local requires the submission of an investment report at least quarterly. In addition, the District has a Board directive to supply monthly financial information.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

The monthly financial reflects the following:

-General Fund Comparison of Budget to Revenues, Expenditures and Encumbrances

-Quarterly Investment Report

LEGAL REVIEW:

Not required.

BUDGETARY CONSIDERATIONS:

None.

RECOMMENDED BOARD ACTION:

The Report Regarding the Monthly Financial and Quarterly Investment Report for March 2021 is submitted to the Board for information purposes only and requires no Board action.

SUBMITTED BY: Adel Felix

SUPERVISOR: Cynthia Medrano-Richards

For further information contact:
Name: Adel Felix, CPA, CFE
Office: (956) 618-6016
Email: adelita.felix@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

COMPARISON OF BUDGET TO REVENUES, EXPENDITURES AND ENCUMBRANCES
FOR THE MONTH OF MARCH 31, 2021

	A APPROVED BUDGET 2019-20 03/31/20	B YTD ACTUAL 07/01/19 TO 03/31/20	C APPROVED BUDGET 2020-21 03/31/21	D YTD ACTUAL 07/01/20 TO 03/31/21	E DIFFERENCE C - D	F OUTSTANDING ENCUMBRANCES 04/01/21 TO 06/30/21	G YTD REVENUES, EXPENSES AND ENCUMBRANCES D + F	H BUDGET LESS EXPENSES AND ENCUMBRANCES C - G
REVENUES:								
LOCAL AND INTERMEDIATE SOURCES	$5,015,459	$3,703,230	$3,442,530	$1,639,262	$1,803,268		$1,639,262	$1,803,268
PROPERTY TAXES	80,312,155	76,803,244	79,823,682	79,154,828	668,854		79,154,828	668,854
STATE PROGRAM REVENUES	141,956,623	77,750,118	139,046,497	77,086,768	61,959,729		77,086,768	61,959,729
FEDERAL PROGRAM REVENUES	20,310,258	15,234,999	24,401,815	16,125,805	8,276,010		16,125,805	8,276,010
OTHER RESOURCES/NON-OPERATING REVENUES	5,898,206	5,513,428	6,307,690	6,490,388	(182,698)		6,490,388	(182,698)
SUB TOTAL	$253,492,701	$179,005,019	$253,022,214	$180,497,051	$72,525,163		$180,497,051	$72,525,163
EXPENDITURES:								
11 INSTRUCTION	$138,561,160	$97,942,878	$131,351,996	$88,742,950	$42,609,046	$27,553,959	$116,296,909	$15,055,087
12 INST. RES. & MEDIA SERVICES	3,661,234	2,698,809	3,626,521	2,580,139	1,046,382	798,373	3,378,511	248,010
13 CURRICULUM DEV. & INST. STAFF DEV.	4,852,679	2,655,185	5,215,610	3,031,383	2,184,227	838,215	3,869,597	1,346,013
21 INST. LEADERSHIP	3,058,557	1,919,218	3,132,623	1,945,370	1,187,253	760,153	2,705,523	427,100
23 SCHOOL LEADERSHIP	13,629,532	9,924,034	13,925,261	9,958,911	3,966,350	3,131,984	13,090,894	834,367
31 GUID., COUNSELING & EVAL. SER.	10,337,558	6,968,473	9,819,143	6,693,123	3,126,020	2,173,482	8,866,605	952,538
32 SOCIAL WORK SERVICES	1,756,506	1,233,753	1,946,612	1,370,215	576,397	437,581	1,807,796	138,816
33 HEALTH SERVICES	3,154,843	2,247,127	3,118,135	2,125,317	992,818	639,224	2,764,542	353,593
34 STUDENT (PUPIL) TRANS.	5,607,343	3,669,984	4,825,668	2,605,427	2,220,241	167,517	2,772,944	2,052,724
35 FOOD SERVICES	18,041,735	12,408,236	22,877,472	14,688,696	8,188,776	3,394,967	18,083,663	4,793,809
36 CURRICULAR/EXTRACURRICULAR ACT.	10,226,116	6,511,725	9,445,667	5,038,998	4,406,669	1,592,737	6,631,735	2,813,932
41 GENERAL ADMINISTRATION	8,078,793	5,768,956	8,747,311	5,895,661	2,851,650	1,554,334	7,449,994	1,297,317
51 PLANT MAINT. & OPERATIONS	21,496,679	14,709,867	22,539,532	14,229,963	8,309,569	3,332,055	17,562,018	4,977,514
52 SECURITY AND MONITORING SERV.	5,123,603	3,275,546	5,052,957	3,080,723	1,972,235	1,098,045	4,178,767	874,190
53 DATA PROCESSING SERVICES	5,929,539	4,402,898	6,883,571	4,194,602	2,688,969	1,071,265	5,265,867	1,617,704
61 COMMUNITY SERVICES	43,311	27,081	55,961	36,365	19,596	13,573	49,938	6,023
71 DEBT SERVICE	5,094,864	2,699,304	7,078,590	5,580,860	1,497,730	0	5,580,860	1,497,730
81 FAC. ACQUISITION & CONST.	7,416,586	5,463,701	938,018	475,416	462,602	56,678	532,093	405,925
95 PMT. TO JUV. JUSTICE ALT. ED. PRG.	40,000	40,000	40,000	40,000	0	0	40,000	0
99 OTHER INTERGOVERNMENTAL CHARGES	857,439	851,462	907,579	905,607	1,972	1	905,608	1,971
00 OTHER USES/NON-OPERATING EXPENSES	3,637,470	5,110,803	2,659,330	$500,000	2,159,330	0	500,000	2,159,330
SUB TOTAL	$270,605,547	$190,529,038	$264,187,557	$173,719,726	$90,467,831	$48,614,142	$222,333,867	$41,853,690
REVENUES OVER (UNDER) EXPENDITURES		($11,524,019)		$6,777,325				
BEGINNING FUND BALANCE		98,070,422		97,700,231				
PRELIMINARY ENDING FUND BALANCE		$86,546,403		$104,477,556				
OPTIMUM FUND BALANCE FOR UNFORESEEN EVENTS		$83,408,833		$103,042,102				

McALLEN
INDEPENDENT SCHOOL DISTRICT

Quarterly Investment Report

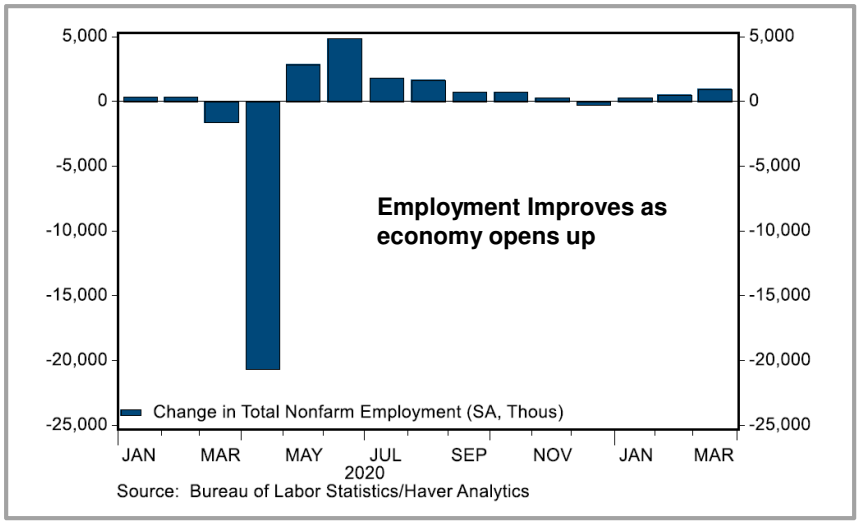
March 31, 2021

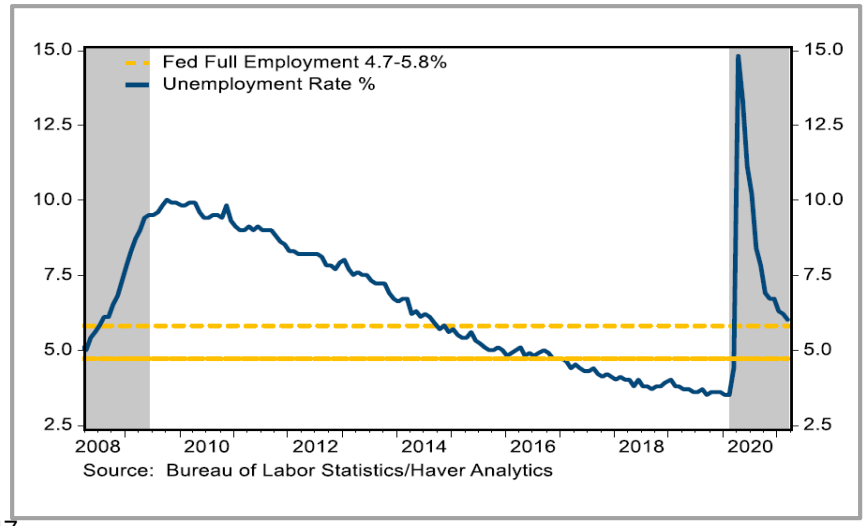
PATTERSON & ASSOCIATES
P&A
INVESTMENT PROFESSIONALS

What's Driving Rates? And Where?

PATTERSON & ASSOCIATES P&A INVESTMENT PROFESSIONALS

- Payrolls in March surged with improvement in most industries – up 916,000 jobs and a lower rate (6%).
- The increase in payrolls is directly tied to vaccinations and a relaxing of regulations.
- Businesses are reopening and gaining momentum with eased restrictions . ISM Services index rose to its highest read since 1997. That means producers are optimistic of an ongoing recovery.
- A stimulus fueled consumer is out to spend those checks.
- Business are encouraged to hire as long as the view improves.
- Housing continues to boom although slowing slightly as inventories decrease.
- The economy is growing at its fastest pace since 1984, which led the IMF to predict it will surpass its pre-pandemic size. Thanks in large part to the $1.9 trillion virus stimulus package.
- The warning remains the same from the Fed who says we are *far from complete but* they continue to provide extraordinary market support.
- The Fed is supporting the economy through continued buying of securities.
- This drives stock investors into new historic nose bleed heights – the S&P hits 4,000 for the first time.
- This does cause risks - more for stocks than bonds – as regulators target hedge funds (Archegos) and private funds.





Big, Bold and Expensive

The new administration is ready to launch its new package to "Build Back Better." The estimated $2 trillion plan will start with jobs and tackle infrastructure, climate and emissions. A package this size – from homes to high speed rail - could lift productivity and GDP with 69% spent in the first year. But it could squeeze out private and state/local investments also.

At least some in Congress have to be questioning whether this size of an additional stimulus is needed at this point right after passing $2T, the impact of which has yet to be felt.

Additionally, some do question the sheer size with debt already at alarming levels. With the combined Trump/Biden $5.7T in stimulus spending, the US debt to GDP ratio is already over 100%. With intra-governmental debt that rises it to 128%.

Sometimes more is just more.

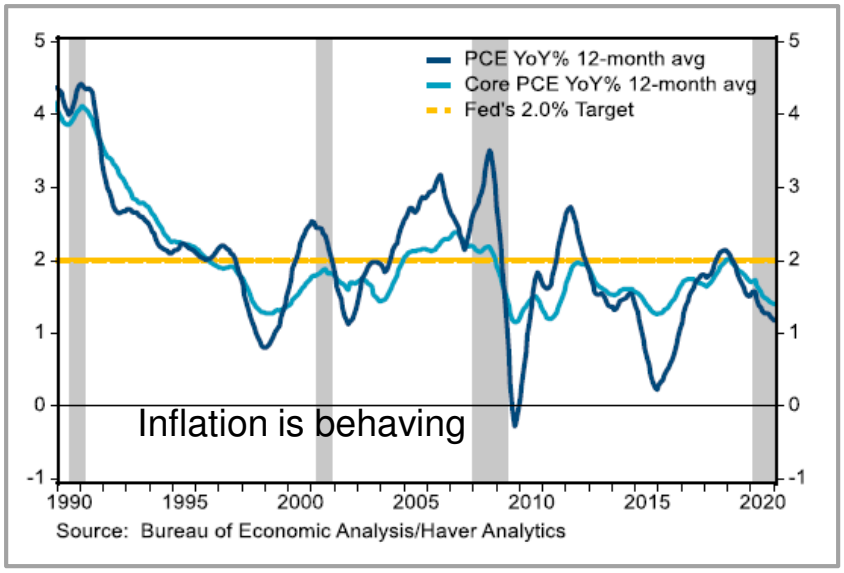
The Fed is remaining on hold despite their optimistic outlook which includes a 6.5% growth rate in 2021, a 2.4% inflation rate, and a decline in the unemployment rate to 4.5%. Chair Powell has indicated that future adjustments will be made on *realized* improvements *not anticipation* of that improvement. Not all Fed Presidents agree. Dallas Fed President Kaplan has forecast a rate hike next year in order to wean off the Fed's extraordinary efforts in supporting the economy and the markets.

Meanwhile, of course, geopolitics continue apace. China has been flexing its muscles in military *exercises* surrounding Taiwan. Some of that bravado could come from their hesitancy to add to debt to fight the pandemic. They really want to be the world's reserve currency.

The major moves in the stock market have helped to entice investors out of bonds rising longer rates, but risk can be dangerous as we saw with the Robinhood debacle and the Achegos *hedge fund implosion*.

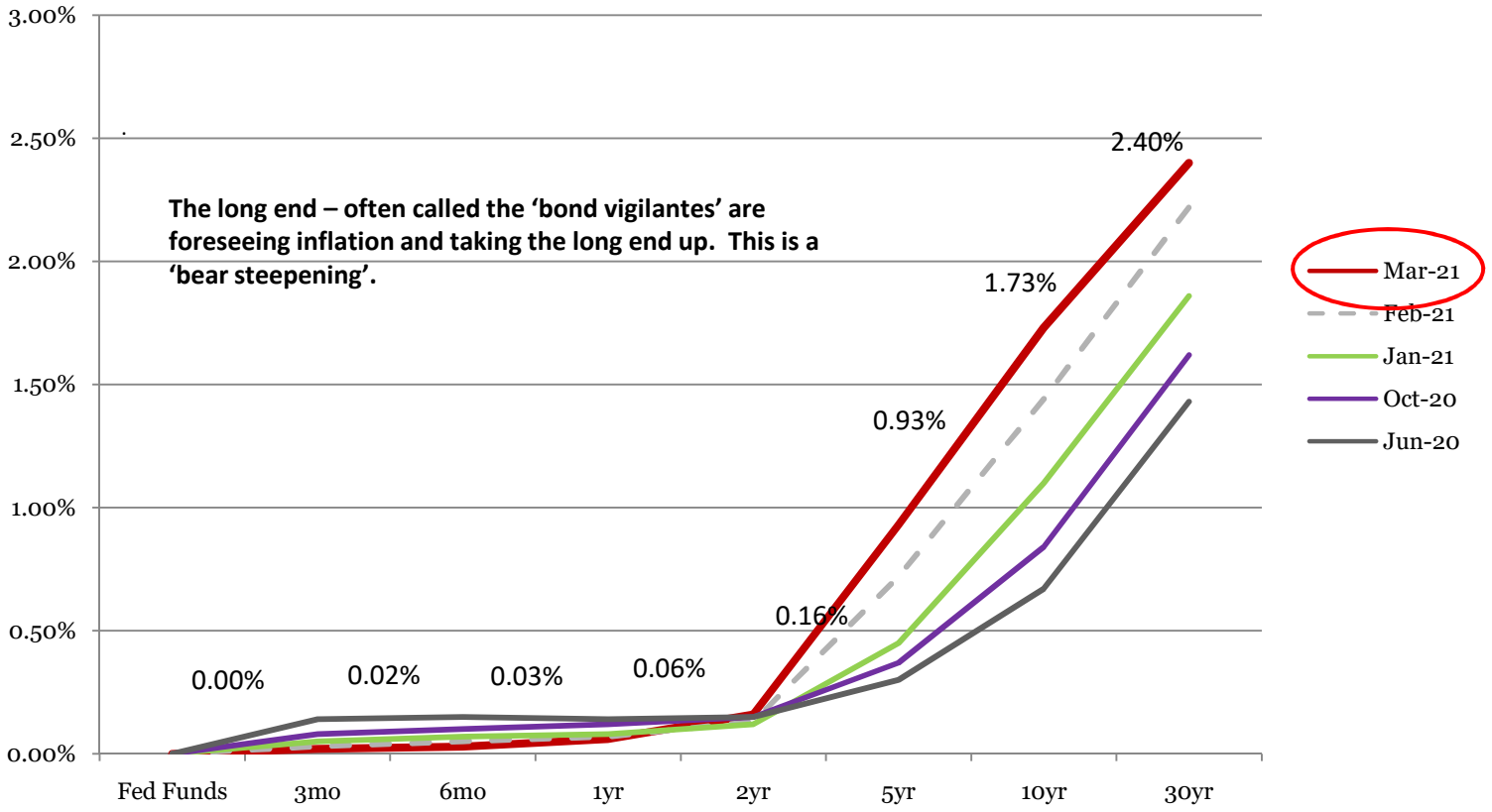
Makes you glad you are in the bond market even with low rates!





A Different Look

- The curve is reacting to an improving economy and feeding off the stimulus trough that promises even more funds thrown into the economy.
- The bond market is foreseeing inflation.
- The market will fight the Fed and their asset purchases on the long end. Usually the market wins. The rates are going up.
- The various Covid vaccines have been a major boost to confidence. A more robust economic recovery may require several more months.
- The Fed has stated its intention to stay at 0.0% Fed Funds through 2023. Looks like the curve will do its job for it.



End of Month Rates - Full Yield Curve – Fed Funds to 30yr

McAllen Independent School District
Quarterly Investment Report
January 1, 2021 – March 31, 2021

Portfolio Summary Management Report

This report and investment portfolio of the District is in compliance with the District's investment strategy as expressed in the District's investment policy and relevant provisions of the Government Code, Chapter 2256, the Public Funds Investment Act.

Portfolio as of 12/31/20:		**Portfolio as of 03/31/21:**	
Beginning Book Value	$ 150,335,867	Ending Book Value	$ 154,694,269
Beginning Market Value	$ 150,360,827	Ending Market Value	$ 154,690,720
		Investment Income for quarter	$ 67,642
		Unrealized Gain/Loss	$ (3,549)
WAM at Beginning Period Date[1]	46 days	WAM at Ending Period Date[1]	45 days
(Increase in market value is due to seasonal cash inflows)		Change in Market Value[2]	$ 4,329,893

Average Yield to Maturity for period **0.163%**
Average Yield 180-Day Treasury Bill for period **0.070%**

Cynthia Medrano-Richards

Cynthia Medrano-Richards, Asst. Superintendent for Bus. Operations
McAllen ISD

Iris Luna, Director of Accounting
McAllen ISD

Dyanira Diaz, Coordinator for Accounting
McAllen ISD

Adelita Felix, CFO
McAllen ISD

Linda T. Patterson, President
Patterson & Associates

1 WAM – weighted average maturity

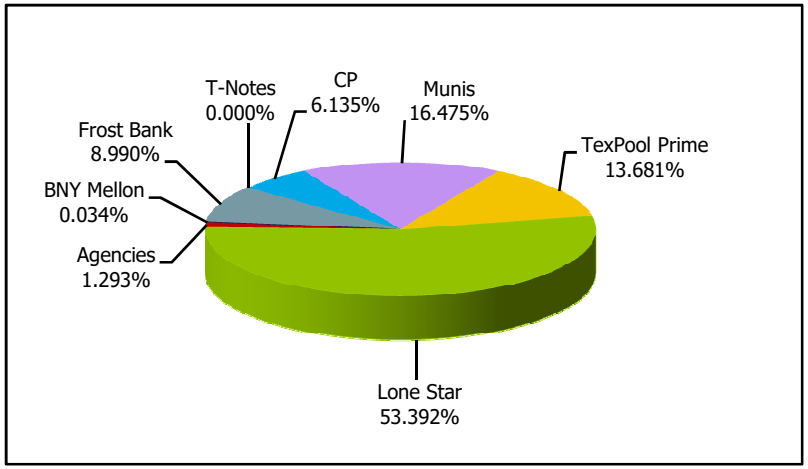
2 "Change in Market Value" is required data, but will primarily reflect the receipt and expenditure of the District's funds from month to month.
Patterson & Associates has assisted in the preparation of this consolidated investment report, with additional input provided by McAllen ISD.

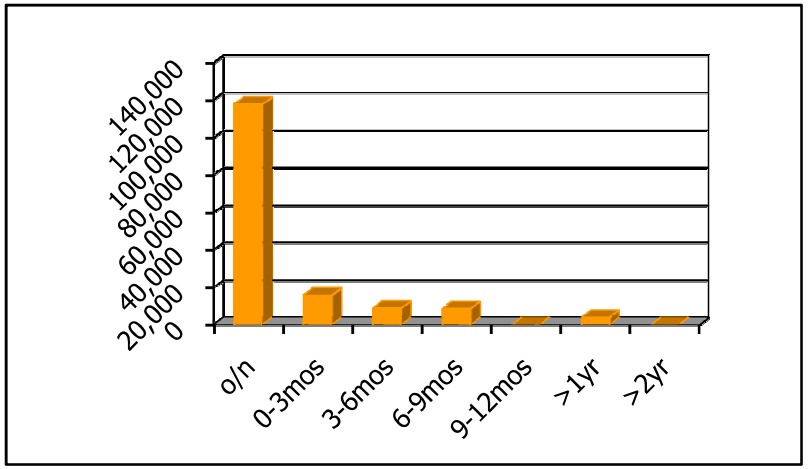
Your Portfolio

As of March 31, 2021

- P&A constantly reviews your portfolio for optimal asset allocation and a controlled average maturity because a diversified portfolio can better adjust to volatile market conditions. These are unusual times and where extensions can be made it is important to make them to find any available safe value in the markets.
- The graphs below show asset allocations by market sector and by maturity in your portfolio. Liquidity has been reduced to little or no value but with a flat short curve it may be the only sector available out to twelve months without the use of CP. Our expectation is of continuing dismally low rates but we look for value in your authorized sectors to capture the yield available as markets change.

- The non-cash portion of your portfolio is yielding 0.52%.





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McAllen ISD
Portfolio Management
Portfolio Summary
March 31, 2021

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746
-

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
BNY Mellon	51,542.64	51,542.64	51,542.64	0.03	1	1	0.000
Frost Bank	13,906,767.25	13,906,767.25	13,906,767.25	8.99	1	1	0.010
Commercial Paper Disc. -Amortizing	9,500,000.00	9,491,330.82	9,491,330.82	6.14	176	133	0.254
Federal Agency Coupon Securities	2,000,000.00	2,000,258.04	1,999,537.82	1.29	727	476	0.258
Municipal Bonds	25,338,000.00	25,482,042.89	25,486,312.00	16.48	379	179	0.641
Texpool/Texpool Prime	21,163,858.04	21,163,858.04	21,163,858.04	13.68	1	1	0.055
Lone Star	82,594,920.75	82,594,920.75	82,594,920.75	53.39	1	1	0.050
Investments	**154,555,088.68**	**154,690,720.43**	**154,694,269.32**	**100.00%**	**83**	**45**	**0.160**
Cash and Accrued Interest							
Accrued Interest at Purchase		138.89	138.89				
Subtotal		138.89	138.89				
Total Cash and Investments	**154,555,088.68**	**154,690,859.32**	**154,694,408.21**		**83**	**45**	**0.160**

Total Earnings	March 31 Month Ending	Fiscal Year To Date
Current Year	20,628.74	283,763.10

The following reports are submitted in accordance with the Public Funds Investment Act (Texas Gov't Code 2256). The reports also offer supplemental information not required by the Act in order to fully inform the governing body of McAllen ISD of the position and activity within the District's portfolio of investment. The reports include a management summary overview, a detailed inventory report for the end of the period, a transaction report, as well as graphic representations of the portfolio to provide full disclosure to the governing body.

Adelita Felix, Chief Financial Officer — May 4, 2021

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

McAllen ISD
Summary by Type
March 31, 2021
Grouped by Fund

Patterson & Associates
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Austin, TX 78746
-

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Activity Fund						
Frost Bank	1	1,516,429.53	1,516,429.53	0.98	0.010	1
Subtotal	**1**	**1,516,429.53**	**1,516,429.53**	**0.98**	**0.010**	**1**
Fund: Clearing Fund						
Frost Bank	1	5,984,905.44	5,984,905.44	3.87	0.010	1
Subtotal	**1**	**5,984,905.44**	**5,984,905.44**	**3.87**	**0.010**	**1**
Fund: Capital Projects Fund						
Frost Bank	2	550,360.03	550,360.03	0.36	0.010	1
Lone Star	4	20,378,422.23	20,378,422.23	13.17	0.050	1
Municipal Bonds	2	5,728,000.00	5,748,093.62	3.72	1.157	48
Subtotal	**8**	**26,656,782.26**	**26,676,875.88**	**17.25**	**0.288**	**11**
Fund: Debt Service Fund						
Frost Bank	1	4,952.57	4,952.57	0.00	0.010	1
Lone Star	2	2,342,494.56	2,342,494.56	1.51	0.057	1
Subtotal	**3**	**2,347,447.13**	**2,347,447.13**	**1.51**	**0.057**	**1**
Fund: General Fund						
Commercial Paper Disc. -Amortizing	3	7,500,000.00	7,493,170.82	4.84	0.260	131
Frost Bank	1	4,806,993.23	4,806,993.23	3.11	0.010	1
Lone Star	3	54,939,536.39	54,939,536.39	35.51	0.050	1
Municipal Bonds	7	12,545,000.00	12,631,542.47	8.17	0.449	177
Texpool/Texpool Prime	2	21,163,858.04	21,163,858.04	13.68	0.055	1
Subtotal	**16**	**100,955,387.66**	**101,035,100.95**	**65.31**	**0.115**	**33**
Fund: Plan 457 Fund						
Frost Bank	1	16,932.52	16,932.52	0.01	0.010	1
Subtotal	**1**	**16,932.52**	**16,932.52**	**0.01**	**0.010**	**1**
Fund: Proprietary Fund						

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Proprietary Fund						
Frost Bank	1	1,026,193.93	1,026,193.93	0.66	0.010	1
Lone Star	2	4,934,467.57	4,934,467.57	3.19	0.049	1
Subtotal	**3**	**5,960,661.50**	**5,960,661.50**	**3.85**	**0.042**	**1**
Fund: QSCB - Reserve Fund						
Commercial Paper Disc. -Amortizing	1	2,000,000.00	1,998,160.00	1.29	0.233	144
BNY Mellon	1	51,542.64	51,542.64	0.03	0.000	1
Federal Agency Coupon Securities	1	2,000,000.00	1,999,537.82	1.29	0.258	476
Municipal Bonds	3	7,065,000.00	7,106,675.91	4.59	0.562	290
Subtotal	**6**	**11,116,542.64**	**11,155,916.37**	**7.20**	**0.446**	**296**
Fund: QSCB - Debt Service						
BNY Mellon	1	0.00	0.00	0.00	0.000	0
Subtotal	**1**	**0.00**	**0.00**	**0.00**	**0.000**	**0**
Total and Average	**40**	**154,555,088.68**	**154,694,269.32**	**100.00**	**0.160**	**45**

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INVESTMENT PROFESSIONALS

Patterson & Associates
901 S. MoPac
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Austin, TX 78746
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McAllen ISD
Fund ACT - Activity Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999915	10020	Frost Bank Public Checking	07/01/2020	1,516,429.53	1,516,429.53	1,516,429.53	0.010	0.009	0.010	1
		Subtotal and Average		**1,516,429.53**	**1,516,429.53**	**1,516,429.53**		**0.010**	**0.010**	**1**
		Total Investments and Average		**1,516,429.53**	**1,516,429.53**	**1,516,429.53**		**0.010**	**0.010**	**1**

Fund CLEAR - Clearing Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999914	10019	Frost Bank Public Checking	07/01/2020	5,984,905.44	5,984,905.44	5,984,905.44	0.010	0.009	0.010	1
		Subtotal and Average		**5,984,905.44**	**5,984,905.44**	**5,984,905.44**		**0.010**	**0.010**	**1**
		Total Investments and Average		**5,984,905.44**	**5,984,905.44**	**5,984,905.44**		**0.010**	**0.010**	**1**

Fund CP - Capital Projects Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Frost Bank											
999922	10103	Frost Bank Public Checking	07/01/2020	457,688.14	457,688.14	457,688.14	0.010	0.009	0.010		1
SYS10109	10109	Frost Bank Public Checking	07/01/2020	92,671.89	92,671.89	92,671.89	0.010	0.009	0.010		1
		Subtotal and Average		**550,360.03**	**550,360.03**	**550,360.03**		**0.010**	**0.010**		**1**
Municipal Bonds											
114727VW7	10118	Broome County NY	04/30/2020	3,419,357.42	3,418,000.00	3,419,982.44	1.750	1.233	1.250	04/30/2021	29
95639PBF9	10116	West Virginia State Eco Dev	04/28/2020	2,328,736.20	2,310,000.00	2,330,397.30	5.000	1.006	1.020	06/15/2021	75
		Subtotal and Average		**5,748,093.62**	**5,728,000.00**	**5,750,379.74**		**1.142**	**1.157**		**47**
Lone Star											
108906G	10101	Lone Star Corporate Overnight	12/18/2019	2,252,587.96	2,252,587.96	2,252,587.96	0.090	0.088	0.090		1
108906I	10108	Lone Star Corporate Overnight	02/21/2020	7,888,448.89	7,888,448.89	7,888,448.89	0.090	0.088	0.090		1
108906H	10102	Lone Star Government ON	12/18/2019	2,252,447.89	2,252,447.89	2,252,447.89	0.010	0.009	0.010		1
108906J	10113	Lone Star Government ON	03/12/2020	7,984,937.49	7,984,937.49	7,984,937.49	0.010	0.009	0.010		1
		Subtotal and Average		**20,378,422.23**	**20,378,422.23**	**20,378,422.23**		**0.049**	**0.050**		**1**
		Total Investments and Average		**26,676,875.88**	**26,656,782.26**	**26,679,162.00**		**0.284**	**0.288**		**11**

Fund DS - Debt Service Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999918	10023	Frost Bank Public Checking	07/01/2020	4,952.57	4,952.57	4,952.57	0.010	0.009	0.010	1
		Subtotal and Average		**4,952.57**	**4,952.57**	**4,952.57**		**0.010**	**0.010**	**1**
Lone Star										
108906B	10032	Lone Star Corporate Overnight	10/22/2015	1,375,395.16	1,375,395.16	1,375,395.16	0.090	0.088	0.090	1
108906C	10089	Lone Star Government ON	08/05/2019	967,099.40	967,099.40	967,099.40	0.010	0.009	0.010	1
		Subtotal and Average		**2,342,494.56**	**2,342,494.56**	**2,342,494.56**		**0.056**	**0.057**	**1**
		Total Investments and Average		**2,347,447.13**	**2,347,447.13**	**2,347,447.13**		**0.056**	**0.057**	**1**

Fund GEN - General Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Frost Bank											
999917	10022	Frost Bank Public Checking	07/01/2020	4,806,993.23	4,806,993.23	4,806,993.23	0.010	0.009	0.010		1
		Subtotal and Average		**4,806,993.23**	**4,806,993.23**	**4,806,993.23**		**0.010**	**0.010**		**1**
Commercial Paper Disc. -Amortizing											
05970RVP7	10130	Banco Santander CP	03/02/2021	2,997,240.00	3,000,000.00	2,997,240.00		0.230	0.233	08/23/2021	144
06742VR94	10129	Barclays Bank CP	12/11/2020	1,499,137.50	1,500,000.00	1,499,137.50		0.300	0.304	06/09/2021	69
05990CVT8	10132	Banco Credito MIA CP	03/02/2021	2,996,793.32	3,000,000.00	2,996,793.32		0.260	0.263	08/27/2021	148
		Subtotal and Average		**7,493,170.82**	**7,500,000.00**	**7,493,170.82**		**0.256**	**0.260**		**130**
Municipal Bonds											
010609FV2	10127	Alabama St Public Sch&Clg Auth	11/04/2020	1,000,000.00	1,000,000.00	1,000,340.00	0.253	0.249	0.253	09/01/2021	153
096575KZ7	10125	Boces NY Sole Supervisory	10/29/2020	4,002,890.39	4,000,000.00	4,003,240.00	1.250	0.346	0.351	04/30/2021	29
13017YAX7	10133	CA State Education Notes	03/26/2021	1,500,000.00	1,500,000.00	1,500,930.00	0.250	0.246	0.250	12/30/2021	273
186523DZ6	10128	Cleveland TN	11/10/2020	1,206,083.91	1,170,000.00	1,206,691.20	5.000	0.356	0.361	12/01/2021	244
64971WJ35	10123	NYC Trans Finance Auth	10/13/2020	2,532,360.22	2,500,000.00	2,538,225.00	1.650	0.443	0.449	05/01/2022	395
720424D31	10126	Pierce County WA SD	11/02/2020	500,000.00	500,000.00	500,250.00	0.279	0.275	0.278	12/01/2021	244
95639PBF9	10117	West Virginia State Eco Dev	04/28/2020	1,890,207.95	1,875,000.00	1,891,556.25	5.000	1.006	1.020	06/15/2021	75
		Subtotal and Average		**12,631,542.47**	**12,545,000.00**	**12,641,232.45**		**0.443**	**0.449**		**177**
Texpool/Texpool Prime											
999921	10092	Texpool	08/05/2019	10,559,863.31	10,559,863.31	10,559,863.31	0.019	0.018	0.018		1
999920	10034	Texpool Prime	11/03/2015	10,603,994.73	10,603,994.73	10,603,994.73	0.092	0.090	0.091		1
		Subtotal and Average		**21,163,858.04**	**21,163,858.04**	**21,163,858.04**		**0.054**	**0.055**		**1**
Lone Star											
108906F	10099	Lone Star Corporate Overnight+	11/18/2019	0.00	0.00	0.00					1
108906	10003	Lone Star Corporate Overnight	11/01/2014	27,469,198.12	27,469,198.12	27,469,198.12	0.090	0.088	0.090		1
108906D	10090	Lone Star Government ON	08/05/2019	27,470,338.27	27,470,338.27	27,470,338.27	0.010	0.009	0.010		1
		Subtotal and Average		**54,939,536.39**	**54,939,536.39**	**54,939,536.39**		**0.049**	**0.050**		**1**
		Total Investments and Average		**101,035,100.95**	**100,955,387.66**	**101,044,790.93**		**0.113**	**0.115**		**32**

Fund PLAN457 - Plan 457 Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999916	10021	Frost Bank Public Checking	07/01/2020	16,932.52	16,932.52	16,932.52	0.010	0.009	0.010	1
		Subtotal and Average		**16,932.52**	**16,932.52**	**16,932.52**		**0.010**	**0.010**	**1**
		Total Investments and Average		**16,932.52**	**16,932.52**	**16,932.52**		**0.010**	**0.010**	**1**

Fund PROP - Proprietary Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999919	10024	Frost Bank Public Checking	07/01/2020	1,026,193.93	1,026,193.93	1,026,193.93	0.010	0.009	0.010	1
		Subtotal and Average		**1,026,193.93**	**1,026,193.93**	**1,026,193.93**		**0.010**	**0.010**	**1**
Lone Star										
108906A	10025	Lone Star Corporate Overnight	08/05/2015	2,417,307.56	2,417,307.56	2,417,307.56	0.090	0.088	0.090	1
108906E	10091	Lone Star Government ON	08/05/2019	2,517,160.01	2,517,160.01	2,517,160.01	0.010	0.009	0.010	1
		Subtotal and Average		**4,934,467.57**	**4,934,467.57**	**4,934,467.57**		**0.049**	**0.049**	**1**
		Total Investments and Average		**5,960,661.50**	**5,960,661.50**	**5,960,661.50**		**0.042**	**0.042**	**1**

Fund QSCB - QSCB - Reserve Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
BNY Mellon											
882521	10014	BNY Mellon - Cash	07/01/2020	51,542.64	51,542.64	51,542.64					1
		Subtotal and Average		**51,542.64**	**51,542.64**	**51,542.64**		**0.000**	**0.000**		**1**
Commercial Paper Disc. -Amortizing											
05970RVP7	10131	Banco Santander CP	03/02/2021	1,998,160.00	2,000,000.00	1,998,160.00	0.230	0.230	0.233	08/23/2021	144
		Subtotal and Average		**1,998,160.00**	**2,000,000.00**	**1,998,160.00**		**0.230**	**0.233**		**144**
Federal Agency Coupon Securities											
3133ELW67	10122	FFCB Call Note	07/24/2020	1,999,537.82	2,000,000.00	2,000,258.04	0.220	0.254	0.257	07/21/2022	476
		Subtotal and Average		**1,999,537.82**	**2,000,000.00**	**2,000,258.04**		**0.254**	**0.258**		**476**
Municipal Bonds											
13017YAX7	10134	CA State Education Notes	03/26/2021	3,000,000.00	3,000,000.00	3,001,860.00	0.250	0.246	0.250	12/30/2021	273
64971WP38	10124	NYC Trans Finance Auth	10/13/2020	1,603,980.00	1,575,000.00	1,577,331.00	1.850	0.456	0.462	08/01/2022	487
796815ZF8	10119	San Bernardino County CA	05/27/2020	2,502,695.91	2,490,000.00	2,511,239.70	2.030	0.986	1.000	10/01/2021	183
		Subtotal and Average		**7,106,675.91**	**7,065,000.00**	**7,090,430.70**		**0.555**	**0.562**		**289**
		Total Investments and Average		**11,155,916.37**	**11,116,542.64**	**11,140,391.38**		**0.440**	**0.446**		**295**

Fund QSCBDS - QSCB - Debt Service
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
BNY Mellon										
882520	10040	BNY Mellon - Cash	07/01/2020	0.00	0.00	0.00				1
			Subtotal and Average	**0.00**	**0.00**	**0.00**		**0.000**	**0.000**	**0**
			Total Investments and Average	**0.00**	**0.00**	**0.00**		**0.000**	**0.000**	**0**

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McAllen ISD
Cash Reconciliation Report
For the Period January 1, 2021 - March 31, 2021
Grouped by Fund

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Fund											
01/20/2021	10120	GEN	Maturity	05990CNL4	2,000,000.00	BCIMIA 2.0M 0.00% Mat. 01/20/2021	01/20/2021	0.00	0.00	2,000,000.00	2,000,000.00
03/01/2021	10127	GEN	Interest	010609FV2	1,000,000.00	ALABST 1.0M 0.25% Mat.	09/01/2021	0.00	822.25	0.00	822.25
03/02/2021	10130	GEN	Purchase	05970RVP7	3,000,000.00	BANSAN 3.0M 0.00% Mat.	08/23/2021	-2,996,665.00	0.00	0.00	-2,996,665.00
03/02/2021	10132	GEN	Purchase	05990CVT8	3,000,000.00	BCIMIA 3.0M 0.00% Mat. 08/27/2021	08/27/2021	-2,996,143.32	0.00	0.00	-2,996,143.32
03/26/2021	10133	GEN	Purchase	13017YAX7	1,500,000.00	CASTED 1.5M 0.25% Mat.	12/30/2021	-1,500,000.00	0.00	0.00	-1,500,000.00
							Subtotal	**-7,492,808.32**	**822.25**	**2,000,000.00**	**-5,491,986.07**
QSCB - Reserve Fund											
01/20/2021	10121	QSCB	Maturity	05990CNL4	2,500,000.00	BCIMIA 2.5M 0.48% Mat. 01/20/2021	01/20/2021	0.00	0.00	2,500,000.00	2,500,000.00
01/21/2021	10122	QSCB	Interest	3133ELW67	2,000,000.00	FFCBC 2.0M 0.22% Mat. 07/21/2022	07/21/2022	0.00	2,200.00	0.00	2,200.00
02/01/2021	10124	QSCB	Interest	64971WP38	1,575,000.00	NYTRAN 1.6M 1.85% Mat.	08/01/2022	0.00	14,568.75	0.00	14,568.75
02/15/2021	10083	QSCB	Interest	9143013U8	1,305,000.00	UNIVHS 1.3M 3.30% Mat.	02/15/2021	0.00	21,532.50	0.00	21,532.50
02/15/2021	10083	QSCB	Maturity	9143013U8	1,305,000.00	UNIVHS 1.3M 3.30% Mat.	02/15/2021	0.00	0.00	1,305,000.00	1,305,000.00
03/02/2021	10131	QSCB	Purchase	05970RVP7	2,000,000.00	BANSAN 2.0M 0.23% Mat.	08/23/2021	-1,997,776.67	0.00	0.00	-1,997,776.67
03/26/2021	10134	QSCB	Purchase	13017YAX7	3,000,000.00	CASTED 3.0M 0.25% Mat.	12/30/2021	-3,000,000.00	0.00	0.00	-3,000,000.00
							Subtotal	**-4,997,776.67**	**38,301.25**	**3,805,000.00**	**-1,154,475.42**
							Total	**-12,490,584.99**	**39,123.50**	**5,805,000.00**	**-6,646,461.49**

PATTERSON & ASSOCIATES
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McAllen ISD
Purchases Report
Sorted by Fund - Fund
January 1, 2021 - March 31, 2021

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CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
General Fund													
05970RVP7	10130	GEN	ACP	BANSAN	3,000,000.00	03/02/2021	08/23 - At Maturity	2,996,665.00			08/23/2021	0.230	2,997,240.00
05990CVT8	10132	GEN	ACP	BCIMIA	3,000,000.00	03/02/2021	08/27 - At Maturity	2,996,143.32			08/27/2021	0.260	2,996,793.32
13017YAX7	10133	GEN	MC2	CASTED	1,500,000.00	03/26/2021	12/30 - Final Pmt.	1,500,000.00		0.250	12/30/2021	0.250	1,500,000.00
				Subtotal	**7,500,000.00**			**7,492,808.32**	**0.00**				**7,494,033.32**
QSCB - Reserve Fund													
05970RVP7	10131	QSCB	ACP	BANSAN	2,000,000.00	03/02/2021	08/23 - At Maturity	1,997,776.67		0.230	08/23/2021	0.230	1,998,160.00
13017YAX7	10134	QSCB	MC2	CASTED	3,000,000.00	03/26/2021	12/30 - Final Pmt.	3,000,000.00		0.250	12/30/2021	0.250	3,000,000.00
				Subtotal	**5,000,000.00**			**4,997,776.67**	**0.00**				**4,998,160.00**
				Total Purchases	**12,500,000.00**			**12,490,584.99**	**0.00**				**12,492,193.32**

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

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McAllen ISD
Maturity Report
Sorted by Maturity Date
Receipts during January 1, 2021 - March 31, 2021

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
05990CNL4	10120	GEN	ACP	BCIMIA	2,000,000.00	01/20/2021	07/24/2020		2,000,000.00	0.00	2,000,000.00	0.00
05990CNL4	10121	QSCB	ACP	BCIMIA	2,500,000.00	01/20/2021	07/24/2020	0.480	2,500,000.00	0.00	2,500,000.00	0.00
9143013U8	10083	QSCB	MC2	UNIVHS	1,305,000.00	02/15/2021	02/27/2019	3.300	1,305,000.00	21,532.50	1,326,532.50	21,532.50
			Total Maturities		**5,805,000.00**				**5,805,000.00**	**21,532.50**	**5,826,532.50**	**21,532.50**

PATTERSON & ASSOCIATES
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McAllen ISD
Interest Earnings
Sorted by Fund - Fund
January 1, 2021 - March 31, 2021
Yield on Average Book Value

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings: Interest Earned	Adjusted Interest Earnings: Amortization/ Accretion	Adjusted Interest Earnings: Adjusted Interest Earnings
Fund: Activity Fund												
999915	10020	ACT	LA2	1,516,429.53	1,551,079.79	1,537,516.77		0.010	0.009	34.02	0.00	34.02
			Subtotal	**1,516,429.53**	**1,551,079.79**	**1,537,516.77**			**0.009**	**34.02**	**0.00**	**34.02**
Fund: Clearing Fund												
999914	10019	CLEAR	LA2	5,984,905.44	3,976,550.59	4,341,028.03		0.010	0.007	74.98	0.00	74.98
			Subtotal	**5,984,905.44**	**3,976,550.59**	**4,341,028.03**			**0.007**	**74.98**	**0.00**	**74.98**
Fund: Capital Projects Fund												
108906G	10101	CP	RR2	2,252,587.96	2,251,776.99	3,910,237.20		0.090	0.096	927.46	0.00	927.46
108906I	10108	CP	RR2	7,888,448.89	8,186,469.69	8,076,135.61		0.090	0.099	1,979.20	0.00	1,979.20
999922	10103	CP	LA2	457,688.14	549,560.51	642,249.33		0.010	0.009	14.25	0.00	14.25
SYS10109	10109	CP	LA2	92,671.89	296,099.52	271,681.96		0.010	0.009	6.02	0.00	6.02
108906H	10102	CP	RR2	2,252,447.89	2,251,226.67	11,103,935.34		0.010	0.040	1,104.73	0.00	1,104.73
108906J	10113	CP	RR2	7,984,937.49	8,484,323.43	8,212,410.15		0.010	0.030	614.06	0.00	614.06
95639PBF9	10116	CP	MC2	2,310,000.00	2,351,523.47	2,339,994.80	06/15/2021	5.000	1.055	28,875.00	-22,787.27	6,087.73
114727VW7	10118	CP	MC2	3,418,000.00	3,423,570.11	3,421,438.80	04/30/2021	1.750	1.273	14,953.75	-4,212.69	10,741.06
			Subtotal	**26,656,782.26**	**27,794,550.39**	**37,978,083.19**			**0.229**	**48,474.47**	**-26,999.96**	**21,474.51**
Fund: Debt Service Fund												
108906B	10032	DS	RR2	1,375,395.16	3,205,648.62	2,151,482.56		0.090	0.102	542.50	0.00	542.50
999918	10023	DS	LA2	4,952.57	3,828.24	67,854.55		0.010	0.009	1.51	0.00	1.51
108906C	10089	DS	RR2	967,099.40	422,490.39	1,217,523.22		0.010	0.034	103.25	0.00	103.25
			Subtotal	**2,347,447.13**	**3,631,967.25**	**3,436,860.33**			**0.076**	**647.26**	**0.00**	**647.26**
Fund: General Fund												
999921	10092	GEN	RRP	10,559,863.31	10,558,635.74	10,559,259.03		0.019	0.047	1,227.57	0.00	1,227.57
108906	10003	GEN	RR2	27,469,198.12	45,851,798.20	32,349,119.25		0.090	0.099	7,903.68	0.00	7,903.68
999917	10022	GEN	LA2	4,806,993.23	6,091,770.17	7,165,194.55		0.010	0.009	166.69	0.00	166.69
999920	10034	GEN	RRP	10,603,994.73	10,601,305.23	10,602,352.92		0.092	0.103	2,689.50	0.00	2,689.50
108906D	10090	GEN	RR2	27,470,338.27	6,833,553.66	21,589,623.45		0.010	0.021	1,144.32	0.00	1,144.32
05990CVT8	10132	GEN	ACP	3,000,000.00	0.00	998,826.38	08/27/2021		0.264	0.00	650.00	650.00

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings: Interest Earned	Adjusted Interest Earnings: Amortization/ Accretion	Adjusted Interest Earnings: Adjusted Interest Earnings
Fund: General Fund												
05990CNL4	10120	GEN	ACP	0.00	1,999,493.33	422,171.56	01/20/2021		0.487	0.00	506.67	506.67
06742VR94	10129	GEN	ACP	1,500,000.00	1,498,012.50	1,498,581.25	06/09/2021		0.304	0.00	1,125.00	1,125.00
95639PBF9	10117	GEN	MC2	1,875,000.00	1,908,704.12	1,899,346.43	06/15/2021	5.000	1.055	23,437.50	-18,496.17	4,941.33
64971WJ35	10123	GEN	MC2	2,500,000.00	2,539,827.96	2,536,049.83	05/01/2022	1.650	0.455	10,312.50	-7,467.74	2,844.76
096575KZ7	10125	GEN	MC2	4,000,000.00	4,011,860.55	4,007,322.31	04/30/2021	1.250	0.357	12,500.00	-8,970.16	3,529.84
720424D31	10126	GEN	MC2	500,000.00	500,000.00	500,000.00	12/01/2021	0.279	0.283	348.75	0.00	348.75
010609FV2	10127	GEN	MC2	1,000,000.00	1,000,000.00	1,000,000.00	09/01/2021	0.253	0.257	632.50	0.00	632.50
186523DZ6	10128	GEN	MC2	1,170,000.00	1,219,615.37	1,212,769.45	12/01/2021	5.000	0.366	14,625.00	-13,531.46	1,093.54
05970RVP7	10130	GEN	ACP	3,000,000.00	0.00	998,987.36	08/23/2021		0.233	0.00	575.00	575.00
13017YAX7	10133	GEN	MC2	1,500,000.00	0.00	100,000.00	12/30/2021	0.250	0.211	52.08	0.00	52.08
			Subtotal	**100,955,387.66**	**94,614,576.83**	**97,439,603.77**			**0.122**	**75,040.09**	**-45,608.86**	**29,431.23**
Fund: Plan 457 Fund												
999916	10021	PLAN457	LA2	16,932.52	20,335.35	17,912.94		0.010	0.009	0.40	0.00	0.40
			Subtotal	**16,932.52**	**20,335.35**	**17,912.94**			**0.009**	**0.40**	**0.00**	**0.40**
Fund: Proprietary Fund												
108906A	10025	PROP	RR2	2,417,307.56	4,095,450.47	2,724,826.84		0.090	0.102	686.47	0.00	686.47
999919	10024	PROP	LA2	1,026,193.93	686,959.71	1,116,516.62		0.010	0.013	35.78	0.00	35.78
108906E	10091	PROP	RR2	2,517,160.01	3,651,456.88	3,298,421.89		0.010	0.032	257.75	0.00	257.75
			Subtotal	**5,960,661.50**	**8,433,867.06**	**7,139,765.35**			**0.056**	**980.00**	**0.00**	**980.00**
Fund: QSCB - Reserve Fund												
882521	10014	QSCB	LA1	51,542.64	389,953.71	2,351,105.66				0.00	0.00	0.00
3133ELW67	10122	QSCB	FAC	2,000,000.00	1,999,159.66	1,999,350.98	07/21/2022	0.220	0.300	1,100.00	378.16	1,478.16
9143013U8	10083	QSCB	MC2	0.00	1,306,002.42	652,743.01	02/15/2021	3.300	2.647	5,263.50	-1,002.42	4,261.08
05990CNL4	10121	QSCB	ACP	0.00	2,499,366.67	527,714.44	01/20/2021	0.480	0.487	0.00	633.33	633.33
796815ZF8	10119	QSCB	MC2	2,490,000.00	2,509,043.87	2,505,832.27	10/01/2021	2.030	1.018	12,636.75	-6,347.96	6,288.79
64971WP38	10124	QSCB	MC2	1,575,000.00	1,609,413.75	1,606,664.67	08/01/2022	1.850	0.467	7,284.37	-5,433.75	1,850.62
05970RVP7	10131	QSCB	ACP	2,000,000.00	0.00	665,991.58	08/23/2021	0.230	0.233	0.00	383.33	383.33
13017YAX7	10134	QSCB	MC2	3,000,000.00	0.00	200,000.00	12/30/2021	0.250	0.211	104.17	0.00	104.17
			Subtotal	**11,116,542.64**	**10,312,940.08**	**10,509,402.62**			**0.579**	**26,388.79**	**-11,389.31**	**14,999.48**
			Total	**154,555,088.68**	**150,335,867.34**	**162,400,172.99**			**0.169**	**151,640.01**	**-83,998.13**	**67,641.88**

PATTERSON & ASSOCIATES
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McAllen ISD
Amortization Schedule
January 1, 2021 - March 31, 2021
Sorted By Fund - Fund

Investment # / Issuer	Fund	Maturity Date / Amort. Date	Beginning Par Value / Current Rate	Purchase Principal	Original Premium or Discount	Ending Book Value	Amounts Amortized And Unamortized As of 01/01/2021	Amount Amortized This Period	Amt Amortized Through 03/31/2021	Amount Unamortized Through 03/31/2021
Capital Projects Fund										
10118 Broome County NY	CP	04/30/2021	3,418,000.00 1.750	3,434,850.74	16,850.74	3,419,357.42	-11,280.63 5,570.11	-4,212.69	-15,493.32	1,357.42
10116 West Virginia State Eco Dev	CP	06/15/2021	2,310,000.00 5.000	2,413,049.10	103,049.10	2,328,736.20	-61,525.63 41,523.47	-22,787.27	-84,312.90	18,736.20
		Subtotal		**5,847,899.84**	**119,899.84**	**5,748,093.62**	**-72,806.26 47,093.58**	**-26,999.96**	**-99,806.22**	**20,093.62**
General Fund										
10130 Banco Santander CP	GEN	08/23/2021	3,000,000.00	2,996,665.00	-3,335.00	2,997,240.00	0.00 -3,335.00	575.00	575.00	-2,760.00
10129 Barclays Bank CP	GEN	06/09/2021	1,500,000.00	1,497,750.00	-2,250.00	1,499,137.50	262.50 -1,987.50	1,125.00	1,387.50	-862.50
10120 Banco Credito MIA CP	GEN	01/20/2021	2,000,000.00	1,995,200.00	-4,800.00	0.00	4,293.33 -506.67	506.67	4,800.00	0.00
10132 Banco Credito MIA CP	GEN	08/27/2021	3,000,000.00	2,996,143.32	-3,856.68	2,996,793.32	0.00 -3,856.68	650.00	650.00	-3,206.68
10125 Boces NY Sole Supervisory	GEN	04/30/2021	4,000,000.00 1.250	4,018,040.00	18,040.00	4,002,890.39	-6,179.45 11,860.55	-8,970.16	-15,149.61	2,890.39
10128 Cleveland TN	GEN	12/01/2021	1,170,000.00 5.000	1,227,283.20	57,283.20	1,206,083.91	-7,667.83 49,615.37	-13,531.46	-21,199.29	36,083.91
10123 NYC Trans Finance Auth	GEN	05/01/2022	2,500,000.00 1.650	2,546,300.00	46,300.00	2,532,360.22	-6,472.04 39,827.96	-7,467.74	-13,939.78	32,360.22
10117 West Virginia State Eco Dev	GEN	06/15/2021	1,875,000.00 5.000	1,958,643.75	83,643.75	1,890,207.95	-49,939.63 33,704.12	-18,496.17	-68,435.80	15,207.95
		Subtotal		**19,236,025.27**	**191,025.27**	**17,124,713.29**	**-65,703.12 125,322.15**	**-45,608.86**	**-111,311.98**	**79,713.29**
QSCB - Reserve Fund										
10131 Banco Santander CP	QSCB	08/23/2021	2,000,000.00 0.230	1,997,776.67	-2,223.33	1,998,160.00	0.00 -2,223.33	383.33	383.33	-1,840.00
10121 Banco Credito MIA CP	QSCB	01/20/2021	2,500,000.00 0.480	2,494,000.00	-6,000.00	0.00	5,366.67 -633.33	633.33	6,000.00	0.00
10122 FFCB Call Note	QSCB	07/21/2022 07/21/2021	2,000,000.00 0.220	1,998,500.00	-1,500.00	1,999,537.82	659.66 -840.34	378.16	1,037.82	-462.18
10124 NYC Trans Finance Auth	QSCB	08/01/2022	1,575,000.00 1.850	1,614,123.00	39,123.00	1,603,980.00	-4,709.25 34,413.75	-5,433.75	-10,143.00	28,980.00

Investment # / Issuer	Fund	Maturity Date / Amort. Date	Beginning Par Value / Current Rate	Purchase Principal	Original Premium or Discount	Ending Book Value	Amounts Amortized And Unamortized As of 01/01/2021	Amount Amortized This Period	Amt Amortized Through 03/31/2021	Amount Unamortized Through 03/31/2021
QSCB - Reserve Fund										
10119 San Bernardino County CA	QSCB	10/01/2021	2,490,000.00 2.030	2,524,137.90	34,137.90	2,502,695.91	-15,094.03 19,043.87	-6,347.96	-21,441.99	12,695.91
10083 University of Houston	QSCB	02/15/2021	1,305,000.00 3.300	1,321,129.80	16,129.80	0.00	-15,127.38 1,002.42	-1,002.42	-16,129.80	0.00
			Subtotal	**11,949,667.37**	**79,667.37**	**8,104,373.73**	**-28,904.33 50,763.04**	**-11,389.31**	**-40,293.64**	**39,373.73**
			Total	**37,033,592.48**	**390,592.48**	**30,977,180.64**	**-167,413.71 223,178.77**	**-83,998.13**	**-251,411.84**	**139,180.64**

PATTERSON & ASSOCIATES
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McAllen ISD
Projected Cashflow Report
Sorted by Monthly
For the Period April 1, 2021 - October 31, 2021

Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
April 2021										
04/01/2021	10119	QSCB	796815ZF8	Interest	San Bernardino County CA	0.00	0.00	0.00	25,273.50	25,273.50
04/30/2021	10118	CP	114727VW7	Maturity	Broome County NY	3,418,000.00	3,434,850.74	3,418,000.00	59,815.00	3,477,815.00
04/30/2021	10125	GEN	096575KZ7	Maturity	Boces NY Sole Supervisory	4,000,000.00	4,018,040.00	4,000,000.00	25,277.78	4,025,277.78
					Total for April 2021	**7,418,000.00**	**7,452,890.74**	**7,418,000.00**	**110,366.28**	**7,528,366.28**
May 2021										
05/01/2021	10123	GEN	64971WJ35	Interest	NYC Trans Finance Auth	0.00	0.00	0.00	20,625.00	20,625.00
					Total for May 2021	**0.00**	**0.00**	**0.00**	**20,625.00**	**20,625.00**
June 2021										
06/01/2021	10126	GEN	720424D31	Interest	Pierce County WA SD	0.00	0.00	0.00	809.88	809.88
06/01/2021	10128	GEN	186523DZ6	Interest	Cleveland TN	0.00	0.00	0.00	29,250.00	29,250.00
06/09/2021	10129	GEN	06742VR94	Maturity	Barclays Bank CP	1,500,000.00	1,497,750.00	1,500,000.00	0.00	1,500,000.00
06/15/2021	10116	CP	95639PBF9	Maturity	West Virginia State Eco Dev	2,310,000.00	2,413,049.10	2,310,000.00	57,750.00	2,367,750.00
06/15/2021	10117	GEN	95639PBF9	Maturity	West Virginia State Eco Dev	1,875,000.00	1,958,643.75	1,875,000.00	46,875.00	1,921,875.00
					Total for June 2021	**5,685,000.00**	**5,869,442.85**	**5,685,000.00**	**134,684.88**	**5,819,684.88**
July 2021										
07/21/2021	10122	QSCB	3133ELW67	Interest	FFCB Call Note	0.00	0.00	0.00	2,200.00	2,200.00
07/21/2021	10122	QSCB	3133ELW67	Call	FFCB Call Note	2,000,000.00	1,998,500.00	2,000,000.00	0.00	2,000,000.00
					Total for July 2021	**2,000,000.00**	**1,998,500.00**	**2,000,000.00**	**2,200.00**	**2,002,200.00**
August 2021										
08/01/2021	10124	QSCB	64971WP38	Interest	NYC Trans Finance Auth	0.00	0.00	0.00	14,568.75	14,568.75
08/23/2021	10130	GEN	05970RVP7	Maturity	Banco Santander CP	3,000,000.00	2,996,665.00	3,000,000.00	0.00	3,000,000.00
08/23/2021	10131	QSCB	05970RVP7	Maturity	Banco Santander CP	2,000,000.00	1,997,776.67	2,000,000.00	0.00	2,000,000.00
08/27/2021	10132	GEN	05990CVT8	Maturity	Banco Credito MIA CP	3,000,000.00	2,996,143.32	3,000,000.00	0.00	3,000,000.00
					Total for August 2021	**8,000,000.00**	**7,990,584.99**	**8,000,000.00**	**14,568.75**	**8,014,568.75**
September 2021										
09/01/2021	10127	GEN	010609FV2	Maturity	Alabama St Public Sch&Clg Auth	1,000,000.00	1,000,000.00	1,000,000.00	1,265.00	1,001,265.00
					Total for September 2021	**1,000,000.00**	**1,000,000.00**	**1,000,000.00**	**1,265.00**	**1,001,265.00**
October 2021										
10/01/2021	10119	QSCB	796815ZF8	Maturity	San Bernardino County CA	2,490,000.00	2,524,137.90	2,490,000.00	25,273.50	2,515,273.50

Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
					Total for October 2021	**2,490,000.00**	**2,524,137.90**	**2,490,000.00**	**25,273.50**	**2,515,273.50**
					GRAND TOTALS:	**26,593,000.00**	**26,835,556.48**	**26,593,000.00**	**308,983.41**	**26,901,983.41**

PATTERSON & ASSOCIATES
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McAllen ISD
Texas Compliance Change in Val Report
Sorted by Fund
January 1, 2021 - March 31, 2021

Inv # / Cusip	Issuer / Par Value	Fund / YTM	Purch Date / Mat Date	Interest Accrual / Interest Received	Beginning Book Value / Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value / Ending Market Value
Fund: Activity Fund									
10020	FBPC	ACT	07/01/2020	34.02	1,551,079.79	21,711.89	56,362.15	-34,650.26	1,516,429.53
999915	1,516,429.53	0.010	/ /	34.15	1,551,079.79	21,711.89	56,362.15	-34,650.26	1,516,429.53
	Sub Totals For: Fund: Activity Fund			34.02	1,551,079.79	21,711.89	56,362.15	-34,650.26	1,516,429.53
				34.15	1,551,079.79	21,711.89	56,362.15	-34,650.26	1,516,429.53
Fund: Clearing Fund									
10019	FBPC	CLEAR	07/01/2020	74.98	3,976,550.59	53,470,418.34	51,462,063.49	2,008,354.85	5,984,905.44
999914	5,984,905.44	0.010	/ /	81.45	3,976,550.59	53,470,418.34	51,462,063.49	2,008,354.85	5,984,905.44
	Sub Totals For: Fund: Clearing Fund			74.98	3,976,550.59	53,470,418.34	51,462,063.49	2,008,354.85	5,984,905.44
				81.45	3,976,550.59	53,470,418.34	51,462,063.49	2,008,354.85	5,984,905.44
Fund: Capital Projects Fun									
10101	LSCORP	CP	12/18/2019	927.46	2,251,776.99	19,914,779.97	19,913,969.00	810.97	2,252,587.96
108906G	2,252,587.96	0.090	/ /	927.46	2,251,776.99	19,914,779.97	19,913,969.00	810.97	2,252,587.96
10102	LSGOVT	CP	12/18/2019	1,104.73	2,251,226.67	19,915,072.92	19,913,851.70	1,221.22	2,252,447.89
108906H	2,252,447.89	0.010	/ /	1,104.73	2,251,226.67	19,915,072.92	19,913,851.70	1,221.22	2,252,447.89
10103	FBPC	CP	07/01/2020	14.25	549,560.51	10,058,864.38	10,150,736.75	-91,872.37	457,688.14
999922	457,688.14	0.010	/ /	14.66	549,560.51	10,058,864.38	10,150,736.75	-91,872.37	457,688.14
10108	LSCORP	CP	02/21/2020	1,979.20	8,186,469.69	1,979.20	300,000.00	-298,020.80	7,888,448.89
108906I	7,888,448.89	0.090	/ /	1,979.20	8,186,469.69	1,979.20	300,000.00	-298,020.80	7,888,448.89
10109	FBPC	CP	07/01/2020	6.02	296,099.52	881,366.03	1,084,786.90	-203,427.63	92,671.89
SYS10109	92,671.89	0.010	/ /	6.76	296,099.52	881,366.03	1,084,786.90	-203,427.63	92,671.89
10113	LSGOVT	CP	03/12/2020	614.06	8,484,323.43	614.06	500,000.00	-499,385.94	7,984,937.49
108906J	7,984,937.49	0.010	/ /	614.06	8,484,323.43	614.06	500,000.00	-499,385.94	7,984,937.49

Inv # / Cusip	Issuer / Par Value	Fund / YTM	Purch Date / Mat Date	Interest Accrual / Interest Received	Beginning Book Value / Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value / Ending Market Value
10116	WVAEDA	CP	04/28/2020	28,875.00	2,351,523.47	0.00	0.00	-22,787.27	2,328,736.20
95639PBF9	2,310,000.00	1.020	06/15/2021	0.00	2,356,407.90	0.00	0.00	-26,010.60	2,330,397.30
10118	BROOME	CP	04/30/2020	14,953.75	3,423,570.11	0.00	0.00	-4,212.69	3,419,357.42
114727VW7	3,418,000.00	1.250	04/30/2021	0.00	3,426,545.00	0.00	0.00	-6,562.56	3,419,982.44
	Sub Totals For: Fund: Capital Projects Fun			48,474.47	27,794,550.39	50,772,676.56	51,863,344.35	-1,117,674.51	26,676,875.88
				4,646.87	27,802,409.71	50,772,676.56	51,863,344.35	-1,123,247.71	26,679,162.00
Fund: Debt Service Fund									
10023	FBPC	DS	07/01/2020	1.51	3,828.24	5,708,959.15	5,707,834.82	1,124.33	4,952.57
999918	4,952.57	0.010	/ /	1.50	3,828.24	5,708,959.15	5,707,834.82	1,124.33	4,952.57
10032	LSCORP	DS	10/22/2015	542.50	3,205,648.62	6,292,267.91	8,122,521.37	-1,830,253.46	1,375,395.16
108906B	1,375,395.16	0.090	/ /	542.50	3,205,648.62	6,292,267.91	8,122,521.37	-1,830,253.46	1,375,395.16
10089	LSGOVT	DS	08/05/2019	103.25	422,490.39	3,398,609.01	2,854,000.00	544,609.01	967,099.40
108906C	967,099.40	0.010	/ /	103.25	422,490.39	3,398,609.01	2,854,000.00	544,609.01	967,099.40
	Sub Totals For: Fund: Debt Service Fund			647.26	3,631,967.25	15,399,836.07	16,684,356.19	-1,284,520.12	2,347,447.13
				647.25	3,631,967.25	15,399,836.07	16,684,356.19	-1,284,520.12	2,347,447.13
Fund: General Fund									
10003	LSCORP	GEN	11/01/2014	7,903.68	45,851,798.20	72,954,523.99	91,337,124.07	-18,382,600.08	27,469,198.12
108906	27,469,198.12	0.090	/ /	7,903.68	45,851,798.20	72,954,523.99	91,337,124.07	-18,382,600.08	27,469,198.12
10022	FBPC	GEN	07/01/2020	166.69	6,091,770.17	77,647,655.73	78,932,432.67	-1,284,776.94	4,806,993.23
999917	4,806,993.23	0.010	/ /	164.94	6,091,770.17	77,647,655.73	78,932,432.67	-1,284,776.94	4,806,993.23
10034	TXPPRM	GEN	11/03/2015	2,689.50	10,601,305.23	2,689.50	0.00	2,689.50	10,603,994.73
999920	10,603,994.73	0.091	/ /	2,689.50	10,601,305.23	2,689.50	0.00	2,689.50	10,603,994.73
10090	LSGOVT	GEN	08/05/2019	1,144.32	6,833,553.66	29,023,224.51	8,386,439.90	20,636,784.61	27,470,338.27
108906D	27,470,338.27	0.010	/ /	1,144.32	6,833,553.66	29,023,224.51	8,386,439.90	20,636,784.61	27,470,338.27
10092	TXPOOL	GEN	08/05/2019	1,227.57	10,558,635.74	1,227.57	0.00	1,227.57	10,559,863.31
999921	10,559,863.31	0.018	/ /	1,227.57	10,558,635.74	1,227.57	0.00	1,227.57	10,559,863.31

Inv # / Cusip	Issuer / Par Value	Fund / YTM	Purch Date / Mat Date	Interest Accrual / Interest Received	Beginning Book Value / Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value / Ending Market Value
10099	LSCO+	GEN	11/18/2019	0.00	0.00	0.00	0.00	0.00	0.00
108906F	0.00	0.000	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10117	WVAEDA	GEN	04/28/2020	23,437.50	1,908,704.12	0.00	0.00	-18,496.17	1,890,207.95
95639PBF9	1,875,000.00	1.020	06/15/2021	0.00	1,912,668.75	0.00	0.00	-21,112.50	1,891,556.25
10120	BCIMIA	GEN	07/24/2020	0.00	1,999,493.33	0.00	2,000,000.00	-1,999,493.33	0.00
05990CNL4	0.00	0.000	01/20/2021	0.00	1,999,493.33	0.00	2,000,000.00	-1,999,493.33	0.00
10123	NYTRAN	GEN	10/13/2020	10,312.50	2,539,827.96	0.00	0.00	-7,467.74	2,532,360.22
64971WJ35	2,500,000.00	0.449	05/01/2022	0.00	2,538,500.00	0.00	0.00	-275.00	2,538,225.00
10125	BOCES	GEN	10/29/2020	12,500.00	4,011,860.55	0.00	0.00	-8,970.16	4,002,890.39
096575KZ7	4,000,000.00	0.351	04/30/2021	0.00	4,013,000.00	0.00	0.00	-9,760.00	4,003,240.00
10126	PIERCO	GEN	11/02/2020	348.75	500,000.00	0.00	0.00	0.00	500,000.00
720424D31	500,000.00	0.278	12/01/2021	0.00	500,045.00	0.00	0.00	205.00	500,250.00
10127	ALABST	GEN	11/04/2020	632.50	1,000,000.00	0.00	0.00	0.00	1,000,000.00
010609FV2	1,000,000.00	0.253	09/01/2021	822.25	1,000,300.00	0.00	0.00	40.00	1,000,340.00
10128	CLEVTN	GEN	11/10/2020	14,625.00	1,219,615.37	0.00	0.00	-13,531.46	1,206,083.91
186523DZ6	1,170,000.00	0.361	12/01/2021	0.00	1,219,689.90	0.00	0.00	-12,998.70	1,206,691.20
10129	BARCBK	GEN	12/11/2020	0.00	1,498,012.50	0.00	0.00	1,125.00	1,499,137.50
06742VR94	1,500,000.00	0.300	06/09/2021	0.00	1,498,012.50	0.00	0.00	1,125.00	1,499,137.50
10130	BANSAN	GEN	03/02/2021	0.00	0.00	2,996,665.00	0.00	2,997,240.00	2,997,240.00
05970RVP7	3,000,000.00	0.230	08/23/2021	0.00	0.00	2,996,665.00	0.00	2,997,240.00	2,997,240.00
10132	BCIMIA	GEN	03/02/2021	0.00	0.00	2,996,143.32	0.00	2,996,793.32	2,996,793.32
05990CVT8	3,000,000.00	0.260	08/27/2021	0.00	0.00	2,996,143.32	0.00	2,996,793.32	2,996,793.32
10133	CASTED	GEN	03/26/2021	52.08	0.00	1,500,000.00	0.00	1,500,000.00	1,500,000.00
13017YAX7	1,500,000.00	0.250	12/30/2021	0.00	0.00	1,500,000.00	0.00	1,500,930.00	1,500,930.00
	Sub Totals For: Fund: General Fund			75,040.09	94,614,576.83	187,122,129.62	180,655,996.64	6,420,524.12	101,035,100.95
				13,952.26	94,618,772.48	187,122,129.62	180,655,996.64	6,426,018.45	101,044,790.93

Fund: Plan 457 Fund

Inv # / Cusip	Issuer / Par Value	Fund / YTM	Purch Date / Mat Date	Interest Accrual / Interest Received	Beginning Book Value / Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value / Ending Market Value
10021	FBPC	PLAN457	07/01/2020	0.40	20,335.35	0.82	3,403.65	-3,402.83	16,932.52
999916	16,932.52	0.010	/ /	0.42	20,335.35	0.82	3,403.65	-3,402.83	16,932.52
	Sub Totals For: Fund: Plan 457 Fund			0.40	20,335.35	0.82	3,403.65	-3,402.83	16,932.52
				0.42	20,335.35	0.82	3,403.65	-3,402.83	16,932.52
Fund: Proprietary Fund									
10024	FBPC	PROP	07/01/2020	35.78	686,959.71	8,480,788.33	8,141,554.11	339,234.22	1,026,193.93
999919	1,026,193.93	0.010	/ /	21.57	686,959.71	8,480,788.33	8,141,554.11	339,234.22	1,026,193.93
10025	LSCORP	PROP	08/05/2015	686.47	4,095,450.47	1,107,237.88	2,785,380.79	-1,678,142.91	2,417,307.56
108906A	2,417,307.56	0.090	/ /	686.47	4,095,450.47	1,107,237.88	2,785,380.79	-1,678,142.91	2,417,307.56
10091	LSGOVT	PROP	08/05/2019	257.75	3,651,456.88	222,254.54	1,356,551.41	-1,134,296.87	2,517,160.01
108906E	2,517,160.01	0.010	/ /	257.75	3,651,456.88	222,254.54	1,356,551.41	-1,134,296.87	2,517,160.01
	Sub Totals For: Fund: Proprietary Fund			980.00	8,433,867.06	9,810,280.75	12,283,486.31	-2,473,205.56	5,960,661.50
				965.79	8,433,867.06	9,810,280.75	12,283,486.31	-2,473,205.56	5,960,661.50
Fund: QSCB - Reserve Fund									
10014	BNYC	QSCB	07/01/2020	0.00	389,953.71	5,023,301.25	5,361,712.32	-338,411.07	51,542.64
882521	51,542.64	0.000	/ /	0.00	389,953.71	5,023,301.25	5,361,712.32	-338,411.07	51,542.64
10083	UNIVHS	QSCB	02/27/2019	5,263.50	1,306,002.42	0.00	1,305,000.00	-1,306,002.42	0.00
9143013U8	0.00	0.000	02/15/2021	21,532.50	1,308,928.05	0.00	1,305,000.00	-1,308,928.05	0.00
10119	SANBER	QSCB	05/27/2020	12,636.75	2,509,043.87	0.00	0.00	-6,347.96	2,502,695.91
796815ZF8	2,490,000.00	1.000	10/01/2021	0.00	2,518,236.60	0.00	0.00	-6,996.90	2,511,239.70
10121	BCIMIA	QSCB	07/24/2020	0.00	2,499,366.67	0.00	2,500,000.00	-2,499,366.67	0.00
05990CNL4	0.00	0.000	01/20/2021	0.00	2,499,366.67	0.00	2,500,000.00	-2,499,366.67	0.00
10122	FFCBC	QSCB	07/24/2020	1,100.00	1,999,159.66	0.00	0.00	378.16	1,999,537.82
3133ELW67	2,000,000.00	0.257	07/21/2022	2,163.33	2,000,434.18	0.00	0.00	-176.14	2,000,258.04
10124	NYTRAN	QSCB	10/13/2020	7,284.37	1,609,413.75	0.00	0.00	-5,433.75	1,603,980.00
64971WP38	1,575,000.00	0.462	08/01/2022	8,741.25	1,608,925.50	0.00	0.00	-31,594.50	1,577,331.00

Inv # / Cusip	Issuer / Par Value	Fund / YTM	Purch Date / Mat Date	Interest Accrual / Interest Received	Beginning Book Value / Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Book Value / Ending Market Value
10131	BANSAN	QSCB	03/02/2021	0.00	0.00	1,997,776.67	0.00	1,998,160.00	1,998,160.00
05970RVP7	2,000,000.00	0.230	08/23/2021	0.00	0.00	1,997,776.67	0.00	1,998,160.00	1,998,160.00
10134	CASTED	QSCB	03/26/2021	104.17	0.00	3,000,000.00	0.00	3,000,000.00	3,000,000.00
13017YAX7	3,000,000.00	0.250	12/30/2021	0.00	0.00	3,000,000.00	0.00	3,001,860.00	3,001,860.00
Sub Totals For: Fund: QSCB - Reserve Fund				26,388.79	10,312,940.08	10,021,077.92	9,166,712.32	842,976.29	11,155,916.37
				32,437.08	10,325,844.71	10,021,077.92	9,166,712.32	814,546.67	11,140,391.38
Fund: QSCB - Debt Service									
10040	BNYC	QSCBDS	07/01/2020	0.00	0.00	1,564,100.50	1,564,100.50	0.00	0.00
882520	0.00	0.000	/ /	0.00	0.00	1,564,100.50	1,564,100.50	0.00	0.00
Sub Totals For: Fund: QSCB - Debt Service				0.00	0.00	1,564,100.50	1,564,100.50	0.00	0.00
				0.00	0.00	1,564,100.50	1,564,100.50	0.00	0.00
Report Grand Totals:				151,640.01	150,335,867.34	328,182,232.47	323,739,825.60	4,358,401.98	154,694,269.32
				52,765.27	150,360,826.94	328,182,232.47	323,739,825.60	4,329,893.49	154,690,720.43

McALLEN INDEPENDENT SCHOOL DISTRICT

Monthly Investment Report

March 31, 2021

PATTERSON & ASSOCIATES

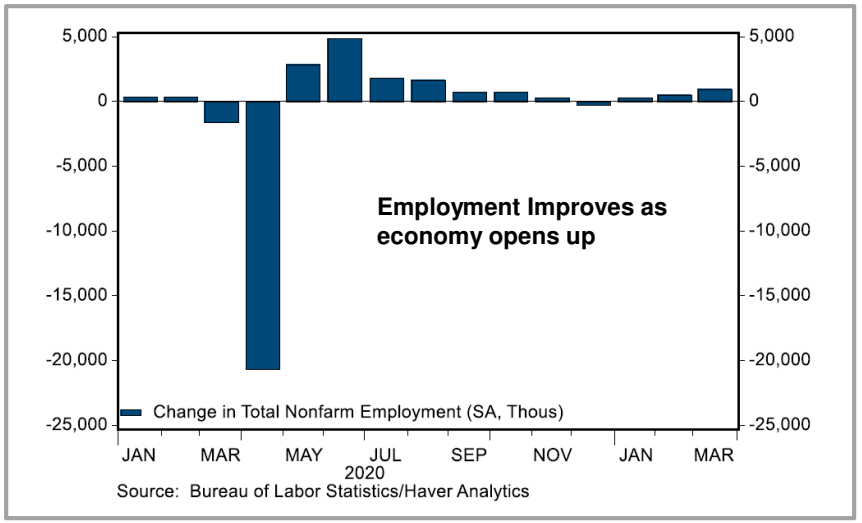
P&A

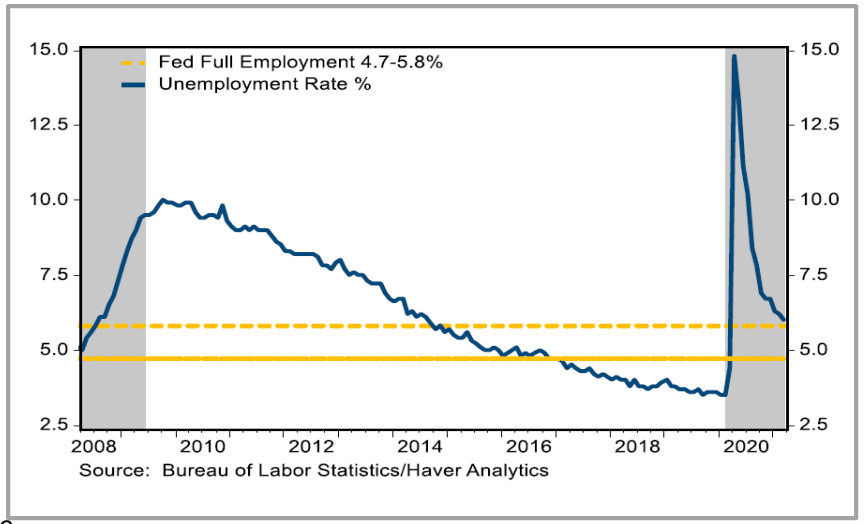
INVESTMENT PROFESSIONALS

What's Driving Rates? And Where?

PATTERSON & ASSOCIATES P&A INVESTMENT PROFESSIONALS

- Payrolls in March surged with improvement in most industries – up 916,000 jobs and a lower rate (6%).
- The increase in payrolls is directly tied to vaccinations and a relaxing of regulations.
- Businesses are reopening and gaining momentum with eased restrictions . ISM Services index rose to its highest read since 1997. That means producers are optimistic of an ongoing recovery.
- A stimulus fueled consumer is out to spend those checks.
- Business are encouraged to hire as long as the view improves.
- Housing continues to boom although slowing slightly as inventories decrease.
- The economy is growing at its fastest pace since 1984, which led the IMF to predict it will surpass its pre-pandemic size. Thanks in large part to the $1.9 trillion virus stimulus package.
- The warning remains the same from the Fed who says we are *far from complete but* they continue to provide extraordinary market support.
- The Fed is supporting the economy through continued buying of securities.
- This drives stock investors into new historic nose bleed heights – the S&P hits 4,000 for the first time.
- This does cause risks - more for stocks than bonds – as regulators target hedge funds (Archegos) and private funds.





Big, Bold and Expensive

The new administration is ready to launch its new package to "Build Back Better." The estimated $2 trillion plan will start with jobs and tackle infrastructure, climate and emissions. A package this size – from homes to high speed rail - could lift productivity and GDP with 69% spent in the first year. But it could squeeze out private and state/local investments also.

At least some in Congress have to be questioning whether this size of an additional stimulus is needed at this point right after passing $2T, the impact of which has yet to be felt.

Additionally, some do question the sheer size with debt already at alarming levels. With the combined Trump/Biden $5.7T in stimulus spending, the US debt to GDP ratio is already over 100%. With intra-governmental debt that rises it to 128%.

Sometimes more is just more.

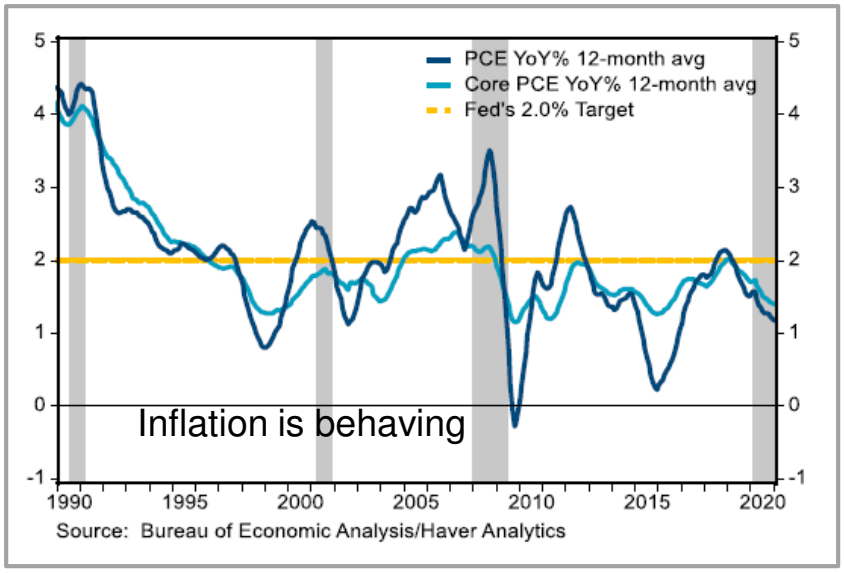
The Fed is remaining on hold despite their optimistic outlook which includes a 6.5% growth rate in 2021, a 2.4% inflation rate, and a decline in the unemployment rate to 4.5%. Chair Powell has indicated that future adjustments will be made on *realized* improvements *not anticipation* of that improvement. Not all Fed Presidents agree. Dallas Fed President Kaplan has forecast a rate hike next year in order to wean off the Fed's extraordinary efforts in supporting the economy and the markets.

Meanwhile, of course, geopolitics continue apace. China has been flexing its muscles in military *exercises* surrounding Taiwan. Some of that bravado could come from their hesitancy to add to debt to fight the pandemic. They really want to be the world's reserve currency.

The major moves in the stock market have helped to entice investors out of bonds rising longer rates, but risk can be dangerous as we saw with the Robinhood debacle and the Achegos *hedge fund implosion*.

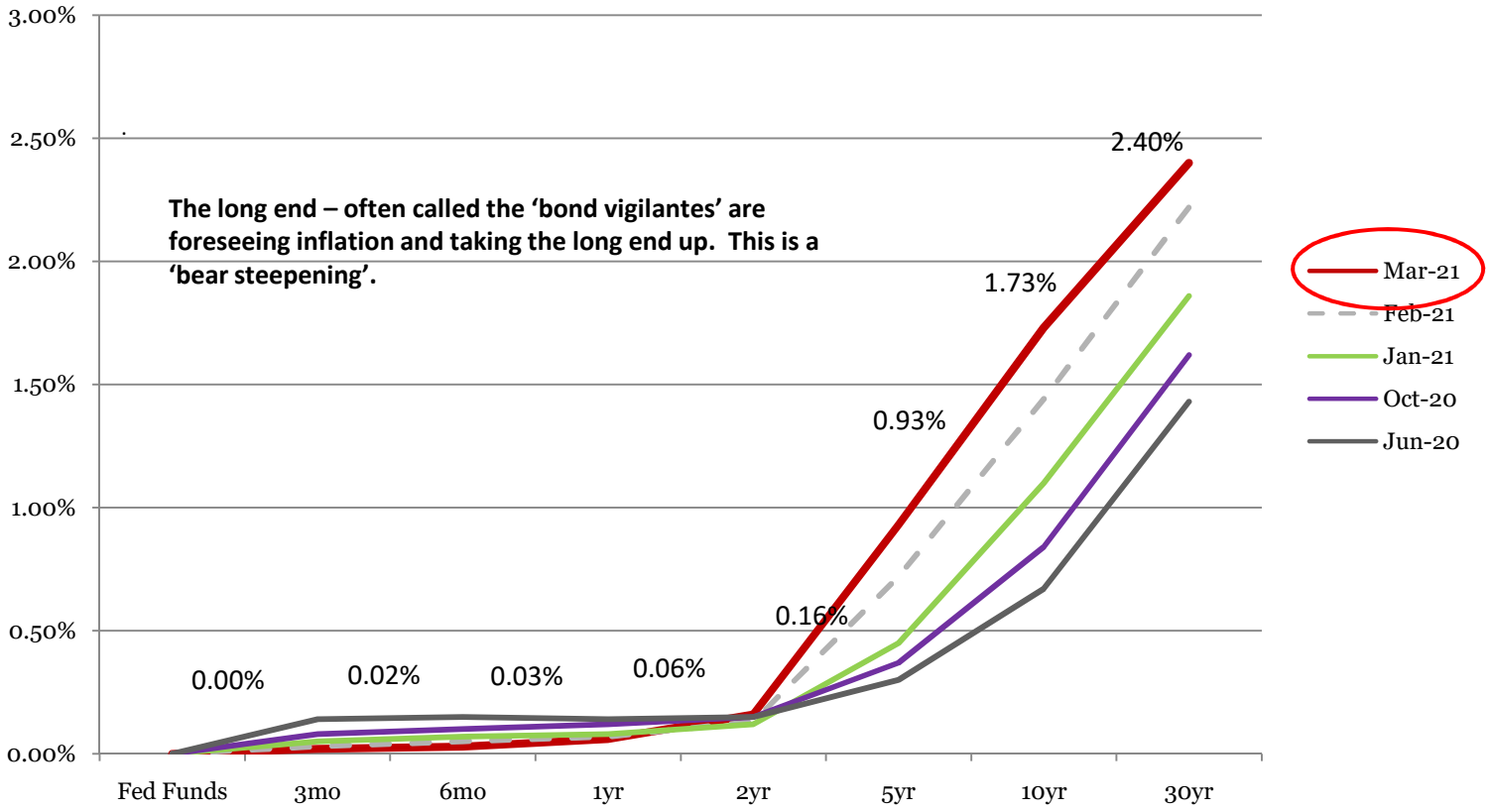
Makes you glad you are in the bond market even with low rates!





A Different Look

- The curve is reacting to an improving economy and feeding off the stimulus trough that promises even more funds thrown into the economy.
- The bond market is foreseeing inflation.
- The market will fight the Fed and their asset purchases on the long end. Usually the market wins. The rates are going up.
- The various Covid vaccines have been a major boost to confidence. A more robust economic recovery may require several more months.
- The Fed has stated its intention to stay at 0.0% Fed Funds through 2023. Looks like the curve will do its job for it.



End of Month Rates - Full Yield Curve – Fed Funds to 30yr

McAllen Independent School District
Monthly Investment Report
March 1, 2021 – March 31, 2021

Portfolio Summary Management Report

This report and investment portfolio of the District is in compliance with the District investment strategy as expressed in the District's investment policy and relevant provisions of the Government Code, Chapter 2256, the Public Funds Investment Act.

Portfolio as of 02/28/21:		**Portfolio as of 03/31/21:**	
Beginning Book Value	$ 169,365,234	Ending Book Value	$ 154,694,269
Beginning Market Value	$ 169,398,345	Ending Market Value	$ 154,690,720
		Unrealized Gain/Loss	$ (3,459)
WAM at Beginning Period Date[1]	31 days	WAM at Ending Period Date[1]	45 days
(Decrease in market value is due to seasonal cash outflows)		Change in Market Value[2]	$ (14,707,625)

Average Yield to Maturity for period **0.160%**
Average Yield 180-Day Treasury Bill for period **0.050%**

Cynthia Medrano-Richards, Asst. Superintendent for Bus. Operations
McAllen ISD

Iris Luna, Director of Accounting
McAllen ISD

Dyanira Diaz, Coordinator for Accounting
McAllen ISD

Adelita Felix, CFO
McAllen ISD

1 WAM – weighted average maturity

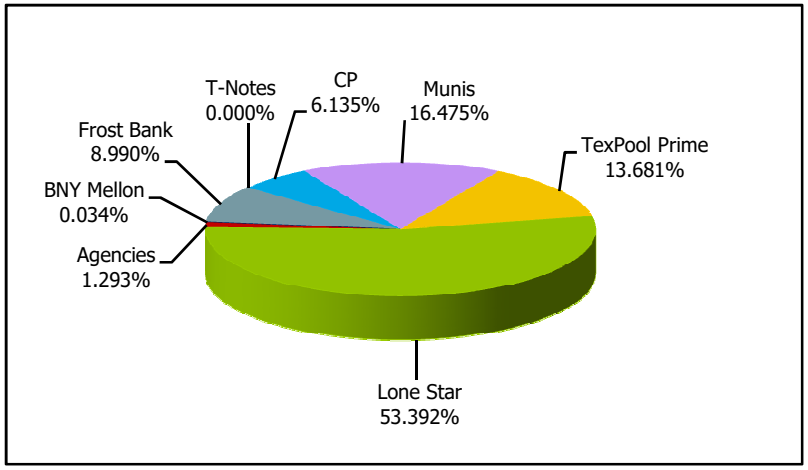
2 "Change in Market Value" is required data, but will primarily reflect the receipt and expenditure of the District's funds from month to month.
Patterson & Associates has assisted in the preparation of this consolidated investment report, with additional input provided by McAllen ISD.

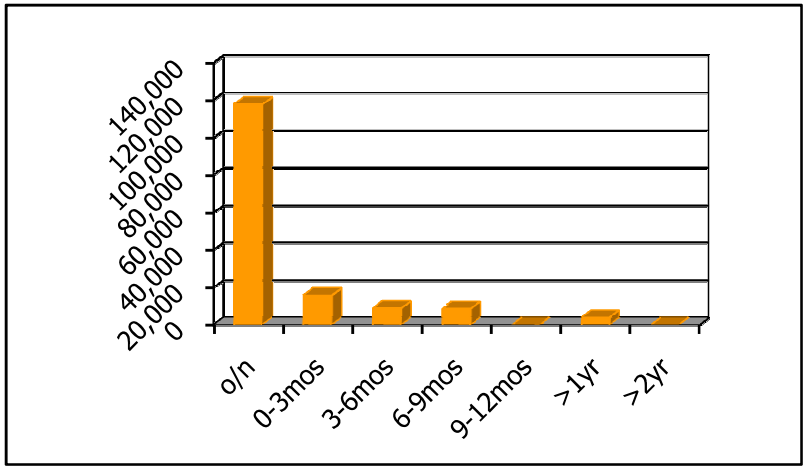
Your Portfolio

As of March 31, 2021

- P&A constantly reviews your portfolio for optimal asset allocation and a controlled average maturity because a diversified portfolio can better adjust to volatile market conditions. These are unusual times and where extensions can be made it is important to make them to find any available safe value in the markets.
- The graphs below show asset allocations by market sector and by maturity in your portfolio. Liquidity has been reduced to little or no value but with a flat short curve it may be the only sector available out to twelve months without the use of CP. Our expectation is of continuing dismally low rates but we look for value in your authorized sectors to capture the yield available as markets change.

- The non-cash portion of your portfolio is yielding 0.52%.





PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

Patterson & Associates
901 S. MoPac
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Austin, TX 78746
-

McAllen ISD
Portfolio Management
Portfolio Summary
March 31, 2021

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
BNY Mellon	51,542.64	51,542.64	51,542.64	0.03	1	1	0.000
Frost Bank	13,906,767.25	13,906,767.25	13,906,767.25	8.99	1	1	0.010
Commercial Paper Disc. -Amortizing	9,500,000.00	9,491,330.82	9,491,330.82	6.14	176	133	0.254
Federal Agency Coupon Securities	2,000,000.00	2,000,258.04	1,999,537.82	1.29	727	476	0.258
Municipal Bonds	25,338,000.00	25,482,042.89	25,486,312.00	16.48	379	179	0.641
Texpool/Texpool Prime	21,163,858.04	21,163,858.04	21,163,858.04	13.68	1	1	0.055
Lone Star	82,594,920.75	82,594,920.75	82,594,920.75	53.39	1	1	0.050
Investments	**154,555,088.68**	**154,690,720.43**	**154,694,269.32**	**100.00%**	**83**	**45**	**0.160**
Cash and Accrued Interest							
Accrued Interest at Purchase		138.89	138.89				
Subtotal		138.89	138.89				
Total Cash and Investments	**154,555,088.68**	**154,690,859.32**	**154,694,408.21**		**83**	**45**	**0.160**

Total Earnings	March 31 Month Ending	Fiscal Year To Date
Current Year	20,628.74	283,763.10

The following reports are submitted in accordance with the Public Funds Investment Act (Texas Gov't Code 2256). The reports also offer supplemental information not required by the Act in order to fully inform the governing body of McAllen ISD of the position and activity within the District's portfolio of investment. The reports include a management summary overview, a detailed inventory report for the end of the period, a transaction report, as well as graphic representations of the portfolio to provide full disclosure to the governing body.

Adelita Felix, Chief Financial Officer — May 4, 2021

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

McAllen ISD
Summary by Type
March 31, 2021
Grouped by Fund

Patterson & Associates
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Austin, TX 78746
-

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Activity Fund						
Frost Bank	1	1,516,429.53	1,516,429.53	0.98	0.010	1
Subtotal	**1**	**1,516,429.53**	**1,516,429.53**	**0.98**	**0.010**	**1**
Fund: Clearing Fund						
Frost Bank	1	5,984,905.44	5,984,905.44	3.87	0.010	1
Subtotal	**1**	**5,984,905.44**	**5,984,905.44**	**3.87**	**0.010**	**1**
Fund: Capital Projects Fund						
Frost Bank	2	550,360.03	550,360.03	0.36	0.010	1
Lone Star	4	20,378,422.23	20,378,422.23	13.17	0.050	1
Municipal Bonds	2	5,728,000.00	5,748,093.62	3.72	1.157	48
Subtotal	**8**	**26,656,782.26**	**26,676,875.88**	**17.25**	**0.288**	**11**
Fund: Debt Service Fund						
Frost Bank	1	4,952.57	4,952.57	0.00	0.010	1
Lone Star	2	2,342,494.56	2,342,494.56	1.51	0.057	1
Subtotal	**3**	**2,347,447.13**	**2,347,447.13**	**1.51**	**0.057**	**1**
Fund: General Fund						
Commercial Paper Disc. -Amortizing	3	7,500,000.00	7,493,170.82	4.84	0.260	131
Frost Bank	1	4,806,993.23	4,806,993.23	3.11	0.010	1
Lone Star	3	54,939,536.39	54,939,536.39	35.51	0.050	1
Municipal Bonds	7	12,545,000.00	12,631,542.47	8.17	0.449	177
Texpool/Texpool Prime	2	21,163,858.04	21,163,858.04	13.68	0.055	1
Subtotal	**16**	**100,955,387.66**	**101,035,100.95**	**65.31**	**0.115**	**33**
Fund: Plan 457 Fund						
Frost Bank	1	16,932.52	16,932.52	0.01	0.010	1
Subtotal	**1**	**16,932.52**	**16,932.52**	**0.01**	**0.010**	**1**
Fund: Proprietary Fund						

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Proprietary Fund						
Frost Bank	1	1,026,193.93	1,026,193.93	0.66	0.010	1
Lone Star	2	4,934,467.57	4,934,467.57	3.19	0.049	1
Subtotal	**3**	**5,960,661.50**	**5,960,661.50**	**3.85**	**0.042**	**1**
Fund: QSCB - Reserve Fund						
Commercial Paper Disc. -Amortizing	1	2,000,000.00	1,998,160.00	1.29	0.233	144
BNY Mellon	1	51,542.64	51,542.64	0.03	0.000	1
Federal Agency Coupon Securities	1	2,000,000.00	1,999,537.82	1.29	0.258	476
Municipal Bonds	3	7,065,000.00	7,106,675.91	4.59	0.562	290
Subtotal	**6**	**11,116,542.64**	**11,155,916.37**	**7.20**	**0.446**	**296**
Fund: QSCB - Debt Service						
BNY Mellon	1	0.00	0.00	0.00	0.000	0
Subtotal	**1**	**0.00**	**0.00**	**0.00**	**0.000**	**0**
Total and Average	**40**	**154,555,088.68**	**154,694,269.32**	**100.00**	**0.160**	**45**

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

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-

McAllen ISD
Fund ACT - Activity Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999915	10020	Frost Bank Public Checking	07/01/2020	1,516,429.53	1,516,429.53	1,516,429.53	0.010	0.009	0.010	1
		Subtotal and Average		**1,516,429.53**	**1,516,429.53**	**1,516,429.53**		**0.010**	**0.010**	**1**
		Total Investments and Average		**1,516,429.53**	**1,516,429.53**	**1,516,429.53**		**0.010**	**0.010**	**1**

Fund CLEAR - Clearing Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999914	10019	Frost Bank Public Checking	07/01/2020	5,984,905.44	5,984,905.44	5,984,905.44	0.010	0.009	0.010	1
		Subtotal and Average		**5,984,905.44**	**5,984,905.44**	**5,984,905.44**		**0.010**	**0.010**	**1**
		Total Investments and Average		**5,984,905.44**	**5,984,905.44**	**5,984,905.44**		**0.010**	**0.010**	**1**

Fund CP - Capital Projects Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Frost Bank											
999922	10103	Frost Bank Public Checking	07/01/2020	457,688.14	457,688.14	457,688.14	0.010	0.009	0.010		1
SYS10109	10109	Frost Bank Public Checking	07/01/2020	92,671.89	92,671.89	92,671.89	0.010	0.009	0.010		1
		Subtotal and Average		**550,360.03**	**550,360.03**	**550,360.03**		**0.010**	**0.010**		**1**
Municipal Bonds											
114727VW7	10118	Broome County NY	04/30/2020	3,419,357.42	3,418,000.00	3,419,982.44	1.750	1.233	1.250	04/30/2021	29
95639PBF9	10116	West Virginia State Eco Dev	04/28/2020	2,328,736.20	2,310,000.00	2,330,397.30	5.000	1.006	1.020	06/15/2021	75
		Subtotal and Average		**5,748,093.62**	**5,728,000.00**	**5,750,379.74**		**1.142**	**1.157**		**47**
Lone Star											
108906G	10101	Lone Star Corporate Overnight	12/18/2019	2,252,587.96	2,252,587.96	2,252,587.96	0.090	0.088	0.090		1
108906I	10108	Lone Star Corporate Overnight	02/21/2020	7,888,448.89	7,888,448.89	7,888,448.89	0.090	0.088	0.090		1
108906H	10102	Lone Star Government ON	12/18/2019	2,252,447.89	2,252,447.89	2,252,447.89	0.010	0.009	0.010		1
108906J	10113	Lone Star Government ON	03/12/2020	7,984,937.49	7,984,937.49	7,984,937.49	0.010	0.009	0.010		1
		Subtotal and Average		**20,378,422.23**	**20,378,422.23**	**20,378,422.23**		**0.049**	**0.050**		**1**
		Total Investments and Average		**26,676,875.88**	**26,656,782.26**	**26,679,162.00**		**0.284**	**0.288**		**11**

Fund DS - Debt Service Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999918	10023	Frost Bank Public Checking	07/01/2020	4,952.57	4,952.57	4,952.57	0.010	0.009	0.010	1
		Subtotal and Average		**4,952.57**	**4,952.57**	**4,952.57**		**0.010**	**0.010**	**1**
Lone Star										
108906B	10032	Lone Star Corporate Overnight	10/22/2015	1,375,395.16	1,375,395.16	1,375,395.16	0.090	0.088	0.090	1
108906C	10089	Lone Star Government ON	08/05/2019	967,099.40	967,099.40	967,099.40	0.010	0.009	0.010	1
		Subtotal and Average		**2,342,494.56**	**2,342,494.56**	**2,342,494.56**		**0.056**	**0.057**	**1**
		Total Investments and Average		**2,347,447.13**	**2,347,447.13**	**2,347,447.13**		**0.056**	**0.057**	**1**

Fund GEN - General Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Frost Bank											
999917	10022	Frost Bank Public Checking	07/01/2020	4,806,993.23	4,806,993.23	4,806,993.23	0.010	0.009	0.010		1
		Subtotal and Average		**4,806,993.23**	**4,806,993.23**	**4,806,993.23**		**0.010**	**0.010**		**1**
Commercial Paper Disc. -Amortizing											
05970RVP7	10130	Banco Santander CP	03/02/2021	2,997,240.00	3,000,000.00	2,997,240.00		0.230	0.233	08/23/2021	144
06742VR94	10129	Barclays Bank CP	12/11/2020	1,499,137.50	1,500,000.00	1,499,137.50		0.300	0.304	06/09/2021	69
05990CVT8	10132	Banco Credito MIA CP	03/02/2021	2,996,793.32	3,000,000.00	2,996,793.32		0.260	0.263	08/27/2021	148
		Subtotal and Average		**7,493,170.82**	**7,500,000.00**	**7,493,170.82**		**0.256**	**0.260**		**130**
Municipal Bonds											
010609FV2	10127	Alabama St Public Sch&Clg Auth	11/04/2020	1,000,000.00	1,000,000.00	1,000,340.00	0.253	0.249	0.253	09/01/2021	153
096575KZ7	10125	Boces NY Sole Supervisory	10/29/2020	4,002,890.39	4,000,000.00	4,003,240.00	1.250	0.346	0.351	04/30/2021	29
13017YAX7	10133	CA State Education Notes	03/26/2021	1,500,000.00	1,500,000.00	1,500,930.00	0.250	0.246	0.250	12/30/2021	273
186523DZ6	10128	Cleveland TN	11/10/2020	1,206,083.91	1,170,000.00	1,206,691.20	5.000	0.356	0.361	12/01/2021	244
64971WJ35	10123	NYC Trans Finance Auth	10/13/2020	2,532,360.22	2,500,000.00	2,538,225.00	1.650	0.443	0.449	05/01/2022	395
720424D31	10126	Pierce County WA SD	11/02/2020	500,000.00	500,000.00	500,250.00	0.279	0.275	0.278	12/01/2021	244
95639PBF9	10117	West Virginia State Eco Dev	04/28/2020	1,890,207.95	1,875,000.00	1,891,556.25	5.000	1.006	1.020	06/15/2021	75
		Subtotal and Average		**12,631,542.47**	**12,545,000.00**	**12,641,232.45**		**0.443**	**0.449**		**177**
Texpool/Texpool Prime											
999921	10092	Texpool	08/05/2019	10,559,863.31	10,559,863.31	10,559,863.31	0.019	0.018	0.018		1
999920	10034	Texpool Prime	11/03/2015	10,603,994.73	10,603,994.73	10,603,994.73	0.092	0.090	0.091		1
		Subtotal and Average		**21,163,858.04**	**21,163,858.04**	**21,163,858.04**		**0.054**	**0.055**		**1**
Lone Star											
108906F	10099	Lone Star Corporate Overnight+	11/18/2019	0.00	0.00	0.00					1
108906	10003	Lone Star Corporate Overnight	11/01/2014	27,469,198.12	27,469,198.12	27,469,198.12	0.090	0.088	0.090		1
108906D	10090	Lone Star Government ON	08/05/2019	27,470,338.27	27,470,338.27	27,470,338.27	0.010	0.009	0.010		1
		Subtotal and Average		**54,939,536.39**	**54,939,536.39**	**54,939,536.39**		**0.049**	**0.050**		**1**
		Total Investments and Average		**101,035,100.95**	**100,955,387.66**	**101,044,790.93**		**0.113**	**0.115**		**32**

Fund PLAN457 - Plan 457 Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999916	10021	Frost Bank Public Checking	07/01/2020	16,932.52	16,932.52	16,932.52	0.010	0.009	0.010	1
		Subtotal and Average		**16,932.52**	**16,932.52**	**16,932.52**		**0.010**	**0.010**	**1**
		Total Investments and Average		**16,932.52**	**16,932.52**	**16,932.52**		**0.010**	**0.010**	**1**

Fund PROP - Proprietary Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999919	10024	Frost Bank Public Checking	07/01/2020	1,026,193.93	1,026,193.93	1,026,193.93	0.010	0.009	0.010	1
		Subtotal and Average		**1,026,193.93**	**1,026,193.93**	**1,026,193.93**		**0.010**	**0.010**	**1**
Lone Star										
108906A	10025	Lone Star Corporate Overnight	08/05/2015	2,417,307.56	2,417,307.56	2,417,307.56	0.090	0.088	0.090	1
108906E	10091	Lone Star Government ON	08/05/2019	2,517,160.01	2,517,160.01	2,517,160.01	0.010	0.009	0.010	1
		Subtotal and Average		**4,934,467.57**	**4,934,467.57**	**4,934,467.57**		**0.049**	**0.049**	**1**
		Total Investments and Average		**5,960,661.50**	**5,960,661.50**	**5,960,661.50**		**0.042**	**0.042**	**1**

Fund QSCB - QSCB - Reserve Fund
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
BNY Mellon											
882521	10014	BNY Mellon - Cash	07/01/2020	51,542.64	51,542.64	51,542.64					1
		Subtotal and Average		**51,542.64**	**51,542.64**	**51,542.64**		**0.000**	**0.000**		**1**
Commercial Paper Disc. -Amortizing											
05970RVP7	10131	Banco Santander CP	03/02/2021	1,998,160.00	2,000,000.00	1,998,160.00	0.230	0.230	0.233	08/23/2021	144
		Subtotal and Average		**1,998,160.00**	**2,000,000.00**	**1,998,160.00**		**0.230**	**0.233**		**144**
Federal Agency Coupon Securities											
3133ELW67	10122	FFCB Call Note	07/24/2020	1,999,537.82	2,000,000.00	2,000,258.04	0.220	0.254	0.257	07/21/2022	476
		Subtotal and Average		**1,999,537.82**	**2,000,000.00**	**2,000,258.04**		**0.254**	**0.258**		**476**
Municipal Bonds											
13017YAX7	10134	CA State Education Notes	03/26/2021	3,000,000.00	3,000,000.00	3,001,860.00	0.250	0.246	0.250	12/30/2021	273
64971WP38	10124	NYC Trans Finance Auth	10/13/2020	1,603,980.00	1,575,000.00	1,577,331.00	1.850	0.456	0.462	08/01/2022	487
796815ZF8	10119	San Bernardino County CA	05/27/2020	2,502,695.91	2,490,000.00	2,511,239.70	2.030	0.986	1.000	10/01/2021	183
		Subtotal and Average		**7,106,675.91**	**7,065,000.00**	**7,090,430.70**		**0.555**	**0.562**		**289**
		Total Investments and Average		**11,155,916.37**	**11,116,542.64**	**11,140,391.38**		**0.440**	**0.446**		**295**

Fund QSCBDS - QSCB - Debt Service
Investments by Fund
March 31, 2021

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
BNY Mellon										
882520	10040	BNY Mellon - Cash	07/01/2020	0.00	0.00	0.00				1
			Subtotal and Average	**0.00**	**0.00**	**0.00**		**0.000**	**0.000**	**0**
			Total Investments and Average	**0.00**	**0.00**	**0.00**		**0.000**	**0.000**	**0**

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

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Austin, TX 78746
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McAllen ISD
Cash Reconciliation Report
For the Period March 1, 2021 - March 31, 2021
Grouped by Fund

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Fund											
03/01/2021	10127	GEN	Interest	010609FV2	1,000,000.00	ALABST 1.0M 0.25% Mat.	09/01/2021	0.00	822.25	0.00	822.25
03/02/2021	10130	GEN	Purchase	05970RVP7	3,000,000.00	BANSAN 3.0M 0.00% Mat.	08/23/2021	-2,996,665.00	0.00	0.00	-2,996,665.00
03/02/2021	10132	GEN	Purchase	05990CVT8	3,000,000.00	BCIMIA 3.0M 0.00% Mat. 08/27/2021	08/27/2021	-2,996,143.32	0.00	0.00	-2,996,143.32
03/26/2021	10133	GEN	Purchase	13017YAX7	1,500,000.00	CASTED 1.5M 0.25% Mat.	12/30/2021	-1,500,000.00	0.00	0.00	-1,500,000.00
							Subtotal	**-7,492,808.32**	**822.25**	**0.00**	**-7,491,986.07**
QSCB - Reserve Fund											
03/02/2021	10131	QSCB	Purchase	05970RVP7	2,000,000.00	BANSAN 2.0M 0.23% Mat.	08/23/2021	-1,997,776.67	0.00	0.00	-1,997,776.67
03/26/2021	10134	QSCB	Purchase	13017YAX7	3,000,000.00	CASTED 3.0M 0.25% Mat.	12/30/2021	-3,000,000.00	0.00	0.00	-3,000,000.00
							Subtotal	**-4,997,776.67**	**0.00**	**0.00**	**-4,997,776.67**
							Total	**-12,490,584.99**	**822.25**	**0.00**	**-12,489,762.74**

PATTERSON & ASSOCIATES
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McAllen ISD
Purchases Report
Sorted by Fund - Fund
March 1, 2021 - March 31, 2021

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CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
General Fund													
05970RVP7	10130	GEN	ACP	BANSAN	3,000,000.00	03/02/2021	08/23 - At Maturity	2,996,665.00			08/23/2021	0.230	2,997,240.00
05990CVT8	10132	GEN	ACP	BCIMIA	3,000,000.00	03/02/2021	08/27 - At Maturity	2,996,143.32			08/27/2021	0.260	2,996,793.32
13017YAX7	10133	GEN	MC2	CASTED	1,500,000.00	03/26/2021	12/30 - Final Pmt.	1,500,000.00		0.250	12/30/2021	0.250	1,500,000.00
				Subtotal	**7,500,000.00**			**7,492,808.32**	**0.00**				**7,494,033.32**
QSCB - Reserve Fund													
05970RVP7	10131	QSCB	ACP	BANSAN	2,000,000.00	03/02/2021	08/23 - At Maturity	1,997,776.67		0.230	08/23/2021	0.230	1,998,160.00
13017YAX7	10134	QSCB	MC2	CASTED	3,000,000.00	03/26/2021	12/30 - Final Pmt.	3,000,000.00		0.250	12/30/2021	0.250	3,000,000.00
				Subtotal	**5,000,000.00**			**4,997,776.67**	**0.00**				**4,998,160.00**
				Total Purchases	**12,500,000.00**			**12,490,584.99**	**0.00**				**12,492,193.32**

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

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McAllen ISD
Interest Earnings
Sorted by Fund - Fund
March 1, 2021 - March 31, 2021
Yield on Average Book Value

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings: Interest Earned	Adjusted Interest Earnings: Amortization/ Accretion	Adjusted Interest Earnings: Adjusted Interest Earnings
Fund: Activity Fund												
999915	10020	ACT	LA2	1,516,429.53	1,528,863.67	1,528,462.91		0.010	0.009	11.64	0.00	11.64
			Subtotal	**1,516,429.53**	**1,528,863.67**	**1,528,462.91**			**0.009**	**11.64**	**0.00**	**11.64**
Fund: Clearing Fund												
999914	10019	CLEAR	LA2	5,984,905.44	4,986,783.91	5,018,982.13		0.010	0.006	24.46	0.00	24.46
			Subtotal	**5,984,905.44**	**4,986,783.91**	**5,018,982.13**			**0.006**	**24.46**	**0.00**	**24.46**
Fund: Capital Projects Fund												
108906G	10101	CP	RR2	2,252,587.96	1,892,558.86	2,205,992.87		0.090	0.089	166.59	0.00	166.59
108906I	10108	CP	RR2	7,888,448.89	7,987,846.17	7,981,414.00		0.090	0.089	602.72	0.00	602.72
999922	10103	CP	LA2	457,688.14	537,755.47	532,055.41		0.010	0.009	4.07	0.00	4.07
SYS10109	10109	CP	LA2	92,671.89	329,941.80	143,151.75		0.010	0.009	1.09	0.00	1.09
108906H	10102	CP	RR2	2,252,447.89	2,612,283.89	2,298,856.11		0.010	0.014	26.51	0.00	26.51
108906J	10113	CP	RR2	7,984,937.49	7,984,846.02	7,984,848.97		0.010	0.013	91.47	0.00	91.47
95639PBF9	10116	CP	MC2	2,310,000.00	2,336,331.96	2,332,289.05	06/15/2021	5.000	1.024	9,625.00	-7,595.76	2,029.24
114727VW7	10118	CP	MC2	3,418,000.00	3,420,761.65	3,420,014.24	04/30/2021	1.750	1.233	4,984.58	-1,404.23	3,580.35
			Subtotal	**26,656,782.26**	**27,102,325.82**	**26,898,622.41**			**0.285**	**15,502.03**	**-8,999.99**	**6,502.04**
Fund: Debt Service Fund												
108906B	10032	DS	RR2	1,375,395.16	1,588,193.51	1,501,530.45		0.090	0.089	113.42	0.00	113.42
999918	10023	DS	LA2	4,952.57	4,732.27	4,774.95		0.010	0.010	0.04	0.00	0.04
108906C	10089	DS	RR2	967,099.40	260,512.42	875,918.77		0.010	0.013	9.68	0.00	9.68
			Subtotal	**2,347,447.13**	**1,853,438.20**	**2,382,224.16**			**0.061**	**123.14**	**0.00**	**123.14**
Fund: General Fund												
999921	10092	GEN	RRP	10,559,863.31	10,559,695.34	10,559,700.76		0.019	0.019	167.97	0.00	167.97
108906	10003	GEN	RR2	27,469,198.12	39,112,376.35	33,060,803.88		0.090	0.089	2,495.44	0.00	2,495.44
999917	10022	GEN	LA2	4,806,993.23	6,597,681.28	6,539,919.26		0.010	0.009	50.00	0.00	50.00
999920	10034	GEN	RRP	10,603,994.73	10,603,170.12	10,603,196.72		0.092	0.092	824.61	0.00	824.61
108906D	10090	GEN	RR2	27,470,338.27	35,856,401.25	32,664,998.01		0.010	0.014	376.92	0.00	376.92
05990CVT8	10132	GEN	ACP	3,000,000.00	0.00	2,899,818.54	08/27/2021		0.264	0.00	650.00	650.00

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings: Interest Earned	Adjusted Interest Earnings: Amortization/ Accretion	Adjusted Interest Earnings: Adjusted Interest Earnings
Fund: General Fund												
06742VR94	10129	GEN	ACP	1,500,000.00	1,498,750.00	1,498,950.00	06/09/2021		0.304	0.00	387.50	387.50
95639PBF9	10117	GEN	MC2	1,875,000.00	1,896,373.34	1,893,091.76	06/15/2021	5.000	1.024	7,812.50	-6,165.39	1,647.11
64971WJ35	10123	GEN	MC2	2,500,000.00	2,534,849.46	2,533,524.54	05/01/2022	1.650	0.441	3,437.50	-2,489.24	948.26
096575KZ7	10125	GEN	MC2	4,000,000.00	4,005,880.44	4,004,288.96	04/30/2021	1.250	0.346	4,166.67	-2,990.05	1,176.62
720424D31	10126	GEN	MC2	500,000.00	500,000.00	500,000.00	12/01/2021	0.279	0.274	116.25	0.00	116.25
010609FV2	10127	GEN	MC2	1,000,000.00	1,000,000.00	1,000,000.00	09/01/2021	0.253	0.248	210.83	0.00	210.83
186523DZ6	10128	GEN	MC2	1,170,000.00	1,210,594.39	1,208,193.65	12/01/2021	5.000	0.355	4,875.00	-4,510.48	364.52
05970RVP7	10130	GEN	ACP	3,000,000.00	0.00	2,900,285.89	08/23/2021		0.233	0.00	575.00	575.00
13017YAX7	10133	GEN	MC2	1,500,000.00	0.00	290,322.58	12/30/2021	0.250	0.211	52.08	0.00	52.08
			Subtotal	**100,955,387.66**	**115,375,771.97**	**112,157,094.55**			**0.105**	**24,585.77**	**-14,542.66**	**10,043.11**
Fund: Plan 457 Fund												
999916	10021	PLAN457	LA2	16,932.52	16,932.39	16,932.40		0.010	0.009	0.13	0.00	0.13
			Subtotal	**16,932.52**	**16,932.39**	**16,932.40**			**0.009**	**0.13**	**0.00**	**0.13**
Fund: Proprietary Fund												
108906A	10025	PROP	RR2	2,417,307.56	1,410,577.59	2,364,676.51		0.090	0.089	178.56	0.00	178.56
999919	10024	PROP	LA2	1,026,193.93	2,307,525.46	2,266,192.53		0.010	0.011	21.28	0.00	21.28
108906E	10091	PROP	RR2	2,517,160.01	3,623,680.40	2,659,910.82		0.010	0.014	31.02	0.00	31.02
			Subtotal	**5,960,661.50**	**7,341,783.45**	**7,290,779.86**			**0.037**	**230.86**	**0.00**	**230.86**
Fund: QSCB - Reserve Fund												
882521	10014	QSCB	LA1	51,542.64	5,049,319.31	2,535,341.89				0.00	0.00	0.00
3133ELW67	10122	QSCB	FAC	2,000,000.00	1,999,411.76	1,999,478.86	07/21/2022	0.220	0.290	366.67	126.06	492.73
796815ZF8	10119	QSCB	MC2	2,490,000.00	2,504,811.90	2,503,685.65	10/01/2021	2.030	0.986	4,212.25	-2,115.99	2,096.26
64971WP38	10124	QSCB	MC2	1,575,000.00	1,605,791.25	1,604,827.20	08/01/2022	1.850	0.453	2,428.12	-1,811.25	616.87
05970RVP7	10131	QSCB	ACP	2,000,000.00	0.00	1,933,523.93	08/23/2021	0.230	0.233	0.00	383.33	383.33
13017YAX7	10134	QSCB	MC2	3,000,000.00	0.00	580,645.16	12/30/2021	0.250	0.211	104.17	0.00	104.17
			Subtotal	**11,116,542.64**	**11,159,334.22**	**11,157,502.68**			**0.390**	**7,111.21**	**-3,417.85**	**3,693.36**
			Total	**154,555,088.68**	**169,365,233.63**	**166,450,601.10**			**0.146**	**47,589.24**	**-26,960.50**	**20,628.74**

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746
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McAllen ISD
Amortization Schedule
March 1, 2021 - March 31, 2021
Sorted By Fund - Fund

Investment # / Issuer	Fund	Maturity Date / Amort. Date	Beginning Par Value / Current Rate	Purchase Principal	Original Premium or Discount	Ending Book Value	Amounts Amortized And Unamortized As of 03/01/2021	Amount Amortized This Period	Amt Amortized Through 03/31/2021	Amount Unamortized Through 03/31/2021
Capital Projects Fund										
10118 Broome County NY	CP	04/30/2021	3,418,000.00 1.750	3,434,850.74	16,850.74	3,419,357.42	-14,089.09 2,761.65	-1,404.23	-15,493.32	1,357.42
10116 West Virginia State Eco Dev	CP	06/15/2021	2,310,000.00 5.000	2,413,049.10	103,049.10	2,328,736.20	-76,717.14 26,331.96	-7,595.76	-84,312.90	18,736.20
			Subtotal	**5,847,899.84**	**119,899.84**	**5,748,093.62**	**-90,806.23 29,093.61**	**-8,999.99**	**-99,806.22**	**20,093.62**
General Fund										
10130 Banco Santander CP	GEN	08/23/2021	3,000,000.00	2,996,665.00	-3,335.00	2,997,240.00	0.00 -3,335.00	575.00	575.00	-2,760.00
10129 Barclays Bank CP	GEN	06/09/2021	1,500,000.00	1,497,750.00	-2,250.00	1,499,137.50	1,000.00 -1,250.00	387.50	1,387.50	-862.50
10132 Banco Credito MIA CP	GEN	08/27/2021	3,000,000.00	2,996,143.32	-3,856.68	2,996,793.32	0.00 -3,856.68	650.00	650.00	-3,206.68
10125 Boces NY Sole Supervisory	GEN	04/30/2021	4,000,000.00 1.250	4,018,040.00	18,040.00	4,002,890.39	-12,159.56 5,880.44	-2,990.05	-15,149.61	2,890.39
10128 Cleveland TN	GEN	12/01/2021	1,170,000.00 5.000	1,227,283.20	57,283.20	1,206,083.91	-16,688.81 40,594.39	-4,510.48	-21,199.29	36,083.91
10123 NYC Trans Finance Auth	GEN	05/01/2022	2,500,000.00 1.650	2,546,300.00	46,300.00	2,532,360.22	-11,450.54 34,849.46	-2,489.24	-13,939.78	32,360.22
10117 West Virginia State Eco Dev	GEN	06/15/2021	1,875,000.00 5.000	1,958,643.75	83,643.75	1,890,207.95	-62,270.41 21,373.34	-6,165.39	-68,435.80	15,207.95
			Subtotal	**17,240,825.27**	**195,825.27**	**17,124,713.29**	**-101,569.32 94,255.95**	**-14,542.66**	**-116,111.98**	**79,713.29**
QSCB - Reserve Fund										
10131 Banco Santander CP	QSCB	08/23/2021	2,000,000.00 0.230	1,997,776.67	-2,223.33	1,998,160.00	0.00 -2,223.33	383.33	383.33	-1,840.00
10122 FFCB Call Note	QSCB	07/21/2022 07/21/2021	2,000,000.00 0.220	1,998,500.00	-1,500.00	1,999,537.82	911.76 -588.24	126.06	1,037.82	-462.18
10124 NYC Trans Finance Auth	QSCB	08/01/2022	1,575,000.00 1.850	1,614,123.00	39,123.00	1,603,980.00	-8,331.75 30,791.25	-1,811.25	-10,143.00	28,980.00
10119 San Bernardino County CA	QSCB	10/01/2021	2,490,000.00 2.030	2,524,137.90	34,137.90	2,502,695.91	-19,326.00 14,811.90	-2,115.99	-21,441.99	12,695.91
			Subtotal	**8,134,537.57**	**69,537.57**	**8,104,373.73**	**-26,745.99 42,791.58**	**-3,417.85**	**-30,163.84**	**39,373.73**

Investment # / Issuer	Fund	Maturity Date / Amort. Date	Beginning Par Value / Current Rate	Purchase Principal	Original Premium or Discount	Ending Book Value	Amounts Amortized And Unamortized As of 03/01/2021	Amount Amortized This Period	Amt Amortized Through 03/31/2021	Amount Unamortized Through 03/31/2021
			Total	31,223,262.68	385,262.68	30,977,180.64	-219,121.54 166,141.14	-26,960.50	-246,082.04	139,180.64

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746
-

McAllen ISD
Projected Cashflow Report
Sorted by Monthly
For the Period April 1, 2021 - October 31, 2021

Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
April 2021										
04/01/2021	10119	QSCB	796815ZF8	Interest	San Bernardino County CA	0.00	0.00	0.00	25,273.50	25,273.50
04/30/2021	10118	CP	114727VW7	Maturity	Broome County NY	3,418,000.00	3,434,850.74	3,418,000.00	59,815.00	3,477,815.00
04/30/2021	10125	GEN	096575KZ7	Maturity	Boces NY Sole Supervisory	4,000,000.00	4,018,040.00	4,000,000.00	25,277.78	4,025,277.78
					Total for April 2021	**7,418,000.00**	**7,452,890.74**	**7,418,000.00**	**110,366.28**	**7,528,366.28**
May 2021										
05/01/2021	10123	GEN	64971WJ35	Interest	NYC Trans Finance Auth	0.00	0.00	0.00	20,625.00	20,625.00
					Total for May 2021	**0.00**	**0.00**	**0.00**	**20,625.00**	**20,625.00**
June 2021										
06/01/2021	10126	GEN	720424D31	Interest	Pierce County WA SD	0.00	0.00	0.00	809.88	809.88
06/01/2021	10128	GEN	186523DZ6	Interest	Cleveland TN	0.00	0.00	0.00	29,250.00	29,250.00
06/09/2021	10129	GEN	06742VR94	Maturity	Barclays Bank CP	1,500,000.00	1,497,750.00	1,500,000.00	0.00	1,500,000.00
06/15/2021	10116	CP	95639PBF9	Maturity	West Virginia State Eco Dev	2,310,000.00	2,413,049.10	2,310,000.00	57,750.00	2,367,750.00
06/15/2021	10117	GEN	95639PBF9	Maturity	West Virginia State Eco Dev	1,875,000.00	1,958,643.75	1,875,000.00	46,875.00	1,921,875.00
					Total for June 2021	**5,685,000.00**	**5,869,442.85**	**5,685,000.00**	**134,684.88**	**5,819,684.88**
July 2021										
07/21/2021	10122	QSCB	3133ELW67	Interest	FFCB Call Note	0.00	0.00	0.00	2,200.00	2,200.00
07/21/2021	10122	QSCB	3133ELW67	Call	FFCB Call Note	2,000,000.00	1,998,500.00	2,000,000.00	0.00	2,000,000.00
					Total for July 2021	**2,000,000.00**	**1,998,500.00**	**2,000,000.00**	**2,200.00**	**2,002,200.00**
August 2021										
08/01/2021	10124	QSCB	64971WP38	Interest	NYC Trans Finance Auth	0.00	0.00	0.00	14,568.75	14,568.75
08/23/2021	10130	GEN	05970RVP7	Maturity	Banco Santander CP	3,000,000.00	2,996,665.00	3,000,000.00	0.00	3,000,000.00
08/23/2021	10131	QSCB	05970RVP7	Maturity	Banco Santander CP	2,000,000.00	1,997,776.67	2,000,000.00	0.00	2,000,000.00
08/27/2021	10132	GEN	05990CVT8	Maturity	Banco Credito MIA CP	3,000,000.00	2,996,143.32	3,000,000.00	0.00	3,000,000.00
					Total for August 2021	**8,000,000.00**	**7,990,584.99**	**8,000,000.00**	**14,568.75**	**8,014,568.75**
September 2021										
09/01/2021	10127	GEN	010609FV2	Maturity	Alabama St Public Sch&Clg Auth	1,000,000.00	1,000,000.00	1,000,000.00	1,265.00	1,001,265.00
					Total for September 2021	**1,000,000.00**	**1,000,000.00**	**1,000,000.00**	**1,265.00**	**1,001,265.00**
October 2021										
10/01/2021	10119	QSCB	796815ZF8	Maturity	San Bernardino County CA	2,490,000.00	2,524,137.90	2,490,000.00	25,273.50	2,515,273.50

Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
					Total for October 2021	**2,490,000.00**	**2,524,137.90**	**2,490,000.00**	**25,273.50**	**2,515,273.50**
					GRAND TOTALS:	**26,593,000.00**	**26,835,556.48**	**26,593,000.00**	**308,983.41**	**26,901,983.41**

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Report Regarding Pandemic Electronic Benefit Transfer

REFERENCE: Goal 1: Student Achievement / Student Focus Strategy 7: Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

The Families First Coronavirus Response Act provides additional support to families impacted by no or reduced in person instruction in schools during the 2020-2021 school year across the nation. The Texas Education Agency (TEA) is participating in a joint effort with the Health and Human Services Commission (HHSC) and the Texas Department of Agriculture (TDA) in providing benefits to public school children who are eligible for free and reduced-price meals as a result of the COVID-19 public health emergency.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

All McAllen Independent School District schools met the requirements of 5 or more days of no or reduced in person learning from August to present. All McAllen Independent School District enrolled students receive meals at no charge due to the district's application of Community Eligibility Provision. Therefore, all McAllen Independent School District enrolled children will qualify for this one-time benefit. The benefit is calculated at a rate of $6.82 per day x 170 days of no or reduced in person instruction equaling a benefit of up to $1159 per child.

LEGAL REVIEW:

None.

BUDGETARY CONSIDERATIONS:

None.

RECOMMENDED BOARD ACTION:

The Report Regarding Pandemic Electronic Benefit Transfer is submitted to the Board for information purposes only.

SUBMITTED BY: Alexandra Molina

SUPERVISOR: Arely Benavides (May 7, 2021 13:08 CDT)

For further information contact:
Name: Alexandra Molina
Office: Child Nutrition Program
eMail: alexandra.molina@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

McALLEN INDEPENDENT SCHOOL DISTRICT

P-EBT

(PANDEMIC ELECTRONIC BENEFIT TRANSFER)

2021

Date: May 5th, 2021

ONE TIME P-EBT OVERVIEW

All children enrolled during 20-21 at McAllen ISD will qualify regardless of income.

Benefit is per child up to: $1159

Families currently receiving SNAP Benefits

- No action required
- Additional benefit will be added to existing card end of May / early June

Families not receiving SNAP Benefits

- Complete HHSC Application for children enrolled at McAllen ISD in 2020-2021
  - Timeframe: end of May / beginning of June
  - Link will be available on McAllen ISD Website / campuses
- Once approved by HHSC families will receive card via US Mail with benefits
  - Timeframe: June/July

MCALLEN INDEPENDENT SCHOOL DISTRICT

INFORMATION



COMMUNICATION

District Level

- Website and McAllen ISD App
- Social Media
- Skyward
- Robo Calls

School Level

- Answer calls with script
- Parent communication channels (Class Dojo / Remind)

EXPECTED TIMELINE



Data

- All McAllen ISD Schools qualified for benefit
- Application will open end of May-June

Training & Scripts

- Script for all clerical staff: 2nd week of May (Next Week)
- Scripts for parent communication channels 3rd week of May

Application

- Tentative End of May - June
- Benefit issuance July - August

McALLEN INDEPENDENT SCHOOL DISTRICT

Pandemic Electronic Benefit Transfer

P-EBT



P-EBT helps families buy food during COVID-19.



P-EBT is a one-time food benefit for families who lost access to free/ reduced price meals due to no or reduced in person instruction.

P-EBT is for families who meet at least one of the following criteria:

- Children up to 21 years old who are certified for free or reduced-price meals at school in Texas during the 2020-2021 school year.
- Children who attend a school that offers free meals to all students (Community Eligibility Provision or Provision 2).
- Children ages 5-18 who received SNAP food benefits.



Schools will send eligible families a link to the P-EBT application in late May or early June.

Who needs to complete an online application?

- ❑ Eligible families not enrolled in SNAP.
- ❑ Families with children under the age of 5 or between the ages of 19-21 that received SNAP benefits

SNAP recipients with children ages 5-18 **do not need to apply**.

How will eligible families get P-EBT funds?

Families that currently receive SNAP will have P-EBT funds loaded onto their current Lone Star Card. Families not currently receiving SNAP will be mailed a P-EBT card loaded with benefits. Families will get up to $1159 per child. Receiving P-EBT will not affect a family's ability to get other benefits.

What can families buy with the P-EBT card? Household food items such as fruits, meats/poultry/fish, dairy, and breads. P-EBT benefits can be used wherever SNAP food benefits are accepted.

More information will be provided as received by district to campuses

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Human Resources Recommendation(s) for School Year 2020-2021

REFERENCE: Goal 2: People Development; Strategy 2: Attract/Retain High Quality Staff

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

McAllen Independent School District utilizes a comprehensive hiring system that screens, evaluates and recommends the "best" candidates with the skill sets to maximize student learning. All recommended candidates meet compliance with State Law requirements, that is to increase the academic achievement of all students by helping campuses and district improve teacher quality.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

Considerations are made in accordance with Board Policy DC (LEGAL) and District Staffing Guidelines. Individual(s) to be identified under separate cover.

LEGAL REVIEW: Not Applicable

BUDGETARY CONSIDERATIONS:

Provided with individuals identified under separate cover.

RECOMMENDED BOARD ACTION:

That the Board of Trustees approve Human Resources recommendations for School Year 2020-2021.

SUBMITTED BY: _____ **SUPERVISOR:** Todd Miller

For further information contact:
Name: Todd Miller
Office: Human Resources (956) 618-6009
eMail: Todd.Miller@mcallenisd.net

Approved for presentation to the Board of Education:

J. Hinojosa

Superintendent of Schools May 5, 2021

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Human Resources Employee Resignation(s) for School Year 2020-2021

REFERENCE: Goal 2: People Development; Strategy 2: Attract/Retain High Quality Staff

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

Employees desiring to voluntarily separate from the school district for reasons such as retirement, relocation or other such reasons provide written notice to their immediate supervisor and the Human Resources Department. All resignations include current position, work site and date resignation is to be effective.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

Human Resources Department shall notify all appropriate personnel of the resignation, including the Payroll Department. All vacant positions will be closely reviewed by corresponding department administration, along with aligning to staffing guidelines and addressing staffing needs in determining position status.

LEGAL REVIEW: Not Applicable

BUDGETARY CONSIDERATIONS: Not Applicable

RECOMMENDED BOARD ACTION:

This item is for information only. No Board action required.

SUBMITTED BY: _____ **SUPERVISOR:** Todd M Miller

For further information contact:
Name: Todd Miller
Office: Human Resources (956) 618-6009
eMail: todd.miller@mcallenisd.net

Approved for presentation to the Board of Education:

J. Hinojosa

Superintendent of Schools May 5, 2021

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Superintendent's Recommendation Concerning the Renewal of 2020-2021 Employee Contracts of Teachers and Other Professional Personnel for the 2021-2022 School Year - Policy DC (LEGAL)

REFERENCE: Goal 2: People Development; Strategy 2: Attract/Retain High Quality Staff

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

As specified in Policy DC (LEGAL), a district shall employ each classroom teacher, principal, librarian, nurse, or school counselor under a probationary contract, a continuing contract, or a term contract. A district is not required to employ a person other than these listed employees under a probationary, continuing, or term contract. Education Code 21.002

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

These recommendations are made based on job performance, program needs, and funding. Additional days are not reflected.

LEGAL REVIEW: Not applicable.

BUDGETARY CONSIDERATIONS: Budgeted

RECOMMENDED BOARD ACTION:

That the Board of Trustees approve the Superintendent's recommendation concerning the renewal of 2020-2021 Employee Contracts of Teachers and Other Professional Personnel for the 2021-2022 School Year.

SUBMITTED BY: _____ **SUPERVISOR:** _____

For further information contact:
Name: Stan Crounse
Office: Human Resources (956) 618-6009
eMail: Stan.Crounse@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools May 5, 2021

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Superintendent's Recommendation Concerning the Termination of Probationary Contracts of Employees At End of Year DFAB (LEGAL)

REFERENCE: Goal 2: People Development; Attract/ Retain High Quality Staff

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

A probationary contract employee may be terminated at the end of the contract period if the Board determines that such termination will serve the best interests of the District.

The attached list identifies those probationary teachers that have been recommended for termination of employment at the end of the 2020-2021 contract period by their respective Principals.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

The Board shall give the employee notice of its decision to terminate the employment not later than the 10th day before the last day of instruction required under contract. The Board's decision to terminate a probationary employee at the end of a contract period is final and may not be appealed.

LEGAL REVIEW: Atlas, Hall and Rodriguez, LLP

BUDGETARY CONSIDERATIONS: Not applicable

RECOMMENDED BOARD ACTION:

That the Board of Trustee approve the termination of Probationary Contract employee(s) identified, under separate cover at the end of the 2020-2021 contract period.

SUBMITTED BY: John J. Cavazos (May 5, 2021 10:46 CDT)

SUPERVISOR:

For further information contact:
Name: John Cavazos
Office: Human Resources (956) 618-6009
eMail: john.cavazos@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools May 5, 2021

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Superintendent's Proposed Recommendation to Non-Renew Contract of Term Employees as per DFBB (LOCAL)

REFERENCE: Goal 2: People Development; Strategy 2: Attract/Retain High Quality Staff

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

A term contract employee may be proposed for non-renewal at the end of the contract period year if the Board determines that such termination is identified in one or more of the reasons in policy DFBB (LOCAL).

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

Administrative recommendations for proposed non-renewal of professional employee contracts shall be submitted to the Superintendent. A recommendation for proposed non-renewal shall be supported by any relevant documentation. The final decision on the administrative recommendation to the Board on each employee's contract rests with the Superintendent.

The Superintendent shall prepare a list of employees whose contracts are recommended for proposed non-renewal by the Board. Copies of supporting documentation, if any, and reasons for the recommendation shall be submitted for each employee recommended for proposed non-renewal. These employees are identified under separate cover as well as the reasons identified in board Policy DFBB (LOCAL). The Board shall consider such information, as appropriate, in support of recommendations for non-renewal and shall then act on all recommendations.

LEGAL REVIEW: Atlas, Hall, and Rodriguez, LLP

BUDGETARY CONSIDERATIONS: Not applicable.

RECOMMENDED BOARD ACTION:

That the Board of Trustees approve the Superintendent's recommendation to non-renew the term contract of employee(s) identified under separate cover at the end of the 2020-2021 contract period.

SUBMITTED BY: John J. Cavazos (May 5, 2021 10:45 CDT)

SUPERVISOR:

For further information contact:
Name: John Cavazos
Office: Human Resources (956) 618-6009
eMail: john.cavazos@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools May 5, 2021

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Instructional Material Allotment ("IMA") and Texas Essential Knowledge and Skills ("TEKS") Certification Form

REFERENCE: Goal 1: Student Achievement/Student Focus; Strategy 4 Rigorous/World Class Standards Customized for Every Learner

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:
Districts must certify that the district's technology and instructional materials allotment is used for allowable expenses according to Texas Education Code (TEC), 31.0211.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:
This certification form certifies that students have instructional materials that cover all of the Texas Essential Knowledge and Skills (TEKS) in the required curriculum. This certification must be completed annually by Districts and submitted to the State Board of Education.

LEGAL REVIEW:
The certification form has been approved by legal counsel.

BUDGETARY CONSIDERATIONS:
None

RECOMMENDED BOARD ACTION:
Staff recommends that the Board of Trustees certify that:
A.) the District's IMA is used only for the allowable resources allowed by the Texas Education Code (TEC), 31.0211.
B.) for the current school year, the District has instructional materials collectively cover all elements of the Texas Knowledge and Skills of the required curriculum identified in TEC, 28.002, other than physical education, for each subject and grade level (TEC 31.004).
C.) upon request, the district will provide to the State Board of Education any public information for any instructional materials requisitioned or purchased by the district with IMA funds (TEC 31.101).

SUBMITTED BY: Maira Garcia
Maira Garcia (May 4, 2021 11:40 CDT)

SUPERVISOR: Rosalba De Hoyos

For further information contact:
Name: Maira Garcia
Office: 956-971-4466
eMail: maira.garcia@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools May 4, 2021

MCALLEN ISD	108906
District Name	County District Number

Allotment and TEKS Certification, 2021-22

The district superintendent, along with the president and secretary of the local board of trustees, or the officers of the governing body of the charter school, certify the following:

1) This district's technology and instructional materials allotment is used only for expenses allowed by the Texas Education Code (TEC), §31.0211.

2) For the current school year, this district has instructional materials that collectively cover all elements of the Texas Essential Knowledge and Skills of the required curriculum identified in the TEC, §28.002, other than physical education, for each subject and grade level (TEC §31.004).

3) Upon request, this district will provide to the State Board of Education the title and publication information for any instructional materials requisitioned or purchased by the district with the district's allotment (TEC §31. 101).

Certified	Grade Level
☑	Kindergarten
☑	Grade 1
☑	Grade 2
☑	Grade 3
☑	Grade 4
☑	Grade 5
☑	Grade 6
☑	Grade 7
☑	Grade 8
☑	Grade 9
☑	Grade 10
☑	Grade 11
☑	Grade 12

Certified	Subject Area
☑	CAREER & TECHNICAL EDUCATION (CTE)
☑	ENGLISH LANGUAGE ARTS AND READING
☑	ENGLISH LANGUAGE PROFICIENCY STANDARDS
☑	FINE ARTS
☑	HEALTH
☑	LANGUAGES OTHER THAN ENGLISH
☑	MATHEMATICS
☑	SCIENCE
☑	SOCIAL STUDIES
☑	TECHNOLOGY APPLICATIONS

Signature of Superintendent

_____
Signature

Signatures of Board President and Secretary or Governing Board Officers

_____
Board President

_____
Board Secretary

Scan the signed certification document and attach it to an Instructional Materials Help Desk ticket with the following subject line: [your district] certification (ex: Anywhere ISD)

Approved as to form:
Atlas, Hall, Rodriguez, LLP
by:

_____
Stephen Crain

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Instructional Materials for Ethnic Studies African American Studies and Ethnic Studies Mexican American Studies Courses

REFERENCE: Goal 1 Student Achievement/Student Focus; Strategy 3 Engaging Learning Environment

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:
In accordance with EF (LOCAL), "The District shall provide a wide range of instructional resources for students and faculty that present varying levels of difficulty, diversity of appeal, and a variety of points of view. Although professional staff members may select instructional resources for their use in accordance with District policy and administrative regulations, the ultimate authority for determining and approving the curriculum and instructional program of the District lies with the Board."

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:
Instructional materials for Ethnic Studies African American Studies and Ethnic Studies Mexican American Studies Course will be implemented in the classrooms during the 2021-2022 school year. Two committees, a teacher-led committee and an administrative committee, collaborated to select the instructional materials for these courses.

From April 26, 2021 through April 30, 2021 members of both committees, as well as all teachers in the District, were invited to provide their recommendation for the top publisher via an internal Google form. On May 3, 2021, the administrative committee met to review the Google form submittals. Staff recommends that the Board approve Houghton Mifflin Harcourt as the publisher selected for Ethnic Studies African American Studies and Oxford University Press as the publisher selected for Ethnic Studies Mexican American Studies.

LEGAL REVIEW:
None required.

BUDGETARY CONSIDERATIONS:
Funding is provided by the Texas Education Agency under the Technology and Instructional Materials Allotment and is determined by student enrollment.

RECOMMENDED BOARD ACTION:
Staff recommends that the Board of Trustees approve instructional materials for Ethnic Studies African American Studies and Ethnic Studies Mexican American Studies courses with the publisher referenced above.

SUBMITTED BY: Maira Garcia
Maira Garcia (May 4, 2021 11:40 CDT)

SUPERVISOR: Rosalba De Hoyos

For further information contact:
Name: Maira Garcia
Office: 956-971-4466
eMail: maira.garcia@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools May 4, 2021

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Request for Proposal No. 2021-1024 Instructional Materials and Supplies

REFERENCE: Goal 1 - Student Achievement/Student Focus; Strategy 3 - Engaging Learning Environment

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

This Request for Proposal ("RFP") is an extended response period, multiple-award contract, solicited in accordance with FASRG, section 3.16 titled "Multiple/Catalog/Discount-from-List Contract Awards". This allows vendors to submit responses throughout the year through the contract term. Vendors are awarded on an incremental basis, upon Board approval.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

One thousand sixteen (1,016) vendors were invited to submit responses, and seventy-three (73) vendors responded, including eight (8) no-bid and two (2) non-responsive. The evaluation committee, comprised of Rosalba De Hoyos, Assistant Superintendent for Instructional Services; Alejandra Gonzalez, Director of Purchasing Services; Elizabeth Cabrera, Coordinator for Purchasing Services; and Gracie Garza, Senior Buyer, evaluated the proposals. The administration is recommending that the sixty-three (63) vendors listed on the attached list, be awarded, to ensure the availability of instructional materials and supplies for all campus and departments, on an as-needed basis.

LEGAL REVIEW:

None required.

BUDGETARY CONSIDERATIONS:

Funds for these purchases are budgeted through local, state, federal, and grant funds.

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve Request for Proposal No. 2021-1024 Instructional Materials and Supplies, to vendors on the attached list, for a coterminous term through May 9, 2024.

SUBMITTED BY: Rosalba De Hoyos

SUPERVISOR: Rosalba De Hoyos

For further information contact:
Name: Rosalba de Hoyos
Office: 956-618-6048
eMail: rosalba.dehoyos@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

No.	Responding Supplier	City	State	Recommendation
1	ABDO Publishing Company	Minnneapolis	MN	Qualified
2	Abecedarian ABC, LLC	Austin	TX	Qualified
3	ACE Educational Inc. (ACE Educational Supplies)	Plantation	FL	Qualified
4	Achieve3000, Inc.	Red Bank	NJ	Qualified
5	Apogee Components, Inc	Colorado Springs	CO	Qualified
6	Apperson Inc	Charlotte	NC	Qualified
7	Argument-Driven Inquiry, LLC	Austin	TX	Qualified
8	Ballard & Tighe, Publishers (Educational IDEAS, Inc.)	Brea	CA	Qualified
9	Brilliant Education (Nancy Barocio)	San Juan	TX	Qualified
10	Capstone (Coughlan Companies)	North Mankato	MN	Qualified
11	Cengage Learning, Inc	Mason	OH	Qualified
12	Child1st Publications	Grand Rapids	MI	Qualified
13	Childswork/Childsplay (Prevention Products & Services, Inc.)	Bohemia	NY	Qualified
14	CM SCHOOL SUPPLY, INC.	Anaheim	CA	Qualified
15	Coole School (General Printing & Design)	Houston	TX	Qualified
16	Creative Education Institute	Waco	TX	Qualified
17	Diverse Education Resources (Discovery Education Resources, LLC)	Fort Worth	TX	Qualified
18	Doylene & Assocoiates, Inc (Doylene & Associates, Inc)	Brookshire	TX	Qualified
19	Edvotek	Washington	DC	Qualified
20	EXPANDING EXPRESSION LLC	BAY CITY	MI	Qualified
21	Eye On Mastery	San Antonio	TX	Qualified
22	Foundations In Teaching	Mission	TX	Qualified
23	Gateway Printing & Office Supply, Inc.	Edinburg	TX	Qualified
24	GF Educators, Inc.	Mineola	TX	Qualified
25	Imagine Learning	Provo	UT	Qualified
26	Integral Mathematics, Inc.	Frisco	TX	Qualified
27	Kaeden Publishing	Rocky River	OH	Qualified
28	KAMICO Instructional Media, Inc.	Salado	TX	Qualified
29	Lakeshore Learning Materials (Lakeshore Equipment Company)	Carson	CA	Qualified
30	Learning Farm, LLC.	DALLAS	TX	Qualified
31	Learning Without Tears (No Tears Learning)	Gaithersburg	MD	Qualified
32	Learning Zone (Kimco Educational Products Inc.)	San Antonio	TX	Qualified
33	Lone Star Learning (Lone Star Learning Sales & Marketing, Inc)	Lubbock	TX	Qualified
34	Mastery Education (Peoples Education Inc.)	Montvale	NJ	Qualified

35	Math GPS, LLC	Boerne	TX	Qualified
36	Mentoring Minds, L.P.	Tyler	TX	Qualified
37	Nasco Education LLC	Fort Atkinson	WI	Qualified
38	National Educational Systems	San Antonio	TX	Qualified
39	Nature Watch (Minds On Education Inc.)	Agoura Hills	CA	Qualified
40	Novel Electronic Designs, Inc	CHILLICOTHE	IL	Qualified
41	NSTA-National Science Teaching Association	Arlington	VA	Qualified
42	Pieces of Learning, Inc.	Marion	IL	Qualified
43	Read Naturally (Read Naturally, Inc.)	St. Paul	MN	Qualified
44	REV Robotics	Carrollton	TX	Qualified
45	Reynolds Manufacturing Corporation	Abilene	TX	Qualified
46	Rifton Equipment (Community Products dba Rifton Equipment)	Rifton	NY	Qualified
47	Risas y Sonrisas Spanish for Kids	Austin	TX	Qualified
48	Russell's Educational Consulting (HAZEL RUSSELL)	FORT WORTH	TX	Qualified
49	Sharon Wells Mathematics Curriculum Inc.	Edinburg	TX	Qualified
50	Shmoop University, Inc.	Scottsdale	AZ	Qualified
51	Speed Stacks, Inc	Englewood	CO	Qualified
52	Sphero, Inc.	Boulder	CO	Qualified
53	Steps To Literacy	Bridgewater	NJ	Qualified
54	Supporting Science, Inc.	Smithville	TX	Qualified
55	TEKSING TOWARD STAAR, INC.	Grand Prairie	TX	Qualified
56	TestOut Corporation	PLEASANT GROVE	UT	Qualified
57	THE BURMAX COMPANY INC.	HOLTSVILLE	NY	Qualified
58	The Charles A. Dana Center	Austin	TX	Qualified
59	The Writing Academy, LLC	Kemah	TX	Qualified
60	White Rock Cybersecurity (White Rock Security Group LLC)	Dallas	TX	Qualified
61	Wood Etc. Co. (Walther)	Irving	TX	Qualified
62	Youthlight, Inc.	Chapin	SC	Qualified
63	Zoo-phonics, Inc	Sonora	CA	Qualified

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Request for Proposal No. 2021-1005 Professional Development, Site Licenses, Supplemental Materials, and Other Related Products and Services

REFERENCE: Goal 1 - Student Achievement/Student Focus; Strategy 3 - Engaging Learning Environment

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

This Request for Proposal ("RFP") is an extended response-period, multiple award contract, solicited in accordance with FASRG, section 3.16 titled "Multiple/Catalog/Discount-from-List Awards". This allows vendors to submit responses throughout the year through the contract term. Vendors are awarded on an incremental basis, upon Board approval.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

One thousand five hundred seventy-nine (1,579) vendors were invited to submit responses, and fifty-eight (58) vendors responded, including nine (9) no bid. The evaluation committee comprised of Rosalba De Hoyos, Assistant Superintendent for Instructional Services; Alejandra Gonzalez, Director of Purchasing Services; Elizabeth Cabrera, Coordinator for Purchasing Services; and Rudy Salinas, Buyer, evaluated the proposals. Administration is recommending that the forty-nine (49) vendors listed on the attached list, be awarded, to ensure availability of professional development, site licenses, supplemental materials, and other related products and services, on an as-needed basis.

LEGAL REVIEW:

None required.

BUDGETARY CONSIDERATIONS:

Funds for these purchases are budgeted through local, state, federal, and grant funds.

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve Request for Proposal No. 2021-1005 Professional Development, Site Licenses, Supplemental Materials, and Other Related Products and Services and award vendors on the attached list, for a coterminous term through May 9, 2024.

SUBMITTED BY: Rosalba De Hoyos

SUPERVISOR: Rosalba De Hoyos

For further information contact:
Name: Rosalba De Hoyos
Office: 956-618-6000
email: rosalba.dehoyos@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

2021-1005 Addendum 1

RFP Professional Development, Site Licenses, Supplemental Materials, & Other Related Products and Services

	Responding Supplier	City	State	Recommendation
1	Argument-Driven Inquiry, LLC	Austin	TX	Qualified
2	BESPREP	HOUSTON	TX	Qualified
3	Capstone (Coughlan Companies)	North Mankato	MN	Qualified
4	Corwin Press Inc	Thousand Oaks	CA	Qualified
5	Crisis Prevention Institute Inc.	Milwaukee	WI	Qualified
6	Digital Respons-Ability	Vineyard	UT	Qualified
7	Ditch That Textbook LLC	tangier	IN	Qualified
8	Dr. ET & Company, LLC	Weslaco	TX	Qualified
9	Dr. Ruby K. Payne dba aha! Process, Inc.	Highlands	TX	Qualified
10	Education Advanced, Inc.	Tyler	VT	Qualified
11	Education Galaxy LLC	Richardson	TX	Qualified
12	Educational Technology Learning	SOUTHLAKE	TX	Qualified
13	Engaging Learners, LLC (Katherine S. McKnight)	Antioch	IL	Qualified
14	ExploreLearning, LLC (LAZEL, Inc.)	DALLAS	TX	Qualified
15	Forde-Ferrier, LLC	San Antonio	TX	Qualified
16	GF Educators, Inc.	Mineola	TX	Qualified
17	Gibbs Smith Education (Gibbs M Smith Inc.)	Kaysville	UT	Qualified
18	Great Books Foundation	Chicago	IL	Qualified
19	Heinemann (Greenwood Publishing Group LLC DBA Heinemann)	Portsmouth	NH	Qualified
20	Integral Mathematics, Inc.	Frisco	TX	Qualified
21	Knowledge Matters, Inc.	Hadley	MA	Qualified
22	Labster Inc.	New York	NY	Qualified
23	Learning A-Z, LLC	Dallas	TX	Qualified
24	Learning Farm, LLC.	DALLAS	TX	Qualified
25	Liberty Source	Austin	TX	Qualified
26	Math GPS, LLC	Boerne	TX	Qualified
27	MIGHTY MUSIC PUBLISHING (Mollie Gregory Tower, L.L.C.)	Austin	TX	Qualified
28	MIND Research Institute	Irvine	CA	Qualified
29	MobyMax (MobyMax Education, LLC)	Sanford	NC	Qualified
30	Pearlized Mathematics Consulting, LLC	McAllen	TX	Qualified
31	Pieces of Learning, Inc.	Marion	IL	Qualified
32	Positive Action, Inc	Twin Falls	ID	Qualified
33	RALLY! EDUCATION	Glen Head	NY	Qualified
34	Ready Bodies, Learning Minds, LLC	Spring Branch	TX	Qualified
35	Rourke Educational Media (Carson-Dellosa Publishing LLC)	VERO BEACH	FL	Qualified
36	Science Pilot, LLC	Boerne	TX	Qualified
37	Sharon Wells Mathematics Curriculum Inc.	Edinburg	TX	Qualified
38	Sierra Experts, Inc.	Pittsburgh	PA	Qualified
39	Silkweb Consulting and Development	Scottsdale	AZ	Qualified
40	Social Thinking	Santa Clara	CA	Qualified
41	Steps To Literacy	Bridgewater	NJ	Qualified
42	Supporting Science, Inc.	Smithville	TX	Qualified
43	Teachers First LLC	Phoenix	AZ	Qualified
44	TestOut Corporation	PLEASANT GROVE	UT	Qualified
45	Tri-Lin Integrated Services (Tri-Lin Integrated Services Inc.)	San Antonio	TX	Qualified
46	VALIDATE ME! DBA ValidateME!	Brownsville	TX	Qualified
47	Valorie Kruger Consulting LLC	Arlington	TX	Qualified
48	Voyager Sopris Learning, Inc.	DALLAS	TX	Qualified
49	Warren Instructional Network (Stephen Kyle Warren)	Frisco	TX	Qualified

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Request for Proposal No. 2021-1007 Career and Technology Materials, Supplies, Equipment and Related Services Discount-from-List

REFERENCE: Goal 1 - Student Achievement/Student Focus; Strategy 3 - Engaging Learning Environment

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

This Request for Proposal ("RFP") is an extended response period, multiple award contract, solicited in accordance with FASRG, section 3.16 titled "Multiple/Catalog/Discount-from-List Contract Awards". This allows vendors to submit responses throughout the year through the contract term. Vendors are awarded on an incremental basis, upon Board approval. The Board of Trustees previously awarded this RFP on February 22, 2021 and April 19, 2021. Thirty-one (31) vendors were previously awarded through this RFP.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

One thousand four hundred eight (1,408) vendors were invited to submit responses, and twenty-six (26) vendors responded, including seventeen (17) no bid. The evaluation committee, comprised of Lilia Sandoval-Silva, Director of Career Technical Education; Alejandra Gonzalez, Director of Purchasing Services; Elizabeth Cabrera, Coordinator for Purchasing Services; and Carol Quintanilla, Senior Buyer, evaluated the proposals. Administration is recommending that the nine (9) vendors listed on the attached list, be awarded, for a total of forty (40) vendors, to ensure availability of career and technology materials, supplies, equipment, and related services for all Career and Technology Education courses, on an as-needed basis.

LEGAL REVIEW:

None required.

BUDGETARY CONSIDERATIONS:

Funds for these purchases are budgeted through local, state, federal, and grant funds.

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve Request for Proposal No. 2021-1007 Career and Technology Materials, Supplies, Equipment and Related Services Discount-from-List, and award vendors on the attached list, for a coterminous term through February 26, 2024.

SUBMITTED BY: Lilia Sandoval Silva

SUPERVISOR: Rosalba De Hoyos

For further information contact:
Name: Lilia Sandoval-Silva
Office: 956-632-5181
eMail: lilia.sandovalsilva@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

2021-1007

RFP - Career and Technology Materials, Supplies, Equipment and Related Services Discount-from-List (Round 3)

No.	Responding Supplier	City	State	Recommendation
1	Aves Audio Visual Systems Inc	Sugar Land TX 77487	TX	Qualified
2	Battery Systems Inc	Garden Grove	CA	Qualified
3	Burton Companies (Burton Companies, LLC)	Weslaco	TX	Qualified
4	Express Booksellers, LLC	Dallas	TX	Qualified
5	Nasco Education LLC	Fort Atkinson	WI	Qualified
6	Pocket Nurse Enterprises, Inc.	MONACA	PA	Qualified
7	Sphero, Inc.	Boulder	CO	Qualified
8	Technokids Inc	Oakville	ON	Qualified
9	Troxell Communications Inc.	Phoenix	AZ	Qualified

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Request for Proposal No. 2021-1000R Library Books, e-Books, Textbooks, Audiovisual Materials and Instructional Reading Materials Discount-from-List (Round 5)

REFERENCE: Goal 1 - Student Achievement/Student Focus; Strategy 3 - Engaging Learning Environments

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

This Request for Proposal ("RFP") is an extended response period, multiple award contract, solicited in accordance with FASRG, section 3.16 titled "Multiple/Catalog/Discount-from-List Contract Awards". This allows vendors to submit responses throughout the year through the contract term. Vendors are awarded on an incremental basis, upon Board approval. The Board of Trustees previously awarded this RFP on January 18, 2021, February 9, 2021, March 8, 2021, and April 19, 2021. Seventy-five (75) vendors were previously awarded through this RFP.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

One thousand seven hundred thirty-nine (1,739) vendors were invited to submit proposals. Twenty-eight (28) vendors responded, including ten (10) no bid responses, two (2) non-responsive, two (2) vendors that were previously awarded (with no changes). The evaluation committee, comprised of J. Ann Vega, Director of Digital Learning and Library Services; Alejandra Gonzalez, Director of Purchasing Services; Elizabeth Cabrera, Coordinator for Purchasing Services; and Carol Quintanilla, Senior Buyer, evaluated the proposals. Administration is recommending the fourteen (14) vendors listed on the attached list, be awarded, for a total of eighty-nine (89) vendors on this RFP.

LEGAL REVIEW:

None required.

BUDGETARY CONSIDERATIONS:

Funds for these purchases are budgeted through local, state, federal, and grant funds.

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve Request for Proposal No. 2021-1000R Library Books, e-Books, Textbooks, Audiovisual Materials and Instructional Reading Materials Discount-from-List, and award vendors on the attached list, for a coterminous term through January 21, 2024.

SUBMITTED BY: Jenny Ann Vega

SUPERVISOR: Rosalba De Hoyos

For further information contact:
Name: J. Ann Vega
Office: 956-972-5600
eMail: JennyAnn.Vega@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

2021-1000R

RFP - Library Books, e-Books, Textbooks, Audiovisual Materials and Instructional Reading Materials Discount-from-List (Round 5)

No.	Responding Supplier	City	State	Recommendation
1	ACE Educational Inc. (ACE Educational Supplies)	Plantation	FL	Qualified
2	Ballard & Tighe, Publishers (Educational IDEAS, Inc.)	Brea	CA	Qualified
3	Complete Book and Media Supply, LLC	Cedar Park	TX	Qualified
4	Hameray Publishing Group, Inc.	Los Angeles	CA	Qualified
5	HEGGERTY PHONEMIC AWARENESS (Literacy Resources, LLC)	Oak Park	IL	Qualified
6	Kaeden Publishing	Rocky River	OH	Qualified
7	KAMICO Instructional Media, Inc.	Salado	TX	Qualified
8	Lakeshore Learning Materials (Lakeshore Equipment Company)	Carson	CA	Qualified
9	Lerner Publishing Group (Lerner Universal)	Minneapolis	MN	Qualified
10	Steps To Literacy	Bridgewater	NJ	Qualified
11	Technokids Inc	Oakville	ON	Qualified
12	The Penworthy Company	Milwaukee	WI	Qualified
13	W.T. Cox Information Services (Cox Subscriptions, Inc.)	Shallotte	NC	Qualified
14	Wieser Educational, Inc.	Rancho Santa Margarita	CA	Qualified

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Request for Proposal No. 2021-1018 Property & Casualty Insurance

REFERENCE: Goal 2: People Development, Strategy 2: Attract/Retain High Quality Staff

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

The District solicited proposals for Property & Casualty Insurance.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

Six hundred forty-eight (648) vendors were invited to submit proposals for property and casualty insurance, and two (2) vendors responded. The number of responding vendors/options for coverage may have been impacted by lack of available markets. From the two submittals, only one vendor presented both property and casualty lines of coverage. The other vendor presented only the casualty coverage, with no options for the property lines of coverage.

On April 15, 2021, the evaluation committee, comprised of Andres Silva, Director of Employee Benefits, Safety & Risk Management; Alejandra Gonzalez, Director of Purchasing Services; Elizabeth Cabrera, Purchasing Coordinator; Elizabeth Montes, Senior Buyer; consulted with Valley Risk Consulting, and evaluated the submittals and recommends that the Board of Trustees award this RFP to Montalvo Insurance Agency, totaling a cost of $1,455,706.14 for a 12-month period. This is an increase of $127,532.29 for the 12-month period.

LEGAL REVIEW:

None required.

BUDGETARY CONSIDERATIONS:

Funds for these purchases are budgeted through the General Fund.

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve Request for Proposal No. 2021-1018 Property & Casualty Insurance and award Montalvo Insurance Agency with AMWINS/Lloyd's of London/Others for Property Insurance; Indian Harbor for Educator's Liability; and Texas Political Subdivisions for Equipment Breakdown and all other casualty lines, as per the attached document, for a term of one (1) year from June 1, 2021 through May 31, 2022.

SUBMITTED BY: Andres Silva

SUPERVISOR:

For further information contact:
Name: Andres Silva
Office: 956-618-7380
eMail: andres.silva@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

Memorandum

To: Alejandra Gonzalez, Director of Purchasing

From: Roger Garza, LUTCF, LHIC & LRM
Senior Consultant

Date: 04/19/21

Re: **RFP# 2021-1018 Commercial Package**

MISD solicited proposals for Property & Casualty Insurance under RFP # 2021-1018. The purpose of the solicitation was due to the expiring rates. To obtain the most competitive offers, we solicited both property and casualty in a single RFP. Bids were advertised on March 3, 2021 utilizing both local and national media with a due date of Wednesday March 31, 2021.

A total of two (2) proposals were received under RFP# 2021-1018. The participating vendors are the incumbent Montalvo Insurance Agency who submitted AMWINS and Texas Political Subdivisions (TPS) proposal for both Property & Casualty and Shepard, Walton & King Insurance Agency (SWK) submitted one (1) for Casualty Insurance only through Liberty Mutual. The Proposals were tabulated and evaluated and ranked by the Purchasing Department.

Based on our review and evaluation, we recommend that the Board of Trustees award the Property & Casualty coverage in multi-lines to Montalvo agency for a combined annual premium of $1,455,706.14. The proposed premium reflects an increase of approximately $127,532.29 and maintains the current deductibles at 1% of total insured values (TIV). (see attached summary).

Valley Risk Consulting, 1200 Fresno St. Suite C. McAllen, TX 78501 *956-664-1430 - office*

PROPERTY	Current		Proposed	
Coverages	**Limits**	**Deductibles**	**Limits**	**Deductibles**
Limit of Liability (per occurrence)	$200,000,000	$250,000 (All other perils)	$200,000,000	$250,000 (All other perils)
Named Storm	$75,000,000	1% TIV	$75,000,000	1% TIV
Premium		**$991,310**		**$1,083,987**

Equipment Breakdown	Current		Proposed	
Coverages	**Limits**	**Deductibles**	**Limits**	**Deductibles**
Equipment Breakdown	$100,000,000	$5,000	$100,000,000	$5,000
Premium		**$15,321**		**$16,302**

School Board Legal	Current		Proposed	
Coverages	**Limits**	**Deductibles**	**Limits**	**Deductibles**
Educators Legal	$1,000,000	$25,000	$1,000,000	$25,000
Employment Practices	$100,000	$50,000	$100,000	$50,000
Premium		**$92,753.85**		**$101,519.14**

General Liability/Law Enforcement	Current		Proposed	
Coverages	**Limits**	**Deductibles**	**Limits**	**Deductibles**
General Aggregate	$2,000,000	$5,000	$2,000,000	$5,000
Law Enforcement	$1,000,000	$10,000	$1,000,000	$10,000
Premium		**$23,650**		**$22,321**

Auto/Physical Damage	Current		Proposed	
Coverages	**Limits**	**Deductibles**	**Limits**	**Deductibles**
Auto	$1,000,000	$1,000	$1,000,000	$1,000
Physical Damage	ACV	$1,000	ACV	$1,000
Premium		**$204,237**		**$230,687**

Crime	Current		Proposed	
Coverages	**Limits**	**Deductibles**	**Limits**	**Deductibles**
Employee Theft	$50,000	$5,000	$50,000	$5,000
Premium		**$902**		**$890**

Cyber	Current		Proposed	
Coverages	**Limits**	**Deductibles**	**Limits**	**Deductibles**
Employee Theft	$1,000,000	$25,000	Not Quoted	Not Quoted
Premium		**Included**		**Included in District Policy**

Combined Annual Premium	**$1,328,173.85**		**$1,455,706.14**
		Increase +/-	$127,532.29
		Increase %	9.60%

	RFP No. 2021-1018 Commercial Package (Property)		AmWins/Llyod's of London/Others Provided by Montalvo Insurance
No.	Criteria	Max. Pts. 100	
	Total Points	100	99.00
	Ranking		1
1	Price	60	60.00
	Annual Premium (1) Year		$1,083,987
2	Reputation of the vendor and of the vendor's goods or services;	5	5
			A+
	AM Best Rating Max pts (5pts): A+ = 5 pts , A- to A = 2.5 pts, B+ below = 0 pts		5
3	The quality of the vendor's goods or services	30	30.00
	Named Storm Limit: Max Pts 5	5	5
	Limit $75,000,000		$75,000,000
	Named Storm Deductible: Max Pts 15	15	15
	Deductible 1% TIV		1% TIV
	Annual Aggregate (Flood) Deductible Max Pts 5	5	5
	Limit $10,000,000 Deductible $100,000		$10,000,000/$100,000
	Annual Aggregate (Earthquake) Deductible Max Pts 5	5	5
	Limit $15,000,000 Deductible $100,000		$15,000,000/$100,000
4	The extent to which the goods or services meet District's needs	2	2
	Meets District Min. Requirements - Max pts (2 pts): Yes = 2 pts, No = 0 pts		2
5	Past Relationship with District	2	2
	Max pts (1 pts): Yes = 1 pts, No = 0 pts		2
6	HUB	0	0
			0
7	Total long-term cost to the district to acquire the vendor's goods or services;	1	0
	Offered a Multi Year Contract Max pts (1 pts): Yes = 1 pts, No = 0 pts		0
			No
8	Vendor or the vendor's ultimate parent company or majority owner has its principal place of business in this state or employs at least 500 persons in this state	0	0
			0
9	Any other relevant factor specifically listed in the request for bids or proposals.	0	0

	RFP No. 2021-1018 Commercial Package (General Liability, Equipment Breakdown, School Board Legal, Law Enforcement, Auto Liability)		Texas Political Subdivisions/Others Provided by Montalvo Insurance Agency	Liberty Mutual Provided by Shepard, Walton & King
No.	Criteria	Max. Pts. 100		
	Total Points	**100**	**94**	**78**
	Ranking		1	2
1	**Price**	**60**	**60.00**	**58.16**
	Combined Annual Premium		**$371,719.14**	**$383,460**
2	**Reputation of the vendor and of the vendor's goods or services;**	**5**	**2.50**	**2.50**
			N/A- Risk Pool	A
	AM Best Rating Max pts (5pts): A+ = 5 pts , A- to A = 2.5 pts, B+ below = 0 pts		2.5	2.5
3	**The quality of the vendor's goods or services**	**30**	**27**	**15**
	Equipment Breakdown:		**$16,302**	**No Quote**
	Liberty Mutual Limit $100,000,000 Deductible $5,000		$100,000,000/$5,000	
			5	0
	School Board Legal Liability:		**$101,519.14**	**$44,281**
	Indian Harbor Limit $1,000,000 Deductible $25,000		$1,000,000/$25,000	$1,000,000/$100,000
			2	5
	General Liability:		**$10,952**	**$83,155**
	TPS Limit $2,000,000/$1,000,000 - Deductible $5,000		$2,000,000/$1,000,000 - $5,000	$2,000,000/$1,000,000 - $5,000
			5	1
	Law Enforcement:		**$11,369**	**$20,636**
	TPS Limit $1,000,000 Deductible $10,000		$1,000,000/$10,000	$1,000,000/$10,000
			5	3
	Auto Liability/Physical Damage:		**$230,687**	**$233,269**
	TPS Limit $1,000,000/ACV Deductible $1,000/$1,000		$1,000,000/ACV - $1,000/$1,000	$1,000,000/ACV - $5,000/$1,000
			5	5
	Crime:		**$890**	**$2,119**
	TPS Limit $50,000 Deductible $5,000		$50,000/$5,000	$50,000/$5,000
			5	2
4	**The extent to which the goods or services meet District's needs**	**2**	**2**	**0**
	Meets District Min. Requirements - Max pts (2 pts): Yes = 2 pts, No = 0 pts		2	0
5	**Past Relationship with District**	**2**	**2**	**2**
	Max pts (2 pts): Yes = 2 pts, No = 0 pts		2	2
6	**HUB**	**0**		
			0	0
7	**Total long-term cost to the district to acquire the vendor's goods or services;**	**1**	**0**	**0**
	Offered a Multi Year Contract Max pts (1 pts): Yes = 1 pts, No = 0 pts		0	0
			No	No
8	**Vendor or the vendor's ultimate parent company or majority owner has its principal place of business in this state or employs at least 500 persons in this state**	**0**	**0**	**0**
			0	0
9	**Any other relevant factor specifically listed in the request for bids or proposals.**	**0**	**0**	**0**

McAllen Independent School District

Summary of Comparative Cost
RFP # 2021-1018 Commercial Property (Property)
Review Date: April 1, 2021

Agent	**Montalvo Insurance Agency**
Carriers	AmRisc & Others
Agent Office Location	Weslaco, TX
Contact Person	Ramon Montalvo

Total Insured Value (TIV)	$543,393,575

Coverages	**Limits**	**Deductibles**
Limit of Liability (per occurrence)	$200,000,000	$250,000 (AOP)
Named Storm	$75,000,000	1% of TIV
Annual Aggregate (Flood)	$10,000,000	$100,000
Annual Aggregate (Earthquake)	$15,000,000	$100,000
Accounts Receivable	$1,000,000	
Builders Risk	$1,000,000	
Debris Removal	$5,000,000	
Electronic Data & Media	$100,000	
Spoilage	$25,000	
Errors & Omissions	$1,000,000	
Fine Arts	$500,000	
Fire Department Charges	$100,000	
Newly Acquired Property	$2,500,000	
Transit	$1,000,000	
Valuable Papers & Records	$1,000,000	
Plants, Lawns and Trees	$100,000	
Mold, Fungus, Mildew and Spores	$100,000	
Leasehold Interest	$100,000	
Professional Fees	$100,000	
Builders Risk Soft Cost	$100,000	
Misc. unnamed Locations	$1,000,000	

Premium	**$1,083,987**

Source: RFP# 2021-1018
Prepared by: Valley Risk Consulting

McAllen Independent School District

Summary of Comparative Cost
RFP # 2021-1018 Commercial Property (Equipment Breakdown)
Review Date: April 1, 2021

Agent	**Montalvo Insurance Agency**
Carriers	Liberty Mutual
Agent Office Location	Weslaco, TX
Contact Person	Ramon Montalvo
Total Insured Value (TIV)	$543,393,575

Coverages	**Limits**	**Deductibles**
Equipment Breakdown	$100,000,000	$5,000
Property Damage	Included	
Expediting Expenses	Included	
Business Income/Extra Expenses	Included	
Spoilage	Included	
Utility Interruption	Included	
Newly Acquired Property (60 days)	Included	
Ordinance or Law	$2,500,000	
Contingent Business Income	$1,000,000	
Data or Media	$1,000,000	
Harzardous Substance	$2,000,000	
Water Damage	Included	
Premium	**$16,302**	

Source: RFP# 2021-1018
Prepared by: Valley Risk Consulting

McAllen Independent School District

Summary of Comparative Cost
RFP # 2021-1018 Commercial Property (Casualty)
Review Date: April 1, 2021

Agent	**Montalvo Insurance Agency**		**Shepard, Walton & King**	
Carriers	Texas Political Subdivisions		Liberty Mutual	
Agent Office Location	Weslaco, TX		McAllen, TX	
Contact Person	Ramon Montalvo		Raul Cabaza	
General Liability	**Limits**	**Deductibles**	**Limits**	**Deductibles**
General Aggregate	$2,000,000		$2,000,000	
Products & Completed Aggregate	$2,000,000		$2,000,000	
Each Occurrence	$1,000,000		$1,000,000	
Personal & Advertising	$1,000,000		$1,000,000	
Employee Benefits	Included in GL	$1,000	$1,000,000	$5,000
Premium Total	**$10,952**		**$83,155**	
Law Enforcement Liability	**Limits**	**Deductibles**	**Limits**	**Deductibles**
Self Ins. Each claimant				
Self Ins. Each Law Enforcement	$1,000,000	$10,000	$1,000,000	$10,000
Self. Ins. All Claims				
Premium Total	**$11,369**		**$20,636**	
Automobile Liability	**Limits**	**Deductibles**	**Limits**	**Deductibles**
Liability	$1,000,000	$1,000	$1,000,000	$5,000
Auto Physical Damage				
Collision/Comprehensive	Actual Cash Value (ACV)		Actual Cash Value (ACV)	
GKLL Collision/Comprehensive	$50,000	$1,000	N/A	$1,000
Hired Collision/Comprehensive	$100,000		N/A	
Premium Total	**$230,687**		**$233,269**	
Crime	**Limits**	**Deductibles**	**Limits**	**Deductibles**
Employee Dishonesty/Theft	$50,000	$5,000	$50,000	$5,000
Forgery & Alteration/Computer Fraud				
Premium Total	**$890**		**$2,119**	
Combined Premium	**$253,898**		**$339,179**	

Source: RFP# 2021-1018
Prepared by: Valley Risk Consulting

McAllen Independent School District

Summary of Comparative Cost
RFP # 2021-1018 Commercial Property (School Board Legal)
Review Date: April 2, 2021

Agent	**Montalvo Insurance**	**Shepard, Walton & King**
Carrier	**Indian Harbor Insurance**	**Liberty Mutual**
Office Location	Weslaco, TX	McAllen, TX
Contact Person	Ramon Montalvo	Raul Cabaza
	Limits / Deductibles	**Limits / Deductibles**
Coverages	**Educator's Legal Liability/Aggregate:** **Limit** $1,000,000 **Deductible** $25,000	**Each Wrongful Act/Aggregate/Non-Monetary Relief:** **Limit** $1,000,000 **Deductible** $100,000
	Employment Practices Liability: **Limit** $100,000 **Deductible** $50,000	
	Defense Reimbursement/Aggregate: **Limit** $50,000/$100,000 **Deductible:** $25,000	
Premium	**$101,519.14**	**$44,281.00**

Prepared by: Valley Risk Consulting
Source: RFP # 2021-1018

McAllen Independent School District

Summary of Comparative Cost

RFP # 2021-1018 Commercial Property (Summary Breakdown)

Review Date: April 5, 2021

	Montalvo Insurance Agency	Shepard, Walton & King
Agent		
Agent Office Location	Weslaco, TX	McAllen, TX
Contact Person	Ramon Montalvo	Raul Cabaza
Property	**AmWins & Others**	**No Quote**
Premium Total	**$1,083,987**	
Equipment Breakdown	**Texas Political Subdivisions**	**No Quote**
Premium Total	**$16,302**	
General Liability	**Texas Political Subdivisions**	**Liberty Mutual**
Premium Total	**$10,952**	**$83,155**
Law Enforcement Liability	**Texas Political Subdivisions**	**Liberty Mutual**
Premium Total	**$11,369**	**$20,636**
Automobile Liability/Physical Damage	**Texas Political Subdivisions**	**Liberty Mutual**
Premium Total	**$230,687**	**$233,269**
School Board Legal	**Indian Harbor**	**Liberty Mutual**
Premium Total	**$101,519.14**	**$44,281**
Crime	**Texas Political Subdivisions**	**Liberty Mutual**
Premium Total	**$890**	**$2,119**
Combined Premium	**$1,455,706.14**	**$383,460**

Source: RFP# 2021-1018

Prepared by: Valley Risk Consulting

BOARD AGENDA REPORT
McALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Request for Proposal No. 2021-1021 Workers' Compensation Insurance Self-Funded Claims Administration Services & Stop Loss Insurance

REFERENCE: Goal 2: People Development, Strategy 2: Attract/Retain High Quality Staff

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

McAllen ISD (the "District") solicited proposals for workers' compensation insurance self-funded claims administration services and workers' compensation stop loss insurance policy for the self-funded workers' compensation program.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

One thousand, one hundred thirty-nine (1,139) vendors were invited to submit proposals, and five (5) vendors responded. From the five submittals, three (3) vendors submitted proposals for third-party administrator ("TPA") services and two (2) vendors submitted proposals for stop loss insurance.

On April 30, 2021, the evaluation committee, comprised of Andres Silva, Director of Employee Benefits, Safety & Risk Management; Alejandra Gonzalez, Director of Purchasing Services; Elizabeth Cabrera, Purchasing Coordinator; Elizabeth Montes, Senior Buyer; consulted with Valley Risk Consulting, evaluated the submittals and requested best and final offers from all vendors. The evaluation committee met on May 3, 2021 for final evaluations, and recommends that the Board of Trustees award TRISTAR Risk Management Co. for Worker's Compensation - (TPA); and Midwest Employers Casualty, as submitted by Frost Insurance Company, for Stop Loss Insurance. The 12-month cost for Worker's Compensation - (TPA) and Stop Loss Insurance totals are $79,950 and $95,153, respectively. This is an increase of $1,450 and $10,021, respectively. The TRISTAR fees are guaranteed for a three-year period, which is a reduction of $1,650 over the expiring three-year agreement.

LEGAL REVIEW:

Service Agreement has been reviewed by legal counsel.

BUDGETARY CONSIDERATIONS:

Workers' Compensation Stop Loss Insurance fixed costs and claim expenses are budgeted through the employer contributions to the workers' compensation fund.

TPA Services - These service and claim file costs are eligible expenses of the Self-Funded Workers' Compensation Fund.

	2018-2019	2019-2020	2020-2021
Claims Administration Fees	$78,500	$80,500	$82,500

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve Request for Proposal No. No. 2021-1021 Workers' Compensation Insurance Self-Funded Claims Administration Services & Stop Loss Insurance and award TRISTAR Risk Management Co. for Worker's Compensation - (TPA) for a term of three (3) years from June 1, 2021 through May 31, 2024; and Midwest Employers Casualty, as submitted by Frost Insurance Company, for Stop Loss Insurance for a term of one (1) year from June 1, 2021 through May 31, 2022.

SUBMITTED BY: Andres Silva

SUPERVISOR:

For further information contact:
Name: Andres Silva
Office: 956-618-7380
eMail: andres.silva@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

	RFP No. 2021-1021 Workers Compensation - TPA		TriStar Corpus Christi, TX Jimmy Dyer	CCMSI Dallas, TX William Beattie	CAS Tyler, TX Casey Cook
No.	Criteria	Max. Pts. 100			
	Total Points	**100**	**93.18**	**53.52**	**89.82**
	Ranking		1	3	2
1	**Price**	**60**	**60.00**	**29.61**	**53.08**
	Annual Fixed Fee Premium (1) Year		**$79,950**	**$161,993**	**$90,378**
2	**Reputation of the vendor and of the vendor's goods or services;**	**3**	**3**	**3**	**3**
			3	**3**	**3**
	References in Texas Max pts (3 pts): (1) pt per reference		3	3	3
3	**The quality of the vendor's goods or services**	**25**	**18.18**	**14.06**	**24.67**
	Special Investigations:	10	9	5	10
			$95.00	**$175.00**	**$84.00**
	Pre-Authorizations:	5	5	4.52	4.67
			$140	**$155**	**$150**
	Large Case Management:	5	0.05	0.06	5
			$98	**$90**	**Included**
	Bill Review:	5	4.29	4.69	5
			$8.75	**$8**	**$7.50**
4	**The extent to which the goods or services meet District's needs**	**2**	**2**	**2**	**2**
	Meets District Min. Requirements - Max pts (2 pts): Yes = 2 pts, No = 0 pts		2	2	2
5	**Past Relationship with District**	**2**	**2**	**0**	**0**
	Max pts (2 pts): Yes = 2 pts, No = 0 pts		2	0	0
6	**HUB**	**0**	**0**	**0**	**0**
			0	0	0
7	**Total long-term cost to the district to acquire the vendor's goods or services;**	**8**	**8**	**4.85**	**7.08**
		4	4	2.48	3.54
	Year 2		**$79,950**	**$128,939**	**$90,378**
		4	4	2.37	3.54
	Year 3		**$79,950**	**$135,029**	**$90,378**
8	**Vendor or the vendor's ultimate parent company or majority owner has its principal place of business in this state or employs at least 500 persons in this state**		**0**	**0**	**0**
			0	0	0
9	**Any other relevant factor specifically listed in the request for bids or proposals.**				

	RFP No. 2021-1021 Workers Compensation - Stop Loss		Star Insurance Company Provided by Montalvo Insurance	Midwest Employers Casualty Provided by Frost Insurance
No.	Criteria	Max. Pts. 100		
	Total Points	100	94.58	99.00
	Ranking		2	1
1	Price	60	58.08	60.00
	Annual Premium (1) Year		$98,307	$95,153
2	Reputation of the vendor and of the vendor's goods or services;	5	2.5	5
			A-	A+
	AM Best Rating Max pts (5pts): A+ = 5 pts , A- to A = 2.5 pts, B+ below = 0 pts		2.5	5
3	The quality of the vendor's goods or services	30	30	30
	Deductible: Max Pts 10	10	10	10
	Limit $400,000		$400,000	$400,000
	Damages (each claim, aggregate): Max Pts 10	10	10	10
	Limit Statutory		Statutory	Statutory
	Claims Expenses (each claim, aggregate): Max Pts 10	10	10	10
	Limit Statutory		Statutory	Statutory
4	The extent to which the goods or services meet District's needs	2	2	2
	Meets District Min. Requirements - Max pts (2 pts): Yes = 2 pts, No = 0 pts		2	2
5	Past Relationship with District	2	2	2
	Max pts (2 pts): Yes = 2 pts, No = 0 pts		2	2
6	HUB	0	0	0
			0	0
7	Total long-term cost to the district to acquire the vendor's goods or services;	1	0	0
	Offered a Multi Year Contract Max pts (1 pts): Yes = 1 pts, No = 0 pts		0	0
			No	No
8	Vendor or the vendor's ultimate parent company or majority owner has its principal place of business in this state or employs at least 500 persons in this state		0	0
			0	0
9	Any other relevant factor specifically listed in the request for bids or proposals.			

Memorandum

To: Andres Silva, Director of Employee Benefits & Risk Management

CC: Alejandra Gonzalez, Director of Purchasing

From: Roger Garza, LUTCF, LHIC
Senior Consultant

Date: 5/4/2021

Re: RFP # 2021-1021 Workers' Compensation TPA – Stop Loss Insurance

The McAllen Independent School District (MISD) currently provides Workers' Compensation benefits to its employees on a Self-Funded Program as outlined in Chapter 504 of the Texas Labor Code. The district retains the services of a Third-Party Administrator (TPA) to administer the program and comply with all Federal and State laws and the Texas Department of Insurance regulations. In addition, Workers' Compensation Stop Loss reinsurance is purchased to protect the assets of the program in the event of a catastrophic loss. On March 31, 2021, the District solicited proposals for both Third Party Administration Services (TPA) and Stop Loss Insurance for Workers' Compensation utilizing a Request for Proposal (RFP) # 2021-1021. The purpose of the solicitation was due to the expiring rates and contractual terms. Bids were received on April 21, 2021. A total of five (5) proposals were received, three (3) for TPA and two (2) for Stop Loss Insurance. Best and Finals were requested from the carriers for both TPA & Stop Loss Insurance.

Workers' Compensation - (TPA) Third Party Administrator

Tristar Risk Management- is the incumbent vendor and is offering a 3-year fixed fee proposal for basic reporting services. Other fees for bill review and large case management are billed separate and apart through the allocated claims file system.

Annual (3) Year Fixed Fee - $79,950

CCSMI (Canon Cochran Management Services, Inc)- offered a 1-year fixed fee proposal for basic reporting services. Other fees for bill review and large case management are billed separate and apart through the allocated claims file system.

Annual (1) Year Fixed Fee - $161,993, 2nd year = $128,939, 3rd year: $135,029

CAS (Claims Administrative Services)- offered a 3-year fixed fee proposal for medical and indemnity claims reporting services. Other fees for bill review and large case management are billed separate and apart through the allocated claims file system.

Annual (3) Year Fixed Fee - $90,378

Workers' Compensation – Stop Loss Insurance

Star Insurance Company submitted a proposal with a deductible of $400,000 and Statutory limits for damages and claim expenses with a premium total of $98,307. This is an increase from the current premium of $13,175. The proposed premium includes TRIA (Terrorism). The offer provides limit of $1,000,00 for Employers Liability. The other (2) options were for SIR $450,000 & $500,000. Cash Flow Protection with a $250,000 deductible offered at an additional premium of $8,521. This proposal was submitted by Montalvo Insurance Agency in Weslaco, TX.

Midwest Employers Casualty submitted a proposal with a deductible of $400,000 and Statutory limits for damages and claim expenses with a premium total of $95,153, which includes a TRIA (Terrorism) premium of $2,771. This is an increase from the current premium of $10,021. The offer provides limit of $1,000,00 for Employers Liability. The other option is for SIR $500,000. This proposal was submitted by Frost Insurance Agency in San Antonio, TX.

Recommendation:

Workers' Compensation – (TPA) Third Party Administrator

Recommendation to award **TriStar Risk Management Co.;** its offer provides the best value to the District based on their (3) year annual fixed option. TriStar Risk Management Company services several school districts and governmental entities. We recommend an award of RFP # 2021-1021 to **Tristar Risk Management.**

Annual (3) year Fixed Fee - $79,950

Workers' Compensation Stop Loss Insurance

We recommend **Midwest Employers Casualty provided by Frost Insurance Company**. It provides the requested deductible of $400,000, Statutory limits for damages and claim expenses and includes (TRIA) Terrorism.

Annual Premium - $92,382
TRIA (Terrorism) - $2,771
Total Annual Premium: $95,153

McAllen Independent School District

Summary of Comparative Cost
RFP # 2021-1021 Workers' Compensation-TPA Services
Review Date: May 3, 2021

Best and Final

RECOMMENDED

	Current	Option 1	Option 2	Option 3
Company	**Tri-Star**	**Tri-Star**	**CCMSI**	**CAS**
Office Location	Corpus Christi, TX	Corpus Christi, TX	Dallas, TX	Tyler, TX
Contact Name	Jimmy Dyer	Jimmy Dyer	William Beattie	Casey Cook
Claims Administration Services	**Fee per Claim**	**Fee per Claim**	**Fee per Claim**	**Fee per Claim**
Incident	Included	Included	$20	$30
Medical Only	Included	Included	$50	$195
Indemnity	Included	Included	$700	$850
Administrative Fee	None	None	None	$3,500
Year 1 Fee	**$78,500**	**$79,950**	**$161,993**	**$90,378**
Services	**Fee per Claim**	**Fee per Claim**	**Fee per Claim**	**Fee per Claim**
Special,Investigations	$85 per hour	$95 per hour	$175 per hour	$84 per hour
Pre-Authorizations	**Pre-Clinical:** $22 Flat Fee / $140 pre-cert	**Pre-Clinical:** $25 Flat Fee / $140 pre-cert	**Pre-Cert:** $155	$150 flat fee per request
Medical Review	Included	Included	$650	$125 coordination fee + cost
Large Case Management	$95 per hour	$98 per hour	$90 per hour	Included
Bill Review	$8.25 per bill	$8.75 per bill	$8 per bill	$7.50 per bill
Legacy Claims	Included	Included	$700	Included
Attorney	**BRC:** $650 flat fee/**CCH:** $150 per hour	**BRC:** $650 flat fee/**CCH:** $150 per hour	$175 per hour	$75 per hour
Additional Fees				
	MMSEA Reporting: $10 per claim **Peer Review:** Level 1 = $250, Level 2 = $295 flat rate	**MMSEA Reporting:** $10 per claim **Peer Review:** Level 1 = $275, Level 2 = $295 flat rate	**Provided (2) options:** Per Claim and Annual Fixed Fee **One Time Data Set up Fee:** $7,500 for run-in claims	**Provided (2) options:** Per Claim and Annual Fixed Fee ***Offering (2) six hour safety visits***
	Rate Increase **2nd year:** $80,500 / **3rd year:** $82,500	**(3) year flat annual fee**	**Rate Increase** **2nd year:** $128,939 / **3rd year:** $135,029	**(3) year flat annual fee**
			If claim volume increases 10%: **Medical Only:** $175 **Indemnity:** $1280	**Loss Control Services:** $125 per hour, (6) hour minimum per visit

Prepared by: Valley Risk Consulting
Source: RFP # 2021-1021 Workers' Compensation-TPA Services

McAllen Independent School District

Summary of Comparative Cost
RFP # 2021-1021 (Workers Compensation Stop Loss)
Review Date: 5/3/2021

Best and Final

	Current	Option 1	RECOMMENDED Option 2
Company	State National Insurance Company	Star Insurance Company	Midwest Employers Casualty
Agent	Montalvo Insurance Company	Montalvo Insurance Company	Frost Insurance Company
AM Best Rating	"A-X"	"A- / IX"	"A+/XV"
Location	Fort Worth, TX	Southfield, MI	Chesterfield, MO

	Current	Option 1	Option 2	Option 3	RECOMMENDED Option 1	Option 2
Policy Limits						
Damages, Each Claim	**Statutory**	**Statutory**	**Statutory**	**Statutory**	**Statutory**	**Statutory**
Damages, Policy Aggregate	**Statutory**	**Statutory**	**Statutory**	**Statutory**	**Statutory**	**Statutory**
Claims Expenses, Each claim	**Statutory**	**Statutory**	**Statutory**	**Statutory**	**Statutory**	**Statutory**
Claims Expenses, Policy Aggregate	**Statutory**	**Statutory**	**Statutory**	**Statutory**	**Statutory**	**Statutory**
Deductible	$ 400,000	$ 400,000	$ 450,000	$ 500,000	$ 400,000	$ 500,000
Premium	$ 85,132.00	$ 98,307.00	$ 91,965.00	$ 79,280.00	$ 92,382.00	$ 85,710.00
Annual Total Premium	**$ 85,132.00**	**$ 98,307.00**	**$ 91,965.00**	**$ 79,280.00**	**$ 95,153.00**	**$ 88,281.00**

Notes:
Coverage is ***statutory*** *(no limits on claims/aggregate)*
Employers Liability: *$1,000,000 - Occurrence / $1,000,000*
Cash Flow Protection *per accident, per payment -year retention of $250,000: Rate ($.0051),* ***Premium: ($8,512)***
Terrorism *Charges included in rate*

Notes:
Coverage is ***statutory*** *(no limits on claims/aggregate)*
Employers Liability: *$1,000,000 - Occurrence / $1,000,000*
Terrorism *not included*
Annual Total Premium *includes the TRIA Premium below of $2,771*

TRIA (Terrorism) Premium:
$2,771 $2,571

Prepared by: Valley Risk Consulting
Source: RFP # 2021-1021 WC Stop Loss

MCALLEN INDEPENDENT SCHOOL DISTRICT
CONTRACT NO. 2021-237 TRISTAR Risk Management through Request for Proposal No. 2021-1021

This contract ("Contract"), made and entered into effective by and between **McALLEN INDEPENDENT SCHOOL DISTRICT** (hereinafter referred to as "District") and **TRISTAR Insurance Group dba TRISTAR Risk Management**, a California corporation (hereinafter referred to as "Contractor").

WITNESSETH:

WHEREAS, District recognizes that the Human Resources Department of District (the "Department") requires certain services ("Services") rendered by Contractor who has the training, experience, and qualifications necessary to provide the services;

WHEREAS, District requested proposals from vendors for Services, more particularly described on Exhibit A attached hereto ("District's Request for Proposal No. 2021-1021);

WHEREAS, Contractor submitted a response to the District's proposal;

WHEREAS, District has determined that the proper, orderly and efficient delivery of quality Services for the District can be accomplished best by contracting with Contractor in accordance with the local, state and federal regulations for procurement;

WHEREAS, District has determined that for proper and efficient operation of the Department, several objectives must be met, including, among others, coordination of schedules and assignments, administrative ease and efficiency, consistency and uniformity in book and recordkeeping, and the delivery of quality Services;

WHEREAS, the Contractor is willing to accept the responsibility of providing the Services to the District in accordance with recognized standards, the Board Policies of District, applicable laws and regulations and the terms and conditions set forth in this Contract; and

WHEREAS, the parties desire to provide a full statement of their agreement in connection with the provision of the Services by Contractor during the term of this Contract;

NOW, THEREFORE, in consideration of the following mutual agreements and covenants, it is understood and agreed by and between the parties hereto as follows:

1. OBLIGATIONS OF THE CONTRACTOR

Contractor shall perform all of the work and provide all equipment, materials, and labor required in accordance with the terms and conditions of the Contract Documents, as hereinafter defined.

Contractor represents and warrants to District that Contractor possesses all of the licenses, permits, and expertise required to provide the equipment, materials, and labor and perform the services contemplated hereunder. Contractor warrants and represents that during the term of this Contract, Contractor shall maintain all such licenses and

permits. Contractor warrants that the services rendered and equipment, materials, and labor furnished shall be in accordance with the terms of the Contract Documents.

The term Contract Documents as used herein shall include the following documents, and this Contract does hereby expressly incorporate same herein as fully as if set forth verbatim in this Contract. The terms and provisions of this Contract shall control with respect to any conflicting or inconsistent terms or provisions in any exhibit to this Contract.

A. This Contract

B. Exhibit "A" – District's Request for Proposal No. 2021-1021

C. Exhibit "B" – Vendor's Response to Request for Proposal No. 2021-1021

D. Exhibit "C" – Certificate of Insurance

This Contract is entered into subject to the following conditions:

A. Contractor shall use its best efforts to keep to a minimum disruption or interruption of duties and/or work of employees of District and /or the learning environment of students of District while performing its work in accordance with the Contract Documents.

B. Contractor assumes full responsibility and liability for all labor and materials furnished and activities conducted by Contractor pursuant to this Contract and any action or omission incident thereto.

2. INSURANCE COVERAGE

At all times during the term of this Contract, Contractor will, at Contractor's expense, carry and maintain the following insurance coverages with the minimum coverage amounts as follows:

A. Statutory Workers' Compensation (REQUIRED FOR WORK PERFORMED ON DISTRICT PROPERTY) and Employer's Liability Limits - $500,000

B. Commercial General Insurance (occurrence basis only) $1,000,000 each claim and in the aggregate.

C. Business Commercial or Personal Automobile Liability Insurance in the amounts specified by the Texas Tort Claims Act, Chapter 101 of the Texas Practice and Remedies Code for all owned, non-owned and hired vehicles; each person $100,000; each accident $300,000; and for property damage, each occurrence of $100,000. No deletions/exclusions from standard coverage form allowed without written consent of District. (REQUIRED FOR WORK PERFORMED ON DISTRICT PROPERTY).

D. The District shall be named as an additional insured by endorsement on the Contractor's policy as to the subject job.

E. The Contractor will provide a certificate of insurance to the Administrator of the Department evidencing such coverage and will notify the Administrator in writing immediately if any change in coverage occurs for any reason. Such Certificate of insurance shall be attached to this Contract as Exhibit C.

3. TRANSFER, ASSIGNMENT, ETC.

Contractor agrees, for itself and on behalf of its successors, and any person or persons claiming under Contractor by virtue hereof, that this Contract and the rights, interests, and benefits hereunder cannot be assigned, transferred, pledged, or hypothecated in any way and shall not be subject to execution, attachment, or similar process. Any such attempt to do so, contrary to the terms hereof, shall be null and void and shall relieve the District of any and all obligations or liability hereunder.

4. ADJUDICATION

If any provision, paragraph, or subparagraph of this Contract is adjudged by any court of law to be void or unenforceable, in whole or in part, such adjudication shall not be deemed to affect the validity of the remainder of the Contract, including any other provision, paragraph, or subparagraph.

5. PROVISIONS, PARAGRAPHS

Each provision, paragraph, and subparagraph of this Contract is declared to be separable from every other provision, paragraph, and subparagraph and constitutes a separate and distinct covenant.

6. PAYMENT

As consideration for performing the services and supplying the equipment, materials and labor pursuant to the Contract Documents, District agrees to pay Contractor a cost consistent with the pricing agreed upon, a copy of which is attached hereto as Exhibit B and is incorporated herein for all purposes. The payment for services, materials, and labor shall be paid by District to Contractor as invoiced upon successful and satisfactory installation of equipment and materials pursuant to the Contract Documents upon verification by District's authorized representative of such invoice in compliance with the Contract Documents.

7. TAXES AND BENEFITS

Contractor expressly acknowledges that Contractor will be acting as an independent contractor for all purposes, including payment of social security, withholding taxes, and all other federal, state, and local taxes. Contractor, as independent contractor, shall be solely responsible to its employees, agents, third party contractors any other person supplying labor or material for Contractor in performing any portion of this Contract or any action or omission incident

thereto. Contractor also agrees to pay for and provide workers compensation insurance covering all employees working for Contractor in performing labor pursuant to this Contract or any activity incident thereto.

8. INCURRING FINANCIAL OBLIGATION

The Contractor will incur no financial obligation on behalf of District without prior written approval of the Superintendent of District. The Contractor will be responsible for all personal and professional expenses.

9. ACCESS TO BOOKS AND RECORDS

Contractor recognizes that District is a participant in governmental payment programs. In connection with such programs, the Contractor agrees to cooperate with District and provide to District reasonable assistance in District's efforts to meet the requirements for participation in and payment under such programs.

10. NON-DISCRIMINATION

Contractor will not discriminate on the basis of race, color, sex, age, religion, national origin, or handicap in providing services under this Contract or in the selection of associates, employees, or independent contractors.

11. HOLD HARMLESS

Contractor agrees to hold harmless and indemnify District from any liability and/or damages, which may directly or indirectly arise from or occur in connection with Contractor's performance under this Contract or any action, activity or omission incident thereto. Such indemnification shall include but not be limited to all District's attorneys' fees and costs incurred in defending or responding to any action brought or threatened against District for any action or omission arising from or incident to Contractor's performance under this Contract.

12. TERM AND TERMINATION OF CONTRACT

Term. The term of this Contract shall be for a primary term of three (3) years commencing June 1, 2021 and ending May 31, 2024. All services must be completed during the term of the Contract.

A. **Termination without Cause**. District shall have the right to terminate this Contract without cause on thirty (30) days written notice to the Contractor.

B. Termination with Cause.

a. Termination by District. District may terminate this Contract immediately upon the occurrence of any of the following events:

i. Any conduct of the Contractor, which jeopardizes the health, safety, or welfare of any person, or the safety, reputation, or the regular functions of the District.

ii. Failure to provide evidence of liability insurance, as required by numbered Paragraph 2 hereof.

iii. Failure of Contractor to immediately bar any individual from performing services under this Contract, if such individual does not meet the qualifications required by this Contract or if such individual commits a material breach of one of the terms of this Contract.

iv. In addition, if the Contractor commits a material breach of any of the terms of this Contract, other than those listed in subsections (i) through (iii) above, District may terminate this Contract upon no less than thirty (30) days written notice.

b. Termination by Contractor. In the event District breaches any material term of this Contract, Contractor may terminate this Contract upon no less than fifteen (15) days written notice.

c. Non-Interference. Following the expiration of this Contract or its termination for any reason, Contractor agrees to do nothing that may interfere with any contract of District with any other individual or entity for the provision of the services herein.

13. NOTICES

All notices provided to be given under this Contract shall be given in writing and will be deemed delivered when deposited in the United States Postal Service by certified or registered mail, addressed to the proper party, at the following addresses:

If to District:
McAllen Independent School District
Attn: Jose A. Gonzalez, Superintendent
2000 N. 23rd Street
McAllen, Texas 78501

If to Contractor:
TRISTAR Insurance Group dba TRISTAR Risk Management
Attn: Thomas J. Veale, President
700 Oceangate, Suite 700
Long Beach, CA 90802

Either party may change the address to which notices are to be sent by giving the other party notice of the new address in the manner provided in this section.

14. LAW

THE INTERPRETATION AND ENFORCEMENT OF THIS CONTRACT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS AND ALL OBLIGATIONS OF THE PARTIES CREATED BY THIS AGREEMENT ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS.

15. NO IMPLIED WAIVER

No waiver or modification of the Contract Documents shall be valid unless it is in writing and signed by the District and Contractor.

16. SEVERABILITY

The invalidity or unenforceability of any provisions of this Contract will not affect the validity or enforceability of any other provision.

17. ASSIGNABILITY

The right and obligations of District hereunder shall inure to the benefit of and be binding upon the successors and assigns of District. The Contractor may not assign Contractor's rights or obligations under this Contract without District's written consent. Any assignment in violation of this provision shall give District the right to terminate this Contract immediately, upon written notice to the Contractor.

18. AMENDMENTS

All provisions of the Contract Documents shall be strictly complied with and performed by Contractor; and no amendment to this Contract shall be made except upon the written agreement by the parties. No amendment shall be construed to release either party from any obligation, representation, and/or warranty of the Contract Documents except as specifically provided for in such amendment.

19. ENTIRE CONTRACT

This Contract constitutes the entire agreement of the parties with respect to the subject matter hereof. This Contract supersedes any and all other agreements, whether oral or in writing, between the parties with respect to the subject matter the Contract.

20. INTERPRETATION

The defined terms used herein are for convenience only and do not limit the contents of this Contract.

21. VARIATIONS OF PRONOUNS

All pronouns and all variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons or entity may require.

22. AUTHORIZATION FOR CONTRACT

The execution and performance of this Contract by District and Contractor have been duly authorized by all necessary laws, resolutions or corporate action, and this Contract constitutes the valid and enforceable obligations of Contractor and District in accordance with its terms.

23. IMMUNITIES

Nothing in this Contract is intended to and District does not hereby waive, release or relinquish any right to assert any of the defenses District enjoys by virtue of the state or federal constitution, laws, rules or regulations, and any

sovereign, official or qualified immunity available to District as to any claim or action of any person, entity, or individual against District.

24. NON-APPROPRIATION OF FUNDS.

In the event no funds or insufficient funds are appropriated and budgeted for the services and funds are otherwise unavailable, by any means whatsoever, in any fiscal period in which the payments for the services are due under this Contract, then District shall, not less than sixty (60) days prior to the end of such applicable fiscal period, in writing, notify Contractor and any assignee of such occurrence. This Contract shall thereafter terminate and be rendered null and void on the last day of the fiscal period for which appropriations were made, without penalty, liability or expense to the District of any kind, except as to (i) the portions of the payment herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available and (ii) District's other obligations and liabilities under this Contract relating to, accruing or arising prior to such termination. In the event of such termination, District agrees to peaceably request that the Contractor or its assignee stop the services on the date of such termination.

25. FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT (FERPA).

Parental consent must be obtained before personally identifiable information is used for any purpose other than meeting a requirement under the Individuals with Disabilities Education Act or disclosed to anyone other than officials of agencies collecting or using this information. The District may not release information from these records without parental consent except as provided in the Family Educational Rights and Privacy Act (FERPA).

26. CRIMINAL HISTORY INFORMATION.

Pursuant to Texas Education Code Section 22.0834, Contractor shall obtain criminal history record information that relates to an employee, applicant for employment, agent or subcontractor of the Contractor if the employee, applicant, agent, or subcontractor has or will have continuing duties related to the contracted services herein, and the duties are or will be performed on school property or at another location where students are regularly present. Contractor shall certify to District before beginning work and at no less than on an annual basis thereafter, that this process was followed.

Contractor shall assume all expenses associated with the background checks, and shall immediately remove any employee or agent who was convicted of a felony, or misdemeanor involving moral turpitude, as defined by Texas law, from District's property or other location where students are regularly present, District shall be the final decider of what constitutes a "location where students are regularly present". Contractor's violation of this section shall constitute a material breach of contract. If the Contractor is the person, owner, or operator of the business entity, that individual may not self-certify regarding the criminal history record information and its review, and must submit original evidence of compliance acceptable to District, with this Contract.

27. ENTITIES THAT BOYCOTT ISRAEL

If Contractor is required to make a certification pursuant to Section 2270.002 of the Texas Government Code, Contractor certifies that Contractor does not boycott Israel and will not boycott Israel during the term of the contract resulting from this solicitation. If Contractor does not make that certification, Contractor must indicate that in its Response and state why the certification is not required.

28. Sec. 2252.152 CONTRACTS WITH COMPANIES ENGAGED IN BUSINESS WITH IRAN, SUDAN, OR FOREIGN TERRORIST ORGANIZATION PROHIBITED.

A governmental entity may not enter into a governmental contract with a company that is identified on a list prepared and maintained under Section 806.051, 807.051, or 2252.153.

Sec. 2252.153. **LISTED COMPANIES.** The comptroller shall prepare and maintain, and make available to each governmental entity, a list of companies known to have contracts with or provide supplies or services to a foreign terrorist organization.

Sec. 2252.154. **EXCEPTION.** Notwithstanding any other law, a company that the United States government affirmatively declares to be excluded from its federal sanctions regime relating to Sudan its federal sanctions regime relating to Iran, or any federal sanctions regime relating to a foreign terrorist organization is not subject to contract prohibition under this subchapter. SECTION 2. Subchapter F, Chapter 2252, Government Code, as added by this Act, applies only to a contract or purchase for which a governmental entity first advertises or otherwise solicits bids, proposals, offers, or qualifications on or after the effective date of this Act. SECTION 3. This Act takes effect September 1, 2017.

29. BREACH OF CONTRACT AND FEES

If either party hereto shall breach any of the terms hereof, such party shall pay to the non-defaulting party all of the non-defaulting party's costs and expenses, including attorney's fees, incurred by such party in enforcing the terms of this Contract.

30. FURTHER DOCUMENTS

The parties hereto covenant and agree that they will execute such other and future instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Contract.

31. BINDING NATURE

This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Contract.

32. CONTRACT TERMS CONTROL

The terms and provisions of this Contract shall control with respect to any conflicting or inconsistent terms or provisions in any exhibit to this Contract.

IN WITNESS WHEREOF, the execution and performance of this Contract by each of the parties hereto have been duly authorized by all necessary laws, resolutions, ordinances, or governing body action, and this Contract constitutes the valid and enforceable obligations of the parties hereto in accordance with its terms.

EXECUTED on _____
Date

DISTRICT:

McAllen Independent School District

By:_____
Conrado Alvarado, Board President

VENDOR:

TRISTAR Insurance Group dba TRISTAR Risk Management

By:_____
Thomas J. Veale, President

Approved as to form:
Atlas Hall & Rodriguez, LLP
by: Stephen L. Crain
Stephen L. Crain (May 6, 2021 12:57 CDT)
Stephen Crain

Exhibit "A" – District's Request for Proposal No. 2021-1021

2021-1021 Addendum 3

Workers' Compensation Insurance Self-Funded Claims Administration Services & Stop Loss Insurance

Issue Date: 3/31/2021
Questions Deadline: 4/16/2021 10:00 AM (CT)
Response Deadline: 4/21/2021 03:00 PM (CT)

Contact Information

Contact: Liz Montes, Senior Buyer
Address: Purchasing Services
Administration Office
2000 N 23rd St
McAllen, TX 78501-6126
Phone: (956) 657-4485
Fax: (956) 657-4481
Email: emontes@mcallenisd.net

Event Information

Number:	2021-1021 Addendum 3
Title:	Workers' Compensation Insurance Self-Funded Claims Administration Services & Stop Loss Insurance
Type:	Request for Proposal
Issue Date:	3/31/2021
Question Deadline:	4/16/2021 10:00 AM (CT)
Response Deadline:	4/21/2021 03:00 PM (CT)
Notes:	McAllen Independent School District (the "District") invites your submittal on the above referenced project.

Submittals shall be received via one of the following:

- electronic submittals through the District's Bidding Portal, https://mcallenisd.ionwave.net/Login.aspx ;
- mail*; or
- hand-delivered*.

Submittals received after this deadline will be void and unacceptable. Facsimile transmittals and/or emailed submittals will not be accepted.

Any questions regarding this solicitation must be submitted through the "Questions" option located on the Ionwave website, no later than the date and time specified on the solicitation. Questions/clarifications regarding this solicitation will not be answered by phone nor email.

Billing Information

Contact: Iris Luna, Director
Address: Accounting
2000 N. 23rd Street
McAllen, TX 78501
Phone: (956) 6328403
Email: iris.luna@mcallenisd.net

Bid Activities

Proposal Opening

4/21/2021 3:00:00 PM (CT)

A virtual proposal opening will be held and the names of the companies responding will be announced.

Respondents interested in attending the virtual proposal opening must submit their email address to emontes@mcallenisd.net, no later than 4:00 PM on 04/20/2021.

Bid Attachments

General Terms and Conditions RFP.pdf View Online

General Terms and Conditions RFP

2021-1021 Specifications and Scope of Work.pdf View Online

2021-1021 Specifications and Scope of Work

IRS FORM W-9 Revised Oct 2018 (Fillable Form).pdf View Online

W-9 Form

CIQ FORM FILLABLE R1.1.2021.pdf View Online

Conflict of Interest Questionnaire (CIQ) form

2020-1021 Data.xlsx View Online

2020-1021 Data

2021-1021 Addendum 1.pdf View Online

2021-1021 Addendum 1

2021-1021 Addendum 2.pdf View Online

2021-1021 Addendum 2

COVID-19 HR Memo 3-25-21 (Final).pdf View Online

COVID-19 HR Memo 3-25-21 (Final)

COVID-19 RTS STAFF PLAN 5.0 - 032221.pdf View Online

COVID-19 RTS STAFF PLAN 5.0 - 032221

Employee Absence Instructions 3-25-21.pdf View Online

Employee Absence Instructions 3-25-21

2021-1021 Addendum 3.pdf View Online

2021-1021 Addendum 3

EE by Location Revised.xlsx View Online

EE by Location Revised

Requested Attachments

Completed W-9 Form

(Attachment required)

Upload your completed W-9 form.

Completed Conflict of Interest Questionnaire (CIQ)

(Attachment required)

Upload your completed CIQ.

If no conflict, indicate "N/A" (Not applicable) on the form.

Completed Form 1295 or Exemption Statement

(Attachment required)

Form must be completed online: http://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

If not applicable to your company, please attach a statement indicating the reason.

Proof of Insurance (Acord Certificate of Insurance Form)

(Attachment required)

Upload your certificate of insurance in Acord form.

Claim Administration Experience - Optional Attachment

If necessary, attach additional page describing Claim Administration experience.

Quotation – Specific (Attach Specimen Policy and Ins Co. Quotation Document) Self Insured Retention (Per Occurrence)

Upload Quotation – Specific (Attach Specimen Policy and Ins Co. Quotation Document) Self Insured Retention (Per Occurrence)

Copy of Agent's current license

Upload a copy of Agent's current license

Copy of Certificate of the agent’s E & O insurance

Upload Certificate of the agent’s E & O insurance

Resume(s) of proposed account representative(s)

(Attachment required)

Upload Resume(s) of proposed account representative(s)

Adjusters licenses

Upload adjuster(s) licenses

Current, audited financial statement (as applicable)

If Proposer from self-insured pool, upload a current, audited financial statement (Balance Sheet and Statement of Operations), including auditor’s opinion and Reinsurances Provisions.

Additional vendor information relating to this RFP - Optional Attachment

Upload additional vendor information relating to this RFP

Bid Attributes

1	**GENERAL TERMS AND CONDITIONS** **GENERAL TERMS AND CONDITIONS**
2	**General Terms and Conditions** Please download and read the General Terms and Conditions for this solicitation. Acknowledge you have read, understand and accept the general terms and conditions. **This is your electronic signature. ☐ I have read, understand and accept. *(Required: Check if applicable)*
3	**SPECIFICATIONS AND SCOPE OF WORK** .
4	**Specifications and Scope of Work** Please download and read the Specifications and Scope of Work for this solicitation. Acknowledge you have read, understand and accept the specifications and scope of work. **This is your electronic signature. ☐ I hereby acknowledge. *(Required: Check if applicable)*
5	**DEVIATIONS/COMPLIANCE** **DEVIATIONS/COMPLIANCE**

6 Deviation/Compliance

I certify that there are NO deviations or exceptions from the attached specific terms, conditions, and specifications.

**This is your electronic signature.

☐ Agree - NO DEVIATIONS. ☐ Do Not Agree - Please see below.

(Required: Check only one)

7 Deviations and Exceptions

If your company intends to deviate from the Specifications listed in the attached documents, all such deviations and exceptions must be listed here, with complete and detailed conditions and information included. The District may consider any deviations or exceptions in its bid award decisions. The District reserves the right to accept or reject any proposals based upon any deviations indicated below. If none, please enter N/A (Not Applicable).

(Required: Maximum 4000 characters allowed)

8 CONFLICT OF INTEREST

CONFLICT OF INTEREST

9 Conflict of Interest Questionnaire (CIQ)

All Bidders doing business with the District must provide a Conflict of Interest Questionnaire Form as required by Texas Local Gov't Code 176.006. Failure to submit may result in disqualification of bid submission.

Does this vendor have conflict of interest with McAllen Independent School District?

☐ Yes ☐ No

(Required: Check only one)

10 CONTRACTOR CERTIFICATION

CONTRACTOR CERTIFICATION

11	**Felony Conviction Notification** Texas Education Agency Code, Section 44.034, Notification of Criminal History, Subsection (a), states, "A person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony." Subsection (b) states, "A school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract." This notice is not required of a publicly held corporation. Select where applicable: A. My company is a publicly held corporation; therefore, this reporting requirement is not applicable. B. My company is not owned nor operated by anyone who has been convicted of a felony. C. My company is owned and operated by an individual who has/have been convicted of a felony. **This is your electronic signature. ☐ A. My company is a publicly held corporation. ☐ B. My company is not owned nor operated by a felon ☐ C. My company is owned and operated by a felon. *(Required: Check only one)*

12	**Felony Conviction Details** If your firm is owned or operated by anyone who has been convicted of a felony, please list their names and the details of the conviction(s). If not applicable, please enter N/A (not applicable). _____ _____ _____ _____ _____ _____ *(Required: Maximum 4000 characters allowed)*

13 **Criminal History Record Information Review of Certain Contract Employees**

Bidder agrees to comply with Section 22.0834. Criminal History Record Information Review of Certain Contract Employees, Texas Education Code if awarded a contract through this solicitation. The undersigned Bidder, if awarded a contract, shall obtain criminal history record information through the criminal history clearinghouse as provided by Section 411.0845, Government Code relating to an employee or applicant who has or will have continuing duties related to the contracted services; and the employee or applicant has or will have direct contact with students. The Bidder agrees to certify of the receipt of criminal history record information before or immediately after employing or securing the services of the employee or applicant that has or will have continuing duties related to the contracted services if the employee or applicant has or will have direct contact with students. The Bidder further agrees that if awarded a contract, shall assume all expenses associated with the criminal background check and shall immediately remove any employee or agent who was convicted of a felony or misdemeanor involving moral turpitude, as defined by Texas law, from District property or the location where students are present.

A. None of my employees and any of my subcontractors has or will have continuing duties related to the contracted services; and has or will have direct contact with students. I further certify that my company has taken precautions or imposed conditions to ensure that my employees and any subcontractor will not have continuing duties related to the contracted services; and will not have direct contact with students throughout the term of the Contract.

OR

B. **Some or all of my employees** and/or my subcontractors will have continuing duties related to the contracted services; and will have direct contact with students. I further certify that:

1. I have obtained all required criminal history record information regarding all of my employees and/or my subcontractors. None of my employees and/or my subcontractors has any conviction or other criminal history information if at the time of the offense, the victim was under 18 or enrolled in a public school: (a) a felony offense under Title 5, Texas Penal Code; (b) an offense for which a defendant is required to register as a sex offender under Chapter 62, Texas Code of Criminal Procedure; or (c) an equivalent offense under federal law or the laws of another state. **If available, attach a copy of your FAST Pass Receipt**.
2. If I receive information that any of my employees and/or subcontractors subsequently has a reported criminal history, I will immediately remove the covered employee from contract duties and notify the District in writing immediately.
3. I will provide the District with the names and any other requested information regarding any of my employees and/or subcontractors so the District may obtain criminal history record information if awarded a contract.
4. If the District objects to the assignment of any of my employees and/or subcontractors, I agree to discontinue using the individual to provide services to the District.

**This is your electronic signature.

☐ A. None - I hereby agree and certify. ☐ B. Some or All - I hereby agree and certify.

(Required: Check only one)

14 **Debarment and Suspension (Executive Orders 12549 and 12689)**

Contractor certifies that neither it nor its principals are currently listed on the government-wide exclusions in SAM as debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549. Contractor further agrees to immediately notify the District if he/she is later listed on the government-wide exclusions in SAM, or is debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Does Contractor agree?

*This is your electronic signature.

☐ I have read and agree.

(Required: Check if applicable)

15 Confidential/Copyrighted Information

Contractor agrees, if a bid is, or parts of bid is confidential, the Contractor has specified by stamping in bold letters the term “CONFIDENTIAL” on all or the confidential part of the bid. The bid may be considered public information even though all or parts are marked confidential. Furthermore, Contractor agrees a copyrighted bid is unacceptable and will be disqualified as unresponsive.

**This is your electronic signature.

☐ I have read and agree.

(Required: Check if applicable)

16 Declaration of Business Location - Texas Education Code 44.031(b)(8)

Bidder certifies the Bidder’s or the Bidder’s ultimate parent company or majority owner:

A. Has its principal place of business in the State of Texas; OR
B. Employs at least 500 persons in the State of Texas
C. Principal place of business is not in the State of Texas.

**This is your electronic signature.

☐ A. Principal place of business is in TX ☐ B. Principal place employs 500+ in Texas

☐ C. Principal place is NOT in Texas

(Required: Check only one)

17 Declaration of Business Location - Texas Education Code 44.031(b)(8)

Specify principal place of business (City/State).

If not applicable, please enter N/A (not applicable).

***This is your electronic signature.

(Required: Maximum 4000 characters allowed)

18 Owner(s) Name of Business

Bidder certifies the owner(s) name of the business submitting bid is/are (Specify name(s) below. If not applicable, please indicate N/A.)

**This is your electronic signature

(Required: Maximum 4000 characters allowed)

19 Delinquent Taxpayers

In accordance with law, the District shall not enter into a contract or other transaction with a person indebted to the District, nor shall the District award a contract to or enter into a transaction with an apparent low bidder or successful proposer indebted to the District.

[ ] I am not a delinquent taxpayer to McAllen ISD
[ ] I am a delinquent taxpayer to McAllen ISD (your bid may be disqualified if your debt is not cleared prior to award.)

**This is your electronic signature.

☐ I am not a delinquent taxpayer to McAllen ISD ☐ I am a delinquent taxpayer to McAllen ISD
(Required: Check only one)

20 Texas Historically Underutilized Businesses (HUB) – Texas Education Code 44.031(b)(6) or Small and Minority Firms, Women's Business Enterprises, & Labor Surplus Area Firms

Contractor certifies the Bidder's company is HUB certified with the State of Texas.

[ ] I am an Active certified HUB vendor (attach HUB certificate):
[ ] Small and Minority Firms, Women's Business Enterprises and Labor Surplus Area Firms
[ ] I am neither.

**This is your electronic signature.

☐ [Select One] ☐ I am an Active certified HUB vendor

☐ Small and Minority, WBE, Labor Surplus Area Firms ☐ I am neither.
(Required: Check only one)

21 Buy American Provision

Contractor certifies that Contractor is in compliance with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must still follow the applicable procurement rules calling for free and open competition.

**This is your electronic signature.

☐ I have read and hereby certify.
(Required: Check if applicable)

22 Entities That Boycott Israel

If Bidder is required to make a certification pursuant to Section 2270.002 of the Texas Government Code, Bidder certifies that Bidder does not boycott Israel and will not boycott Israel during the term of the contract resulting from this solicitation. If Bidder does not make that certification, Bidder must indicate that in its Response and state why the certification is not required.

**This is your electronic signature.

☐ I agree and hereby certify.
(Required: Check if applicable)

23 CONTRACTOR CERTIFICATION (FEDERAL CLAUSES)

CONTRACTOR CERTIFICATION (FEDERAL CLAUSES)

24 Federally Funded Purchases

Contractor certifies that Contractor is in compliance with all applicable provisions for federally funded purchases.

**This is your electronic signature.

☐ I have read and hereby certify.
(Required: Check if applicable)

25	**Contracts in Excess of $250,000** Contracts for more than the simplified acquisition threshold currently set at $250,000,which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate. Does Vendor agree? *This is your electronic signature. ☐ I have read and agree. *(Required: Check if applicable)*
26	**Contracts in Excess of $10,000** All contracts in excess of $10,000 must address termination for cause and for convenience including the manner by which it will be effected and the basis for settlement. Does Vendor agree? *This is your electronic signature. ☐ I have read and agree. *(Required: Check if applicable)*
27	**Equal Employment Opportunity** Except as otherwise provided under 41 CFR Part 60,all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity”(30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” Does Vendor agree? *This is your electronic signature. ☐ I have read and agree. *(Required: Check if applicable)*

28 **Davis-Bacon Act, as amended (40 U.S.C. 3141-3148)**

When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-
Federal entity must report all suspected or reported violations to the Federal awarding agency.

Does Vendor agree?

*This is you electronic signature.

☐ I have read and agree.
(Required: Check if applicable)

29 **Contract Work Hours and Safety Standards Acts (40 U.S.C. 3701-3708)**

Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

Does Vendor agree?

*This is your electronic signature.

☐ I have read and agree.
(Required: Check if applicable)

30 **Rights to Inventions Made Under a Contract or Agreement**

If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or sub-recipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or sub recipient must comply with the requirements of 37 CFR Part 401,"Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

Does Vendor agree?

*This is your electronic signature.

☐ I have read and agree.
(Required: Check if applicable)

31	**Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387)** Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of $250,000 must contain a provision that requires the non- Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Does Vendor agree? *This is your electronic signature. ☐ I have read and agree. *(Required: Check if applicable)*
32	**Debarment and Suspension (Executive Orders 12549 and 12689)** A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Does Vendor agree? *This is your electronic signature. ☐ I have read and agree. *(Required: Check if applicable)*
33	**Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)** Contractors that apply or submit an offer for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the award. Does Vendor agree? *This is your electronic signature. ☐ I have read and agree. *(Required: Check if applicable)*

34 **Solid Waste Disposal Act**

A an entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines

Does Vendor agree?

*This is your electronic signature.

☐ I have read and agree.

(Required: Check if applicable)

35 **MWBE Compliance**

If vendor will be subcontracting any work under this award, if successful, vendor must agree to comply with federal requirements stated on 2 CFR §200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

Does Vendor agree?

*This is your electronic signature.

☐ I have read and agree.

(Required: Check if applicable)

36 **Buy American Provision**

Does Vendor agree?

*This is your electronic signature.

☐ I have read and agree.

(Required: Check if applicable)

37 **QUESTIONNAIRE**

CLAIM ADMINISTRATION SERVICES QUESTIONNAIRE

38 **What year was company founded?**

☐

(Required: Numbers only)

39 **RFP Contact Representative's name and email address:**

_____

_____

_____

(Required: Maximum 200 characters allowed)

40	**Describe Claim Administration experience: (Attach additional pages as necessary on the "Response Attachments" tab)** *(Required: Maximum 4000 characters allowed)*
41	**Number of Workers' Compensation Claims Administration Clients:** *(Required: Numbers only)*
42	**Total Workers' Compensation Client Employee Lives:** *(Required: Numbers only)*
43	**Number of Texas Independent School District Workers' Compensation Claims Administration accounts:** *(Required: Numbers only)*
44	**REFERENCES** **Provide three (3) Texas Workers' Compensation Claims Administration references preferably school districts of comparable size.**
45	**Reference 1 - Client Name** *(Required: Maximum 50 characters allowed)*
46	**Contact Person** *(Required: Maximum 50 characters allowed)*

47	**Telephone Number** *(Required: Maximum 20 characters allowed)*
48	**No. of Employees** *(Required: Numbers only)*
49	**Reference 2 - Client Name** *(Required: Maximum 50 characters allowed)*
50	**Contact Person** *(Required: Maximum 50 characters allowed)*
51	**Telephone Number** *(Required: Maximum 20 characters allowed)*
52	**No. of Employees** *(Required: Numbers only)*
53	**Reference 3 - Client Name** *(Required: Maximum 50 characters allowed)*

54	**Contact Person** *(Required: Maximum 50 characters allowed)*
55	**Telephone Number** *(Required: Maximum 20 characters allowed)*
56	**No. of Employees** *(Required: Numbers only)*
57	**Do you provide the following services within the terms of the contract and quoted fee? (Indicate fee if available for an additional fee, or included as part of a subcontract or other arrangement.):**
58	**Representation at all Benefit Review Conferences** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
59	**If no, list additional fee.** *(Optional: Numbers only)*
60	**Representation at Contested Case Hearings** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
61	**If no, list additional fee.** *(Optional: Numbers only)*
62	**Legal Representation at Benefit Review Conferences and at Contested Case Hearings** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
63	**If no, list additional fee.** *(Optional: Numbers only)*

64	**Legal Representation at Benefit Review Conferences and at Contested Case Hearings - Does your firm select the law firm?** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
65	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
66	**Legal Representation at Benefit Review Conferences and at Contested Case Hearings - Does the District have the ability to select the law firm of its choosing?** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
67	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
68	**On-site client visits by Adjuster on a scheduled basis** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
69	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
70	**Web-based claims access including access to claim notes** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
71	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
72	**Retaining of private investigator, when necessary** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
73	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
74	**Preauthorization's** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*

75	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
76	**Online Reporting, Claims reports/updates** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
77	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
78	**Provide an adjuster exclusively for District claims** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
79	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
80	**Administer claim for the life of claim** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
81	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
82	**Provide for medical review where necessary** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
83	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
84	**Access to medical provider managed care network** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
85	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
86	**Large Case Management** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*

87	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
88	**Loss Control Services** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
89	**If yes, number of visits included:** ☐ *(Optional: Numbers only)*
90	**Additional visits rate:** ☐ *(Optional: Numbers only)*
91	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
92	**Detailed Loss History Reports** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
93	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
94	**Custom reports on an as needed basis** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
95	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
96	**Reporting to Stop Loss carrier as required/requested** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
97	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
98	**Administration of Legacy Claims** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*

99	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
100	**Bill Review** ☐ Yes ☐ No, list additional fee *(Required: Check only one)*
101	**If no, list additional fee.** ☐ *(Optional: Numbers only)*
102	**Estimate claims per adjuster ratio:** _____ _____ _____ *(Optional: Maximum 1000 characters allowed)*
103	**Primary Claims Adjuster name, experience, and qualifications:** _____ _____ _____ _____ _____ _____ *(Required: Maximum 4000 characters allowed)*
104	**Back-up Claims Adjuster name, experience, and qualifications:** _____ _____ _____ _____ _____ _____ *(Required: Maximum 4000 characters allowed)*
105	**Location of office that handles District's claims:** _____ _____ _____ *(Optional: Maximum 1000 characters allowed)*
106	**Will the District receive monthly claim reports?** ☐ Yes ☐ No *(Required: Check only one)*

107	**Will the District receive expanded quarterly claim reports?** ☐ Yes ☐ No *(Required: Check only one)*
108	**Describe Large Case Management Services:** *(Required: Maximum 4000 characters allowed)*
109	**The District prefers monthly wire transfers to supplement a dedicated escrow account maintained by Third Party Administrator for the sole use of the District. Describe banking/funding arrangements:** *(Required: Maximum 4000 characters allowed)*
110	**Fee Structure The District prefers claim administration services on a flat monthly fee basis. If quoting on a per claim, per type of claim basis, provide a complete description for each of the services, (e.g. Medical Only claims, Indemnity claims, Rec**
111	**Record Only Claims Fee** *(Optional: Numbers only)*
112	**If quoting on a per claim, per type of claim basis, provide a complete description for each of the services.** *(Optional: Maximum 1000 characters allowed)*
113	**Medical Only Claims** *(Optional: Numbers only)*
114	**If quoting on a per claim, per type of claim basis, provide a complete description for each of the services.** *(Optional: Maximum 1000 characters allowed)*

115	**Indemnity Claims** ☐ *(Optional: Numbers only)*
116	**If quoting on a per claim, per type of claim basis, provide a complete description for each of the services.** _____ _____ _____ *(Optional: Maximum 1000 characters allowed)*
117	**Run-In Claims** ☐ *(Optional: Numbers only)*
118	**If quoting on a per claim, per type of claim basis, provide a complete description for each of the services.** _____ _____ _____ *(Optional: Maximum 1000 characters allowed)*
119	**Run-In Claims** ☐ *(Optional: Numbers only)*
120	**If quoting on a per claim, per type of claim basis, provide a complete description for each of the services.** _____ _____ _____ *(Optional: Maximum 1000 characters allowed)*
121	**Are the above fees fixed for a three (3) year period** ☐ Yes ☐ No *(Required: Check only one)*
122	**If not, provide proposed 2nd and 3rd year fees:**
123	**Proposed 2nd Year fees:** ☐ *(Optional: Numbers only)*
124	**Proposed 3rd Year fees:** ☐ *(Optional: Numbers only)*

125	**List any additional information you feel would be relevant.** *(Required: Maximum 4000 characters allowed)*
126	**Disclose any commission and/or agent service fees, as applicable, and all revenue to be received from other sources.** *(Required: Maximum 1000 characters allowed)*
127	**QUESTIONNAIRE** **STOP LOSS INSURANCE QUESTIONNAIRE**
128	**Name of Company:** *(Required: Maximum 1000 characters allowed)*
129	**Address of company:** *(Required: Maximum 1000 characters allowed)*
130	**Contact Person:** *(Required: Maximum 1000 characters allowed)*
131	**Contact Person's email address.** *(Required: Maximum 20 characters allowed)*
132	**Telephone Number:** *(Required: Maximum 20 characters allowed)*

133	**Fax Number:** *(Required: Maximum 20 characters allowed)*
134	**Year Founded:** *(Required: Maximum 20 characters allowed)*
135	**Insurance Company:** ☐ Yes ☐ No *(Required: Check only one)*
136	**A. M. Best Rating/Financial Size:** *(Required: Maximum 40 characters allowed)*
137	**Risk Pool:** ☐ Yes ☐ No *(Required: Check only one)*
138	**Quotation – Specific (Attach Specimen Policy and Ins Co. Quotation Document) Self Insured Retention (Per Occurrence) Annual Premium**
139	**Annual Premium $400,000 Self Insured Retention** *(Required: Maximum 500 characters allowed)*
140	**Annual Premium for Other Self Insured Retention** *(Required: Maximum 500 characters allowed)*

141	**Explain procedure and documentation required for Stop Loss recovery:** *(Required: Maximum 4000 characters allowed)*
142	**Explain any special services/features that are included in the response:** *(Required: Maximum 4000 characters allowed)*
143	**Disclose any commission and/or agent service fees, as applicable, and all revenue to be received from other sources.** *(Required: Maximum 1000 characters allowed)*
144	**ADDENDUM ACKNOWLEDGEMENT** **ADDENDUM ACKNOWLEDGEMENT**
145	**Addendum** Bidder/Respondent acknowledges that he/she will download and review all addenda issued on this project, if applicable. **This is your electronic signature. ☐ I have read and hereby acknowledge. *(Required: Check if applicable)*

Supplier Information

Company Name:

Contact Name:

Address:

Phone:

Fax:

Email:

Supplier Notes

By submitting your response, you certify that you are authorized to represent and bind your company.

Print Name

Signature

ALEJANDRA GONZALEZ
Director of Purchasing Services

McAllen Independent School District is providing the following clarification(s) and/or modification(s) to the referenced project. This information is to be considered a part of the solicitation documents. Respondents are further instructed to acknowledge receipt of addendum on the "Attributes" tab in Ionwave (https://mcallenisd.ionwave.net/Login.aspx).

March 31, 2021

RE: ADDENDUM NO. 1

Please note the following changes for **Request for Proposal No. 2021-1021 Workers' Compensation Insurance Self-Funded Claims Administration Services & Stop Loss Insurance**

The following report has been uploaded for your reference and is available for view/download on the "Attachments" tab:

- 2020-1021 Data.xlsx

RFP Documents/Specifications may be obtained online from the Ionwave website at https://mcallenisd.ionwave.net/Login.aspx, beginning March 3, 2021. Vendors are responsible for viewing the webpage regularly, or prior to submitting a proposal, to ensure that no addenda or additional information have been issued for the solicitation.

ALEJANDRA GONZALEZ
Director of Purchasing Services

McAllen Independent School District is providing the following clarification(s) and/or modification(s) to the referenced project. This information is to be considered a part of the solicitation documents. Respondents are further instructed to acknowledge receipt of addendum on the "Attributes" tab in Ionwave, (https://mcallenisd.ionwave.net/Login.aspx).

April 12, 2021

RE: ADDENDUM NO. 2

Please note the following changes for **Request for Proposal No. 2021-1021 Workers' Compensation Insurance Self-Funded Claims Administration Services & Stop Loss Insurance:**

The following reports have been uploaded for your reference and are available for view/download on the "Attachments" tab:

- COVID-19 RTS STAFF PLAN 5.0 – 032221
- COVID-19 HR Memo 3-25-21 (Final)
- Employee Absence Instructions 3-25-21

RFP Documents/Specifications may be obtained online from Ionwave at https://mcallenisd.ionwave.net/Login.aspx, beginning **March 3, 2021. Vendors are responsible for viewing the webpage regularly, or prior to submitting a proposal, to ensure that no addenda or additional information have been issued for the solicitation.**

MCALLEN
INDEPENDENT SCHOOL DISTRICT

ALEJANDRA GONZALEZ
Director of Purchasing Services

McAllen Independent School District is providing the following clarification(s) and/or modification(s) to the referenced project. This information is to be considered a part of the solicitation documents. Respondents are further instructed to acknowledge receipt of addendum on the "Attributes" tab in Ionwave, (https://mcallenisd.ionwave.net/Login.aspx).

April 15, 2021

RE: ADDENDUM NO. 3

Please note the following changes for **Request for Proposal No. 2021-1021 Workers' Compensation Insurance Self-Funded Claims Administration Services & Stop Loss Insurance:**

- "Response Attachments" tab has been updated to include an upload option for additional vendor information relating to this RFP.
- The following report has been uploaded for your reference and is available for view/download on the "Attachments" tab:

  -EE by Location Revised.xlsx

- The following "Response Attachments" settings have been updated from upload required to upload optional:

  -Quotation – Specific (Attach Specimen Policy and Ins Co. Quotation Document) Self Insured - Retention (Per Occurrence)
  -Copy of Agent's current license
  -Copy of Certificate of the agent's E & O insurance
  -Adjusters licenses

  Note: Upload of attachments applicable per Scope of Work.

RFP Documents/Specifications may be obtained online from Ionwave at https://mcallenisd.ionwave.net/Login.aspx, beginning **March 3, 2021. Vendors are responsible for viewing the webpage regularly, or prior to submitting a proposal, to ensure that no addenda or additional information have been issued for the solicitation.**

McAllen Independent School District
General Terms and Conditions
Request for Proposal

Please read the following information carefully. Any exceptions to these terms and conditions will be cause for a proposal to be disqualified. Additionally, please read the Specifications and Scope of Work contained in each Invitation for Request for Proposal ("RFP"). The Specifications and Scope of Work in the RFP will take precedence over the General Terms and Conditions when they are in conflict. Prospective Proposers are responsible for familiarizing themselves with all aspects of the process for the Request for Proposal.

1. Proposer Guarantee:
   - 1.1 Proposer agrees to comply with all terms and conditions contained in this document and the RFP.
   - 1.2 Proposal must comply with all federal, state, county, and local laws concerning these types of goods/services.
   - 1.3 Proposer guarantees products/services offered will meet or exceed the written specifications identified in the RFP.
   - 1.4 Proposer agrees to protect the District from claims involving infringement of patents or copyrights.
   - 1.5 Minimum Standards for Responsible Prospective Proposers: The business must be a well- established organization and have an adequate number of trained personnel to ensure quality and performance and completion of contract within a specified time period. A prospective Proposer must affirmatively demonstrate Proposer's responsibility. District may request representation and other information sufficient to determine Proposer's ability to meet the following minimum standards:
     - 1.5.1 that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in district, state or federal procurements or contracts;
     - 1.5.2 are not identified in the "Debarment and Suspension" issued by the General Services Administration;
     - 1.5.3 have adequate financial resources, or the ability to obtain such resources as required;
     - 1.5.4 be able to comply with the required or proposed delivery schedule;
     - 1.5.5 have a satisfactory record of performance;
     - 1.5.6 have a satisfactory record of integrity and ethics;
     - 1.5.7 be otherwise qualified and eligible to receive an award.
   - 1.6 Contract: This proposal, when properly accepted by District, shall constitute a contract equally binding between the awarded Proposer and District. Different or additional contractual terms may become a part of this contract.
   - 1.7 Conflict of Interest: Any purchase order of contract resulting from this process shall be considered null and void if the awarded Proposer fails to comply with Section 1, Subtitle C, Title 5, Local Government Code Chapter 176: Disclosure of Certain Relationships with Local Government Officers; Providing Public Access to Certain Information, specifically Sec. 176.006: Disclosure Requirements for Contractors and Other Persons; Conflict of Interest Questionnaire Form CIQ.
   - 1.8 Criminal History Record Information Review: Proposer agrees to comply with Section 22.0834. Criminal History Record Information Review of Certain Contract Employees, Texas Education Code if awarded a contract through this solicitation. Proposer, if awarded a contract, shall obtain criminal history record information through the criminal history clearinghouse as provided by Section 411.0845, Government Code relating to an employee or applicant who has or will have continuing duties related to the contracted services; and the employee or applicant has or will have direct contact with students. Proposer agrees to certify of the receipt of criminal history record information before or immediately after employing or securing the services of the employee or applicant that has or will have continuing duties related to the contracted services if the employee or applicant has or will have direct contact with students. Proposer agrees that if awarded a contract, Proposer will provide to the District a list with names of all of their employees and any subcontractor's employees before commencing any services. Proposer further agrees to provide written notice of any new employees and any new subcontractor's employees to the District immediately after employment. Proposer further agrees that if awarded a contract, shall assume all expenses associated with the criminal background check and shall immediately remove any employee or agent who was convicted of a felony or misdemeanor involving moral turpitude, as defined by Texas law, from District property or the location where students are present.
   - 1.9 Entities that Boycott Israel: If Proposer is required to make a certification pursuant to Section 2270.002 of the Texas Government Code, Proposer certifies that Proposer does not boycott Israel and will not boycott Israel during the term of the contract resulting from this solicitation. If Proposer does not make that certification, Proposer must indicate that in its Response and state why the certification is not required.
   - 1.10 Sec. 2252.152. Contracts with Companies Engaged in Business with Iran, Sudan, or Foreign Terrorist Organization Prohibited. A governmental entity may not enter into a governmental contract with a company that is identified on a list prepared and maintained under Section 806.051, 807.051, or 2252.153.
     - Sec. 2252.153. LISTED COMPANIES. The comptroller shall prepare and maintain, and make available to each governmental entity, a list of companies known to have contracts with or provide supplies or services to a foreign terrorist organization.
     - Sec. 2252.154. EXCEPTION. Notwithstanding any other law, a company that the United States government affirmatively declares to be excluded from its federal sanctions regime relating to Sudan, its federal sanctions regime relating to Iran, or any federal sanctions regime relating to a foreign terrorist organization is not subject to contract prohibition under this subchapter. SECTION 2. Subchapter F, Chapter 2252, Government Code, as added by this Act, applies only to a contract or purchase for which a governmental entity first advertises or otherwise solicits bids, proposals, offers, or qualifications on or after the effective date of this Act. SECTION 3. This Act takes effect September 1, 2017.
   - 1.11 Form 1295. Texas Government Code §2252.908, and the rules issued by the Texas Ethics Commission found in Title 1, Sections 46.1, 46.3 and 46.5 of the Texas Administrative Code, require a business entity to submit a completed Form 1295 to District before Proposer may enter into a contract with that business entity. **Form must be completed online.** If this is your first time to access the Texas Ethics Commission (TEC), you will be required to create an account and establish a user name and password. This will require for you to have a valid email address and know your email user name and password as you will be required to access your email to validate your identity. After creating a user name and password at TEC, you will log in and begin completing Form 1295. Completing Form 1295 will require a contract number, which identifies and ties the form to the District's contract number; which is the assigned RFP No. for this solicitation.
     How to complete Form 1295:
     - Go to website: http://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm
     - Enter Required information
     - Print form
     - Submit with proposal
   - 1.12 Campus Visitation Procedures: If Proposer is awarded a contract which requires on-site visit, Proposer must first report to the front office and must be prepared to present a valid driver's license for clearance through the District's security system.
   - 1.13 Representations: Proposer represents that the products/services provided by Proposer hereunder shall conform to the representations of same as represented and described in the Attachments. Notwithstanding anything to the contrary herein, if for any reason District determines in its sole discretion, that part or all of such products/services fail to meet the expectation of District, District may on ten (10) days' notice terminate this Contract and receive the pro-rata portion of the contract sum paid to Proposer by District for the unexpired

term of the Contract.

1.14 Proposer, in submitting this proposal, agrees that District shall not be liable to prosecution for damages in the event that District declares Proposer in default.

1.15 Purchases made for school use are exempt from the state sales tax and federal excise tax. Do not include these taxes in your proposal. Both unit prices and extension must be submitted. Unit prices shall govern.

1.16 Adherence to Specifications and Anti-Collusion: Proposer is responsible for reading the instructions and specifications to Proposer. Each Proposer by making his proposal represents that he has read and understands the proposal documents and his proposal is made in accordance therewith. Signing this proposal affirms that your company will enter into a binding contract with District for products/services awarded to your company. Proposer, by signing and executing this proposal, certifies and represents to the District that Proposer has not offered, conferred or agreed to confer any pecuniary benefit, as defined by §1.07(a)(6) of the Texas Penal Code, or any other thing of value, as consideration for the receipt of information or any special treatment or advantage relating to this proposal; Proposer also certifies and represents that Proposer has not offered, conferred or agreed to confer any pecuniary benefit or other things of value as consideration for the recipient's decision, opinion, recommendation, vote or other exercise of discretion concerning this proposal; Proposer certifies and represents that Proposer has neither coerced nor attempted to influence the exercise of discretion by any officer, trustee, agent or employee of the District concerning this proposal on the basis of any consideration not authorized by law; Proposer also certifies and represents that Proposer has not received any information not available to other Proposers so as to give the undersigned a preferential advantage with respect to this proposal; the Proposer further certifies and represents that Proposer has not violated any state, federal or local law, regulation or ordinance relating to bribery, improper influence, collusion or the like and that Proposer will not in the future offer, confer, or agree to confer any pecuniary benefit or other thing of value to any officer, trustee, agent or employee of the District in return for the person having exercised the person's official discretion, power or duty with respect to this proposal; Proposer certifies and represents that it has not now and will not in the future offer, confer, or agree to confer a pecuniary benefit or other thing of value to any officer, trustee, agent or employee of the District in connection with information regarding this proposal, the submission of this proposal, the award of this proposal or the performance, delivery or sale pursuant to this proposal.

1.17 Bid Guarantee: Bid bonds may be required for certain bids/proposals in excess of $25,000, if stated in the RFP. A bid guarantee will be submitted in the form of a bid bond, postal money order, certified check or cashier's check in an amount not less than 5% of the total maximum amount bid/proposed, payable without recourse to McAllen Independent School District. Failure to furnish a bid guarantee in the proper form and amount by the time set for opening may be cause for rejection of the proposal. If the awarded Proposer, upon acceptance of his proposal by the District within the period specified therein for acceptance, fails to execute such further contractual documents, if any, and give such bond(s) (i.e., performance bonds, payment bonds, delivery, etc.) as may be required within the time specified (ten days if no period is specified) after receipt of the forms by him, then he shall be liable for any cost of procuring the work which exceeds the amount of his proposal, and the bid guarantee shall be available toward offsetting such difference.

1.18 Performance and Payment Bonds: Payment bonds are required on construction projects costing $25,000 or more. Performance bonds are required on construction projects costing $100,000 or more. Payment and Performance bonds may be required for projects other than construction, if stated in the RFP. When a performance or payment bond is required, the amounts shall be for 100% of the contract amount.

1.18.1 Any required bond(s) must be filed with the District within 10 days from the date of the NOA.

1.18.2 Payment and performance bonds must be executed by a corporate surety in accordance with Section 1, Chapter 87, Acts of the 56th Legislature, Regular Session, 1959 (Article 7.19-1, Vernon's Texas Insurance Code).

1.18.3 Bonds may be executed only by a surety company that is authorized and admitted to write surety bonds in the State of Texas.

1.18.4 A separate performance or payment bond MUST be provided for each contract awarded and must reference the contract number(s) for which the bond is provided.

1.18.5 All references to the bond by Proposer and/or surety companies must reference the contract number in lieu of or in addition to the bonding company's number, and the effective dates of the contract.

1.18.6 Bonds and other forms of surety must be made payable to McAllen Independent School District. Bonds in excess of $100,000 must be from a surety that holds a Certificate of Authority from the United States Department of Treasury or have reinsurance for liability in excess of $100,000 from a United States Treasury listed reinsurer.

2. General Provisions

2.1 Term of Contract and Purchase Order Dates:

2.1.1 The RFP shall state the term of the contract and applicable extensions.

2.1.2 Purchase Order: Purchase order(s) shall be generated by the District to the awarded Proposer(s). **The purchase order number must appear on all itemized invoices and packing slips. District will not be held responsible for any orders placed/delivered without a valid signed purchase order.**

2.1.3 Purchase orders dated during the term of the contract must be honored even if received after the contract expiration date. Proposers may not specify a "final order" receipt date. Pricing is established by the date the order is placed unless otherwise stated in the contract.

2.1.4 Confirmation orders will be the date the order is mailed but will show the date the order was originally placed.

2.1.5 Grace Period: District requests the right to continue to enforce this contract for a period not to exceed ninety (90) days after expiration date for unforeseeable reasons.

2.1.6 District reserves the right to reorder from this proposal for the term of the contract at the proposed award prices or lower provided the terms and conditions remain the same. Proper authorization for reorders and issuance of approved and manually signed purchase orders will be through Purchasing Services only.

2.2 Shipment Identification and Delivery: Special delivery requirements will be addressed in the Specifications and Scope of Work or in the specifications contained in each RFP. The following shall be applicable unless in conflict with specific contract instructions.

2.2.1 Identification of Shipments: In addition to the complete destination address, each package must be clearly marked with the District's purchase order number and the ATTN: addressee as shown on the order. Each shipment must be accompanied by an itemized packing slip.

2.2.2 Packaging and Labeling: All items shipped must be properly labeled showing the brand name, package quantity, lot number (if applicable) and any other necessary identifying information usually used by Proposer.

2.2.3 Hours for Delivery: Delivery shall be made between 8:00 a.m. and 3:00 p.m. unless prior approval for after-hours delivery has been obtained from the District.

2.3 Inspection and Tests: All goods are subject to inspection and testing by the District. Authorized District personnel shall have access to a Proposer's place of business for the purpose of inspecting contracted merchandise. Tests may be performed on samples obtained by

District request or taken from regular shipments. When products tested fail to meet or exceed all applicable specifications, the cost of the sample used and the cost of any testing shall be borne by Proposer. Goods that have been delivered and rejected in whole or in part may be, at the District's option, returned to Proposer at Proposer's risk and expense or disposed of in accordance with District procedures. Proposer may request that goods be held at Proposer's risk for a reasonable period of time for later disposition at Proposer's expense. Latent defects may result in revocation of acceptance of any product.

2.4 Late Delivery: If a delivery delay is foreseen, Proposer shall give notice to District with seventy-two (72) hour notice. The District has the right to extend the delivery date if reasons appear valid. Proposer must keep the District advised at all times of the status of the order. If Proposer has orders in their possession which have not been completed within the specified delivery time, the District reserves the right to withhold issuance of further orders until all orders have been filled and acceptable assurance has been given that the event will not be repeated.

2.5 Back Orders: The District may purchase on the open market any commodity reported by a Proposer to be on back order when the resultant delivery time is unsatisfactory. Damages may be applicable in cases of a pattern of back orders.

2.6 Damage Assessment: If a Proposer is in default on an order, the District reserves the right to purchase the item in default and charge the increase in price, if any, and cost of handling to Proposer. Failure to pay a damage assessment is cause for contract cancellation and/or suspension or removal of Proposer from the District's Centralized Master Contractors List (CMBL).

2.7 Emergency Deliveries: In case of an emergency experienced by a qualified ordering entity, the awarded Proposer is requested to supply the needed material immediately, if possible. If the awarded Proposer cannot respond, then the emergency requirement may be purchased on the open market. The District or Proposer shall not consider such purchases a breach of contract.

2.8 Substitutions: All substitutions require prior written approval by the District. The District reserves the right to require Proposer to offer possible substitutes if any material or equipment becomes unobtainable during the term of the contract. Outstanding orders are not automatically amended by an approved substitution. Proposer must contact the qualified ordering entity prior to shipment of the approved substitution.

2.9 Purchases Off Contract: Under certain circumstances, the District permits campuses and other District users to purchase commodities available through a contract on the open market. Such circumstances may be identified in the RFP. Proposers are to allow for such purchases provided purchase orders are issued for these purchases.

2.10 References: District may request Proposers to supply, with this proposal, a list of at least three (3) references where like goods/services have been supplied by their firm. Include name of firm, address, telephone number and name of representative.

2.11 Proposals from unresponsive Proposers will not be accepted. Proposers having a history of inconsistent service and unreliability will not be considered by the District to be a responsible Proposer.

2.12 Proposer will employ accounting policies and procedures hereunder to preserve all contract-related records for the term of this Contract and such further period of time thereafter as may be prescribed by Federal, State or Local regulations. All Proposers are subject to having any records or other documentation related to any transaction with District available for public access or for review and auditing purposes by any local, state or federal agency, as well as, the public in accordance with the provisions of Government Code, Title 5, Subtitle A, Chapter 552, Open Records.

2.13 Notice: Any notice provided by this proposal (or required by Law) to be given to the awarded Proposer by District shall be conclusively deemed to have been given and received on the next day after such written notice has been deposited in the mail in McAllen, Texas, by Registered or Certified mail, addressed to the awarded Proposer at the address so provided; provided this shall not prevent the giving of actual notice in any other manner.

2.14 Venue: This contract will be governed and construed according to the laws of the State of Texas. Both parties agree that venue for any litigation arising from this contract shall lie in Hidalgo County, Texas.

2.15 Silence of Specification: The apparent silence of these specifications as to any detail or to the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.

2.16 Deviations from Specifications: All deviations from the specifications must be noted in writing, in detail by Proposer at the time of submittal of the proposal. The absence of a written list of specification deviations will hold Proposer strictly accountable to the District to the specifications as written. Any deviations from the specifications as written not previously submitted, as required, will be grounds for rejection of the materials/goods/services and/or equipment when delivered.

2.17 Proposers that fail to comply with the conditions of the RFP may be removed from the District's Centralized Master Contractors List for a period of two years.

2.18 Proposers wishing to reinstate their status must request it in writing at the end of the two-year period.

3. Preparation of Proposal:

3.1 Freight Charges & F.O.B. Point: Quote all proposals F.O.B. destination, transportation prepaid and allowed, i.e., included in the price proposed, unless special contract instructions direct or permit otherwise. Alternate F.O.B. point or freight terms may be offered but are subject to rejection by the DISTRICT.

3.2 Proposal prices must be firm for acceptance for 120 days from proposal opening date unless otherwise specified in the RFP. Proposal prices shall remain in effect for a period of one year from date of acceptance by the Board of Trustees unless otherwise specified in the proposal documents. Refer to Section 7 for additional information regarding proposal prices.

3.3 Usage Figures: Quantities shown on the RFP under the term "Quantity or Qty" are estimated requirements based upon purchase orders for a prior period indicated in the RFP. These figures are not to be construed as guaranteed purchases under the contract; however, the figures will be used as a factor for determining the award and bonding requirements. District users will purchase all commodity requirements from contract Proposers but only in such quantities as actual needs require. To keep consistency of the item description and item numbers, some item quantity(s) is/are marked with a zero (0) quantity on the proposal sheet. Proposals are requested on these items as well.

3.4 Referenced Example: Any catalog number, brand name or manufacturer's reference used in an RFP is descriptive only (not restrictive) and is used to indicate type and quality desired. Proposals for brands of like nature and quality will be considered. Proposer should not construe specifications for the referenced example to be the minimum requirements acceptable. The District is the sole determinate as to acceptability of specifications in its best interest. If proposing other than the referenced example, Proposer must show the manufacturer, brand or trade name, and model number and give a full description of the product offered. The submission of illustrations and specification brochures is encouraged to provide a complete description of the product being offered. If a Proposer takes no written exception to the referenced example in the proposal, the brand names, numbers, etc., exactly as specified in the RFP shall be furnished.

3.5 Condition of Products: All items proposed shall be new and unused and in first class condition, including containers suitable for shipment and storage, unless otherwise specified in the RFP.

3.6 Warranty: Manufacturer's standard warranty shall apply unless otherwise stated in the RFP.

3.7 Unit of Measure: If offering a proposal price for a different unit of measure, the exception and proposed packaging must be shown by the line item proposal.

3.8 Alternate Proposals: Alternate or supplemental proposals shall be submitted as a separate item and be identified by Proposer's name and signature and be cross-referenced to the applicable item in the RFP.

3.9 Samples: DO NOT send samples unless requested. Any samples submitted must be furnished at no cost to the District. If not destroyed in examination, samples will be returned to Proposer on request at Proposer's expense. Samples submitted to verify compliance with specifications prior to making an award may be retained at Proposer's expense. Samples submitted to verify compliance with specifications prior to making an award may be retained for the duration of the contract for later comparison with items delivered. Each sample should be marked with Proposer's name, address, proposal opening date and proposal number. Do not attach samples to proposal pages. Failure to submit samples when requested shall cause items not to be considered for award. All samples are to be delivered to:

McAllen Independent School District
Attn: Purchasing Services
2000 N. 23rd ST.
McAllen, TX 78501-7734

3.10 Signature on Proposal: Electronic signatures are acceptable. The person signing the proposal must have authority to bind the represented company to a contract. An unsigned proposal cannot be signed after the proposal opening time even though Proposer or a representative is present at the proposal opening.

3.11 Attachments: Proposers may include attachments to describe commodities being proposed and/or to exhibit that products offered meet all written specifications; however, do not submit samples unless requested to do so. No terms or conditions recorded on any attachment will be considered binding unless specifically made a part of the proposal in writing. WARNING: Any added terms or conditions may result in disqualification of a proposal, e.g., proposals subject to laws of a state other than Texas, requirements for prepayment, limitations on remedies, etc.

3.12 Addendums: Should an addition or correction become necessary after an RFP is issued, an addendum relating to the necessary information will be issued/posted to website. It is Proposer's responsibility to view the Ionwave page regularly, or prior to submitting a response, to ensure that no addenda or additional information have been issued for the solicitation. The web address is www.mcallenisd.ionwave.net.

3.13 Discounts for large one-time order deliveries, educational purposes, etc. The conditions for earning the discount may be indicated by the item being proposed or by submitting a separate page with the information. These discounts will not be considered in determining the low proposal but will be part of any contract issued.

3.14 Proposal Preparation Expense: Any expense related to the submission of a proposal is the sole responsibility of the Proposer. The District will not reimburse Proposers for any cost related to proposal preparation or submission.

3.15 All Proposers doing business with the District must have on file a Form W-9 Request for Taxpayer Identification Number and Certification.

3.16 All Proposers must provide a Felony Conviction Notification as required by Texas Education Code, Subchapter B, Section 44.034, Notification of Criminal History, Subsection (a). A copy of this form is included for your use as part of Contractor Certifications Form.

4. Submission of Proposal:

4.1 No Bids: To remain on Proposer's list, "NO BIDS" must be submitted by Proposers wishing to remain on the District's Centralized Master Contractors List (CMBL). Continued submittal of "NO BIDS" will result in Proposer being removed from the District's Centralized Master Contractors List (CMBL). Proposers not submitting proposals or submitting "no bids" may be removed without notice at any time and must reapply for inclusion in the District's Centralized Master Contractors List (CMBL). The District is not responsible for any errors occurring as a result of this procedure.

4.2 Public Proposal Opening: Proposals are opened in a manner to avoid disclosure of contents to competing Proposers and the contents are kept secret during the process of proposal negotiations. A copy of the proposal tabulation is usually available for public review after proposal awards. Tabulation information is available for download the day after award from our website at https://mcallenisdtx.sites.thrillshare.com/page/awarded-vendors.

4.3 Late Proposals: Late proposals will NOT be considered. The District will not be responsible for missent or misplaced proposals.

4.4 Amending/Withdrawing Proposal: A proposal cannot be altered or amended after the proposal opening date and time. Any alterations made before the opening date and time shall be initialed by Proposer or Proposer's authorized agent identified in the proposal. No proposal can be withdrawn after the opening date and time without approval of District. All approvals shall be based upon an acceptable written reason for the action.

4.5 Proposal Package(s): The District encourages and prefers proposals submitted on District RFP form(s) electronically; however, DISTRICT will be accepting sealed packages on CD, USB, paper/hardcopy through mail or hand delivery. Each proposal must be placed in a separate submittal. Proposals must be submitted and time stamped at District no later than the date and time specified for the proposal opening. Only the completed W-9, Contractor Certifications Form, Form 1295, Conflict of Interest and those pages on which a Proposer is submitting a proposal need to be returned. Blank pages or pages with no proposal information should not be returned.

4.6 Price lists must be included in the RFP. Any terms and conditions in a price list will not be considered a part of a proposal unless specifically identified by Proposer and referenced in writing.

4.7 Proposals via the U. S. Postal Service are to be sent to the address shown below.

McAllen Independent School District
Attn: Purchasing Services RFP #
2000 N. 23rd St.
McAllen, TX 78501

4.8 Confidential: Subject to the requirements of the Texas Open Records Act, if a company believes that a proposal is, or parts of a proposal are confidential, then the company must so specify. The company must stamp in bold letters the term "CONFIDENTIAL" on that part of the

proposal, which the company believes to be confidential. The awarded proposal may be considered public information even though parts are marked confidential.

4.9 Copyrighted proposals are unacceptable and will be disqualified as unresponsive.

5. Proposal Evaluation and Award:

5.1 Proposal Evaluation: The District reserves the right to award on the basis of a low line item, low total (group or groups) or in any other combination that will best serve the interests of the District. The lowest proposal will not necessarily be the awarded proposal. Proposals will be assessed not only in terms of the cost of the goods/equipment, but also in terms of responsiveness of the proposed goods/services to the District's needs and requirements. The District reserves the right to accept or reject all or any part of a proposal, waive minor technicalities and make an award in the best interest of the District.

5.2 A response to an RFP is an offer to contract with the District based upon the terms, conditions and specifications contained in the RFP.

5.3 Proposals do not become contracts until a Notice of Award (NOA) is issued.

5.4 The contract shall be governed, construed and interpreted under the laws of the state of Texas.

5.5 The District will not be bound by any communication with Proposers other than the RFP, these General Terms and Conditions, Specifications and Scope of Work, Specifications, any written addendum's issued by District, District Policies and Procedures, and State Law.

5.6 The District shall be sole judge of what constitutes the best interest of the District.

5.7 The District reserves the right to reject proposals requiring minimum orders.

5.8 Fees charged for shipping and handling will be considered in awarding proposals.

5.9 Evaluation Criteria: In determining to whom to award a contract, the District shall consider in accordance with the Texas Education Code, Subchapter B, Section 44.031(b) Purchasing Contracts, Subsection (b): (1) the purchase price; (2) the reputation of the vendor and of the vendor's goods or services; (3) the quality of the vendor's goods or services; (4) the extent to which the goods or services meet the District's needs; (5) the vendor's past relationship with the District; (6) the impact on the ability of the District to comply with laws and rules relating to historically underutilized businesses; (7) the total long-term cost to the District to acquire the vendor's goods or services;(8) for a contract for goods and services, other than goods and services related to telecommunications and information services, building construction and maintenance, or instructional materials, whether the vendor or the vendor's ultimate parent company or majority owner:(A) has its principal place of business in this state; or (B) employs at least 500 persons in this state; and (9) any other relevant factor specifically listed in the request for bids or proposal.

5.10 Notice of Award (NOA): NOA/Tabulation information is available for download from our website at https://mcallenisdtx.sites.thrillshare.com/page/awarded-vendors. Award information will be posted approximately ninety(90) days from proposal opening. Proposer must advise the District within 10 days from the date of award by the Board of Trustees of any errors requiring correction.

5.11 Qualified Ordering Entity: All campuses and departments are considered District users and qualified ordering entities. In some instances, other governmental entities may have Interlocal Contracts with the District. These entities may have access to the prices offered to District. Proposers are responsible for identifying and requesting information on these entities.

5.12 To expedite evaluation of the proposals, it is preferable that District forms be used.

5.13 Assignment: The awarded Proposer shall not sell, assign, transfer or convey this contract, in whole or in part, without the prior written consent of District.

6. Insurance Requirements:

6.1 Statutory Workers' Compensation (REQUIRED FOR WORK PERFORMED ON DISTRICT PROPERTY) and Employer's Liability Limits - $500,000.

6.2 Commercial General Insurance (occurrence basis only) $1,000,000 each claim and in the aggregate. The District shall be named as an additional insured by endorsement on the Contractor's policy as to the subject job.

6.3 Business Commercial or Personal Automobile Liability Insurance in the amounts specified by the Texas Tort Claims Act, Chapter 101 of the Texas Practice and Remedies Code for all owned, non-owned and hired vehicles; each person $100,000; each accident $300,000; and for property damage, each occurrence of $100,000; No deletions/exclusions from standard coverage form allowed without written consent of District. The District shall be named as an additional insured by endorsement on the Contractor's policy as to the subject job. (REQUIRED FOR WORK PERFORMED ON DISTRICT PROPERTY).

6.4 Successful Contractor will provide a certificate of insurance, in Acord 25 Form, to the Administrator of the Department evidencing such coverage and will notify the Administrator in writing immediately if any change in coverage occurs for any reason.

6.5 Each insurance policy to be furnished by successful bidder shall include, by endorsement to the policy, a statement that a notice shall be given to District by certified mail thirty (30) days prior to cancellation or upon any materials change in coverage.

6.6 Successful Contractor shall provide Certificates of Insurance evidencing the above- required insurance, prior to commencement of this contract and thereafter with certificates evidencing renewals or replacements of said policies of insurance at least fifteen (15) days prior to the expiration or cancellation of any such policies. Said Notices and Certificates of Insurance shall be provided to Purchasing Services.

6.7 For non-subscribers that do not carry Workers' Compensation coverage, the District will, on a case-by-case basis, consider contractors who provide an Occupational Accident Policy, including Employers' Indemnity coverage with a $1,000,000 limit. However, the District reserves the right to require Workers' Compensation coverage if it feels it is in the best interest of the District to do so.

7. Price Changes: During the life of a contract only industry-wide published price changes as reflected in a manufacturer's printed price list, published documentation, or other approved method in an RFP may be submitted to the District for price adjustment consideration.

7.1 Procedures to Follow:

7.1.1 Firm Bids: No price increases allowed unless approved by DISTRICT in accordance with Section 7.2.

7.1.2 Catalog Bids: Submit a copy of the new manufacturer's price/cost list. Proposer shall compute new unit prices at the same percentage as reflected in the original proposal (See Sec. II. B. for formula). Prices will be verified for accuracy.

7.1.3 Requirement Contracts: No price increases allowed unless approved by DISTRICT in accordance with Section 7.2.

7.2 Acceptance of Price Increases: The District will accept or reject increases within seven (7) working days after receipt of a properly submitted request. If a properly submitted increase is rejected, Proposer may cancel such items from the contract by giving the District written notice. Cancellation will not go into effect for thirty (30) working days after receipt of the written request. Old prices must be honored on orders dated up to the official date of cancellation.

7.3 Price Decreases: Proposers are required to implement immediately any price decreases, roll backs, etc. that may become available. The District must be notified in writing of any decreases for file updating purposes and notice to contract users.

8. Administrative Procedure for Bid/Proposal Complaints: Members of the public having complaints regarding the District's purchasing procedures or operations may present their complaints or concerns to the District following this procedure. Please contact Purchasing Services for a copy of the

procedures at (956) 632-3241.

9. Invoicing:

9.1 Original invoices must be submitted in duplicate to the Accounting Department in compliance with the following procedure: INVOICES shall show purchase order number, copy of signed delivery ticket and proposal name and shall be mailed directly to:

McAllen Independent School District
ATTN: Director of Accounting
2000 North 23 Street
McAllen, TX 78501

9.2 The invoice must show name of Proposer exactly as shown on the purchase order and the correct "Remit to:" address.

9.3 Invoice must show name of receiving entity.

9.4 Invoice should include a description of each item. Items should be shown in numerical order and must correspond with the item numbers shown on the purchase order.

9.5 Quantity, unit and price of each item must be shown. All prices should be extended on the invoice.

9.6 Total all extensions on invoice.

9.7 Discount, if applicable, must be stated, extended and deducted to arrive at a NET TOTAL for invoice.

9.8 Shipment date of merchandise must be shown.

9.9 Date of purchase order must be shown.

10. Payment:

10.1 Payment normally will be made to Proposer within 30 days after receipt of a properly prepared original invoice or the receipt of and the acceptance of goods ordered, whichever is later.

10.2 Payments for merchandise purchased with District appropriated funds will be made through District approved and manually signed purchase orders issued by District's Purchasing Services. Payments by qualified ordering entities will be made through the District's Accounting System.

10.3 Partial payments are an exception, but may be made with the prior written approval of the District.

10.4 A purchase for goods or services cannot be made using District funds without prior approval from Purchasing Services in the form of an approved Purchase Order. All invoices shall reflect Purchase Order dates that are on or after Purchasing Services' final approval print date.

10.5 The District reserves the right to adjust any invoice which is in error due to incorrect quantity(s), printing errors or pricing of services or goods on this contract. Upon either written or verbal notification the provider will promptly adjust the error within thirty (30) days from the date the provider is notified of the error.

11. Cancellation:

11.1 Cancellation of Contract Orders: Orders are canceled in writing by the District. Orders may be canceled without the consent of Proposer for failure to meet contractual obligations. If cancellation is requested by District for some other reason, through no fault of Proposer, Proposer's permission to cancel is required. All correspondence from Proposer pertaining to the cancellation of an order is to be addressed to the District. In the event the awarded Proposer shall fail to perform, keep or observe any of the terms and conditions to be performed, kept or observed, District shall give the awarded Proposer written notice of such default; and in the event said default is not remedied to the satisfaction and approval of District within five (5) working days of receipt of such notice by the awarded Proposer, default will be declared and all the awarded Proposer's rights shall terminate.

11.2 Authorized Relief from Performance (Force Majeure): The District will grant relief, as necessary, from performance of the contract if Proposer is prevented from compliance and performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of Proposer. The burden of proof for the need of such relief rests with Proposer. To obtain release based on Force Majeure, Proposer must provide the District with sufficient documentation to show that suitable merchandise or service is unobtainable from any source.

11.3 Termination/Cancellation of Contract: The District reserves the right to cancel entire contract or any portion of a contract with any vendor that fails to perform in accordance with contract terms and conditions. The District and Proposer each shall have the right to terminate Contract without cause on thirty (30) days written notice to the other. The Contract will be monitored for acceptable services rendered throughout the contract period. The District will have the option to cancel the Contract within thirty (30) days from notification. In the event of any actual contract termination/cancellation, District will not be held responsible for loss of business or any termination expenses incurred by the vendor.

11.4 Non-Appropriation of Funds – The District intends to remit to the Contractor all payments for the full term if funds are legally available. In the event no funds or insufficient funds are appropriated and budgeted for the services and funds are otherwise unavailable, by any means whatsoever, in any fiscal period in which the Payments for the services are due under any Agreement as a result of this RFP, the District shall, not less than sixty (60) days prior to the end of such applicable fiscal period, in writing, notify the Contractor and any assignee of such occurrence. The Agreement(s) shall thereafter terminate and be rendered null and void on the last day of the fiscal period for which appropriations were made, without penalty, liability or expense to the District of any kind, except as to (i) the portions of the Payments herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available and (ii) District's other obligations and liabilities under the Agreement(s) relating to, accruing or arising prior to such termination. In the event of such termination, Contractor, at their expense, shall retrieve the equipment, effective on the date of such termination.

11.5 Termination for Default: District reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the best interest of District in the event of breach or default of this contract. District reserves the right to terminate the contract immediately in the event the awarded Proposer fails to:

11.5.1 Meet schedules;

11.5.2 defaults in the payment of any fees;

11.5.3 otherwise perform in accordance with these specifications.

11.6 Breach of contract or default authorizes District to exercise any or all of the following rights:

11.6.1 District may take possession of the assigned premises and any fees accrued or becoming due to date;

11.6.2 District may take possession of all goods, fixtures and materials of awarded Proposer therein and may foreclose its lien against such personal property, applying the proceeds toward fees due or thereinafter becoming due.

11.6.3 District reserves the right to award canceled contract to next lowest and best Proposer as it deems to be in the best interest of District. In such event, the District shall charge the canceled Proposer the difference for any additional cost of such proposal item(s) from the next lowest and best Proposer.

12 Other Provisions:

12.1 Texas state law requires that a purchasing preference be given to any product made from recycled material if the product meets written specifications as to quality and quantity. If a product proposal on this solicitation contains recycled material, please identify the item number and report the percent of all recycled material in the product and the percent of post-consumer material used in the product. "Post-consumer" means material that has been recycled after sale to a consumer as opposed to reuse of manufacturing waste material prior to sale. In addition, identify any products that meet the criteria of "Environmentally Sensitive." Information Request: Please send information on any products not listed in this contract that are related and available through your company which contain recycled material along with the percent of post- and pre- consumer content to:

McAllen Independent School District
ATTN: Purchasing Services
2000 N. 23rd ST.
McAllen, TX 78501-7734

12.1.1 When proposing, please consider the following:

12.1.2 Packing & Packaging: Use of the minimum amount of packing and packaging material consistent with assuring no damage to product in transit. The use of recyclable and recycled material content packing and packaging material is preferred.

12.1.3 New or Un-used: The terms shall not be interpreted to exclude the use of recycled content materials in products supplied. Nothing in a solicitation shall be construed to preclude the use of recycled content materials in a product regardless of any referenced specifications such as ANSI, ASTM, or Federal specifications so long as the material meets the performance requirements of such specifications and all required laws and regulations.

12.1.4 Material Safety Data Sheets: A Proposer must provide, at no cost, at least one copy of any applicable Manufacturer's Material Safety Data Sheet(s) (MSDS) with each shipment during the term of the contract. If OSHA or Federal or State laws provide for additional requirements, those requirements are in addition to the MSDS requirement. OSHA: All items must meet all applicable OSHA standards and regulations and all electrical items must bear the appropriate listing from UL, FMRC or NEMA.

12.1.5 Asbestos Management Plan: All proposers are required to review the Asbestos Management Plan for all District-owned facilities prior to performing any work or services at District-owned facilities. Asbestos Management Plans may be reviewed at each school site or at the Facilities Maintenance and Operations Department.

12.1.6 AHERA: All work must be in compliance with AHERA.

12.1.7 All contracts awarded in excess of $10,000 by school districts and their contractors or sub-grantees shall contain a provision requiring compliance with executive order 11246, entitled "Equal employment Opportunity", as amended by executive order 11375, and as supplemented in Department of Labor Regulations (41 CFR Part 60).

12.1.8 All contracts and sub-grants for construction or repair shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 USD 874) as supplemented in Department of Labor Regulations (29 CFR, Part 3). This Act provides that each contractor or sub-grantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work to give up any part of the compensation, to which he is otherwise entitled. School districts shall report all suspected or reported violations to TEA.

12.1.9 All contracts awarded by school districts and sub-grantees in excess of $2,000 for construction contracts and in excess of $2,500 for other contracts which involve the employment of mechanics or laborers shall include a provision for compliance with Section 103 and 107 of the Contract Work Hours and Safety Standards Act (40 USC 327-330) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under Section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workday of eight hours and a standard workweek of 40 hours. Work in excess of the eight hours per day or 40 hours per week shall be compensated at a rate of not less than 1 1/2 times the basic rate of pay. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction, safety, and health standards promulgated by the Secretary of Labor.

12.1.10 Contracts, subcontracts, and sub-grants of amounts in excess of $100,000 shall contain a provision which requires compliance with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 USC 1857 (h)), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Part 15), which prohibit the use under non- exempt federal contracts, grants, or loans of facilities included on the EPA list of violating facilities. The provision shall require reporting of violations to the Texas Education Agency and to the USEPA Assistant Administrator for Enforcement (EN-329).

12.1.11 Contracts shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).

12.1.12 Advertisement: Proposers are prohibited from using contract award information, sales values/ volumes and/or District customers in sales brochures or other promotions, including press releases.

12.2 Services/items supplied under this contract shall be subject to District's approval. Items found defective or not meeting specifications shall be picked up and replaced by the awarded Proposer at the next service date at no expense to District. If item is not picked up within one (1) week after notification, the item will become a donation to District for disposition.

13 Contract Provisions for contracts under Federal Awards – By submission of this proposal, Proposer agrees to comply with the following provisions.

13.1 Contracts for more than the simplified acquisition threshold currently set at $250,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where proposers violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

13.2 All contracts in excess of $10,000 must address termination for cause and for convenience including the manner by which it will be effected and the basis for settlement.

13.3 Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

13.4 Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of $2,000 must include a provision for compliance with the Davis- Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as

supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or sub-recipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The entity must report all suspected or reported violations to the Federal awarding agency.

13.5 Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

13.6 Rights to Inventions Made Under a Grants Contract or Cooperative Contract. If the Federal award meets the definition of "funding contract" under 37 CFR §401.2 (a) and the recipient or sub recipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding contract," the recipient or sub recipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Contracts," and any implementing regulations issued by the awarding agency.

13.7 Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and sub grants of amounts in excess of $150,000 must contain a provision that requires the award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

13.8 Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Proposers that apply or submit a proposal for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the award.

13.9 An entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Any questions regarding this RFP must be submitted through the "questions" tab located within the solicitation on the Ionwave website www.mcallenisd.ionwave.net.

McALLEN INDEPENDENT SCHOOL DISTRICT
RFP No. 2021-1021 – Workers' Compensation Insurance Self-Funded Claims Administration Services & Stop Loss Insurance
Specifications and Scope of Work

1.0 BACKGROUND

McAllen Independent School District (the "District") is a multicultural community of over 22,000 students. The District's vision is to educate all students to become lifelong learners and productive citizens in a global society through a program of educational excellence utilizing technology and actively involving parents and the community. The District consists of nineteen (19) elementary schools, six (6) middle schools, three (3) traditional high schools, and two (2) non-traditional high schools.

Officers of the District are:

Debbie Crane-Aliseda, Trustee
Conrado Alvarado, Trustee
Lawrence Esparza, Trustee
Tony Forina, Trustee
Sam Saldivar, Jr., Trustee
Marco Suarez, Trustee
Daniel D. Vela, Trustee
Dr. Jose A. Gonzalez, Superintendent

2.0 INTENT

It is the intent of the District ("District"), through this Request for Proposal ("RFP"), to select proposer(s) ("Proposer"), offering the best value for workers' compensation insurance self-funded claims administration services and stop loss insurance.

3.0 REQUIREMENTS

The Specifications and Scope of Work ("SOW") will take precedence over the General Terms and Conditions when they are in conflict. Please read the General Terms and Conditions and the following information carefully. Any exceptions to these General Terms and Conditions and SOW may be cause for a Respondent to be disqualified.

4.0 TERM AND TERMINATION OF AGREEMENT

The period of the contract ("Contract") resulting from this RFP will be for a term of three (3) years at a fixed rate. Policy effective date shall be June 1, 2021.

4.1 Absent a fixed three (3) year term rate agreement, the District **will consider** a single year agreement, renewable for up to two (2) additional, one (1) year terms, subject to favorable renewal rates and terms at the expiration of each twelve (12) month term.

4.2 **Termination without Cause**. District shall have the right to terminate this contract without cause on thirty (30) days written notice to the Respondent.

4.3 **Termination with Cause.**

4.3.1 **Termination by District.** District may terminate this Contract immediately upon the occurrence of any of the following events:

4.3.1.1 Any conduct of the Proposer, which jeopardizes the health, safety, or welfare of any person, or the safety, reputation, or the regular functions of the District.

4.3.1.2 Failure to provide evidence of liability insurance, as required.

4.3.1.3 Failure of Proposer to immediately bar any individual from performing services under this Contract, if such individual does not meet the qualifications required by this Contract or if such individual commits a material breach of one of the terms of this Contract.

4.3.1.4 In addition, if the Proposer commits a material breach of any of the terms of this Contract, other than those listed in subsections 4.2.1.1 through 4.2.1.3 above, District may terminate this Contract upon no less than thirty (30) days written notice.

4.4 Proposer shall not be entitled to lost profits or any further compensation not earned prior to the time of cancellation.

5.0 PRICING, INVOICING AND PAYMENT

The pricing program offered through this RFP must remain firm for the period of the contract term from the date of award by the District Board of Trustees. Price decreases and/or discount percentage in favor of the District are acceptable at any time throughout the term of the contract. In case of a price increase required due to market shortage or market change, documentation must be submitted for approval to Alejandra Gonzalez, Director of Purchasing Services at alejandra.gonzalez@mcallenisd.net.

6.0 EVALUATION CRITERIA

In determining who will be awarded, the District shall consider:

6.1 the purchase price;
6.2 the reputation of the vendor and of the vendor's goods or services;
6.3 the quality of the vendor's goods or services;
6.4 the extent to which the goods or services meet the District's needs;
6.5 the vendor's past relationship with the District;
6.6 the impact on the ability of the District to comply with laws and rules relating to historically underutilized businesses (in accordance with 2 CFR 200.320);
6.7 the total long-term cost to the District to acquire the vendor's goods or service;
6.8 for a contract for goods and services, other than goods and services related to telecommunications and information services, building construction and maintenance, or instructional materials, whether the vendor or the vendor's ultimate parent company or majority owner:
  6.8.1 has its principal place of business in this state; or
  6.8.2 employs at least 500 persons in this state; and
6.9 any other relevant factor specifically listed in the request for bids or proposals.

7.0 EVALUATION COMMITTEE.

The evaluation committee which will be comprised of Andres Silva, Director for Employee Benefits, Safety, & Risk Management; Karina Garza, Coordinator for Employee Benefits, Safety, & Risk Management; Alejandra Gonzalez, Director of Purchasing Services; Elizabeth Cabrera, Coordinator for Purchasing Services; and Liz Montes, Senior Buyer, will evaluate the RFP and recommend the successful vendor(s). The District may consult with an outside consultant on submittals.

8.0 COMMUNICATION WITH DISTRICT PERSONNEL

Proposers submitting a proposal shall not discuss this RFP with employees of District or members of the Board of Trustees. Communication includes, but is not limited to, unsolicited literature, email, faxes or phone calls related to any aspect of this RFP. If discussion is necessary, you will be notified in writing. Failure to abide by this requirement will result in automatic disqualification at the discretion of the District. All questions must be posted on Ionwave (https://mcallenisd.ionwave.net/Login.aspx).

9.0 SCOPE OF WORK

9.1 The information contained in these specifications is confidential and is to be used only in connection with preparing a proposal for the following insurance services or insurance coverage's:

- **Workers' Compensation Insurance Self-Funded Claims Administration Services** to include Medical Cost Containment (Preauthorization, Bill Review, Case Management, etc.)
- **Stop Loss Insurance**

9.2 Responses shall be based on specifications contained herein. Alternates may be considered. Deviations shall be clearly identified and explained.

9.3 The District, its employees, and representatives will not be responsible for any errors and omission in these specifications, nor the failure on the part of the proposer to determine the full extent of the exposures.

9.4 If any loss control services are included at no cost, services shall be itemized.

9.5 Workers' Compensation Insurance Self-Funded Claims Administration Services to include Medical Cost Containment (Preauthorization, Bill Review, Case Management, etc.)

9.5.1 The District's Workers' Compensation Program has been self-funded since June 1, 1991. The District's self-funded worker's compensation program has been administered by Tri-Star Risk Management ("Tristar"), since June 2018. Tristar administers legacy claims that date back to the 2001-2002 policy periods.

9.5.2 All Claims Administrative Services & Medical Cost Containment (i.e., bill review, preauthorization, case management, etc.,) have been conducted by Tristar or through Tristar approved vendors. Proposers shall provide similar services at a minimum.

9.5.3 Responses shall include options for the administration of legacy claims.

9.5.3.1 Administration of the legacy claims, if administered at an additional cost, shall be listed as a separate optional line item cost.

9.5.4 Medical Cost Containment Services may be considered as part of a single full-service Claims Administration Services Contract, as a subcontracting arrangement with the Awarded Proposer or as a stand-alone service from separate provider(s).

9.5.5 Stop Loss Insurance of $400,000 less per occurrence is requested and will be considered as part of a single full-service Claims Administration Services Contract, or as a stand-alone from a separate provider.

9.5.6 The District requires a licensed adjuster to participate in all Benefit Review Conferences ("BRC") and Contested Case Hearings ("CCH"). The District expects the Third-Party Administrator ("TPA") to assign a licensed attorney, in addition to or instead of, an adjuster as appropriate for representation at BRCs and CCHs. Any associated fee for attendance by an adjuster and/or by an attorney needs to be itemized. The number of annual hearings for the past (3) years from most current year are as follows:

	20/21	19/20	18/19
a. Benefit Review Conferences-	8	0	6
b. Contested Case Hearings-	2	3	3
c. Medical Dispute resolution -	0	0	0
d. State Office of Administrative Hearings–	0	0	0

9.5.7 At least one (1) bilingual (Spanish) claim adjuster shall be assigned to be the point of contact for District claims.

9.5.8 The District prefers claim administration services on a flat monthly fee basis vs on a per claim, per type of claim basis.

9.5.9 Claim's staff/adjusters shall be licensed and qualified for the services provided. Licenses shall be uploaded on Ionwave in the "Response Attachments" tab.

9.5.10 Monthly detail claims reports shall include summary information for the number of claims and incurred cost by location, by type of accident and by work classification.

9.5.11 Proposals shall include web-based access to claims data, including access to claim notes.

9.5.12 Reports, electronic data access, and web training shall be included at no additional cost to the District.

9.5.13 Proposals shall include disclosure of any commission, agent service fees, as applicable, and/or all revenue to be received from other sources.

9.5.14 Proposals shall be based on the underwriting information furnished in these specifications.

9.6 WORKERS' COMPENSATION STOP LOSS INSURANCE

9.6.1 All agents/agency submitting a proposal for this insurance shall meet the following minimum qualifications, the agent/agency shall:

9.6.1.1 Be licensed in Texas. A copy of Agent's current license shall be uploaded on Ionwave in the "Response Attachments" tab.

9.6.1.2 Have insurance for agent's errors and omissions ("E&O") liability with a limit of at least $1 million per occurrence. A copy of the Agent's E & O insurance certificate shall be uploaded on Ionwave in the "Response Attachments" tab.

9.6.1.3 Have been in business for at least five (5) years. Provide resume(s) of the proposed account representative's and include the agency/agent's relevant experience. Resume shall be uploaded on Ionwave in the "Response Attachments" tab.

9.6.1.4 Be required to meet all federal and state insurance regulations concerning the coverage submitted, including but not limited to, laws governing the use of surplus line companies and the use of forms that are not filed in Texas.

9.6.1.5 If applicable, be rated "A-" or better, by A.M. Best Company. At the discretion of the District, carriers rated lower than "A-" by A.M. Best Company may be considered.

9.6.2 Proposals will be accepted from intergovernmental risk sharing pools organized in accordance with Article 4413 (32c), Texas Interlocal Cooperation Act.

9.6.3 Proposals through self-insured pools shall include a current, audited financial statement (Balance Sheet and Statement of Operations), including auditor's opinion and Reinsurances Provisions.

9.6.4 The District reserves the right to not pay any premium until valid polices or coverage documents are received by the District.

9.6.5 Policy shall include the District, Board of Trustees, all elected and appointed officials, all employees of the District, members of Commissions/Committees, organizations of the District, and all volunteers and members of volunteer organizations, while acting on behalf of the District, unless otherwise directed herein or in writing hereafter.

9.7 Failure to comply with the requirements or the procedures set forth herein, or to satisfy the insurance and servicing criteria as set forth in the specifications, may result in proposal disqualification. It is not intended that exceptions to the specifications will, in and of themselves, result in disqualification.

10.0 AWARD INFORMATION

Award information will be available for download from our website within ninety (90) days of opening: https://mcallenisdtx.sites.thrillshare.com/page/awarded-vendors.

11.0 INSTRUCTIONS FOR SUBMITTING A PROPOSAL

The District prefers and encourages Bidders to submit their Bid through Ionwave (https://mcallenisd.ionwave.net/Login.aspx; however, we will accept submittals in a sealed envelope via mail or hand delivered. Email Liz Montes, emontes@mcallenisd.net for address and mailing instructions.

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

▶ **Go to *www.irs.gov/FormW9* for instructions and the latest information.**

Give Form to the requester. Do not send to the IRS.

Print or type. See **Specific Instructions** on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN,* later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			–		–				

or

Employer identification number

		–							

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here **Signature of U.S. person** ▶ **Date** ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9.*

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, *later.*

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting,* later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the instructions for Part II for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code,* later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships,* earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code,* later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities

5—A corporation

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession

7—A futures commission merchant registered with the Commodity Futures Trading Commission

8—A real estate investment trust

9—An entity registered at all times during the tax year under the Investment Company Act of 1940

10—A common trust fund operated by a bank under section 584(a)

11—A financial institution

12—A middleman known in the investment community as a nominee or custodian

13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over $600 required to be reported and direct sales over $5,000[1]	Generally, exempt payees 1 through 5[2]
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester,* later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at *www.SSA.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/Businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. Go to *www.irs.gov/Forms* to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to *www.irs.gov/OrderForms* to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code,* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account[1]
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor[2]
5. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee[1] The actual owner[1]
6. Sole proprietorship or disregarded entity owned by an individual	The owner[3]
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	**Give name and EIN of:**
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity[4]
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships,* earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov.* You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at *spam@uce.gov* or report them at *www.ftc.gov/complaint.* You can contact the FTC at *www.ftc.gov/idtheft* or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see *www.IdentityTheft.gov* and Pub. 5027.

Visit *www.irs.gov/IdentityTheft* to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

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

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 **Name of vendor who has a business relationship with local governmental entity.**

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information is being disclosed.**

_____

Name of Officer

4 **Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

5 **Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.**

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

_____ _____

Signature of vendor doing business with the governmental entity Date

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

***

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

THE FOLLOWING REPORT CAN BE FOUND AT

https://mcallenisd.ionwave.net/Desktop.aspx?pid=558&bid=113&bcid=205&bwid=1&ret=45&bret=42

- **2020-1021 Data.xlsx**

McALLEN INDEPENDENT SCHOOL DISTRICT

March 25, 2021

NOTE: This memo is due to recent updates from the Centers for Disease Control and Prevention (CDC) and Texas Education Agency (TEA).

Throughout this COVID-19 pandemic, the health and safety of our employees has remained the guiding force as the district goes forward through these challenging and unprecedented times. The district will continue to follow the guidelines and orders of our federal, state, and local officials.

1) **WORK PROTOCOLS:** Employees remain responsible for following district policies, guidelines, and safety protocols. Safety protocols include, but are not limited to:
   a. Employees will complete a daily self-screening before arrival to work:
      1)Take your temperature. Consider seeking medical evaluation for temperatures > 100°F.
      2)Self-screen for any of the following new or worsening signs or symptoms of possible COVID-19: Cough, Sore throat, shortness of breath or difficulty breathing, loss of taste or smell, repeated shaking with chills, feeling feverish, muscle pain, headache, etc.
      3)Employees who feel ill or exhibit any of these symptoms prior to reporting to work, should remain at home and notify their supervisor and consult with a Physician / local health clinic. Campus supervisors are responsible for notifying the campus nurse right away. Non-campus supervisors are responsible for notifying the Benefits Department right away. The employee may be asked to isolate. See paragraph 3a below.
      a) People who develop symptoms again within three (3) months of their first bout of COVID-19 may need to be tested again if there is no other cause identified for their symptoms.
   b. Employees will be required to follow social distancing guidelines.
   c. Employees will cover coughs & sneezes with a tissue or in your elbows. Wash your hands.
   d. Employees will wear a mask at all times. Additional PPE, to include face shields, will be provided.
   e. Employees must follow CDC recommendations to ensure proper hygiene practices. Wash your hands frequently. You can also use hand sanitizers or disinfectant wipes. Do not touch your face.
   f. Employees should still meet virtually when possible and avoid meeting physically in groups.
   g. Employees should not use water fountains, should avoid communal meals and avoid congregating in break rooms, meeting rooms or any work spaces.

2) **FULLY VACCINATED EMPLOYEES:** In accordance with CDC Guidelines, people are considered fully vaccinated for COVID-19 more than two (2) weeks after they have received the second dose in a 2-dose series (Pfizer-BioNTech or Moderna), or more than two (2) weeks after they have received a single-dose vaccine (Johnson & Johnson/Janssen).
   a. If it has been less than two (2) weeks since your one (1) dose shot, or if you still need to get your second dose of a two (2) dose vaccine, you are NOT fully protected.
   b. Fully vaccinated people with no COVID-like symptoms do NOT need to quarantine or be tested following an exposure to someone with suspected or confirmed COVID-19, as their risk of infection is low.
      1) They should continue to monitor for symptoms of COVID-19 for 14 days following an exposure. If they experience symptoms, they must inform their Principal / Director, isolate themselves from others, and be clinically evaluated for COVID-19.
      2) They should continue to take precautions in public like wearing a well-fitted mask, physical distancing, avoiding crowds, and adhering to the work protocols noted in paragraph one (1) above.

McALLEN INDEPENDENT SCHOOL DISTRICT

McALLEN ISD COVID-19 Work Protocols

Please adhere to the guidelines below at all times to ensure a safe work environment for all McAllen ISD employees.

Self-Screen

- Within the past 14 days, have you been in close physical contact with a person
  - who tested positive for COVID-19 or
  - who has symptoms consistent with COVID-19 or
  - who is pending COVID-19 test results?
- In the last 48 hours, have you experienced any of the following symptoms?
  - cough, congestion, or runny nose
  - sore throat
  - shortness of breath/ difficulty breathing
  - new loss of taste or smell
  - fever or chills
  - muscle or body aches
  - headache
  - fatigue
  - diarrhea, nausea, or vomitting
- Are you isolating or quarantining because you may have been exposed to a person with COVID-19 or are worried that you may be sick with COVID-19?
- Are you currently waiting on the results of a COVID-19 test?

If you have answered "yes" to any of the questions above, PLEASE REMAIN HOME and immediately notify your supervisor. Consult with your healthcare provider.

Follow your healthcare provider's and the district's guidance regarding 14-day self-quarantine or self-isolation.

❶ Wear a Mask

- Wear a mask at all times.
- Your mask should fit properly and cover your mouth and nose.
- Keep your mask clean.

❷ Wash Your Hands

- Wash your hands frequently for at least 20 seconds with soap.
- You may also use sanitizer or disinfectant wipes.
- Do not touch your face.

❸ Watch Your Distance

6 ft

- Follow social distancing guidelines. Resist the urge to hug, shake hands, fist bump, etc.
- Continue to meet virtually when possible from your work space and avoid meeting physically in groups.
- Do not use water fountains, avoid communal meals and avoid congregating in break rooms, meeting rooms or any work spaces.
- Cover coughs/sneezes with a tissue or into your elbow.

Staying home if you are sick or if you have been exposed makes you a HERO!

Version November 2, 2020

WE ARE READY

3) CRITERIA TO RETURN TO WORK PROCEDURES AFTER:

a. **COVID-19 DIAGNOSIS OR SYMPTOMS (Isolation):**

1) *Any employees who either: (a) Are test-confirmed to have COVID-19; or (b) Experience the symptoms of COVID-19* (listed in paragraph #1a(2) above) must stay at home throughout the infection period, and cannot return to their campus or department until the school system screens the employee to determine the below conditions for re-entry have been met:
   i. At least one day (24 hours) has passed since recovery (resolution of fever without the use of fever-reducing medications); *and*
   ii. The employee has improvement in symptoms (e.g., cough, shortness of breath); *and*
   iii. At least ten (10) days have passed since symptoms first appeared. This is the stay at home isolation period.

2) *In the case of an employee who has symptoms that could be COVID-19 and who is not evaluated by a medical professional or tested for COVID-19*:
   i. The employee is assumed to have COVID-19, and may not return to their campus or department until the employee has completed the same three-step set of criteria listed above.

3) *If the employee has symptoms that could be COVID-19 and wants to return to school/work before completing the above stay at home period*: The individual must -
   i. At least one day (24 hours) has passed since recovery (resolution of fever without the use of fever-reducing medications); *and*
   ii. The employee has improvement in symptoms (e.g., cough, shortness of breath); *and*
   iii. Obtain a medical professional's note clearing the employee for return based on an alternative diagnosis.

4) In the case of an employee who tested positive, yet has no symptoms, they must still be isolated for ten (10) days.

b. **EMPLOYEE DEEMED EXPOSED (14-day or 10-day quarantine):**

1) *Campus employees* with close contact to a person confirmed to have COVID-19 must immediately notify their Principal or Nurse.

2) *Non-campus employees* with close contact to a person confirmed to have COVID-19 must immediately notify their Director and Employee Benefits.

3) Employees will not be allowed to return to work until after:
   i. **14 days** from the last date of close contact. Any time you are exposed to another person who tested positive, the 14-day quarantine period is re-started. *EXAMPLE: If somebody in your household tests positive for COVID-19, and you have ongoing close contact with this person, your 14-day quarantine period starts after their isolation period ends,* ***OR***
   ii. **10 days** (*) after the last date of close contact, and only with a negative PCR/PCR Rapid test taken no earlier than day 11. The employee must continue to monitor themselves daily for symptoms and take appropriate precautions through day 14. Employee is responsible for providing documented test results to the Campus nurse (for campus employees) or to the Benefits department (for non-campus employees).

4) You do NOT need to stay home if you have had close contact with someone with COVID-19 if:
   i. You have been fully vaccinated and show no symptoms of COVID-19, OR
   ii. You have had COVID-19 within the previous three (3) months, have recovered, and remain without COVID-19 symptoms

4) **PAY DURING COVID-19 RELATED ABSENCE:**
   a. Pay for those employees sent home due to COVID-19 related reasons will be determined at the District's discretion as follows:
      i. Where job duties allow, employees will be required to work remotely, and will be paid for hours worked (hourly employees) or their normal salary (exempt employees). Hourly employees are prohibited from working overtime without their supervisors advance written permission.
      ii. Hourly employees working from home are responsible for clocking in/out through Time Clock Plus Online (located in Rapid Identity) and ensuring that all hours are reported on the time clock.
      iii. If job duties do not allow the employee to work remotely, or the employee is unable to work due to health reasons, the employee will be required to take leave as per Board Policy DEC (Legal & Local).

5) **FREQUENTLY ASKED QUESTIONS (FAQ):** If you have other questions, please contact either Employee Benefits (Karina Garza / 971-1131) for staff questions, or Elizabeth Gutierrez (632-3275) for Student questions.

   a. If an employee tests positive or have symptoms of COVID-19?

   1) Campus employee: Immediately notify their Principal or Nurse. Campus nurse will coordinate with the employee and conduct contract tracing if applicable.
   2) Non-Campus employee: Immediately notify Employee Benefits (Karina Garza / 971-1131). Ms. Garza will coordinate with the employee and conduct contact tracing if applicable.
   3) See paragraph 3 above for criteria to return to work.

   b. If employee has close contact to a positive COVID-19 individual?

   1) Campus employee: Immediately notify their Principal or Nurse.
   2) Non-Campus employee: Immediately notify Employee Benefits (Karina Garza / 971-1131).
   3) Employees with close contact to a person confirmed to have COVID-19 See paragraph 3 above for criteria to return to work.

   c. Are telehealth services covered?

   1) Effective January 1, 2021: Telehealth services rendered to covered members is subject to all standard plan benefits including applicable plan co-pays and In/Out of network provider benefits.

6) **SKYWARD WELLNESS SCREENING INSTRUCTIONS:**
   a. ALL district staff must self-screen every day before reporting to work.

   b. If you answer yes to any question, then you need to stay home and immediately contact your supervisor for further instructions.

   c. The preferred method to report your self-screening results is by answering a wellness screening survey in our Skyward Student Information System. The attached Skyward Wellness Screening Instructions is intended to assist all users with logging into Skyward to answer the screening questions.

McALLEN INDEPENDENT SCHOOL DISTRICT

McALLEN ISD STAFF



For individuals working at a district facility:

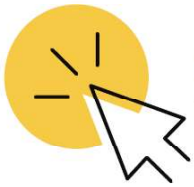
1. SKYWARD — Log in to Skyward on your mobile app or desktop app.



2. Complete self-screening questions for yourself & children if you have children in the district.



3. If you answer 'yes' to any of the wellness screening questions, please stay home and call your supervisor right away.



Click here to access the Wellness Screening tool in Skyward.

If you have any questions, please contact Student Operations at 956-632-3625

The above guidance and protocols are subject to change to ensure we meet the safety and health needs of our employees. Please direct any questions to your Principal, Director, or Employee Benefits (971-1131).

RETURN TO SCHOOL PLAN FOR STAFF

IN RESPONSE TO COVID-19
Edition 5.0

Edition 5.0 March 22, 2021
Edition 4.0 November 2, 2020
Edition 3.0 October 9, 2020
Edition 2.0 September 11, 2020
Edition 1.0 June 23, 2020

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INTRODUCTION

We have created this plan to create uniform guidance for McAllen ISD staff regarding return to school processes. Our goal is that employees, students, and families are safe, and that we can successfully reduce the impact of COVID-19 on our school community and beyond.

The guidelines referenced in this plan are based primarily on guidance from the Texas Education Agency (TEA) and the Centers for Disease Control and Prevention (CDC) with consideration for local health conditions as determined by Hidalgo County. Regular updates will be made to this plan based on new plans, guidelines, and the changing landscape of our local health conditions.

GUIDING PRINCIPLES

To ensure the continued safety of our staff and students the following guiding principles have been put in place:

1. STAFF AND STUDENT SAFETY MEASURES (PREVENTION & PROTECTION)
2. COVID-19 REDUCED IMPACT (MITIGATION & RESPONSE)
3. STAFF AND STUDENT SUPPORT (RECOVERY)

As the district continues to phase-in face to face instruction, school nurses play a substantial role in the COVID-19 prevention, protection, mitigation, response, and recovery plans. Below is a guided approach to COVID-19 management.

Goal: Prevent any and all contraction and spread of the COVID-19 virus.

PREVENTION	PROTECTION	MITIGATION	RESPONSE	RECOVERY
Nurses will prepare facilities, staff, students, parents and visitors to avoid contracting and spreading the virus.	Nurses will audit facilities, staff, students, parents and visitors to ensure steps are taken to avoid contracting and spreading the virus.	If the virus is contracted or spread, Nurses will implement measures to minimize impact to students, staff, parents, and visitors.	If the virus is contracted or spread, Nurses will respond quickly and appropriately to contain impact and meet basic needs.	If the virus is contracted or spread, Nurses will strengthen prevention and protection and improve response.
Understand the plan in each area. Become well trained and train others in each area as needed. Know the operational coordination needed in each area.				

SECTION 1: STAFF AND STUDENT SAFETY

STAFF AND STUDENT SAFETY PROTOCOLS

SCREENING PROTOCOL and PREVENTATIVE MEASURES for STAFF

Current Memo	What does fully vaccinated mean?
Updated 03/22/21 COVID-19 HR Memo - 03.25.21 – English COVID-19 HR Memo - 03.25.21 – Spanish	People are considered fully vaccinated: • 2 weeks after their second dose in a 2-dose series, such as the Pfizer or Moderna vaccines, or • 2 weeks after a single-dose vaccine, such as Johnson & Johnson's Janssen vaccine

Staff Self-Screening & Self-Quarantine

Per the HR memos above, rooted in the guidance provided by TEA, staff should self-screen before coming to campus.

(HR Memo – Employee screening)

2) **WORK PROTOCOLS:** Employees remain responsible for following district policies, guidelines, and safety protocols. Safety protocols include, but are not limited to:

a. Employees will complete a daily self-screening before arrival to work:

1)Take your temperature. Consider seeking medical evaluation for temperatures > 100°F.

2)Self-screen for any of the following new or worsening signs or symptoms of possible COVID-19: Cough, Sore throat, shortness of breath or difficulty breathing, loss of taste or smell, repeated shaking with chills, feeling feverish, muscle pain, headache, etc.

3)Employees who feel ill or exhibit any of these symptoms prior to reporting to work, should remain at home and notify their supervisor and consult with a Physician / local health clinic.

Campus supervisors are responsible for notifying the campus nurse right away. Non-campus supervisors are responsible for notifying the Benefits Department right away. The employee may be asked to isolate. See paragraph 3a below.

(TEA as of 03/12/21)

PREVENT: Practices to Prevent the Virus from Entering the School

Screening Questions for COVID-19 Before Campus Access

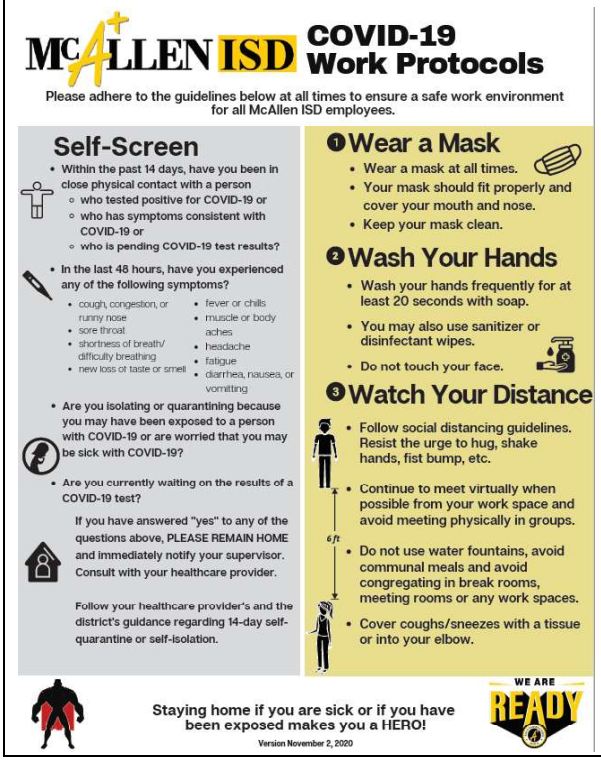
1. School systems must require teachers and staff to self-screen for COVID-19 symptoms before coming onto campus each day. Symptoms are listed at the end of this document. The self-screening should include teachers and staff taking their own temperature. Teachers and staff must report to the school system if they themselves have COVID-19 symptoms or are test-confirmed with COVID-19, and, if so, they must remain off campus until they meet the criteria for re-entry as noted below. Additionally, they must report to the school system if they have had close contact with an individual who is test-confirmed with COVID-19, as defined at the end of this document, and, if so, must ~~remain off campus until the 14-day incubation period has passed~~. follow school system policy for the stay-at-home period, aligned to guidance in this document.

Updated 03/22/21

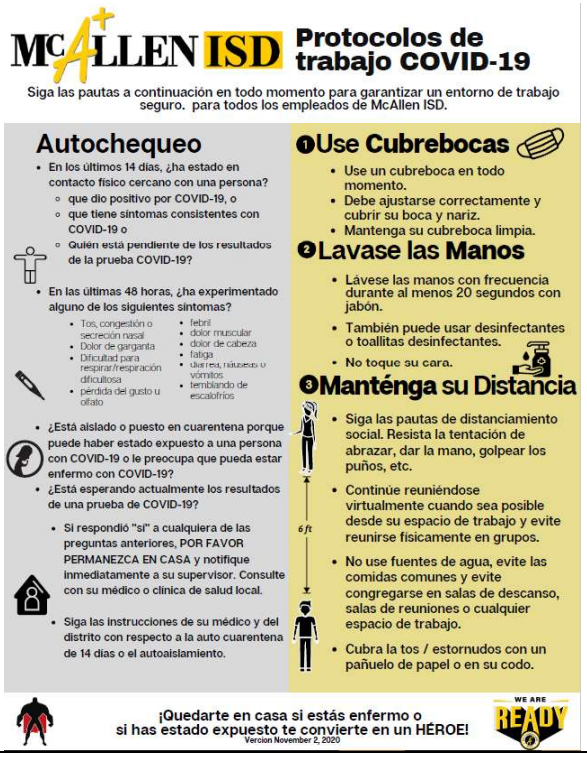
Work Protocols Flyer

Updated 11/02/20

MISD Work Protocols updated 11/02/20 ENGLISH



MISD Work Protocols updated 11/02/20 SPANISH



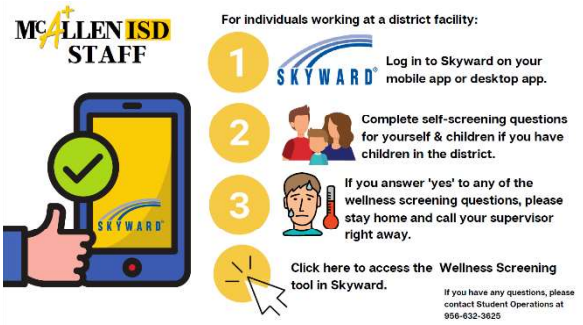
Electronic Staff Screening

Updated 10/09/20

Once Phase-In 3 begins on November 9, 2020, an electronic screening method will likely be implemented for staff to answer on a daily basis per the TEA guidance. Skyward will likely be used as the tool to accomplish electronic screening. See HR latest HR memo for more information.

Updated 11/02/20

MISD Skyward Wellness Screening 11/02/20 ENGLISH



MISD Skyward Wellness Screening 11/02/20 SPANISH



SCREENING PROTOCOL and PREVENTATIVE MEASURES for STUDENTS

COVID-19 RTS Student Protocol 9-11-20 (Updated)

The best screening is the one done at home so that children who are sick or show symptoms are kept at home. Campuses should communicate with parents that are sending their children to school and guide on good hygiene practices at home including temperature checking.

A student living with someone who experiences any of the symptoms of COVID-19, whether they have a positive COVID-19 test or not, should contact their nurse and may be asked to quarantine for 14 days.

McAllen Independent School District
Health Services
Return to School Student Protocol COVID-19

The purpose of this protocol is to provide important information and guidance regarding students for schools currently operating as well as planning for schools to re-open related to COVID-19. These guidelines have been written with careful consideration for the health, safety, and welfare of our community.

Basic Teaching Information on COVID-19 (age appropriate)

Good Hygiene Practices:

1. Handwashing
   a. Soap, water & friction, handwashing for at least 20 seconds
   b. Before each meal/snack, after restroom use, whenever visibly dirty
2. Covering coughs and sneezes, preferably with tissue and if not available into elbow
3. Staying home when ill or if known close contact in the last 14 days with a person who is lab-confirmed to have COVID-19
4. Administration and custodial staff will ensure all areas are thoroughly cleaned and disinfected.

Student Screening When Arriving at School

Students will have their temperature checked upon arriving and/or at midday to school at designated campus.

1. Temperature check should be done at home if student is not feeling well.
2. If student becomes ill at school, a health care professional will check temperature.
3. Any student with a temperature of **100.0° F** or higher will wait in designated area for parents to pick up.

Students who exhibit any of the following signs or symptoms* of possible COVID-19 will be assessed by a health care professional.

Cough	Sore Throat
Fever or Chills	Diarrhea
Muscle or Body Aches	Headache
Fatigue	Congestion or Runny Nose
Nausea or Vomiting	New loss of taste or smell
Shortness of breath or difficulty breathing	Temperature greater than or equal to 100.0° F

*This list does not include all possible symptoms.
https://www.cdc.gov/coronavirus/2019-ncov/symptoms-testing/symptoms.html

Student Becomes Sick at School

If a student begins to experience any of the symptoms listed above while at school, they will be referred to campus nurse. *The nurse* will conduct an assessment to determine whether symptoms may be COVID-19 or caused by an unrelated reason. Measures will be taken to reduce exposure.

1. Place student in isolation room and ensure that a mask is worn by student.
2. If exhibiting signs and symptoms of COVID-19 and/or student has a temperature of **100.0° F** or higher, they will be sent home.

9/11/20



Figure 1 RTTS Plan 091120 Page 9

Click here for flyer: FLYER

COVID-19 Screening Flowchart

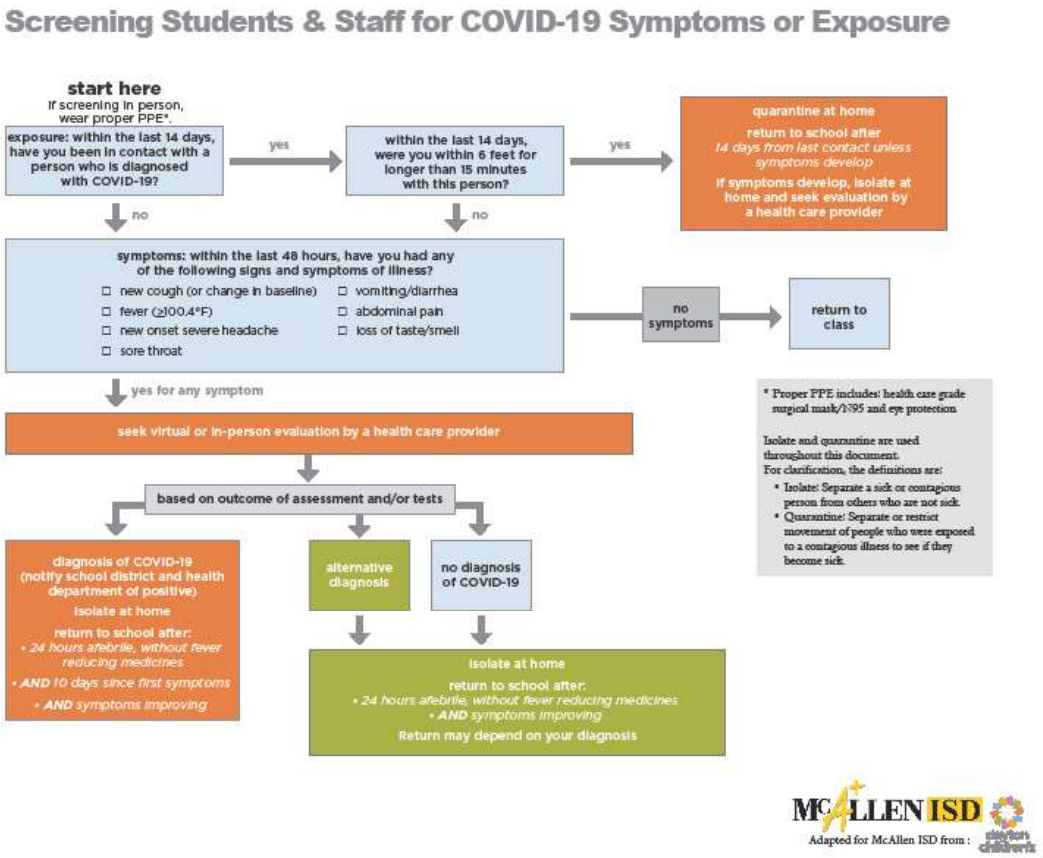
SCREENING AT SCHOOL/WORK

Updated 03/22/21

Quarantine Update:

- **3-month rule**: People who have tested positive for COVID-19 within the past 3 months and recovered do not have to quarantine or get tested again as long as they do not develop new symptoms.
    - People who develop symptoms again within 3 months of their first bout of COVID-19 may need to be tested again if there is no other cause identified for their symptoms.
- **Fully vaccinated rule**: People who have been in close contact with someone who has COVID-19 are not required to quarantine if they have been fully vaccinated against the disease and show no symptoms.

https://www.cdc.gov/coronavirus/2019-ncov/if-you-are-sick/quarantine.html



Updated 10/09/20

Electronic Student Screening

Once Phase-In 3 begins on November 9, 2020, an electronic screening method will likely be implemented for parents, whose students are attending face-to-face, to answer on a daily basis per the TEA guidance. Skyward will likely be used as the tool to accomplish electronic screening.

(TEA as of 09/24/20)

School systems may consider screening students for COVID-19 as well. **Screening is accomplished by asking questions by phone or other electronic methods and/or in person.** The screening questions should also be asked of a student's parent if that parent will be dropping off or picking up their child from inside the school. Regularly performing a forehead temperature check of otherwise asymptomatic students in school is not recommended, but the practice is also not prohibited by this guidance.

ASSESSMENT WHEN INDIVIDUAL EXHIBITS SYMPTOMS AT SCHOOL

If an individual (student/employee) begins to experience any of these symptoms,

- Feeling feverish or a measured temperature greater than or equal to 100.0 degrees Fahrenheit
- Loss of taste or smell
- Cough, difficulty breathing and/ or shortness of breath

Updated 10/09/20

- Fatigue
- Headache
- Chills, sore throat, congestion or runny nose
- Shaking or exaggerated shivering
- Significant muscle pain or ache
- Diarrhea, nausea or vomiting

they should be immediately referred to the campus nurse. The nurse will conduct an assessment and take measures to reduce exposure.

1. Place individual in isolation room and ensure that a mask is worn.
2. If exhibiting signs and symptoms of COVID-19 and/or individual has a temperature of 100.0° F or higher, they will be sent home.
3. Call someone to pick them up (staff can drive home if up to it) and provide medical referral.
4. For student, continue to monitor until parents arrive.

For the Nurse:
When determining the method of conducting your assessment, take measures to reduce exposure to the individual with symptoms of illness.

- Use PPE prior to making contact with the individual:
    - Perform hand hygiene
    - Put on surgical or isolation facemask
    - Put on face shield or goggles
- The recommended procedure is to conduct an assessment over the phone, or if in a designated place designated by principal.
- If you must assess the individual in person, the individual must always wear their face covering.

If the campus nurse determines the employee must be sent home due to possible COVID-19, the following steps will be taken:

1. Inform administration and custodial staff to ensure areas on campus are thoroughly sanitized.
2. Document the assessment to follow up as a *possible* COVID-19 case.

Making the decision that an employee must go home **is not making a diagnosis**, it is identification of symptoms which could be COVID-19 that are not easily ruled out as something different. It is not expected that most individuals who must go home will be COVID-19 positive.

If you receive information that the individual tested positive, or is presumed positive, for COVID-19, the campus principal and COVID Task Force will be informed. See SECTION 2: POSITIVE COVID-19 DIAGNOSIS for next steps.

Updated 11/02/20

Criteria to Return to School/Work
For staff and students, please refer to the latest COVID-19 HR Memo. The criteria to return to school for both staff and students is the same. You can also see detailed return criteria for both staff and students starting on page 22.

PERSONAL PROTECTIVE EQUIPMENT (PPE)

To minimize exposure to COVID-19, Personal Protective Equipment (PPE) will be used by all individuals on campus:

Masks for Staff and Students: Face masks are an important part of personal protection, as well as personal hygiene, social distancing, and frequent cleaning efforts. All students and staff will wear a mask during the school day*. If there is a circumstance where a student or staff member cannot safely wear a mask for an extended period, they should consult with their campus nurse for further guidance.

Updated 10/09/20

Reusable masks will be provided to staff and students. There are also disposable masks available in the event that the reusable mask is lost or damaged.

***In certain educational contexts (per TEA March 12, 2021):**

Updated 10/09/20

Face Shields for Staff: Masks are the preferable PPE for daily use; however, full-face shields may be used ***in the classroom*** in place of a mask to protect eyes, nose, and mouth whenever a mask is not feasible or whenever the education context may benefit from the ability to see an individual's full face. Reusable face shields will be provided to staff. When wearing a face shield, it is advisable to also be behind a desk shield for added safety.

While the TEA does allow full-face shields in specific educational contexts in the classroom, masks should be worn outside of the classroom. The CDC does not recommend use of face shields for normal everyday activities or as a substitute for masks.

Updated 11/02/20

Alternative to the Solid Mask for Students: Students that will require an alternative to a solid mask ***in the classroom*** based on the educational context (for example, PK-2nd graders that need to see the teacher's mouth and vice versa) will be provided an alternative mask on an as-needed basis.

***When eating:**

Updated 10/09/20

When eating, students will not be able to wear a mask. In this case, students should be distanced at least 6 feet from other students and/or should have a desk shield between themselves and other students.

Updated 03/22/21

- If eating in the classroom where the distance between students is less than 6 ft (>= 3 ft.), then student desk shield should be used.

Updated 10/09/20

Desk Shields for Staff and Students: Desk shields will be available for student desks and for teacher and staff desks.

Please note that social distancing should still be practiced even with the use of PPE.

PERSONAL PROTECTIVE PRACTICES (PPP)

In addition to using PPE, all students and staff should follow personal protective practices (PPP) like…

- washing hands often with soap and water for at least 20 seconds.
    - **Hand Washing Practice**
      Schools are encouraged to have students engage in supervised handwashing for at least 20 seconds at least two times each day, in addition to being encouraged to wash hands after using the restroom and before eating.
- using hand sanitizer when entering and exiting the classroom.
- avoiding touching eyes, nose, and mouth.
- covering mouth and nose with a tissue when coughing or sneezing or using the inside of your elbow.
- not sharing food or personal items. This includes pens, pencils, notebooks, electronics, etc.
- keeping all personal belongings on the floor or in designated personal storage spaces (i.e., under desk bins) if available.
- not using mouth directly on water fountains and instead using a water bottle to fill with water.
- not congregating in groups.

Updated 10/09/20

PPP Instruction for Students

Updated 10/09/20

On the first day a student attends school on campus, schools must provide instruction to students on appropriate hygiene practices and personal protective practices.

PREPARING FOR CONTACT TRACING

For COVID-19, contact tracing is an important step to mitigate the further spread of the virus. To have an accurate account of the staff, students, and visitors that were at the campus at any given time or that were in contact with others, accurate daily records of each person on the campus, each class, bus route, and employees' assignments shall be maintained to assist in contact tracing and group quarantine.

Assigned Seating

Updated 10/09/20

Assigned seating for students in the classroom, cafeteria, gym, buses will be a useful step when conducting contact tracing.

SOCIAL DISTANCING & FACILITIES USAGE

SOCIAL DISTANCING

Social distancing is an effective way to prevent potential infection. McAllen ISD students, staff and visitors should practice staying approximately 6 feet away from others and eliminating contact with others.

- Classrooms should be configured such that everyone has an area of ~36 square feet. This includes marking off every other desk to ensure students sit 6 feet apart.
  - If 6 feet is not possible due to an increased enrollment in the classroom, students can be seated at least 3 feet apart from other students with the understanding that the distance should always be maximized (i.e., 6 feet, 5 feet, 4 feet).

Updated 03/22/21

- Taped lines on the floor will mark the walking direction throughout the campus to maintain the social distancing requirement of 6 feet. Additional signage will be placed on campus to remind all students and staff of social distancing requirements.
- Breakfast and lunch will be served to all students in the classroom to avoid large group gatherings in cafeterias and hallways.
  - If 6 feet is not possible during meals in the classroom due to an increased enrollment in the classroom, students can be seated at least 3 feet apart from other students with the understanding that the distance should always be maximized (i.e., 6 feet, 5 feet, 4 feet) and student desk shields should be used while students are eating since mask use is not possible during meals.

Updated 03/22/21

  - In the event that the cafeteria will be used for meals, students will not go through the serving lines and, instead, will receive a pre-packaged lunch and 6 feet should continue to be observed in the cafeteria.

Updated 03/22/21

- Ad-hoc interactions/gatherings, non-essential/informal meetups and visiting will be avoided.
- Organized arrival, dismissal and transitions are key to ensure social distancing.
  - Staggering dismissal time will help students maintain social distancing and avoid congregating.
  - One-way transitions will help students observe social distancing.

PERSONAL WORKSPACE/CLASSROOMS

Updated 10/09/20

Maximum capacity for each classroom should be determined based on the number of desks and the social distancing guidelines and posted on the door. Overflow areas should be identified.

Hand sanitizing stations should be installed such that

- there is at least one in every classroom.
- they are easily accessible in highly trafficked areas.
- they are easily accessible at key entry points and exit points throughout the campus.

Staff is encouraged to sanitize their personal workspace (teacher desk, phone, etc.) throughout the day, giving special attention to commonly touched surfaces. This can be done by using the hand sanitizer and a paper towel. All student desks will be sanitized at the end of each day. In addition, the use of Gold Shield antimicrobial agent will be used in all classrooms and common spaces every two weeks.

Updated 10/09/20

Each classroom will have a spray bottle of alcohol-based sanitizer with paper towels that can be used for equipment, surfaces, furniture, and hands. If classes are transitioning, this solution with the paper towels can be used to wipe down desks, desk shields, equipment, etc.

Updated 10/09/20

Air purifiers, small fans, and small refrigerators are not provided by the district, but staff can bring these items for use in their workspace. Microwaves for staff use will still be restricted to common areas as designated by the Principal.

Updated 10/09/20

Outdoor Classrooms

When feasible and appropriate (for example, in physical education classes as weather permits), it is preferable for students to gather outside, rather than inside, because of likely reduced risk of virus spread outdoors.

SHARED WORKSPACE

Staff is encouraged to sanitize their own workspace multiple times throughout the day, giving special attention to commonly touched surfaces. Where workspace/classroom sharing is taking place because of teacher rotation, the desk and other work areas should be sanitized before and after use. This can be done by using the hand sanitizer and a paper towel. This will help reduce the spread of germs.

McAllen ISD has alcohol-based hand sanitizers throughout the workplace and in common areas and this can be used to sanitize hands and surfaces. Sanitizing spray is also available to clean and disinfect frequently touched objects and surfaces such as telephones and keyboards. The custodial team will sanitize all workspaces at their designated time.

There will be limited access to certain shared workspaces to reduce exposure to risks and ensure employee safety. Shared workspace usage is as follows:

Capacity– Staff in shared workspaces that cannot socially distance, should have a divider to separate their workspace.

Conference Rooms– Campus principals will determine if the use of conference rooms will occur or not on a case-by-case basis. This will be determined based on the size of the room, size of the group, and urgency. Certain conference rooms will be closed until further notice. Signage indicating closure/capacity limits will be placed on conference room doors. All meetings are required to use Teams as a virtual option even for employees in the office or school.

Breakrooms/Teacher Lounge/Multipurpose/Copy Room–These spaces will be closed, or capacity will be controlled such that only a specific number of staff members will be allowed inside at any given time. The use of shared appliances such as coffee machines, refrigerators, and microwaves is discouraged. If used, they should be wiped down after/before use. Staff can purchase a breakfast and lunch from the Child Nutrition department for a nominal price (Breakfast = $2.75 and Lunch = $4.25). Breakfast and lunch are free for staff members that are helping with the counting and claiming including teachers/staff when meals are served in the classrooms or teachers/staff that help with counting and claiming in the cafeteria.

RESTROOM USE DURING THE SCHOOL DAY

Maximum capacity for each restroom on campus should be determined based on the number of fixtures and the social distancing guidelines and posted on the door. Hallways should be monitored to ensure those capacities are not exceeded. If restroom capacity has been reached, hall monitors will instruct students to wait outside the restroom, 6-feet apart, until they can enter. Masks will always be worn.

LOCKER ROOMS & SHOWER FACILITIES

Each campus will adhere to risk minimization guidelines that will include reduced capacities and sanitation practices.

DRINKING WATER FOUNTAINS

The drinking water fountains will be covered and not accessible for use except to refill drinking water containers. Students and staff will be encouraged to bring their own reusable water bottle to school. School cafeterias are equipped with water refill stations attached to drinking water fountains. These can be used to refill water bottles as needed throughout the day. Because students will be eating meals in their classrooms, students will need permission to enter the cafeteria, and social distancing will always be practiced.

DISTRICT FACILITIES MAINTENANCE

FACILITIES CLEANING

The safety of our employees and students are our priority. Upon reopening, our schools will have been completely cleaned and disinfected and we will continue to adhere to all necessary safety precautions. In addition to the deep cleaning of the office and school before employees and students return, the cleaning steps outlined below are to be taken to disinfect workplace surfaces, chairs, tables, etc. to protect employees and reduce the risk of spread of infection. We will require employees to maintain this safety standard by continuously cleaning and disinfecting based on the frequency stated below.

[COVID-19 Cleaning Protocols]



McALLEN INDEPENDENT SCHOOL DISTRICT
Facilities, Maintenance & Operations



COVID 19 - RESPONSE PLAN

as of Nov 2, 2020

The Facilities, Maintenance and Operations Department has used a variety of EPA registered disinfectants for several years and has proactively responded to outbreaks. This outbreak is no exception, but rest assured that our team has continued to clean, disinfect and sanitize throughout this pandemic.

Additional measures have been taken to combat this virus such as procuring electrostatic sprayers, the installation of hand sanitizers, the installation of exterior hand washing sinks and sink dividers.

Our continued goal is to ensure a safe environment for our students as well as our staff.

Included on the EPA List N
In addition to the three registered disinfectants, an antimicrobial agent with a residual effect of 30 days is applied district wide every two weeks.

McAllen ISD Staff Safety Protocols

Daily Routine

- ✓ Wear Face Coverings
- ✓ Self-Screen including Temperature Check
- ✓ Wash Hands Often
- ✓ Practice Social Distancing

COVID 19 Response

1. Close the room, office, etc immediately.
2. Contact FMO and a response team will show up immediately.
3. Contact HR for guidance on the following steps.
4. Keep area clear for 24-48 hours. If that is not possible, Disinfect the area and keep it clear as long as possible.

McAllen ISD FMO Sanitizing Protocols

Daily Routine

- ✓ Common areas/work spaces are cleaned and sanitized.
- ✓ Classrooms are cleaned and sanitized.
- ✓ Restrooms are disinfected and restocked.
- ✓ Trash is removed.

- ✓ Special attention to sanitizing:
- ✓ Door handles, push-bars, locks, keypads, time clocks
- ✓ Student tables and desks, staff desks



COVID 19 Response

1. FMO Response team will show up to site immediately.
2. FMO Response Team will disinfect all areas and apply Goldshield via an electrostatic sprayer.
3. FMO Response Team will shut down area for 24-48 hours. If that is not possible, Disinfect the area and keep it clear as long as possible.

For more information contact FMO at 956-632-3200

GENERALSANITIZING MEASURES

The goal is to establish a sanitary baseline before the site opens. The site should be 100% disinfected prior to anyone returning to work.

Category	Area	Frequency
Workspaces	Classrooms, Offices	At the end of each use/day
Appliances	Refrigerators, Microwaves, Coffee Machines	Daily
Electronic Equipment	Copier machines, Shared computer monitors, TV's, Telephones, keyboards	At the end of each use/day and/or between use
General Used Objects	Handles, light switches, sinks, restrooms	Daily
Buses	Bus seats, handles/railing, belts, window controls	At the end of each use
Common Areas	Cafeteria, Library, Conference rooms, Gyms, Common Areas	At the end of each use/day; between groups
Gold Shield Antimicrobial Agent	All hard surfaces, carpets, and common areas	Bi-weekly

DEEP CLEANING AND DISINFECTION PROTOCOL

McAllen ISD facilities/custodial staff will perform an immediate deep clean using all established protocols if there is a confirmed case of COVID 19 among a student or staff member. On a more regular basis, deep cleaning and disinfection protocols will occur every two weeks.

VISITORS ON CAMPUS

VISITOR RESTRICTIONS

To reduce the potential spread of COVID-19, McAllen ISD will strictly limit visits to essential visitors only and limit the number of visitors allowed on campus at one time.

- Essential to student learning. Including substitute teachers, occupational and/or speech therapists, etc.
- Essential to student physical and emotional health. Including child protective services staff, social workers, emergency services, etc.
- Essential to facilities safety and support operations. Including contracted maintenance that cannot be completed outside the school day hours, etc.

All visitors should contact the school prior to arrival to obtain approval to enter. All visitors will be subject to a health screening and should report any COVID-19 related symptoms or exposure prior to the visit.

VISITOR SCREENING

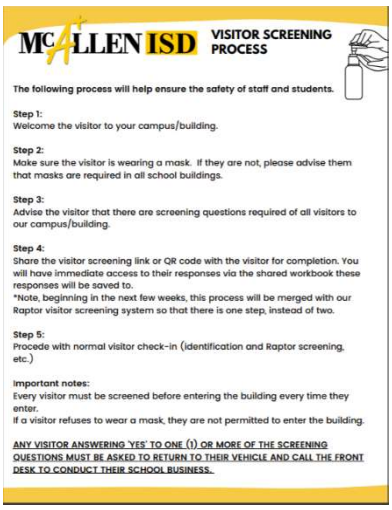
Campuses should conduct visitor screening for visitors that will be on campus longer than 15 minutes. This will not apply to individuals, like mail or package carriers, that are quickly dropping off items.
See the Visitor Screening Process flyer below.

(TEA)

Screening Questionnaire Information

1. When asking individuals if they have symptoms for COVID-19, school systems must only require the individual to provide a "Yes" or "No" to the overall statement that they are symptomatic for COVID-19, as opposed to asking the individual for specific symptom confirmation. School systems are not entitled to collect information during screening on the specific health information of an individual beyond that they are symptomatic.
2. Once it is determined that individuals who responded "Yes" to either of these questions have met the criteria for re-entry, school systems must destroy those individuals' responses.

Visitor Screening Process



MCALLEN ISD VISITOR SCREENING PROCESS

The following process will help ensure the safety of staff and students.

Step 1:
Welcome the visitor to your campus/building.

Step 2:
Make sure the visitor is wearing a mask. If they are not, please advise them that masks are required in all school buildings.

Step 3:
Advise the visitor that there are screening questions required of all visitors to our campus/building.

Step 4:
Share the visitor screening link or QR code with the visitor for completion. You will have immediate access to their responses via the shared workbook these responses will be saved to.
*Note, beginning in the next few weeks, this process will be merged with our Raptor visitor screening system so that there is one step, instead of two.

Step 5:
Procede with normal visitor check-in (identification and Raptor screening, etc.)

Important notes:
Every visitor must be screened before entering the building every time they enter.
If a visitor refuses to wear a mask, they are not permitted to enter the building.

ANY VISITOR ANSWERING 'YES' TO ONE (1) OR MORE OF THE SCREENING QUESTIONS MUST BE ASKED TO RETURN TO THEIR VEHICLE AND CALL THE FRONT DESK TO CONDUCT THEIR SCHOOL BUSINESS.

FOOD & OTHER DELIVERIES FOR STAFF AND STUDENTS

Bringing or sharing refreshments during meetings is prohibited to limit the risk of contamination. Snack items, candy, and drinks will not be provided until further notice.

No food deliveries will be allowed and food brought by students and staff for their own consumption will be kept at your assigned space and will not be shared with others.

Students and staff will not be allowed to receive meal deliveries or personal package deliveries at any time during the day.

CAFETERIA AND MEAL PERIODS

When the District resumes school in school buildings, school meals will be ready to be served to students. There will be, of course, operational adjustments to mitigate concerns related to COVID-19.

These are examples of the operational adjustments:

- Food service staff will wear face coverings such as face masks and/or face shields.
- School meals will be delivered to classrooms and served to students with pre-packaged options.
    - If the cafeteria must be used for meals, students will not go through the typical serving line and instead will receive the pre-packaged options. The cafeteria should be marked and spaced so that students are able to socially distance.
- Schools will have hand sanitizer dispensers in the classrooms to use before meals.
- Sharing tables or food sharing will not be allowed during this time.
- Students that bring a breakfast and/lunch from home cannot share their food.
- Outside food deliveries will not be allowed.
- Parents of students with special diet needs should reach out to the campus nurse. Nurses can help coordinate the need with the child nutrition team to ensure student receives a meal that meets their needs.

BUS PROTOCOLS

When the District resumes school in school buildings, school buses will be ready to transport students. There will be, of course, operational adjustments to mitigate concerns related to COVID-19. Below are examples of the operational adjustments.

At the bus stop

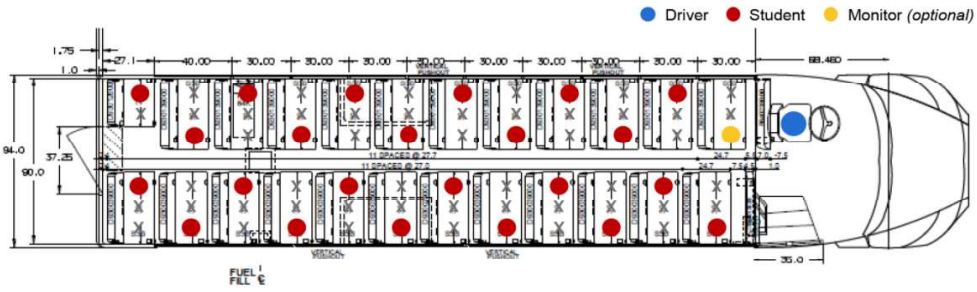
- Students will be guided to practice social distancing, 6 feet apart.
- Students will be wearing face coverings for their own protection and that of others.

During the route

Updated 03/22/21

- Bus drivers and aides will wear face coverings such as face masks and/or face shields.
- When possible, students will sit 6 ft. apart by skipping a seat between students. Note that siblings can sit next to each other in the same seat.
    - If is it not possible to sit 6 ft. apart by skipping a seat, students will be seated in a zig zag pattern illustrated below.
    - If it is not possible to sit 6 ft. apart by skipping a seat or sit in a zig zag pattern, students will be seated as distanced as possible with the understanding that seats may need to be shared. In these cases, window ventilation will be maximized, and masks will continue to be enforced.

Bus Model: 71-passenger bus
Max. capacity with physical distancing requirements: 23 passengers (32% full capacity)
Seat map configuration:



- Students will have hand sanitizer available as they enter and exit the bus.
- Bus drivers will keep every various window slightly open to ventilate air.
- Buses have signage added that speak to the safety measures we recommend including:
    - Wash your hands often with soap and water for at least 20 seconds.
    - If soap and water are not available, use an alcohol-based hand sanitizer.
    - Avoid touching your eyes, nose and mouth with unwashed hands.
    - Cover your cough or sneeze with a tissue, then throw the tissue in the trash.
    - Clean and disinfect frequently touched objects and surfaces.

When bus arrives to school

- Students will undergo the health screening before entering the building.

At the bus depot

- Buses will be thoroughly cleaned and sanitized daily, between runs and at the end of the day using anti-microbial products with residual technologies.
- Buses will undergo daily, weekly and monthly sanitizing protocols.

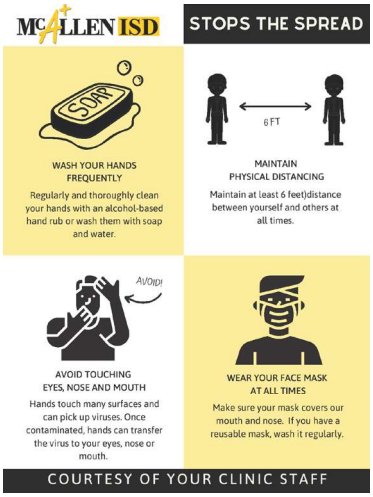
SAFETY SIGNAGE & MARKINGS

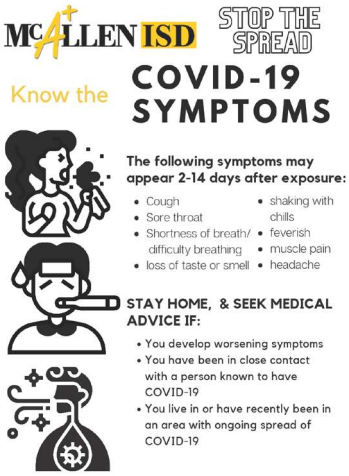
[COVID-19 Signage]



4x6 floor stickers for campuses









SECTION 2: POSITIVE COVID-19 DIAGNOSIS

Updated 10/09/20

DISTRICT COVID TASK FORCE POSITIVE TEST CONTACTS
For non-campus employees**:** **Karina Garza**, Risk Management Coordinator (956) 971-1131
For campus employees/students: **Campus Nurse**

Updated 11/02/20

Janie Espino, District Nurse (956) 240-7178 or (956) 632-3275 submits campus cases to County/TEA
Andres Silva, Director Emp. Benefits/Risk Management
Todd Miller, Assistant Superintendent for Human Resources

GUIDANCE FOR A POSITIVE COVID-19 CASE

It is important that all staff members understand what is meant by the term: close contact. This is used by the CDC and TEA when issuing guidance related to COVID-19.

CLOSE CONTACT (CDC)

Updated 03/22/21

Close Contact	Someone who has been within 6 feet of an infected person (laboratory-confirmed or a clinically compatible illness) for a cumulative total of 15 minutes or more over a 24-hour period (*for example, three individual 5-minute exposures for a total of 15 minutes in one day*). An infected person can spread SARS-CoV-2 starting from 2 days before they have any symptoms (or, for asymptomatic patients, 2 days before the positive specimen collection date), until they meet criteria for discontinuing home isolation.

https://www.cdc.gov/coronavirus/2019-ncov/php/contact-tracing/contact-tracing-plan/appendix.html#contact

Updated 03/22/21

- The definition of a close contact is someone who was within 6 feet of a person diagnosed with COVID-19 for a total of 15 minutes or more over a 24 hour period. The definition of a close contact applies regardless of whether either person was wearing a mask.
- For schools that use less than 6 feet between students in classrooms, the definition of close contacts should not change. Students sitting less than 6 feet next to another student or person diagnosed with COVID-19 for a total of 15 minutes or more should quarantine at home and be referred for testing.

Updated 03/22/21

(TEA March 12, 2021)

Close Contact

This document refers to "close contact" with an individual who is test-confirmed to have COVID-19. The definition of close contact is evolving with our understanding of COVID-19, and individual scenarios should be determined by an appropriate public health agency. In general, close contact is defined as:

a. being directly exposed to infectious secretions (e.g., being coughed on); or
b. being within 6 feet for a total of approximately 15 minutes throughout the course of a day; however, additional factors like case/contact masking (i.e., both the infectious individual and the potential close contact have been consistently and properly masked), ventilation, presence of dividers, vaccination status, prior infection status, and case symptomology may affect this determination.

Either (a) or (b) defines close contact if it occurred during the infectious period of the case, defined as two days prior to symptom onset to 10 days after symptom onset. In the case of asymptomatic individuals who are test-confirmed with COVID-19, the infectious period is defined as two days prior to the confirming test and continuing for 10 days following the confirming test.

Updated 10/09/20

If a positive case is identified for staff or students on campus, take the following steps:

Step 1: Nurse/Designated Staff Member Contain/Isolate the COVID-19 Positive Individual

- ☐ Staff will contact School Nurse or School Administrator in the event of a positive case, symptoms, or possible exposure for themselves, a student or another staff member.

If the staff member or student is on campus,

- ☐ Nurse (or designated staff member) will isolate them immediately and follow steps to get them home or a medical facility. Nurse or trained staff member should lead this effort as they are trained to manage the isolation rooms and handle infected or potentially infected patients. *The proper PPE for the person escorting someone (at a 6-foot distance) to a designated isolation space would include a face covering and a face shield. The staff who escorts the person to the isolation space must wash their hands before and after escorting to the designated isolation space.*

Step 2: Initiate Contact with Student's Parent or Staff Contact if Student or Staff Member is Too Ill

Provide isolation instructions. For anyone sent home with symptoms, the staff or student parent/caregiver needs to be given instructions to:

Keep that person at home. • Seek medical attention on how to manage symptoms and whether a PCR test is recommended. • Contact the school with an update.

Once the following two criteria are met, then proceed to Step 3.

1. **positive case is confirmed.**
2. **positive case was physically on campus.**

Step 3A: Close Off and Sanitize

Inform administration and custodial staff to ensure all areas are closed off and thoroughly sanitized.

Step 3B: Contact COVID Task Force

Principal informs Ms. Vieh and School Nurse inform District Nurse to begin case documentation.

Step 4A: Inform Staff & Parents

Send general letter to staff and parents to inform that a positive case has been identified at the campus. Use the general letter template on campus letterhead.

Step 4B: Initiate Contact Tracing

The school must identify any individuals who had *close contact* with the affected party. This will possibly include:

• the entire class (students, teachers, and staff)
• other teachers and staff (if multiple teachers work regularly with the student or staff member)

Step 5: Inform Individuals that have been Exposed.

Once the close contact (contact tracing) process with the positive case is completed, staff and/or students that have been deemed to have been in close contact will be contacted via phone and letter to inform them of the exposure.

Process may identify low, medium, high risk (close contact) exposure of students and staff. Only high risk (close contact) exposures are quarantined and recorded for TEA purposes.

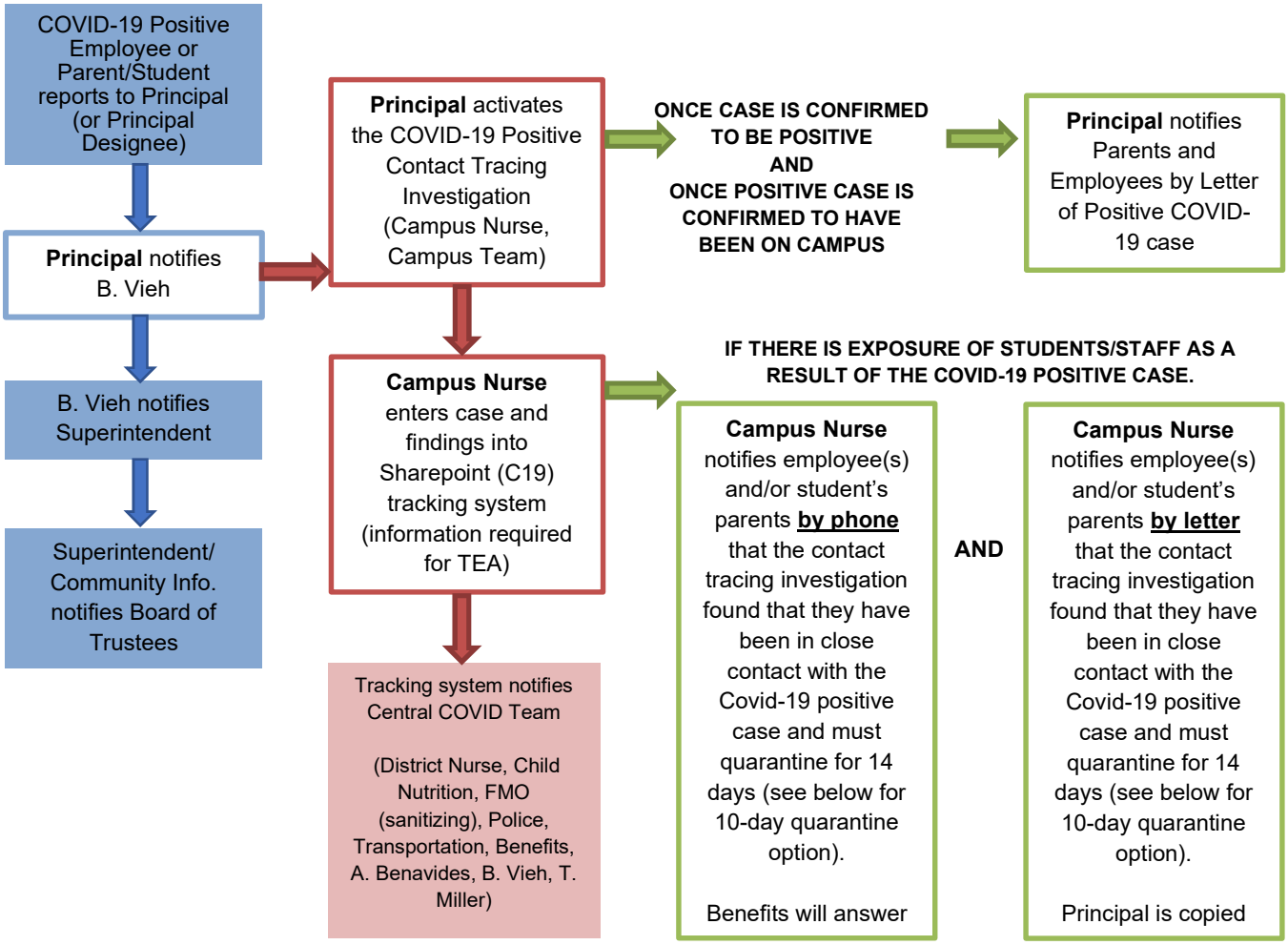
*While a rare occurrence, if the contact tracing reveals an uncontrollable spread, the campus may need to close and remote learning only will continue.

CONTACT TRACING

If there is a positive case on a campus of district facility, the district will alert all impacted members of the school community. To best serve the public health efforts, we will carefully assess attendance records, school schedules, and daily systems and routines to ensure we can adequately trace every person that has come in contact with the affected individual. The purpose of this is not to alarm, but to allow for more close observation/monitoring for potential signs of infection.

Updated 10/09/20

Positive Case Communication Process



Letter to School Community templates

From Principal, please put on Campus Letterhead

General Letter for Employees and Parents for a Covid-19 Positive Case

From Nurse, please put on Campus Letterhead

Exposure Letter for Employees for Close Contact to a Covid-19 Positive Case

Exposure Letter for Parents for Close Contact of a Student to a Covid-19 Positive Case

HIPPA AND STUDENT/STAFF PRIVACY

Under no circumstances will the identity of an infected individual be disclosed to any person. This includes parents (other than the parents of the infected student), community members, media, etc. The exception will be where we are required to disclose to county or state public health authorities.

RETURN TO WORK/SCHOOL AFTER A POSITIVE CASE/SYMPTOMS OR EXPOSURE

For staff and students, please refer to COVID-19 HR Memo. The criteria to return to school is the same. More detailed information below on quarantine and isolation conditions to return to work/school.

Updated 03/22/21

QUARANTINE (*People who have been in close contact with someone who has COVID-19—excluding people who have had COVID-19 within the past 3 months & have no symptoms or who are fully vaccinated and have no symptoms.*)

https://www.cdc.gov/coronavirus/2019-ncov/if-you-are-sick/quarantine.html

Updated 03/22/21

For staff and students:
Default quarantine is 14 days.
10-day option = after the last date of close contact, and only with a negative PCR/PCR Rapid test taken no earlier than day 11. The individual must continue to monitor symptoms and take appropriate precautions through day 14.

When to start and end quarantine

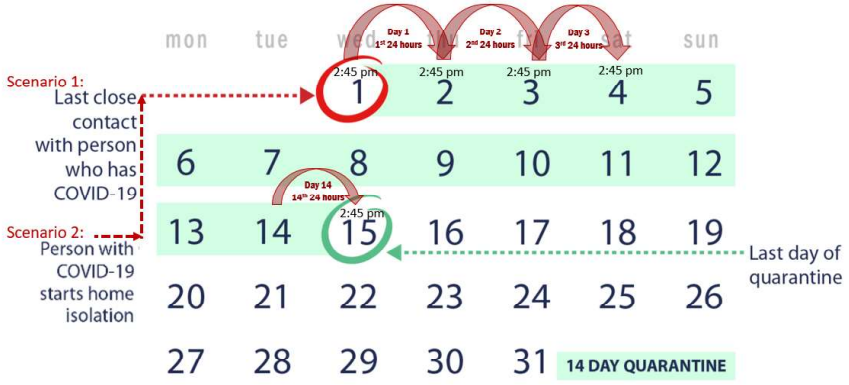
You should stay home for 14 days after your last contact with a person who has COVID-19. When calculating the 14 days, the 14 days would end at the time of last exposure 14 days later. For example, 2:45 pm on date of last exposure to 2:45 pm 14 days later.

For all of the following scenarios, even if you test negative for COVID-19 or feel healthy, you should stay home (quarantine) since symptoms may appear 2 to 14 days after exposure to the virus.

Scenario 1: Close contact with someone who has COVID-19—will not have further close contact

I had close contact with someone who has COVID-19 and will not have further contact or interactions with the person while they are sick (e.g., co-worker, neighbor, or friend). Your last day of quarantine is 14 days from the last date you had close contact.

Date of last close contact with person who has COVID-19 + 14 days= end of quarantine



Please note if your quarantine starts at noon on day 1, then it would end at noon on the last day.

Scenario 2: Close contact with someone who has COVID-19—live with the person but can avoid further close contact. (While this is a CDC scenario, out of an abundance of caution MISD will follow Scenario 4 guidance instead.)

I live with someone who has COVID-19 (e.g., roommate, partner, family member), and that person has isolated by staying in a separate bedroom. I have had no close contact with the person since they isolated. Your last day of quarantine is 14 days from when the person with COVID-19 began home isolation.

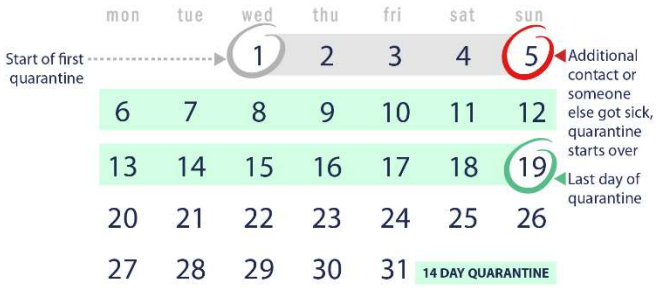
Date person with COVID-19 began home isolation + 14 days = end of quarantine

Scenario 3. Under quarantine and had additional close contact with someone who has COVID-19

I live with someone who has COVID-19 and started my 14-day quarantine period because we had close contact. What if I ended up having close contact with the person who is sick during my quarantine? What if another household member gets sick with COVID-19? Do I need to restart my quarantine?

Yes. You will have to restart your quarantine from the last day you had close contact with anyone in your house who has COVID-19. **Any time a new household member gets sick with COVID-19 and you had close contact, you will need to restart your quarantine.**

Date of additional close contact with person who has COVID-19 + 14 days = end of quarantine



Scenario 4: Live with someone who has COVID-19 and cannot avoid continued close contact

I live in a household where I cannot avoid close contact with the person who has COVID-19. I am providing direct care to the person who is sick, don't have a separate bedroom to isolate the person who is sick, or live in close quarters where I am unable to keep a physical distance of 6 ft.

You should avoid contact with others outside the home while the person is sick, and quarantine for 14 days after the person who has COVID-19 meets the criteria to end home isolation.

Date the person with COVID-19 ends home isolation + 14 days = end of quarantine



Last Updated Oct. 27, 2020

Content source: National Center for Immunization and Respiratory Diseases (NCIRD), Division of Viral Diseases

Updated 11/02/20

However, anyone who has had close contact with someone with COVID-19 and who meets the following criteria does NOT need to stay home (14-day quarantine).

- Has COVID-19 illness within the previous 3 months and
- Has recovered and
- Remains without COVID-19 symptoms (for example, cough, shortness of breath)

Or

- Is fully vaccinated and has no symptoms.

Updated 11/02/20

ISOLATION (*if individual has tested positive or has COVID-related symptoms even if fully vaccinated*)

https://www.cdc.gov/coronavirus/2019-ncov/if-you-are-sick/isolation.html

Isolation is used to separate people infected with SARS-CoV-2, the virus that causes COVID-19, from people who are not infected.

People who are in isolation should stay home until it's safe for them to be around others. In the home, anyone sick or infected should separate themselves from others by staying in a specific "sick room" or area and using a separate bathroom (if available).

When you can be around others after you had or likely had COVID-19
When you can be around others (end home isolation) depends on different factors for different situations.

I think or know I had COVID-19, and/or I had symptoms

You can be with others after

1. At least 10 days* since symptoms first appeared **and**
2. At least 24 hours with no fever without fever-reducing medication **and**
3. Other symptoms of COVID-19 are improving**Loss of taste and smell may persist for weeks or months after recovery and need not delay the end of isolation.

If you had severe illness from COVID-19 (you were admitted to a hospital and needed oxygen), your healthcare provider may recommend that you stay in isolation for longer than 10 days after your symptoms first appeared (possibly up to 20 days) and you may need to finish your period of isolation at home.

I tested positive for COVID-19 but had no symptoms (asymptomatic)

If you continue to have no symptoms, you can be with others after:

- 10 days* have passed since the date you had your positive test.

***To end isolation earlier than the 10 days:**

1. If you had a fever, at least 24 hours with no fever without fever-reducing medication **AND**
2. If you had other symptoms, other symptoms of COVID-19 are improving. Note that loss of taste and smell may persist for weeks or months after recovery and need not delay the end of isolation **AND**

Updated 11/02/20

3. Obtain an alternative diagnosis (diagnosing that symptoms are not COVID-related) from a medical professional.

Employee Absence Instructions

Normal Absence Procedures

Employee needs to be **absent** (FMLA, illness, appointment, etc.)

Employee calls supervisor → Employee enters absence into SFE (normal procedures) → Employee charged leave days

Confirmed + (Isolate) / Exposed (Quarantine): Absence Procedures

COVID related absence

Employee calls supervisor

- Position cannot work from home → Follow **Normal Absence Procedures** listed above → Employee charged leave days
- Position allows employee to work from home → Employee enters absence into SFE using reason code 16- COVID leave → Employee not charged leave days

COVID Symptoms

COVID symptoms

Follow **Normal Absence Procedures** listed above → See your doctor Or obtain PCR test

- Alternative diagnosis- Employee returns to work
- COVID positive- Isolate → Follow **Confirmed+/Quarantine: Absence Procedures** listed above

Note: Any charged leave day prior to a COVID positive diagnosis will remain as such.

THE FOLLOWING REPORT CAN BE FOUND AT

https://mcallenisd.ionwave.net/Desktop.aspx?pid=558&bid=113&bcid=205&bwid=1&ret=45&bret=42

- **EE by Location Revised.xlsx**

Exhibit “B” – Vendor’s Response to Request for Proposal No. 2021-1021

April 30, 2021

RE: BEST AND FINAL OFFER – Request for Proposal No. 2021-1021 Workers' Compensation Insurance Self-Funded Claims Administration Services & Stop Loss Insurance

All Proposers,

Thank you for participating in the District's Request for Proposal No. 2021-1021. We would like to invite you to provide a best and final offer. Please complete the Best and Final Offer and return via email to alejandra.gonzalez@mcallenisd.net with a Cc to emontes@mcallenisd.net, no later than 12:00 p.m. CDT, Monday, May 3, 2021.

Please note that Best and Final Offers shall be completed on this form. Should you have any questions regarding this request, please feel free to call Liz Montes at 956-657-4485.
Only respond to plan or plans in your original proposal

1. Confirm your proposal is firm and final.

   ☐ YES, proposal is firm and final

   ■ NO (fill out BAFO pricing accordingly)

Annual Fixed Fee Option	$79,950 per year
Bill Review Fee	$8.75 per bill
Large Case Management Fee	$98.00 per hour

Comments:

Acknowledgement must be legible, preferably typed, and signed by an authorized official with legal binding authority.

ACKNOWLEDGEMENT BEST AND FINAL OFFER:

Thomas J. Veale, President	TRISTAR Risk Management
Printed Name and Title	Company
Signature	5/3/2021
	Date

Response to Request for Proposal
No. 2021-1021

Workers' Compensation Insurance Self-Funded Claims Administration Services & Stop Loss Insurance

Presented To:

Liz Montes, Senior Buyer
McAllen Independent School District
Purchasing Services/Administration Office
2000 N 23rd St., McAllen, TX 78501-6126
Phone: (956) 657-4485
Fax: (956) 657-4481
Email: emontes@mcallenisd.net

Presented By:

Jimmy Dyer
Director, Sales and Client Solutions
Office: 361-857-0115 Ext. 3013
Fax: 361-857-0123
Mobile: 361-688-0449
Jimmy.Dyer@TRISTARgroup.net

transforming risk into opportunity®

April 20, 2021

Liz Montes, Senior Buyer
McAllen Independent School District
Purchasing Services/Administration Office
2000 N 23rd St., McAllen, TX 78501-6126

TRISTAR®

RE: Response to Request for Proposal No. 2021-1021
Workers' Compensation Insurance Self-Funded Claims Administration Services ~~& Stop-Loss Insurance~~
Deadline: April 21, 2021

Dear Ms. Montes:

Thank you for the opportunity to submit this proposal to serve as Third Party Administrator for McAllen Independent School District (the District). TRISTAR Risk Management, the proposer, is a member company of TRISTAR Insurance Group (TRISTAR). TRISTAR provides claims administration service and managed care solutions to governmental entities and corporate organizations across the United States.

We look forward to continuing our longstanding and successful relationship with the District to ensure prompt, fair, and equitable claims evaluation, administration, and settlement. TRISTAR works closely with Elvira Solis to provide a professional claims administration program personalized to meet and exceed the needs and vision of the District. We will continue to manage all claims with merit promptly and efficiently and resist those claims or services that are not compensable.

TRISTAR has been handling public entity workers' compensation claims administration for more than thirty years. Public entities comprise approximately half of TRISTAR's clients. These entities have ranged from small school districts to cities and states. They also include public hospitals, transportation systems, university systems, etc. TRISTAR has the experience and staff to handle claims in all states.

Factors that differentiate TRISTAR in the claims administration industry include our internal audit review, customized program flexibility, cost containment programs, electronic data exchanges, paperless and imaged technological environment, client training programs, provider E-Billing initiatives, and longevity in the market. Overall, TRISTAR seeks to deliver world-class service and provide superior economic outcomes for its clients.

We are a sponsor for public entity professional organizations locally, regionally, and nationally. We invite and encourage our public entity clients to participate in these meetings and events. We recognize that our services must be provided on a fair and cost-effective basis and believe that we can do this better than anyone in the industry.

TRISTAR is not licensed to provide stop loss insurance and therefore will NOT be submitting a quote for the actual insurance. TRISTAR will be providing a proposal and quote to continue to serve as the District's TPA for workers' compensation claims.

TRISTAR has reviewed the above referenced RFP, all referenced addendums and amendments, minimum requirements, and scope of services or work. Based on this review, unless otherwise specified in this proposal, TRISTAR believes that we can provide all services as requested and meet all conditions specified.

TRISTAR looks forward to discussing the continued customized claims handling solutions for the District's risk management programs and building on our three-year relationship.

Sincerely,

Jimmy Dyer, Director, Sales and Client Solutions

100 Oceangate, Suite 700, Long Beach, CA 90802 | 888-558-7478 | www.TRISTARgroup.net

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Executive Summary



Founded in 1987, TRISTAR is the largest privately-held third party administrator in the nation. TRISTAR provides property and casualty, absence management and employee benefit claims administration, and managed care services for hundreds of self-insured and insured organizations generating nearly $100 million in revenue. Headquartered in Long Beach, CA, we provide services from branches across the United States in major metropolitan areas with a staff of 700 working in offices, virtually, hybrid models, or onsite in client facilities, providing claims administration services for claims arising in all 50 states. Four divisions provide a wide range of integrated or unbundled risk management and insurance services to our customers.

MISSION STATEMENT. Our mission is to provide the highest quality claims management services to our clients. We are committed to a long-term investment in the continual improvement of our products to ensure the best value for our clients and a strong, secure, and growing organization for our employees, shareholders, and business partners.

OUR VISION. Our vision is to become the country's most respected provider of claims management services.

TRISTAR RISK MANAGEMENT provides property and casualty third party claim administration services and risk control for self-insured employers and insured policyholders. Our core services include claims administration of workers' compensation, automobile, construction defect, crime and fidelity, employment-related practices liability, general and professional liability, product liability, inland marine management protection, law enforcement, medical professional liability, package policies, property, and specialty risks unique to our clientele.

We serve over 400 self-insured and thousands of insured policyholders, including public agencies, private corporations, program managers, captives, pools, insurance carriers, reinsurers, brokers, and more. Our government client base includes a specialty niche in public entity consisting of K-12 school districts, cities, counties, higher education, firefighters, healthcare organizations, law enforcement, state agencies, transit, and utilities.



TRISTAR MANAGED CARE provides nurse case management, medical bill review service, and access to local, regional and national preferred provider organization (PPO) networks, including pharmacy, radiology, durable medical equipment, physical therapy, transportation, translation, and implantable device

ancillary cost containment programs including a 24/7 call center for reporting injuries. Due to the large volume of claims we manage, TRISTAR commands the highest quality of managed care programs including the largest medical bill and pharmacy reductions both regionally and nationally.

TRISTAR provides managed care services nationally and our highly credentialed and experienced nurses provide a variety of case management solutions to meet our clients' needs in workers' compensation, group health and disability management. Services include nurse triage, early intervention, utilization review, telephonic and field case management, return to work, treatment protocols, and customized wellness programs. Our case management includes managing to nationally recognized treatment guidelines, evidenced based medicine, and predictive return-to-work modeling. Integrated case management services partnered with effective cost containment solutions achieve an optimal medical outcome and appropriately return or transition the patient back to work.

TRISTAR BENEFIT ADMINISTRATORS provides third party administrator services for self-insured employers and insured policyholders including claims administration of group health benefits. TRISTAR provides personalized and comprehensive benefit plan services for self-funded and insured plans including health reimbursement arrangement (HRA) plan administration, flexible spending account (FSA) plan administration, dental plan administration (DPA), short-term and long-term disability (STD/LTD), Family and Medical Leave Act (FMLA), and COBRA/HIPAA plan administration for over 275 companies.

TRISTAR provides the latest service trends in employer and employee service administration, including Leave of Absence and Disability Claims Management. TRISTAR develops, customizes, and manages absence and disability benefits programs for employers to control absences and costs while caring for their employees. TRISTAR is an expert in managing FMLA as well as short and long-term disability in all jurisdictions.

ASPEN RISK MANAGEMENT GROUP provides safety consulting, coaching, and training delivering loss control surveys, risk management analysis, ergonomic studies, onsite workplace safety evaluations, and various



educational training and seminars. Amongst their many core competencies, Aspen also provides remote ergonomic assessments (for both WC claims and direct for company employees) through our sister company, ERGOhealthy.

NATIONAL COVERAGE. TRISTAR strategically locates staff throughout the United States to ensure coverage for the entire country and assigns them to branches in major metropolitan areas. This national coverage provides assurance that in the case of a local natural disaster or other occurrence, staffing and support is available to cover for any staff unable to work. TRISTAR is authorized to administer claims in all 50 states and many adjusters carry credentials for multiple states.

EXPERTISE FOR PUBLIC ENTITIES. TRISTAR has 30 years of experience providing third party administrator services

to public entities. Today's environment calls for innovative and proactive claims cost management programs. TRISTAR continues to be the leader in both of these areas. We believe that we are uniquely qualified to provide a fully integrated approach to managing the District's program costs.

TRANSFORMING RISK INTO OPPORTUNITY. Delivering loss cost savings creates new opportunities for our clients: whether they choose to drop savings to their bottom line or reinvest them. TRISTAR collaborates with our clients to develop claim management programs that are tailored to deliver optimal outcomes for their unique operations and exposures. We offer a national team of experienced technical experts who will help the District transform their risks into new opportunities.

ENGAGED, ACCOUNTABLE, ACCESSIBLE. TRISTAR offers the District a designated team of adjusters based in our Corpus Christi branch. We consolidate claims with as few adjusters as possible (assuring all have the appropriate state licensures and experience), to build critical volume and knowledge of your program with your designated team. We will also assign a designated Account Manager to the District.

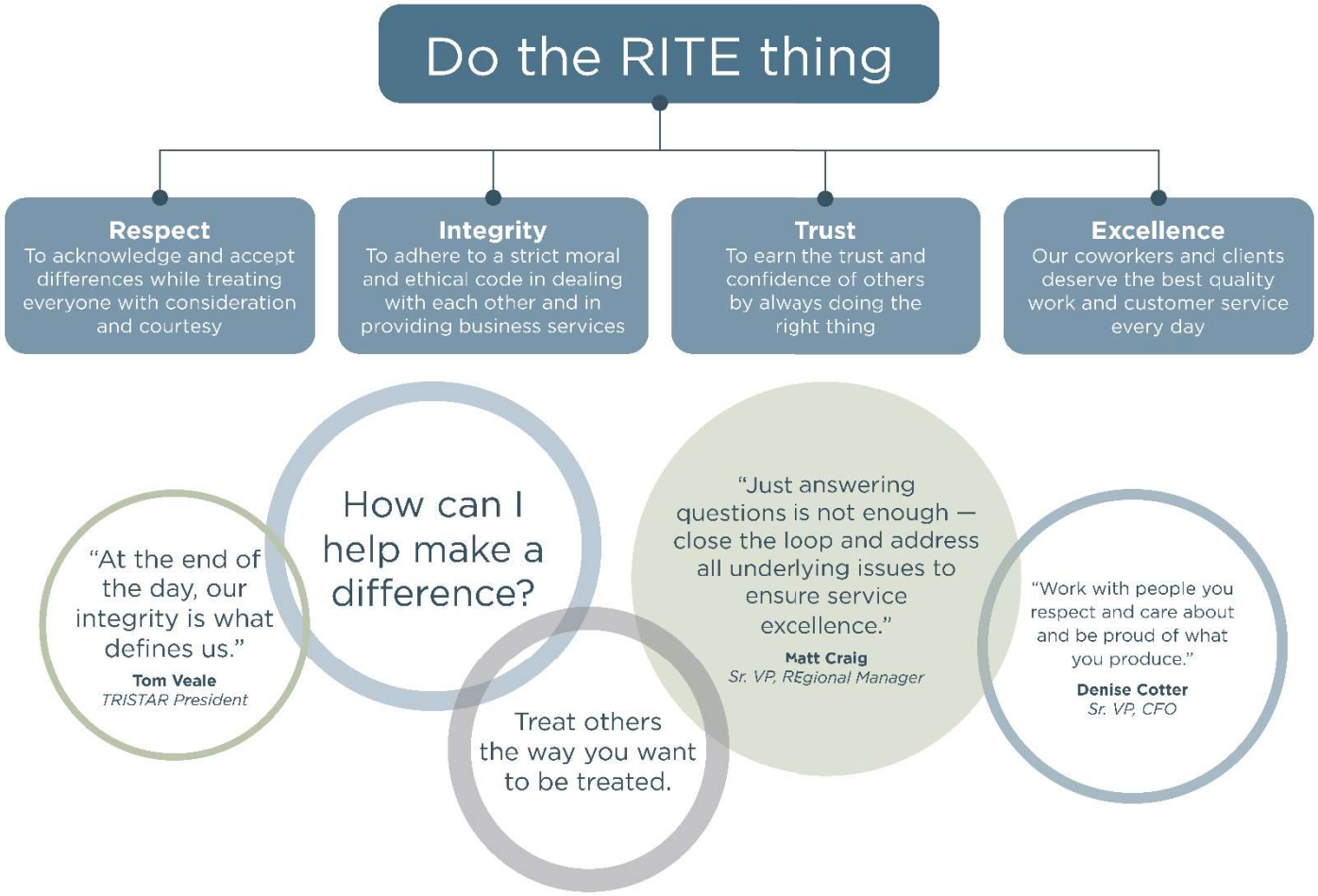
TRISTAR CONNECT (RMIS). Our Client Portal, TRISTAR Connect, provides important, relevant information, accessible from any internet-connected device through Android and Apple compatible mobile apps. Our Dashboard provides key information in an easy-to-digest visual format, such as First Notice of Loss reporting lag time, trial and hearing calendars, injury and location trending, litigation trending, and access to all claimant files. It also provides a myriad of standard and customizable report options. The system includes over 80 report templates in key areas such as Loss Prevention, Loss Triangles, Claim Log, Finance, and many others.



TRISTAR'S KEY DIFFERENTIATORS

- The largest independent privately-held third party administrator (TPA) in the nation.
- We do not experience the extreme financial pressures faced by publicly traded or venture capital/private equity-owned firms. We are empowered to make long-term investments in our client relationships and internal resources.
- Whenever possible, we integrate managed care/cost containment programs including bill review, PPO network access, and medical case management into our client's overall claims management process that creates efficiencies and closes gaps that can exist with unbundled services.
- Annual SSAE 18 SOC 1 (Type II)/ SOC 2 (Type II) audits, performed by the independent accountants at JLK Rosenberger, CPAs. THE SOC 1 audit report attests to the suitability of design and the operating effectiveness of internal controls over TRISTAR's claims handling processes. The SOC 2 report attests to the suitability of design and operating effectiveness of internal controls relevant to security, availability, and confidentiality of TRISTAR's data processing systems. This reflects our commitment to our clients and the community and eliminates the necessity for our clients to finance audit costs for program oversight.
- Sophisticated technology provides the capabilities for on-line claim files, data access, and viewing capabilities, as well as customized reporting and data transfer. Our in-house Information Technology staff has expertise in successfully transitioning over 400 claims programs and complete most conversions in less than ten business days.
- Client access to an easy to use, web-based, and paperless RMIS system providing claims data and quality report generation, analytics, and stewardship.
- Flexibility, customization, and a collaboratively designed program transform the risks that our clients face into the best outcomes for all.

Executive Summary



- We hire and retain knowledgeable and skilled professionals, adhering to the **RITE** principles
- Our professional team's dedication to our core principles is the reason that we achieve:
  - 97% average client audit scores
  - 98% client retention
- We are committed to continuous improvement in the quality of our services. This includes a dedicated Quality Assurance Department who ensures adherence to State, TRISTAR and Client policies and procedures and provides ongoing training to our staff and clients.
- We offer an empowered and responsible Account Manager.
- Focused on reducing each client's Total Cost of Risk.

CHOOSING TRISTAR. While fees are an important factor to consider when choosing a TPA, loss costs represent the majority of the District's Total Cost of Risk. We believe it is our responsibility to manage your losses responsibly, to act appropriately on your behalf, and to **do the RITE thing** to help transform your risks into opportunity.

Thank you for the opportunity to submit our response to the District's Request for Proposal. We look forward to continued conversations regarding your claims program.

Claims Philosophy and Best Practices Overview

Our claims philosophy consists of a general statement of intent to handle claims ethically and in a manner that is fair, honest, and equitable to all parties involved. To fulfill this intent, TRISTAR will do the following:

- Our claims offices will be organized, staffed, and operated in a manner consistent with our corporate philosophy.
- We will approach claims management from within the framework of the law and the requirements of our customers.
- Claims administration will be conducted ethically, recognizing our responsibilities fully to our clients, their employees, and the public.
- Our claims decisions and payments are to be made promptly in accordance with each applicable statute.

As found in our claims manual, our philosophy and statement of "Good Faith" is consistent with that of Egan v. Mutual of Omaha Ins. Co., "A covenant of good faith and fair dealings requires contracting parties to refrain from doing anything to injure the right of the other to receive the benefits of the agreement." (24 Cal. 3d 809.) In the spirit of this substantive case law, TRISTAR believes that, as an administrator, we must investigate claims thoroughly. We do not deny coverage based on either unduly restrictive policy interpretations or standards known to be improper, and we will not unreasonably delay or deny the processing or payment of claims.

TRISTAR's quality assurance process provides a consistent basis for continuous and incremental improvement on expense reduction, as well as a constant re-evaluation of best-in-class practices. By definition, best practices are not static but are subject to improvement. Policies and procedures are regularly reviewed to help TRISTAR achieve and sustain world-class performance.

Best Practices

TRISTAR's Quality Assurance process provides a consistent basis for continuous and incremental improvement on leakage reduction, as well as constant re-evaluation of best-in-class practices. As such, it has developed Best Practices guidelines for each phase of the claims process, including:

Coverage. Prompt written confirmation and/or analysis of coverage.

- Prompt confirmation that policy information is accurate and applicable
- Reinsurance determined and reported where applicable

Contact. Same-day contact with all parties involved in the loss, including the plaintiff's counsel.

- Same-day contact with the employee, employer, and a doctor to determine compensability and injury
- Regular aggressive follow-up with contacts throughout the life of the file

Investigation. Timely and adequate documentation of facts and the development of an initial investigation strategy plan.

- Recorded statements on back injuries, with others at the discretion of supervisor, adjuster, and/or client requirements
- Wage information obtained and appropriate rate determined
- Outside investigation completed when necessary
- Indexing on all lost time cases
- Fraud indicators checked and referred for Special Investigation (SIU) when appropriate
- Regulatory requirements and turnaround times met and/or exceeded
- Initial diary set at 30 days with subsequent follow-up no more than 90 days

Recovery/Contribution. Constant, effective recognition, investigation, and pursuit of recovery and/or contribution possibilities, as well as deductible collection.

- All new losses reviewed by a supervisor for potential subrogation
- Potential sources of recovery identified and placed on notice immediately
- Other sources of recovery, such as SIF or other state funds, pursued aggressively

Evaluation. Appropriate analysis of liability and damages. The claim file must reflect the development, strategy, and action plan necessary to resolve the claim, while complying with Home Office Technical Claims reporting requirements.

- All losses evaluated for potential financial impact immediately upon receipt
- Initial reserves established within five days (30 days on major cases) and changes within 30 days
- Home Office referral for guidance and direction on all files meeting established criteria

Medical/Disability/Rehabilitation Management. Aggressive management of the medical care and treatment of the injured employee, utilizing a wide range of techniques designed to return the injured employee to gainful employment as quickly as possible.

- Lost time cases involve the aggressive pursuit of Return to Work/Light Duty
- Disabilities and restrictions determined in a timely manner
- Medical reports obtained promptly and reviewed by the adjuster for early disposition
- Medical management aggressively followed with early intervention nurse and medical provider
- Prior to releasing TTD checks, contact made to confirm the employee is disabled
- Independent medical exams set up when appropriate
- Assignment to approved rehabilitation vendors when appropriate and close follow-up and direction

Negotiation/Disposition. Disposition of claims, using good judgment to obtain the best possible timely result.

- Claim adjuster to review settlement strategy and plan with supervisor
- Negotiation conducted promptly and aggressively and documented in the file

Supervision. Substantive supervisory file handling guidance and coaching throughout the life of the file to efficiently channel the claim toward an effective resolution.

- Supervisors do not carry personal caseloads
- Initial 14-day diary review
- Subsequent reviews at 90-180 days
- All denials, re-opening, reserves/settlements/payments over adjuster authority level, cases proceeding to trial, award payments, change in claim type/benefit, and more
- All reviews and evaluations documented

Customer Service. Service times for initial and subsequent contact with our customers, responses to correspondence, and status requests.

- Contacts and return phone calls made the same day
- Claim Handling Instructions (CHI) followed
- Reserve increases and settlements discussed with customer as required

By definition, Best Practices are not static but are subject to improvement. They are continuously reviewed and updated to help TRISTAR achieve and sustain world-class performance. A complete copy of the most current Best Practices documents, which is very large, can be provided upon request.

Quality Assurance

TRISTAR recognizes the vital importance of quality in both the service provided to our clients and our technical claims product. Our robust Quality Assurance program helps assure consistent, high-quality service in compliance with applicable statutes, rules, and regulations. TRISTAR's quality control measures include, but are not limited to, a series of national programs to ensure that we are consistently adhering to those practices and procedures established to move files to appropriate closure.

TRISTAR takes a multi-faceted approach to Quality Control to ensure that we consistently adhere to practices and procedures established to move files to appropriate closure. There are three formal audits conducted annually for each claims operation unit to ensure compliance to TRISTAR policies and procedures as well as client and State and Federal handling requirements. TRISTAR can conduct additional audits if requested by a manager or client. Auditors select claims randomly based on a pre-determined percentage of claims by claim type. Audits include comprehensive check data points, including claim file set up and correspondence, file administration, investigation, coding, reserves, indemnity benefits, medical payments, subrogation/recoveries, litigation management, excess carrier reporting, claims management, supervisor and manager involvement. TRISTAR also brings in external auditors to ensure that our practices, policies, and standards are at the highest levels and are compliant with SSAE and HIPAA as well as all state and local statutes

The national audit program includes:

- A claims audit performed by our quality assurance department to ensure compliance with current law; TRISTAR claims administration guidelines, move files to closure, return injured workers to productive work, and adhere to client service instructions.
- A financial audit performed by TRISTAR's financial auditors for review of payments, accounting, reserving, and other financial controls.
- SSAE 18 SOC 1 (Type II)/SOC 2 (Type II) performance audits performed by JLK Rosenberger, CPAs. To protect the accuracy of claims data provided to our clients as well as the safety of the data TRISTAR holds on behalf of its clients, TRISTAR annually obtains both a SOC 1 (Type II) and a SOC 2 (Type II) audit report. The SOC 1 report attests to the suitability of the design and operating effectiveness of TRISTAR's controls over the claims administration process. The SOC 2 report attests to the suitability of controls at a service organization relevant to security, availability, and confidentiality of data. The two reports, including unqualified opinions, are issued in the fourth quarter of the year by JLK Rosenberger, CPAs, after extensive audits. Our SSAE 18 SOC 1 (Type II)/SOC 2 (Type II) audit is available upon request with a signed confidentiality agreement, and TRISTAR will review audits performed by our internal quality assurance department upon request.

The auditors track performance by claim unit and report the information to TRISTAR's Branch Manager, Vice President of Client Services and Claims Operations, Vice President/Regional Manager, and President. Branch managers are expected to achieve 85% or above. If there is a noticeable trend or consistent error with the adjuster, the manager or supervisor utilizes the information for immediate training and correction.

CLAIMS SERVICES SUMMARY. To ensure that claims examiners can focus appropriately on the management and resolution of each claim file, TRISTAR supports our examiners by offering appropriate caseloads, clerical staff for non-technical, administrative duties, and oversight by experienced supervisors. The latter do not carry a personal caseload. Our Best Practices are based upon proven claim management practices that deliver consistent, top quality results. Within our claim system, automated diaries and

system requirements help ensure that examiners and supervisors manage/oversee claims in compliance with our Best Practices and any applicable Client Handling Instructions.

SUPERVISORY OVERSIGHT AND REVIEW. TRISTAR supervisors do not carry a caseload, allowing them to concentrate on their primary function, providing oversight and mentoring the examiners to ensure the best resolution for a claim. Files are reviewed by supervisors on both a random and a systematic basis.

Supervisors are required to review all new indemnity claims within 10 business days of TRISTAR's receipt of the claim. This is to verify all pertinent issues have been identified and addressed, appropriate compensability determination was made, reserves are appropriately set, diaries are in place, benefits have been accurately calculated and paid, benefit notices are complete, and a thorough action plan is documented in the file.

Supervisors review all indemnity claims at 90 days and complete a thorough review of the file. Subsequent supervisor diary is mandatory on active indemnity claims every 180 days, or more frequently, the diary must be appropriately set for the specific claim.

All claims where reserves, payments, or settlement authority exceeds that of the claims examiner are reviewed by the supervisor, and proper documentation of the review is entered into the notepad.

SYSTEMATIC AUDIT. TRISTAR conducts multiple audits throughout the year. There is an internal audit of each branch annually to evaluate the performance of each examiner and supervisor. Critical areas are audited, such as diary review, plan of action, investigation, supervisor involvement, and excess review. An audit report is published and distributed to management and senior management. Branch managers complete action plans for any score below 85%. In addition, quarterly audits are conducted to review our performance on 3-point contact, initial supervisor reviews, and 90-day supervisor reviews.

SELF AUDIT. The claims examiners perform self-audits on their files. Utilizing the Closure Checklist, this self-audit addresses items such as the processing of appropriate forms, correct calculation of payments, and any unpaid or disputed medical bills or liens.

TECHNICAL AUTHORITY LEVELS. TRISTAR has programmed the claims administration system to provide technical authority levels based on job title, experience, and client requirements in the areas of reserving, claim delay or denial, benefit payment, and change. Our system also includes edits that provide for supervisory and management review of files, payments, and legal documents on an ongoing basis at critical times throughout the life of a claim. Documentation of their involvement is required in the computerized claim file notes.

USE OF "COMMITTEE" SYSTEM. TRISTAR uses a "committee" style claims administration when establishing the initial plan of action and reserve analysis on catastrophic claims. The committee will consist of the adjuster, supervisor, and branch manager, and the client (where appropriate). TRISTAR uses committees for "roundtable" discussion and development of action plans for potentially fraudulent claims and claims training exercises.

LEGAL DOCUMENT CONTROL. A supervisor reviews all legal mail. The adjuster and supervisor document all future court dates in our computer system and monitor awards, assuring prompt payment.

CLIENT PROCEDURAL COMPLIANCE. TRISTAR completes a new client implementation form for every account, which includes client specific requirements. Where appropriate, Client Instructions are automated via diary and system requirements. Compliance with Client-Specific Handling Instructions is reviewed during Supervisor Diaries and audited as part of our QA Audit Program.

INCENTIVE FOR QUALITY ASSURANCE EXCELLENCE. TRISTAR's President's Award for Claims Handling Excellence is awarded annually as an incentive for examiners and supervisors to achieve outstanding audit results: examiners must score 95% or higher, and supervisors must have an individual audit score of 95% or higher, and their units must earn an overall score of 90% or higher. Team members who achieve these metrics earn a monetary prize, a plaque, and recognition in our internal newsletter.

Client Training Programs

TRISTAR believes the most effective training for our clients is that which is tailored to their specific needs and audience. For example, we can provide a wide array of training from a very detailed description of the workers' compensation system to a general overview of what workers' compensation is and how the system works. The level of detail we teach is based on our audience: department/division heads, supervisors, or employees. Topics that we are often requested to present are accident investigation, how and when to report an injury, overview of the workers' compensation system, benefits of returning employees to modified duty, what an employer can do to impact the cost of a claim, how is a claim reserved and other areas of interest. We can also present topics regarding new legislation and changes in rules and procedures and statutes.

REGULATORY, STATUTORY, LEGAL UPDATES. TRISTAR's Quality Assurance Department is responsible for ensuring that our employees and clients stay current on workers' compensation statutes, rules, and regulations, including legal requirements and trends in case management. We offer regular ongoing training to assure that all employees remain abreast of new trends and updates impacting national and local workers' compensation landscapes. We provide our clients with periodic updates on legislative changes, regulatory changes, pending cases, and case decisions that have significant impacts on their workers' compensation programs. These updates range from formal announcements to all TRISTAR clients concerning the broad application of these changes to informal discussions between the claims staff and risk management staff as it pertains to a specific claim.

PROCEDURAL MANUALS. TRISTAR's Quality Assurance Departments maintains and regularly updates our Best Practices and Procedures Manual. All employees are trained in the manual's requirements and have access to it at all times. In addition, during the implementation process. TRISTAR will develop a client-specific handling guideline document, outlining the District's specific requirements, policies, and procedures. TRISTAR will provide our Best Practices Manual and the District's Claim Handling Guidelines to the District.

TECHNICAL ASSISTANCE. During the client transition period, TRISTAR will schedule systems training sessions for the District users through our Client Services and/or Help Desk team. Additional training can be provided upon request throughout the course of our engagement. Ongoing, the District's assigned claim and client services team may be able to assist with custom report production and troubleshoot common questions. In addition, TRISTAR has an in-house, US-based service desk, which is available to our clients.

SAFETY TRAINING NETWORK VIDEO LIBRARY. [Single client-no program] TRISTAR offers an online, streaming safety video library, which may be made available to the District at no additional cost. Topics cover a wide variety of subjects for the District, including office ergonomics, harassment, bloodborne pathogens, back safety, drug-free workplaces, discrimination prevention, emergency preparedness (active shooter/workplace violence), etc. Key features include:

- 24/7 availability via internet access
- Topic-based organization – lets client users find videos quickly

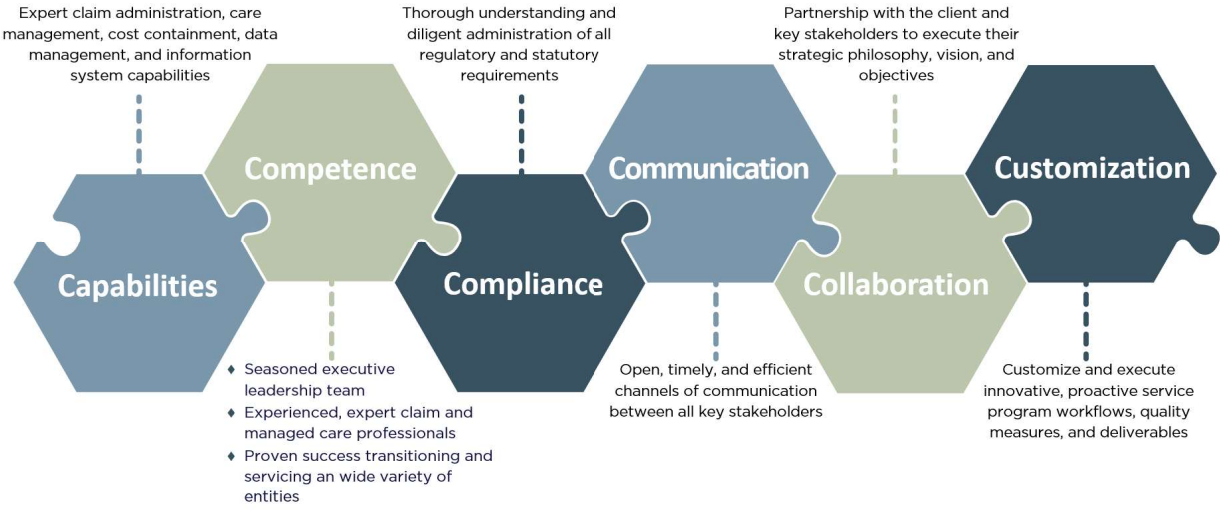
- Robust site search – can search by title, product number, product name, etc.
- Additional material such as certificates of completion and quizzes available on many videos
- Completely mobile compatible – all videos and all devices
- Over 750 titles with more than 365 also available in Spanish
- Closed captioning for all videos
- Constantly updated - new videos added as released

Project Approach

TRISTAR will deliver a program that provides flexibility, customization, and a collaboratively designed suite of services to deliver the most efficient and best outcomes for the District. Our goal is to foster a close working relationship with all parties, including providers, defense counsel, ancillary vendors, brokers, and excess carriers. By doing so, each claim receives the benefit of our combined experience, and the most effective methods are used to achieve the best possible outcomes on each claim.

To help ensure the success of the District Program, we will:

- Provide seasoned, technically astute claim adjusters and management staff with extensive claims administration and risk management experience.
- Work collaboratively and professionally with the District, employees, and, if applicable, unions.
- Provide new solutions for the District.
- Uphold efforts to achieve its financial objectives.
- Aggressively manage indemnity and legal expenditures.
- Provide accurate, current risk management data for analyzing risk and making administrative decisions.
- Assist in protecting the tangible and intangible assets of the District through claims management services.
- Mitigate and manage risk by increasing your knowledge, awareness, and control of exposures to loss.



Claims Management

Workers' compensation claims handling is a process-driven service governed by state statutes. TRISTAR's philosophy, policies, and procedures were established to provide the highest quality claims management in the industry, compliance with applicable statutes and regulations, and adherence to the District's Special Claim Handling Instructions.

We have been administering claims in the state of Texas for more than 20 years, and we are knowledgeable and experienced in the rules and regulations governing the District's workers' compensation claims program.

Each claims office has an established management team to assure quality claims service is provided to clients and their injured employees. We recognize and respond to the need to be flexible within our framework of procedures to meet our clients' unique needs in the many different states in which we manage claims. We employ customized claim service instructions to identify our clients' requirements, which exceed or modify our best practices protocols.

FIRST NOTICE OF LOSS. TRISTAR offers multiple reporting options, including web-based claims forms, on-line claim access, data exchange, email, facsimile, and a call center for telephonic reporting. Reporting services are available 24/7. The prompt reporting and receipt of claims play a critical role in the timely resolution of claims.

Web-Based Online Claim Forms. TRISTAR can develop web-based reporting that provides access to an electronic template to complete injury reports and upload data to the TRISTAR claim system.

Online Access Reporting. Through online access, a client may report new claims entered directly into the TRISTAR claims system. The user-friendly claim entry process includes all required information on a single screen. When the employer enters the claim into the system, it is immediately available for review and verification by the adjuster. Using our software, clients can access our database and enter claims directly into the system with the appropriate loss coding. The system automatically lists the District's customized locations, occupations, and department codes to minimize data entry.

Electronic Data Interface (EDI). TRISTAR can develop an interface to accept claims from an electronic file provided from the District's RMIS claim management system, if applicable.

Telephonic Reporting. Telephonic reporting can include a call directly to the adjuster or accessing a call center to intake claims. The employee, risk management department, or supervisor can report an injury. The call center can collect claim information to provide the employee report of injury information to the client and the adjuster.

- Toll-Free Number
- Available 24/7
- Staffed by medical assistant personnel
- Designated intake team
- Recorded calls
- Calls are directly linked with the claim system
- Language translators and interpreters through Priority Care Solutions, a nationwide network for over 200 languages including TTY and ASL
- Bilingual Spanish intake available upon request or scheduled intake time

The call center transmits the employee's report of injury information into the claim system that can generate the employer's first report (FROI). Regardless of who reports a claim, the call center enters the claim directly into the claim system as a pending claim and notifies the client and the adjuster.

The call center captures the receipt date for claims reported in the claim system. The call center staff inputs claimant demographic and claim information for submittal for electronic submission to the designated claim unit based on the type of claim (Workers' Compensation, Disability, FMLA).

TRISTAR has voice recording and utilizes a WAV file to store recorded telephonic files. The call center records all phone calls. TRISTAR can also provide reports indicating the number of calls, type of calls, time of call, etc. Calls may be available for review by the District in accordance with state and federal regulations.

TRISTAR has an internal and external plan to handle claim reporting in the event the call center is unable to operate. This includes designated offices and staff who are cross-trained, and in extenuating services, an outside vendor familiar with our organization and intake processes.

Benefits

- One centralized reporting process
- Encourages prompt and accurate reporting
- Increases efficiencies for the employer
- Call center can provide PPO Network direction
- Services can be linked with Nurse Triage
- Adjuster and the District notification within one business day
- WAV file is stored in the claim system (electronic file)
- Fee for service can be allocated to the claim file

TRISTAR can develop customized criteria for referral to a nurse for clinical review or for the determination of early intervention if indicated. This saves our customers 30-55% of reporting costs typically staffed by medical personnel.

Telephonic Nurse Triage. Timely incident reporting is crucial to mitigating the costs of workplace injuries. According to a study conducted by Liberty Mutual, the following increase in expense occurs with each delay in reporting:

- 4-7 Days: 9%
- 1-2 Weeks: 20%
- 2-3 Weeks: 32%
- 3-4 Weeks: 48%
- 5+ Weeks: 72%

> "I recommend nurse triage for anyone looking to support their employees and managers, and bring down their workers' compensation costs overall."
>
> –Katrina Bray, Disability Case Manager, California Water Service/TRISTAR Client

TRISTAR's nurse triage model helps to assure timely reporting and has proven effective in reducing not only the severity but the incidence of claims. Our US-based, in-house 24-hour call center is accessed via a toll-free phone number and is staffed by highly skilled nurse case manager personnel who capture pertinent medical details. When an injured employee (or supervisor) reaches our nurse triage call center, we can customize our triage intake script to each client's needs. The nurse aids the injured worker in self-treatment or sets up an appointment with an appropriate provider utilizing medical triage guidelines, including follow up calls and transfer to claim team and/or early intervention nurse, if any. All calls are recorded and available to our adjusters, managers, and the client.

What can Telephonic Nurse Triage Do?	TRISTAR Nurse Triage Solutions Help Clients Achieve:
♦ Support all shifts, all locations, 24/7 – East Coast/West Coast Operations	♦ 30-40% Transference of Claim Volume to Report Only/First Aid
♦ Reduce Reporting Lag Time	♦ 30-50% Decrease in OSHA-Reportable Incidents
♦ Provide Prompt, Guided Access to Medical Care	♦ 25% Reduction in Total Claim Costs
♦ Refer Self-Care When Appropriate	♦ Improved Employee Confidence in Claim Process
♦ Improve Employee Satisfaction	♦ Improved Return-to-Work Outcomes
♦ Reduce Lost Time/Temporary Disability and Wage Continuation Expenses	♦ Total Reduction in Cost of Risk
♦ Improve Productivity	♦ Proven Return-on-Investment
♦ Reduce Claim Frequency and Severity	
♦ Reduce Claim Costs	
♦ Reduce OSHA Reportable Occurrences	
♦ Improve Safety Culture	
♦ Decrease in Claims can Reduce Claims Administration Fees	

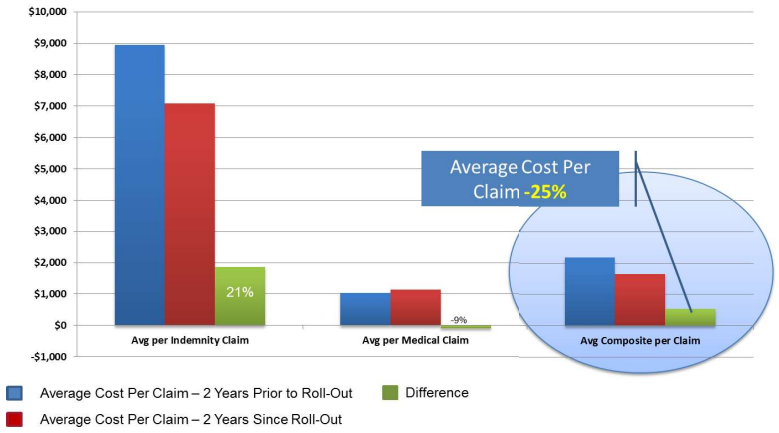


Figure 1: Actual Client Results: Integrated Nurse Triage and Early Intervention Case Management

EARLY INTERVENTION. TRISTAR can provide an immediate abbreviated clinical review for injuries meeting the District criteria. A nurse can quickly evaluate a case for the necessity of nurse case management or early intervention. It is our experience that this saves thousands of dollars in nurse resources and expenses.

Early intervention can help injured workers access the right care to the injury or discomfort as quickly as possible. Traditional medicine has included medical management, time away from work, and that increases medical expenditures. Early intervention objectives include identifying employees at risk for delayed recovery, intervening as early as possible, preventing needless disability, preventing chronic pain and poly-pharmacy dependency, and enhancing employee engagement and resilience. The most important of these objectives is improving the injured worker's understanding of the injury and assisting the employee in a healthy and safe return to work. Nurses can help assist with providers, specialty referrals, if applicable, and help determine a recovery path and reinforce a return to work plan.

People treated by the early intervention approach work directly with the nurse case manager. Their social, personal, educational, health history, and working conditions are reviewed. The individual's capacity to work is assessed and possible changes to the workplace environment or procedures that could help achieve this. Potential changes to workplace layout, procedures, and training for the employee can be identified and introduced where appropriate. In many cases, several changes over time are necessary to

achieve suitable working conditions for transitional duty programs. The early intervention approach is employee-centric and helps increase employee satisfaction.

FILE SET-UP. It is TRISTAR's standard practice to establish a file with respect to each claim and to document all "Incident Only" reports. Reporting services are available 24/7, with emergency escalation protocols available for severe or catastrophic events.

Newly reported claims enter an automated new losses queue, where a supervisor, manager, or designated adjuster reviews and assigns the case to the appropriate adjuster. The adjuster receives an email, and a diary is established for the new file. Regardless of the reporting mechanism used to report claims, TRISTAR can utilize an automated notification tree-trunk customized to notify authorized parties at the District, supervisors, and adjuster(s) of a reported claim, the claim number, and request for additional information.

INVESTIGATION. TRISTAR's responsibility to our clients is to determine if an employee's claim for obtaining benefits is compensable. The process for determining whether a claim is compensable is to conduct a thorough investigation concerning whether the claimed injury arising out of or in the course of employment (AOE/COE).

The adjuster evaluates a claim to determine compensability based on facts gathered in conjunction with relevant statutes. The adjuster will accept or deny the claim within the required statutory timeframe and will secure approval from the District before the issuance of a denial.

Three-point or Four-point contact (employee, employer and medical provider, and witnesses, if any) is an essential step in the initial investigation and verification of a claim. Within one business day of receipt of the claim, the adjuster attempts three-point contact on all claims with an indemnity claim status and appropriate medical-only claims. If needed, the adjuster makes an additional contact attempt the next business day. If, after two attempts, the adjuster is unable to reach any of the three contacts, a letter or e-mail follow-up is sent.

Unless otherwise requested by our client, the three-point contact's completion is not mandatory on claims set up with a simple medical-only claim status. The adjuster makes one contact to verify the claim, such as the employer, and the adjuster sends an initial receipt and acknowledgment letter of the reported claim to every claimant.

The three-point contacts are completed as necessary to appropriately manage the claim (such as return-to-work modified duty or multiple injuries to the same body part) and per the individual client service instructions. The adjuster enters a summary of the three-point contact's salient points in the claim file accessible to the District via the claim system. Should the District require additional or different contact policies and procedures, TRISTAR will include that direction in the program's customized handling instructions.

CLAIMANT COMMUNICATION. TRISTAR recognizes that one of the essential tasks we conduct is guiding our clients' injured workers fairly and compassionately through the claim process. Our adjusters and assistants speak with the employees regularly to explain their rights, obligations, and options. This communication begins with the three-point contact at the initiation of a new claim. Three-point contact keeps communication channels open between the injured worker, the employee's supervisor, and the treating physician. From the very beginning, we will explain their benefits according to statutes, i.e., temporary disability benefits, mileage reimbursement, and more. All injured workers have direct access to adjusters, supervisors, and managers to resolve disputes or complaints. Claims managers and

supervisors bear the vital responsibility of providing additional layers of assurance that we treat all employees equitably. Our management team address concerns promptly.

TRISTAR expects that all client and claimant telephone calls and emails are responded to the same day or at a minimum the next business day. If an examiner has a planned out of office event, they are expected to leave clear instructions on the options for immediate assistance.

QUESTIONABLE CLAIMS. All adjusters have the primary responsibility of determining all new claims' compensability and the validity of ongoing claims. The adjuster may conduct activity checks, field investigation, or surveillance required through the course of claim management. The adjuster will adhere to the District's authorization protocols and hire agreed-upon vendors when the adjuster recommends a referral. The adjuster will document the basis for the claim system's referral, how the investigation will reduce the claim's cost, and the client's authority. The adjuster monitors these activities to control costs and optimize the collection of any pertinent evidence.

INDEX BUREAU REPORTING. TRISTAR's system automatically reports all new or converted claims with a temporary disability status to the Index Bureau and re-indexes claims every six months until closure. Additional claims, such as questionable claims or as otherwise requested by the District, may also be submitted. The response from the Index Bureau is downloaded directly into the claim notepad. Responses from the Index Bureau indicating the claimant may have had additional claims that could be related to the injury currently under our administration will be investigated by the claims adjuster. TRISTAR's policy is that documentation shall be complete and thorough in the claim notepad regarding the index response received and the need for any further action.

RESERVES. TRISTAR understands the importance of accurate reserves on our clients' financial predictability. Our philosophy is to determine outstanding liabilities established at the ultimate probable cost - what we believe will ultimately be paid on the claim - not necessarily the maximum exposure. The adjuster must establish reserves correctly and timely for the following reasons:

- The accuracy of the client's financial statements, which include reserves as current liabilities, depends on appropriate reserves.
- The client's actuaries' bases determination of Incurred But Not Reported (IBNR) losses on an analysis of paid and unpaid losses.
- The reserves established by the claims administration department make up the unpaid loss portion.
- Loss reserves are a major component used to calculate loss ratios for each client. The client can use loss ratios to evaluate the performance, and loss ratios can affect premium rates.
- To ensure regulatory agencies accept future liabilities

TRISTAR establishes the initial reserve within five business days of receipt of the claim. The adjuster will document the supporting rationale of any reserve or reserve change entered in the claim system file. Reserves are established based on the merit of the claim and the information obtained during the initial investigation. Information taken into consideration when setting the reserves may include but not necessarily be limited to the following:

- Type and severity of the injury
- Age of the injured employee
- Occupation
- Local cost of treatment
- Expected length of the disability
- General health and motivation of the injured employee
- Jurisdiction statutory considerations

These factors, and the adjuster's experience, are considered when reserving for the estimated ultimate probable cost of the claim. Adjusters will re-evaluate reserves at each diary review, and if unanticipated, significant information is received, may alter the amount of the reserve. The adjuster completes a reserve worksheet for each reserve adjustment on an indemnity claim and enters documentation in the clam system notepad supporting the reserves' rationale entered or adjusted.

SUBROGATION. Under workers' compensation law, the employer is responsible for payment of benefits to an injured employee even when another (or third) party is at fault. The District is entitled to recover those expenditures by way of subrogation against the responsible party.

The adjuster diligently identifies and pursues monetary recovery when there is a possibility of recovering expenses spent for an injury. If subrogation does not appear to apply to the claim, the adjuster will document the claim notepad, indicating this determination basis. Subrogation opportunities may be present in the following claim scenarios:

- Auto accident
- Product defect (e.g., defective chair, ladder, machinery)
- Premises liability (e.g., unsafe surfaces, safety equipment not installed, or poor maintenance)

The adjuster will investigate if a third person(s) or equipment dysfunction may have caused the incident to identify subrogation potential. There are also instances where subrogation is possible against the manufacturer of a defective piece of equipment or machinery. The adjuster will work with the District to ensure that faulty equipment is secured and stored for use as evidence. An injury occurring away from the employer's premises may involve subrogation (e.g., a courier at a client's business place may have a slip and fall injury on the foreign matter left on the floor. The adjuster will secure the District's approval before pursuing subrogation.

Various jurisdictions have different statutory timeframes for filing the appropriate paperwork to protect the client, and sometimes these timeframes differ for filing against private entities and public entities. TRISTAR's team is familiar with jurisdictional timeframes to ensure recovery for our clients.

Our adjusters subrogate most claims in the ordinary course of business. Our adjusters and managers may have liability experience and are very familiar with subrogation matters. There may be an occasion to refer complex subrogation matters to specialized legal counsel. TRISTAR will make recommendations for a referral if necessary. Should a case be referred to legal counsel, most firms will provide services based on an hourly rate. We are happy to assist in obtaining a flat fee or contingency basis as needed or requested.

SUPERVISOR REVIEW. Supervisors review new indemnity claims within ten business days of TRISTAR's receipt of the claim. Supervisor reviews help ensure:

- Appropriate compensability is determined
- Reserves are appropriately set
- Diaries established
- Benefits are accurately calculated and paid; benefit notices are complete
- Action plans are documented in the file

Supervisors review all claims at 90 days and complete a thorough review of the file, including reserve adequacy. Supervisors review claims that exceed reserves, payments, or settlement adjuster authority levels.

CLAIM ACCEPTANCE. When a claim is determined to be compensable, the adjuster is required to follow the following procedures:

- Issue an acceptance letter immediately to the injured worker and, if appropriate, include a benefit notice if compensation benefits are due.
- Document the claim notes with the basis for acceptance of the claim.
- Update all claim screens with the appropriate coding identifying the acceptance status.

CLAIM DENIALS The adjuster reviews all available evidence to determine whether a denial is appropriate and will issue either an acceptance or denial notice within the timeframe required for each jurisdiction. The adjuster will initiate all filings following regulatory rules and procedures. Adjusters are required to follow the following guidelines on claim denials:

- Detail clear and concise documentation of the basis for the denial in the claim notepad.
- Complete the appropriate denial notice required for each jurisdiction by stating a legal, factual, or medical basis for the denial based on information available.
- Obtain supervisor or manager approval for each denial. The supervisor or manager will enter their acceptance or non-approval of the denial into the claim notepad.
- Consult with the client before issuing the denial and document the claim file.
- Send a copy of the denial to the client. If represented, send a copy to the applicant attorney and defense attorney.
- Update coding in the claim system to indicate denial, the denial date, and the reason for denial.
- Contact the claimant telephonically and in writing regarding the denial.

RETURN-TO-WORK. TRISTAR has a variety of solutions to manage return to work and transitional duty programs. Adjusters work closely with their clients to help returning employees work through a transitional work or *stay at work* program, utilizing the District's policies and procedures. These activities may involve the risk management department, the human resource department, the injured workers' supervisor, medical providers, and a nurse case manager.

The adjuster contacts the treating physician every 14 days or more frequently when an employee is out of work. The adjuster works with the physician to assure the injured worker obtains appropriate medical care and returns the injured worker to full or modified duty by providing the injured worker's functional limitations. The adjuster works with the District to help determine the availability of modified duty position(s) and communicate it to the physician.

TRISTAR understands the importance of communicating work status and changes in work status to the District and the employee's supervisor. To the extent that they are available, documented job descriptions and modified or transitional duty programs aid our efforts to return employees to productivity.

The objectives of the transitional work program are:

- Transition the injured employee to full duty through placement into available interim assignments.
- Mitigate the costs incurred for injuries by reducing the length of time an employee must remain away from work.
- Minimize the negative impact of an injury or illness upon the affected department
- Improve the morale of the client staff.

TRISTAR nurses can work closely with all parties to assist with return to work opportunities utilizing medical treatment guidelines and predictive modeling based on the severity of the injury, occupation, age factors, and more. TRISTAR can customize all return to work activities in conjunction with the client's return to work and transitional duty policies and procedures.

TRISTAR also offers an employee wellness program that integrates workers' compensation and group health medical management, disease management, and return-to-work activities to reduce absenteeism and obtain quality healthcare for the most optimal outcomes. Clients that have deployed this program have achieved great success.

The District can track functional limitations and return to work status through the TRISTAR Connect risk management information system via:

- Return to Work Status Screens
- Access to Medical Reports
- Change of Work Status
- Work Status Reports
- Access to Managed Care Modules, including:
  - Nurse Case Management Activities
  - Official Disability Guidelines/Medical Disability Guidelines and others
  - Bill Review Data including medical provider billing, reimbursement information, billing practices, infractions, and more

Our nurses utilize a proprietary system to help ensure compliance with utilization review and medical case management protocols. Additionally, our nurses and staff have access to various sophisticated software programs that provide tools to different jurisdictional or State medical treatment guidelines and predictive modeling tools.

If desired by the District, TRISTAR will also provide access to Medical Disability Adjuster – Predictive Model to authorized City Users.

EXCESS REPORTING. The adjuster will determine if the claim is subject to excess coverage and meets the criteria that trigger the excess carrier's notice. The method and form for reporting to and updating excess carriers will vary greatly depending on each carrier's dictates. Our adjusters are familiar with each excess carrier's requirements and, if unsure, will contact the carrier for instructions.

Most importantly, the adjuster immediately identifies those claims that meet the reporting criteria and are reported timely. The adjuster will keep excess carrier updated, and the file will reflect actions clearly in writing so that no issue arises that can affect coverage available to the District.

The adjuster completes the initial and subsequent excess report by utilizing an appropriate form or format required by the carrier. The adjuster completes the referral to the excess carrier when reserves are established or increased to the reporting level set by each excess carrier or when the severity or type of claim warrants or requires reporting.

The adjuster will submit excess reports to all parties as required and maintains a copy of the excess report on the correspondence screen. The adjuster updates the claim file with each report to the excess carrier. The claims adjuster shall submit documents of all relevant medical information in our possession, along with pertinent legal correspondence with the initial excess report. A benefit printout detailing all benefits paid to date shall accompany each report.

The adjuster contacts the excess carrier for authorization to settle any case over the reportable retention level established for that policy period. This authorization may include settlement or waiver of any subrogation or liens. The adjuster documents any authorization received from the excess carrier in the claim file.

MMSEA/SECTION 111. TRISTAR is compliant with all aspects of the Medicare, Medicaid and SCHIP Extension Act of 2007. Our multi-disciplinary team (project management, IT, legal, quality assurance, and claims operations) assures compliance for both liability and workers' compensation. As long as the Client utilizes our claims software, the Client (Responsible Reporting Entity) may designate TRISTAR as the Reporting Agent to report to CMS.

On behalf of the Client, the examiner gathers all the required information to enter into the claims system. The examiner enters the settlement's date and amount into specific fields in the claims system to capture the data electronically required for mandatory reporting.

TRISTAR has implemented quality assurance procedures to ensure information is collected and documented. Reporting occurs as mandated by CMS.

The entire process is automated. The IT Department will run test scripts to ensure the data is accurate and submit the Client's data to CMS during the Client's quarterly submission period. TRISTAR will continue quarterly reporting as required for applicable claims as long as TRISTAR provides claims administration services for the Client. Exceptions are managed internally by the TRISTAR IT and Operation team.

In addition to periodic Web-based training seminars and Internet websites, clients can access more information on our website at www.TRISTARrisk.com or access our management team at SCHIP.Support@TRISTARgroup.net.

SETTLEMENTS. A primary goal of the workers' compensation claims program is to avoid unnecessary litigation. The adjuster accomplishes this by securing the injured employee's confidence that their claim will be handled promptly, administered fairly, and that they will receive the full measure of benefits to which they are entitled. Attorney representation and subsequent litigation costs remain one of the single largest contributors to increased workers' compensation costs.

TRISTAR strives to manage the injured party's claim effectively and efficiently during this critical period. The longer a claim is open, the greater possibility of litigation. The early stages of a claim are paramount in controlling the disability event, managing the medical effort, and avoiding attorney representation. Reducing the percent of litigated claims will save the District considerable dollars in both benefits paid and allocated and litigation expenses.

The adjuster will adhere to the Special Client Handling Instructions for specific settlement requirements, discretionary settlement authority, and recommendations. When a claim has or will pierce the retention level, the adjuster must include the excess carrier in the settlement negotiations; failure to do so may breach the client's contract with the excess carrier resulting in a reduced recovery. The adjuster will forward demands and other settlement requests to the client upon receipt. The adjuster will indicate the referral and corresponding documents in the claims system and complete a referral form for the client.

A claim settlement often involves many different parties, including the client, the adjuster, excess carriers, Medicare, claimant, defense, or in-house counsel, and various lien claimants. Communication between all parties is essential to ensure that the adjuster addresses all issues and makes settlement recommendations.

The adjuster will assist and help obtain any information necessary to assist the client in pursuing settlements. In addition to recommending settlement strategies, this may include arranging medical/legal evaluations, outside investigations, independent medical evaluations (IMEs), permanent disability evaluations, and providing medical and personnel records to avoid unnecessary subpoena and photocopy costs.

If an employee retains an attorney and litigates their claim, where appropriate, TRISTAR will:

- Assign the case to a defense attorney selected, as agreed to, by the District
- Monitor the defense attorney's activity
- Coordinate legal efforts between the District and the defense attorney
- Monitor legal costs

LITIGATION MANAGEMENT. Litigation results in increased costs and delays the eventual resolution and closure of claims. Legal management begins with professional, timely claims handling and establishing a line of communication with the claimant. Frustration, confusion, and distrust of the claims system are primary reasons that claimants seek representation.

TRISTAR helps our clients have the tools, information, and support to address all litigated claims. If a claimant obtains representation, the adjuster continues to manage the claim professionally and proactively. The adjuster handles litigated claims as appropriate. TRISTAR will adhere to the District's operating instructions regarding the assignment of representation, including client-selected attorneys selection if desired. The TRISTAR adjuster will:

- Handle non-disputed litigated files internally
- Make legal assignments as applicable on a specific task basis only, unless otherwise directed by the District
- Utilize a pre-approved legal panel with negotiated hourly rates, unless otherwise directed by the District

Adjusters may make referrals to defense counsel for:

- Disputed claims requiring depositions and trial
- Disputed issues such as apportionment, earnings, extent of permanent disability, coverage, or co-defendants
- One time deposition or appearance at a hearing
- Claims involving complex subrogation with a high paid amount and opportunity for recovery
- Per Special Client Handling Instructions

TRISTAR will effectively assist the District in controlling defense costs by utilizing defense attorneys for legal recommendations and litigation processes only. The adjuster will assist defense counsel by providing certain activities such as:

- Preparing a report and summary and recommended strategy of the case upon assignment to counsel
- Setting up medical/legal evaluations
- Arranging for an outside investigation, including Sub-Rosa
- Sharing medical and personnel records with all interested parties to avoid unnecessary subpoena and photocopy costs
- Arranging for agreed independent medical evaluations or IME's
- Arranging for permanent disability evaluations

TRISTAR utilizes effective cost containment practices to take the burden off our clients' resources. We closely monitor legal expenses to ensure that all service providers supply the most cost-effective results for our clients, and we design, recommend, implement, and maintain cost containment programs, such as the following:

- Pre-approved legal panel with negotiated hourly rates
- Legal assignments on a specific task basis only
- Control of legal files maintained by the claims adjuster

- Non-disputed litigated files handled internally
- Investigations handled by in-house staff as applicable

TRISTAR will supervise the District's legal obligations, protect and preserve the District's interests. Our staff will closely monitor legal expenses to ensure that all service providers supply the most cost-effective results for the District. We design, recommend, implement, and maintain cost containment programs.

Upon assignment to counsel, the adjuster will:

- Prepare a summary and recommended strategy of the case
- Direct and evaluate litigation management throughout the life of the claim
- Move the claim towards closure in a timely and cost-effective manner
- Coordinate legal efforts between the District and the defense attorney
- Monitor legal costs, review legal bills for accuracy and appropriateness
- Continue to manage all routine tasks performed by the claims adjuster, such as setting medical appointments and evaluations, sending mileage checks, requesting medical records, or referrals to any outside vendor, including sub-rosa
- Share medical and personnel records with appropriate parties to avoid unnecessary subpoena and photocopy costs

PENALTY PREVENTION. All personnel is to perform their jobs in such a manner as to provide benefits in an effective, knowledgeable, fair, and timely manner. Benefits should never be intentionally or unreasonably delayed or refused. The responsibility for each penalty will be researched. Penalties found to be the responsibility of TRISTAR will be discussed with the appropriate personnel responsible. Job performance resulting in excessive penalties will be addressed through appropriate personnel actions.

To identify all self-imposed or court-ordered penalty payments made on behalf of TRISTAR's clients, a penalty avoidance procedure has been developed and must be followed by all claims staff. TRISTAR's claims management software has a diary system with default reminders to prevent missing deadlines and receiving penalties.

Guidelines have been established to prevent penalties:

- All payments must be timely, accurate, and in accordance with the Workers' Compensation laws, rules, and regulations in each jurisdiction
- All claims will be processed and evaluated promptly for acceptance, denial, or delay (where applicable) within the appropriate timeframe for each jurisdiction
- All denials are to be approved by the supervisor or manager with a notepad entry in the claim system
- Where applicable, a claim delayed for investigation must have a determination to accept or deny made prior to the expiration of the timeline specified for each jurisdiction
- Medical payments are to be made within statutory requirements of each specific state
- Medical-legal expenses are to be paid within statutory requirements of each specific state
- All contested medical-legal bills will have a written objection sent within the specified period for each jurisdiction
- Initial indemnity payments are to be issued in accordance with each jurisdiction's specified timeframe
- Should knowledge of the indemnity time loss occur after the specified timeline for the state, the initial indemnity payment is to be issued within 48 hours of the date of knowledge of time loss
- Ongoing indemnity benefits are to be paid at regular intervals as specified by existing statute
- Permanent disability benefits are to commence when the medical evidence supports a reasonable assessment of likely permanent disability and the injured employee is no longer temporarily disabled. Where applicable, the permanent disability payments will be based on the examiner's rating of the

level of disability adjusted for the injured employee's age and occupation. Permanent disability benefits are to be made within statutory timeframes

- Where directed by a court to pay contested medical-legal expenses, payment must be made within the appropriate timeframe
- If the medical-legal expenses continue to be contested, the appropriate method of objection for each jurisdiction shall be filed
- Findings and Awards/Orders are to be paid within the statutory timeframe or as stated in the award
- The supervisor or manager must verify and approve the payment of all awards
- When calculating award payments, any interest amounts due and payable must be included in the calculation

It is the responsibility of the claims examiner to identify all circumstances under which a self-imposed penalty or court-ordered penalty is due.

Any employees deliberately not paying self-imposed penalties shall be subject to disciplinary action up to and including termination.

Managed Care/Medical Management

TRISTAR offers a variety of cost containment strategies for clients, including managed care programs that include 24/7 call center, nurse triage, early intervention, predictive return to work modeling, telephonic and field case management, physician review, treatment protocols, and customized wellness programs and more. Our bill review audit and PPO network access programs are part of our cost containment strategies. Our ability to negotiate the best price nationally affords our customers the best outcomes.

MEDICAL BILL REVIEW. TRISTAR reviews all types of medical bills, including, but not limited to: medical provider bills, facility fees, prescription invoices, radiology, durable medical equipment, and other ancillary service invoices. TRISTAR also reviews non-medical bills or "pass-through" bills, as applicable. TRISTAR is responsible for entering all bill review information into our bill review software wholly and accurately. We will track the receipt, input, processing time, and accuracy of each bill submitted.

TELEPHONIC NURSE TRIAGE. TRISTAR's nurse triage model helps to assure timely reporting and has proven effective in reducing the severity and the incidence of claims. Our US-based, in-house 24-hour call center is accessed via a toll-free phone number and is staffed by highly skilled nurse case management personnel who capture pertinent medical details. When an injured employee (or supervisor) reaches our nurse triage call center, we can customize our triage intake script to each client's needs. The nurse aids the injured worker in self-treatment or sets up appointments with the appropriate provider utilizing medical triage guidelines, including follow-up calls and transfer to claim team and/or early intervention nurse if any. All calls are recorded and available to our adjusters, managers, and the client.

NURSE CASE MANAGEMENT. TRISTAR defines medical case management as the establishment and coordination of a treatment plan that is medically appropriate and enforces the application of the treatment plan. We are committed to improving the quality of care and controlling costs while managing treatment to ensure optimum outcomes. Medical case managers maintain contact with employees, doctors, claims professionals to control medical utilization, obtain enhanced injured employee compliance with optimal treatment protocols, and expedite return to work. Telephonic and Field Case Management can be an integral part of an interdisciplinary team to facilitate open communication with the common goal of return-to-work, coordination of care, and return to health for the injured worker. It

is the case manager's goal to promote quality, timely, and cost-effective outcomes. The case manager works with the employer to identify claims with a high frequency and meet the organization's specific challenges. Case managers work closely with the injured worker, health care provider, and the departments to facilitate timely and appropriate medical care and coordinate a safe and timely return to work.

PHARMACY BENEFITS MANAGEMENT. TRISTAR offers an in-house Pharmacy Benefit Management program and pharmacy networks. This program has a nearly 100% network penetration due to relationships with the largest pharmacy chains (e.g., Walgreens, CVS, Rite Aid, etc.) and an extensive home delivery program.

UTILIZATION REVIEW. TRISTAR is a URAC-accredited provider of workers' compensation utilization management services. The URAC accreditation seal demonstrates TRISTAR's commitment to quality, nationally recognized guidelines, and evidence-based medicine. The District can be confident that TRISTAR's processes meet widely recognized national standards and respect patients' and providers' rights.

urac ACCREDITED
Workers' Compensation Utilization Management
Expires 06/01/2021

PHARMACY UTILIZATION REVIEW. The control and management of opioids and other narcotics are crucial to effective workers' compensation claims management. While narcotics and opioids may be necessary for the management of chronic pain, a multidisciplinary approach involving the physician, the injured worker, and the pharmacy expert is needed to establish a medication regimen with measurable treatment goals that focus on the patient's safety. Our proprietary formulary design flags opioids and other narcotics and forwards any alerts to our pharmacy Utilization Review professionals. TRISTAR's approach is to prevent initial narcotic prescriptions. When indicated, we follow the CDC's "go low, go slow" guidelines. Our formulary review also checks to ensure that contraindicated medications are not prescribed. At the point of sale, the health professional will review the medical information to determine if the medication is appropriate. Should we identify the potential for abuse or misuse, our pharmacy utilization review professional will work with the treating physician to ensure the medication is weaned appropriately. In instances where the treating provider is not cooperative, we have access to multi-specialty physicians to assist with weaning.

PPO NETWORKS. TRISTAR has many of its own national and regional PPO contracts, and additionally, TRISTAR provides access to a multitude of national PPO networks to maximize reductions. This provides network access for our clients to drive higher penetration rates and more considerable savings. TRISTAR's access to PPO networks provide broad geographical coverage and result in reductions more significant than other bill review service providers and access for injured workers' who may be seeking treatment outside of the District's primary jurisdiction.

TELEMEDICINE. The program offered to the District for telemedicine utilizes physicians who are occupational physicians specializing in work-related injuries and illnesses or specialty providers based on the type of injury. Physician charges for evaluation and management are fee scheduled with a PPO discount for the District, the same as if the employee was seen in the doctor's office. TRISTAR utilizes Concentra for this program, and the member can designate Concentra Telemedicine as one of its designated providers. TRISTAR has set up customized workflow processes to provide work status, medical records to authorized personnel after an employee has utilized telemedicine.

ORTHO-SPINE NETWORK. TRISTAR has implemented an ambulatory surgical network that we believe will benefit the District and its employees. Provided through Paradigm, this surgical and implant specialty network has unmatched surgical industry knowledge and stakeholder relationships. The network

physicians have a comprehensive understanding of workers' compensation workflow and provider/physician dynamics required to manage the administration of a complex network category. The network is a comprehensive, outcomes-based, and quality-based Surgeon and Ambulatory Surgical Networks for workers' compensation payers like the District.

OTHER SERVICES. TRISTAR has established relationships with specialty service providers for durable medical equipment programs, radiology services, physical therapy and physical medicine, implantable devices, translation, transportation, AOE/COE, surveillance and fraud investigations, Medicare-Set-Aside, and structured settlement services and negotiated appraisal services. These programs are an integral part of our services. Electronic interfaces with service providers provide TRISTAR with the ability to continue their own paperless document technology enhancements for our programs.

Additionally, TRISTAR has legal cost containment programs that include negotiated rates, litigation budget expectations, and recommended legal referral. All staff is trained to identify and pursue subrogation opportunities.

Risk Management Information Systems

TRISTAR's Risk Management Information Systems (RMIS) are proprietary systems developed in-house to streamline claim management and managed care. The claims system provides adjusters with automated access to forms, rates, rules, and regulations to streamline the adjudication process. Standard forms can be customized for customers to reiterate the client's return to work policies and procedures, and our business rules will calculate average weekly wage (AWW) and indemnity benefits. Adjusters have access to federal and state laws, regulations, and rates, medical treatment guidelines, and more.

TRISTAR's RMIS for both claims management and managed care connected to **TRISTAR Connect**, a client access portal, for real-time accessibility to claim detail and data. The system is paperless, web-based, and offers Android and Apple compatible mobile apps for employers and claimants. TRISTAR Connect provides access to a client dashboard, individual claim detail, and reports. TRISTAR Connect is accessible online using standard software, such as Internet Explorer or Google Chrome browsers, PDF Reader for viewing charts and generated reports, Microsoft Excel for "download" functionality and generated reports, and AlternaTiff for viewing images. We invite you to view a video overview online at **https://youtu.be/B0zieD306gY**.

TRISTAR's proprietary RMIS system and client portal are maintained and updated by a dedicated staff of highly trained and experienced IT personnel. They are accessible to clients during business hours. IT will work with the District to provide access to authorized users of the District. IT can also customize access for individual users.

DASHBOARD: Our goal is to deliver relevant, actionable information in a user-friendly dashboard view. There are three tabs within the dashboard, each sharing critical metrics in a presentation-ready format: Claim, Financial, and Loss Control. Our claim view includes a Trial Calendar with a rolling two-month view of upcoming hearing and trial dates. Each dashboard screen offers a one-click dropdown to view the data populating the report, an option to print or export, and many of the dashboard reports include "hot sites" where merely scrolling the mouse over the site will produce a pop-up with key detail on that data point.

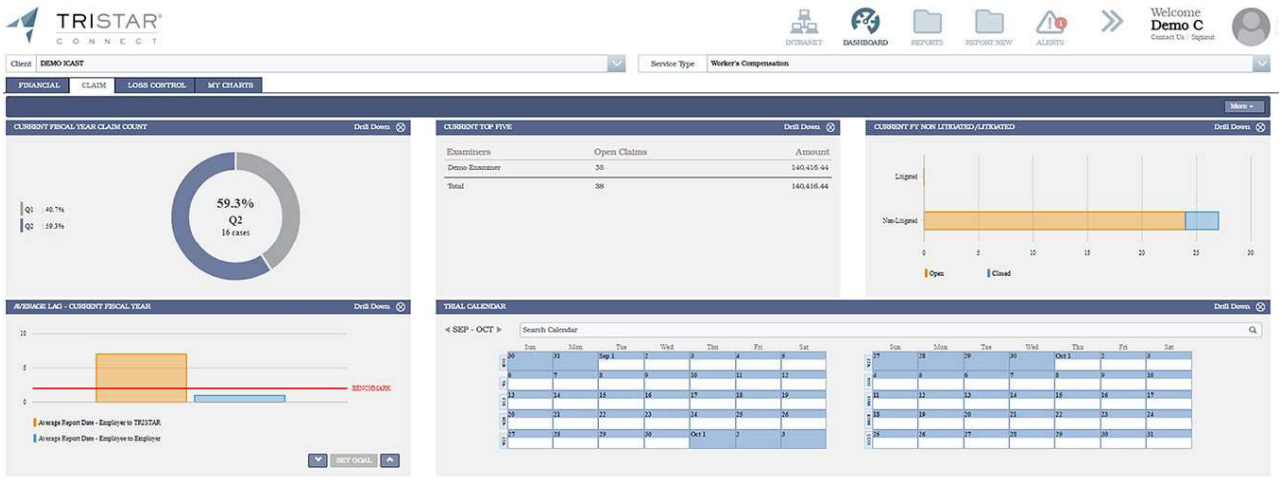


Figure 2: *Sample Dashboard Screenshot of TRISTAR Connect.*

CLAIM DETAIL: Includes diary, notes, payment processing, reserves/reserve changes, litigation, medical management, policy management, correspondence, work status and restrictions, vendor tracking, correspondence, and more. Users can open three separate claims simultaneously via independent tabs within the portal.

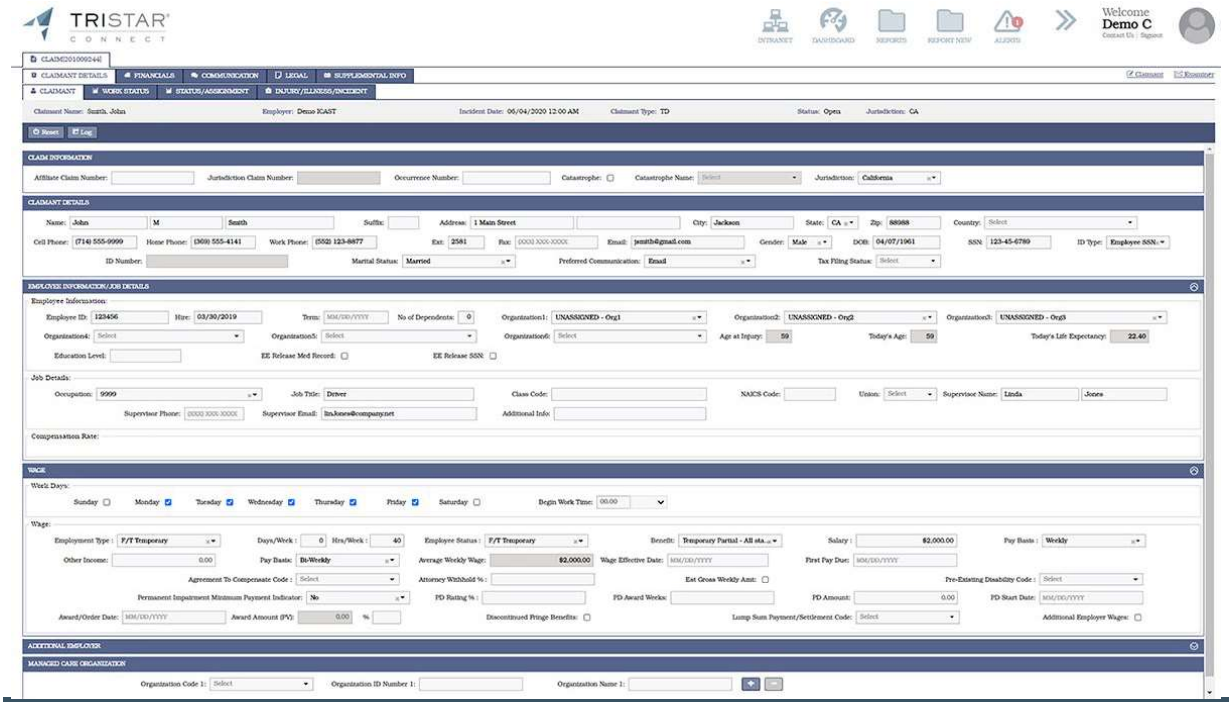


Figure 3: *Screenshot of a Sample TRISTAR Connect Claimant Claim Detail screen.*

REPORT MODULE: Standard management reports and customized, ad hoc reports are available to run, view, print, email, or download. We offer over 80 reports such as Loss Prevention, Loss Triangles, Claim Log, 1099s, etc. Reports may be programmed to run automatically or a user-designated schedule.

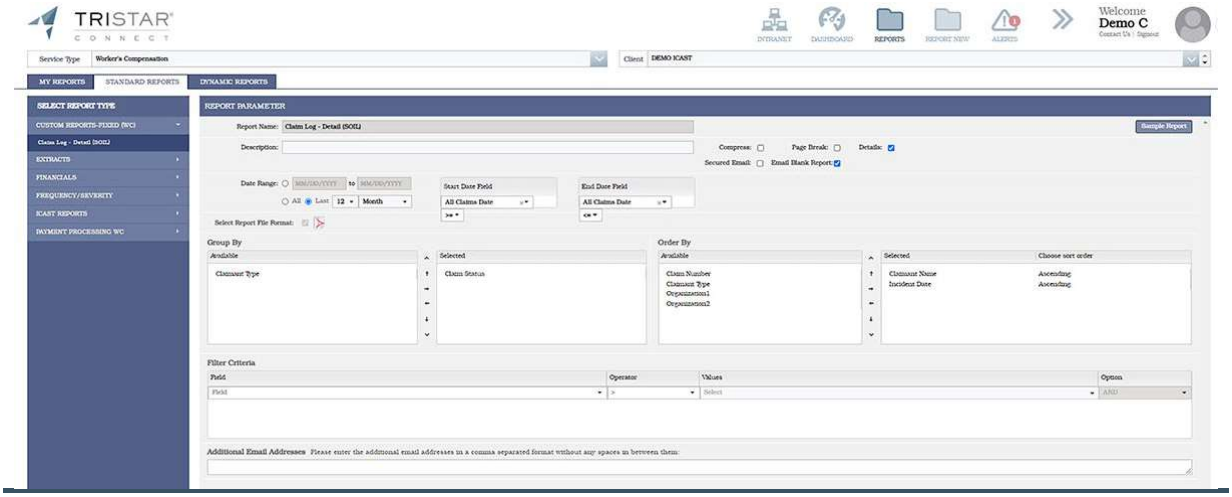


Figure 4: *TRISTAR Connect Report Generator Screenshot.*

ALERTS: Our TRISTAR Connect tools allow for customized alerts based on client-specific criteria, such as reserve changes over a given amount, large payments, closing notices, and the like.

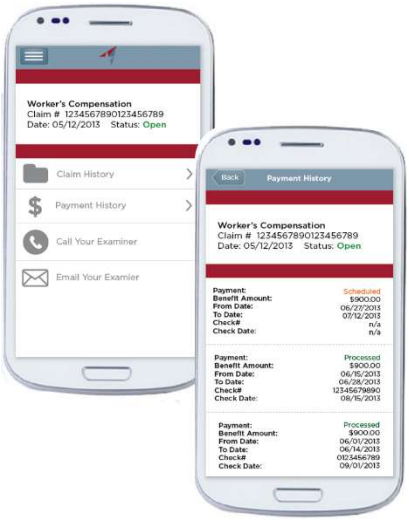


Figure 5: *TRISTAR Connect includes a mobile app that gives our clients and their employees access to basic claim information on their telephone.*



TRISTAR's Mobile App for workers' compensation can allow employees to:

- View existing claims
- View payments
- Report new claims
- Call their adjuster
- Email their adjuster

Mobile App has additional screens for employers can allow clients to:

- See pre-defined charts and graphs
- Mobile App can only be used by authorized users to report a claim. The authorized user must download the TRISTAR Mobile application on Mobile Phone (IOS and Android) and register successfully. Only basic information is required for submission so that the adjuster can contact the injured employee to obtain additional information required for claim submission.

CLARA ANALYTICS. Via the use of CLARA analytics' cloud-based applications suite, CLARA Providers, CLARA Claims, CLARA Litigation, and CLARA Risk Management Toolkit, TRISTAR offers a wealth of information specific to both utilization and providers.

CLARA's Risk Management Toolkit (RMT) application is an advanced Artificial Intelligence (AI) based toolkit to assist claim managers and adjusters in evaluating an entire claim population's performance. It can help managers understand the underlying costs that affect a group of claims and predict trends that could negatively impact the future. The new RMT is part of the CLARA claims product, which utilizes AI to help adjusters better manage claims in real-time and identify at-risk claims before they escalate. RMT leverages various machine learning and natural language processing techniques to analyze both structured and unstructured data, such as observations mined from claim notes, medical records, images, and other documents. Incorporating unstructured data into AI models results in a more accurate and detailed analysis that can inform decision-making and reduce claims' severity and frequency.

Risk managers can use the toolkit to conduct an on-demand analysis that identifies the factors driving claim complexity and attorney involvement. They can also review the providers and attorneys that affect costs within a group of claims to ascertain their macro impact versus what happens in a single claim. The analysis is based on the predicted complexity of the claim pool. The case-mix is adjusted to offer a more detailed and in-depth look than the average severity and frequency levels commonly found today.

The application provides for the easy identification of providers utilized by insured location, division, group, or any other breakdown based on fields in the claims system that can identify the desired population. Because the new tool tracks trends over time, it can identify potential high-severity claims rapidly. Machine learning-based alerts are triggered when adverse trends occur so that claims teams can make necessary adjustments. Users do not have to wait for alerts to get an accurate read on what's happening with a group of claims or see the big picture. They can easily create custom dashboard views with extensive filters to generate reports to guide decisions based on up-to-the-minute data.

CLARA Analytics also provides a fully integrated MSA feature, which helps teams mitigate claim costs by identifying claims that are at risk for litigation or delays. CLARA's MSA solution provides:

- Automated identification of claims likely to need an MSA based on claim attributes
- Automated MSA report generation at the push of a button
- Ability to combine/separate multiple claims to assess cost differences
- Updated reports as often as needed based on changing treatment under the claim
- Push-button inclusion/exclusion of body parts and comorbid conditions at the time of MSA generation
- Availability in traditional CMS and EBM-based formats
- CMS submission of final MSA, with amended reviews where indicated

REPORT GENERATION. The claim system provides a myriad of reports designed to enable personnel to analyze data from the risk management perspective. Reports can be produced in real time or for user-defined reporting history periods.

The system includes dozens of standard and customized reports and ad-hoc reports. Examples include Loss Prevention, Custom Claim reports, Lag Time reports, Policy and Fiscal Year Summary Report, SIR/Excess Reports, Litigation reports, Subrogation reports, Denial reports, Payment reports, Injury Matric reports, Occupation/Body Part/Nature of Injury/Incident Type reports, 1099 forms, OSHA reports, and many others. Reports may be run by Division, Agency, Department, or for any customized hierarchy.

The main feature of the Report Module allows one window to query all reports. The user can add or delete reporting fields and selection criteria with ease. All terminology is common claims terminology; the end-user is isolated from the database or system language.

The user selects the report group, such as general, loss prevention, payment processing, etc. The user can then identify specific claims as well as valuation dates for the report. All reports appear first in a display window, which can also be previewed. Roll-ups are user-defined and are not pre-programmed. The end-user can specify the sorting and grouping/totaling, as desired. The ability to sort, group, and total on any field of a report has been found by our clients to be very helpful. The user can export reports in common file formats, including Excel, ASCII CSV, and Adobe Acrobat (PDF).

Customized Report Package. TRISTAR typically provides a customized monthly, quarterly, annual, and periodic report package for our clients. Reports include fiscal or policy year summary reports, open/reopened claims reports, check registers, financial activity reports, and even safety activity reports.

Ad Hoc Reporting. Real-time ad-hoc reporting is available for user defined report production.

Reporting History Periods. TRISTAR creates "Reporting History Periods" every month after midnight, the last day of each month. Reporting History Period functionality enables the user to produce statistical and analytical data that is static for that specific "value as of date" – or reporting history period. Reports can be produced with reporting history periods as of *last month*, *last quarter*, *last year*, *last fiscal year*, etc. Reports with Reporting history periods typically include paid, outstanding reserves, total incurred amounts within the reporting history period in addition to total financial summary amounts of total paid, total outstanding, and total incurred and total recoveries and net incurred. This type of reporting ability provides the ability to develop loss trends and benchmarking data for actuaries or claim analysis for assisting in risk management administrative decisions.

Current Client References

Weslaco ISD
Michael De La Rosa
Address: 319 W. 4th St., Weslaco, Texas 78596
Telephone: 956-969-6580
Email: mgdelarosa@wisd.us
Client Since: 2004
Number of Employees: 3,500

Sharyland ISD
Mark Daughtery, Risk Manager
Address: 1200 N. Shary Road, Mission, Texas 78572
Telephone: 956-580-5200
Email: mdougherty@sharylandisd.org
Client Since: 2011
Number of Employees: 3,000

Edinburg CISD
Miranda Gallo, Workers Compensation
Address: 411 North 8th Street, Edinburg, Texas 78541
Telephone: 956-289-2305 x 2029
Email: miranda.gallo@ecisd.us
Client Since: 2011
Number of Employees: 4,500

Fee Proposal

At TRISTAR, we believe that you should have a clear understanding of the price we charge for our services. We are straightforward regarding our methodology, open to discussion relative to our assumptions and cost estimates, and receptive to any alternatives you would like us to consider. Since our experience has proven that improper focus on administrative costs does not achieve the goal of properly managing total claim disposal costs, we will work with you to strike a proper balance between controlling administrative expenses and providing the appropriate level of resources to realize the best economic outcomes on your claims. We have utilized the desired service specifications to develop our price offerings. Should a material difference be discovered in the historical data and other information provided by you or your representative that we relied on to provide this proposal, TRISTAR reserves the right to make fee adjustments as necessary. For all fee arrangements quoted, our claim service fees do not include services defined as Allocated Loss Adjustment Expense, whether employees of TRISTAR or others perform such services. Please read further for the full definition.

We believe that the District and TRISTAR's interests will be most closely aligned with a flat annual fee approach. A flat annual fee is a straightforward, transparent pricing mechanism that both parties easily administer, easily monitored by you and your auditors, and predictable for balance sheet and cash-flow purposes. It operates at reduced margins, as our operating risks are significantly reduced. There may be issues that we both are unaware of that impact the costs associated with providing superior service. A flat annual fee will allow us both the freedom to deal with these issues as they arise and make proper business decisions unencumbered by pricing concerns. Should your service needs change, flat annual fees will change to enable us to meet them. The flat annual fee includes **Claim Services and Account Administration**, as defined below.

CLAIMS SERVICE FEES include**:**

- Complete and thorough "desk" investigation of all claims reported, including recorded statements where necessary, in accordance with TRISTAR's Best Practices and any special service agreements made with the District
- Evaluation of liability and damages to establish appropriate reserves
- Reserve Advisories at the District-designated levels
- Notification/reporting to the District in accord with our service agreements
- Adjustment and payment of compensable claims
- Litigation Planning and Management
- Employment of anti-fraud measures including assignment and direction of investigators to reduce the possibility of payment of non-compensable claims (services of special investigators not included)
- Maintenance of a record of all investigation, payment, and adjustment activities within TRISTAR's claims system and files

- Pre-Settlement Advisories
- Structured Settlement Management (cost of structures not included)
- Large Loss Notices/Email Alerts
- Claim Acknowledgements
- Closing Notices
- Status Reports – Initial at 30 days/90 days thereafter until closure, or as otherwise agreed
- Subrogation/Recovery/Restitution – **No** Additional Recovery/Recovery Fee Charged for TRISTAR's pursuit of subrogation
- Conference calls with legal counsel and other ancillary providers as necessary or requested

ANNUAL ACCOUNT ADMINISTRATION includes: ***($79,950 Annual Fee)***

- Account Management
- Implementation Planning and Management
- the District-Specific Claims Handling Instructions
- Account Set-Up
- Quality Assurance Management and Review
- Bank Account Management and Reconciliation (TRISTAR Accounts Only)
- Customer Meetings
- Carrier Audits
- Annual Stewardship Meeting/Report and Analytical Review
- 1099 Form Preparation
- Reporting for brokers, actuaries, consultants, and excess carriers
- Client Education Programs
- Development of Policies and Procedures

RISK MANAGEMENT INFORMATION SYSTEMS ACCESS Includes:

- **3** TRISTAR Connect User IDs
- Customer Hierarchy and Organizational Structure maintenance
- System Access to Losses, Financials, and Reserves
- Adjuster and Supervisory Notes Access
- Report Templates
- Scheduled Reports
- OSHA Logs, if desired
- State Annual and Periodic Reporting as required
- Periodic Cost Containment Reports
- Claim System Training, Help Desk Access, and Customer Service Unit Support

ELECTRONIC DATA INTERFACE includes: ***($150 per hour[1])***

- Mapping/Plotting of data elements
- Test runs/Exception reports and correction of any data flows
- Converting data over to TRISTAR's system
- Balancing financials (reserves and paid amounts)
- Storage of claim records

[1] Upon receipt of data layouts and other relevant information to determine an accurate scope of work for each conversion or interface required, TRISTAR may offer a flat rate to provide data conversion or custom interface services.

MULTI-YEAR RATE GUARANTEE. Claim service fees quoted presume the use of TRISTAR Managed Care services, in accordance with the rates outlined on the Preferred Provider Specialty Services page.

FLAT ANNUAL FEE (3 Year Proposal)	
Contract Year	**Annual Fee**
Contract Year 1	$79,950
Contract Year 2	$79,950
Contract Year 3	$79950

PREFERRED PROVIDER SPECIALTY SERVICES IN 2021. Fees listed are for Preferred Provider Specialty Services. These fees are paid as Allocated Loss Adjustment Expenses or, where required by state law, as loss.

Fees as of December 18, 2020, are subject to change without notice or upon renewal.

Service	Fee
MANAGED CARE	
Medical Bill Review	
Provider/Ancillary Bill Review	$9 per bill
Hospital Bill Review (in and outpatient)	9.00 per bill
Clinical Nurse Review	27% of savings
Implantable Device Review	30% of savings
PPO/Pharmacy/DME	27% of Savings (all savings are post fee schedule or U&C)
Specialty Bill/Out of Network Review	30% of Savings (all savings are post fee schedule or U&C)
e-billing	$1 per bill
Duplicate Bills Duplicate Line Items Monthly Savings Reporting	No Charge
Utilization Review	
Pre-clinical review	$25 per pre-clinical review. Fee waived if case proceeds to utilization review
Pre-Certification (In- or Out-Patient and medications)	$140 per pre-certification
Concurrent Review (Review during hospitalization or outpatient treatment, as treatment progresses to ensure duration and type of treatment meet appropriate guidelines)	$125 per hour
Peer Review	
Level 1 (Includes review of medical records and communication of decision in writing to all parties)	$275 flat rate for peer review of episodes of care identified on medical bill review.
Level 2 (Includes review of medical records, discussion with treating physician and communication of decision in writing to all parties)	$295 flat rate when assigned by a nurse case manager following case manager file review, or receipt of a referral by adjuster for review.

Service	Fee
Enhanced Intake and Nurse Triage	
Enhanced Telephonic First Notice (Operator service by medical assistants. Injured employee and/or supervisor calls to report claims, assistance with PPO direction, questions, and referrals. Optional integration with nurse triage services.)	$28 per intake call (waived if call moves to triage)
Telephonic Nurse Triage (Nurse aids injured worker in self-treatment or sets up an appointment with appropriate provider utilizing medical triage guidelines/follow up calls)	$125 per intake call (includes wallet cards for all employees)
Nurse Case Management	
Telephonic Case Management (Texas)	$105 per hour
Field Case Management (Texas)	$105 per hour *plus Mileage at IRS mileage rate*
Field Case Management - Tasks	One time visit to provider $475 plus mileage Two visits to provider $750 plus mileage Medical record retrieval $135 plus mileage Job Analysis $475 plus mileage
Catastrophic Case Management (High level of RN interaction with immediate response to significant injury, e.g., severe head injury, severe burns, gunshot. Available 24/7)	$175 per hour plus mileage
Pharmacy	
Clinician Intervention: Complex Pharmacy Management, Weaning Protocols (Weaning available when opioids have been prescribed for 60+ days with no evidence that physician will end treatment pattern.)	$125 per hour
Physician Intervention: Complex Pharmacy Management. (Utilized in instances of numerous drug interactions of opioids, hypnotics, and anti-depressants, requiring a physician-to-physician review of treatment pattern and weaning options. Follow up calls made by a nurse case manager.)	$125 per hour nursing intervention **plus** pass-through of actual physician fees
Drug Testing: Full, Quantitative Testing (Candidates may be referred or identified by TMC based on risk factors such as claim age, high medication use, safety risk, injury type, etc.)	$425 per test with report summary
Drug Testing Interpretation and Outreach: Complex Pharmacy Management, Weaning (Pharmacist to review and interpret drug testing results. Findings would be communicated to the examiner and/or provider, where permitted, with the goals of ensuring patient safety and reducing fraud, waste, and abuse.)	$125 per hour
Pharmacist Medication Review:	
1-2 medications with full record review and recommendations	$450 flat rate
3-6 medications with full record review and recommendations	$675 flat rate
7 or more medications with full record review/recommendations	$900 flat rate
Other Networks	
Texas 504 Medical Panel	$125 per claim

Service	Fee
Other Services	
Legal Fees* (Pappas Law Firm)	
Austin/Board Representation	$250.00 per month
Benefit Review Conferences	$650 flat fee
Pre Hearing Conferences	$650.00 flat fee
Medical Dispute Resolution	$550.00 flat fee
Compliance and Practice Issues	$150.00 per hour
Medical Contested Case Hearings	$150.00 per hour
SOAH- State Office of Administrative Hearings	$150.00 per hour
Designated Doctor Analysis Letters	$300.00 flat fee
Contested Case Hearings	$150.00 per hour
Appellate Brief to the Appeals Panel	$150.00 per hour
Subrogation Recovery	1/3 contingent fee
** Expenses billed at cost include airfare, car rental, parking, copy work, etc.*	
Other Services	
Special Investigations	$95 per hour
Central Index Bureau/OFAC/CSE/SS	$18 per report
MSA Cost Projection	$2,200 flat rate
Claim Reporting: Fax or Internet	$10 per report
MMSEA Reporting	$10 per claim
Mileage	IRS allowance rate

ALLOCATED LOSS ADJUSTMENT EXPENSES includes any fee or expense which is chargeable or attributable to the investigation, coverage analysis, adjustment, negotiation, settlement, defense, or general handling of any Claim or action related thereto, or to the protection and/or perfection of the Customer and/or Carrier's right of subrogation, contribution or indemnification, all as reasonably determined by TRISTAR. Allocated Loss Adjustment Expense(s) may be incurred for services provided by TRISTAR, its affiliates and subsidiaries, or third parties and include, but are not limited to:

- attorney's fees and disbursements incurred in connection with the determination of coverage and/or the adjustment, defense, negotiation, or settlement of any Claim; attorney's fees incurred for representation at depositions, hearings, pretrial conferences, and/or trials;
- fees and expenses incurred for: handling any Alternative Dispute Resolution (ADR) proceeding; legal actions, including trials or appeals; pursuing any declaratory judgment action, including deposition fees; cost of appeal bonds; court reporter or stenographic services, filing fees, and other court costs, fees and expenses; transcript or printing services and all discovery expenses; service of process; witnesses' testimony, opinions, or attendance at hearings or trial;
- fees and expenses for attendance at or participation in ADR proceedings, hearings, trials, or other proceedings by TRISTAR personnel or its subcontractors;
- statutory fines or penalties; pre- and post-judgment interest paid as a result of litigation, unless regulatory or reporting requirements define such interest as loss or indemnity payments;
- subcontractors' fees and travel expenses, including independent adjusters, automobile and property appraisers, to the extent that same are incurred in the adjustment, negotiation, settlement, or defense of any Claim;
- fees and expenses incurred in conjunction with the telephonic, web, or other electronic methods of reporting Claims;

- experts' fees and expenses including reconstruction experts, engineers, photographers, accountants, economists, metallurgists, cartographers, architects, hand-writing experts, physicians, appraisers, and other natural and physical science experts, plus the fees and expenses associated with preparation of expert reports, depositions, and testimony;
- fees and expenses for surveillance, undercover operative and detective services or any other investigations;
- fees and expenses for medical examinations or autopsies, including diagnostic services and related transportation services, durable medical equipment, and medical reports and rehabilitation evaluations, unless regulatory or reporting requirements define such fees and expenses as loss or indemnity payments;
- fees and expenses for any public records, medical records, credit bureau reports, index bureau reports, and other like reports;
- fees and expenses incurred where TRISTAR determines it is reasonable to pursue the rights of contribution, indemnification, or subrogation of the Customer, including attorney and collection agency fees and/or expenses;
- medical or vocational rehabilitation fees and expenses, and all other medical cost containment services, including, but not limited to utilization review and management, pre-audit admission authorization, hospital bill audit or adjudication, provider bill audit or adjudication, and medical case management, if applicable, unless regulatory or reporting requirements define such expenses as loss or indemnity payments; and
- extraordinary travel and related fees and expenses incurred by TRISTAR at the express request of Customer, which are not otherwise payable under this Agreement.

Exhibit “C” – Certificate of Insurance

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 2/1/2021

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

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

PRODUCER Arthur J. Gallagher & Co. Insurance Brokers of CA, Inc. License #0726293 505 N. Brand Boulevard, Suite 600 Glendale CA 91203	**CONTACT NAME:** Cert Requests **PHONE (A/C, No, Ext):** **FAX (A/C, No):** **E-MAIL ADDRESS:** certrequests@ajg.com
INSURED TRISINS-03 TRISTAR Insurance Group, Inc. 100 Oceangate Avenue, Suite 700 Long Beach, CA 90802	**INSURER(S) AFFORDING COVERAGE** / **NAIC #** **INSURER A :** Zurich American Insurance Company — 16535 **INSURER B :** Great American E&S Insurance Company — 37532 **INSURER C :** Endurance American Specialty Ins Co — 41718 **INSURER D :** **INSURER E :** **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** 198930511 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X **COMMERCIAL GENERAL LIABILITY** CLAIMS-MADE X OCCUR X Contractual Liab GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT X LOC OTHER:			CPO-5543602-08	1/1/2021	1/1/2022	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Emp Ben.	$ 1,000,000 $ 1,000,000 $ 10,000 $ 1,000,000 $ 2,000,000 $ 2,000,000 $ 1,000,000
A	**AUTOMOBILE LIABILITY** X ANY AUTO OWNED AUTOS ONLY / SCHEDULED AUTOS X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY			CPO-5543602-08	1/1/2021	1/1/2022	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Comp. & Coll Ded.	$ 1,000,000 $ $ $ $ 500
	UMBRELLA LIAB OCCUR **EXCESS LIAB** CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE AGGREGATE 	$ $ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					PER STATUTE / OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
B C	Errors & Omissions			TER 2861129 PRV30003483200	1/31/2021 1/31/2021	1/31/2022 1/31/2022	Limit Limit	$ 5,000,000 $ 5,000,000

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

The certificate holder is included as an additional insured for general liability coverage in regards to the operations of the named insured.

CERTIFICATE HOLDER

McAllen Independent School District
2000 North 23rd Street
McAllen TX 78501

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 12/23/2020

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

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

PRODUCER LIC #63238 1-610-941-7751 Keystone Risk Partners, LLC 604 E. Baltimore Pike Media, PA 19063	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:
INSURED Tristar Insurance Group 100 Oceangate Suite 700 Long Beach, CA 90802	INSURER(S) AFFORDING COVERAGE / NAIC # INSURER A : ACE AMER INS CO — 22667 INSURER B : ACE FIRE UNDERWRITERS INS CO — 20702 INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** 60976271 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	☐ OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WLR C67810612 (AOS)	12/31/20	12/31/21	X PER STATUTE ☐ OTH-ER	
A	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N ☐	N / A		SCF C67810570 FL,MA,OR	12/31/20	12/31/21	E.L. EACH ACCIDENT	$ 1,000,000
B	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			SCF C67810533 (WI)	12/31/20	12/31/21	E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

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

CERTIFICATE HOLDER

McAllen Independent School District

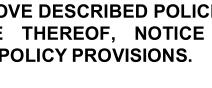
2000 North 23rd Street

McAllen, TX 78501 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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BOARD AGENDA REPORT
McALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval to Request to Extend the Start of the 2020-2021 School Year Transition for Weeks 9 to 12

REFERENCE: Goal 1: Student Achievement/Student Focus, Strategy 3: Engaging Learning Environment - We will foster a secure, supportive, rigorous and engaging learning environment

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

If a school system believes it is best for the health and safety of students and staff to continue to restrict access to on-campus instruction beyond the first eight weeks of their 2020-21 instructional calendar, they must submit a board approved waiver request to TEA to extend that transition window, up to four additional weeks. The board must take action to authorize this waiver by specific vote, and cannot otherwise delegate the waiver application to the superintendent. The waiver application must include an indication as to the local public health conditions that the LEA believes would warrant a faster end to the transition period. Teachers, staff, and parents should be consulted about the transition plan before the waiver is submitted. During this transition period, LEA's are still required to allow all students to access on-campus instruction who come from households without internet access or appropriate remote learning devices. During the extended period being requested with this waiver, at least some on-campus instruction must be provided each day. The procedures used by the LEA to limit access to on-campus attendance during this period should be clearly communicated to families in advance.

BOARD AGENDA REPORT
McALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval to Request to Extend the Start of the 2020-2021 School Year Transition for Weeks 9 to 12

REFERENCE: Goal 1: Student Achievement/Student Focus, Strategy 3: Engaging Learning Environment - We will foster a secure, supportive, rigorous and engaging learning environment

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

This was taken to the board as a report by Dr. Ibarra on September 14, 2020. TEA is requesting board approval. This waiver will allow us to continue to offer 100% remote instruction for our students from week 9 which starts on 10-19-2020 to week 12 which ends on November 13, 2020.

The criteria that McAllen ISD will use to consider reopening our district for in person learning before week 12 will be a 2% or less rate of confirmed cases in the city of McAllen along with a consistently sustained decline, for a duration of fourteen consecutive days, in both the confirmed COVID-19 cases for the city of McAllen along with the percentage of city population infected according to the Hidalgo County Coronoavirus Updates website.

If our district needs to extend our transition period from remote instruction to in school instruction beyond week 12 we must inform and consult TEA on our plan to reopen.

Since we are able to provide 100% remote instruction to all of our students, we are allowed to refuse a request from a student or parent that requests to have in school instruction.

LEGAL REVIEW:

Not applicable.

BUDGETARY CONSIDERATIONS:

Not applicable.

RECOMMENDED BOARD ACTION:

Administration is recommending that the Board of Trustees approve the request to extend the start of the 2020-2021 school year transition for weeks 9 to 12.

SUBMITTED BY: _____ **SUPERVISOR:** Arely Benavides (Apr 30, 2021 14:30 CDT)

For further information contact:
Name: Roberto Garcia
Office: (956) 657-2843
eMail: roberto.garcia@mcallenisd.net

Approved for presentation to the Board of Education:

_____
Superintendent of Schools

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of 2021-2022 Staff Development Waiver

REFERENCE: Goal 1 - Student Achievement/Student Focus, Strategy 3 - Engaging Learning Environment

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

Pursuant to Texas Education Code (TEC) §25.081, a staff development waiver allows the district to train staff on various educational strategies designed to improve student performance in lieu of student instruction during the school year. The district may choose how to apply their approved Staff Development Minutes Waiver. For instance, schools may choose to offer early release, late start, all day staff development, or a combination. However, the total waiver minutes for staff development shall not exceed 2,100 minutes per year.

This waiver is for staff development in place of student instruction; therefore, the waiver minutes are only applicable to staff development provided instead of student instruction during the school year. Effective with the 2018-2019 school year, the Staff Development Minutes Waiver may not be used prior to the first day of student instruction or after the last day of student instruction. This waiver request is allowed for a period of one year.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

The 2021-2022 academic calendar includes two staff development days (Monday, January 4, 2022 and Monday, February 21, 2022) and two early release days (Friday, December 17, 2021 and Friday, May 27, 2022). Total minutes for these two staff development days and two early release days equal (485 minutes * 2 + 185 minutes * 2) = 1,340 minutes.

LEGAL REVIEW:

Not applicable.

BUDGETARY CONSIDERATIONS:

Not applicable.

RECOMMENDED BOARD ACTION:

Administration is recommending that the Board of Trustees approve the 2020-2021 Staff Development Waiver.

SUBMITTED BY: _____ **SUPERVISOR:** Arely Benavides (May 3, 2021 17:15 CDT)

For further information contact:
Name: Roberto García, MBA
Office: (956) 632-2843
eMail: roberto.garcia@mcallenisd.net

Approved for presentation to the Board of Education:

_____
Superintendent of Schools

Texas Education Agency

Waivers

2020-2021 Application for Staff Development Minutes Waiver — Waiver ID: 62267

Application Information

Category: Expedited
Creator: Roberto Garcia, District Editor
Status: Draft
Creation Date: 5/3/2021
Approving Superintendent:
Assigned To: Roberto Garcia

LEA Contact

Full Name: Roberto Garcia
Phone: (956) 657-2843
Email: Roberto.Garcia@mcAllenISD.net

LEA Information

LEA: MCALLEN ISD (108906)
Address: 2000 N 23RD ST, MCALLEN, TX 78501-2000
Phone: (956) 618-6000

Date of LEA Board of Trustees Approval

Date:

Information

Pursuant to Texas Education Code (TEC) §25.081 this waiver allows the district or charter school to train staff on various educational strategies designed to improve student performance in lieu of a maximum of:

- 2,100 minutes of student instruction for districts and charter schools that provide operational and instructional minutes; or
- 5 days of student instruction for charter schools that provide 180 days of operation

Requested Years

2021-2022

LEA Attachments (0)

There are no LEA attachments.

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BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Request for Proposal No. 2021-1022 Fresh Produce for Child Nutrition Program

REFERENCE: Goal 1 – Student Achievement/Student Focus; Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

McAllen ISD (the "District") solicited proposals for fresh produce for the Child Nutrition Program ("CNP") to meet all food and safety standards and health code requirements. Due to the volatile nature of produce, pricing for the week of April 19, 2021 through April 23, 2021 was compared.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

One hundred twenty-two (122) vendors were invited to submit proposals, and four (4) vendors responded. On May 4, 2021, the evaluation committee, comprised of Alexandra Molina, Director of Child Nutrition Program; Alejandra Gonzalez, Director of Purchasing Services; Elizabeth Cabrera, Purchasing Coordinator; Denise Ortiz, CNP Finance & Systems Coordinator; Sonia Esquivel, CNP Procurement Specialist; and Liz Montes, Senior Buyer, evaluated the proposals. Administration is recommending that the District award this Request for Proposal to all responding vendors on a "Qualified" basis. CNP will solicit monthly produce quotes to ensure the District receives the best value. In the event that same pricing is received from more than one vendor, ranking of vendors will be used to award monthly quote.

LEGAL REVIEW:

None required.

BUDGETARY CONSIDERATIONS:

Funds for these purchases are budgeted through Federal Funds.

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve Request for Proposal No. 2021-1022 Fresh Produce for Child Nutrition Program and award to the vendors on the attached list for a term of one (1) year, through May 11, 2022.

SUBMITTED BY: Alexandra Molina

SUPERVISOR: Arely Benavides (May 6, 2021 12:30 CDT)

For further information contact:
Name: Alexandra Molina
Office: 956-632-3226
eMail: alexandra.molina@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

EVALUATION MATRIX

2021-1022 FRESH PRODUCE FOR CHILD NUTRITION PROGRAM

No	Criteria	Max. Pts. 100	Brothers Produce of Austin	Buster Lind	Nicho Produce Co., Inc.	Terra Preta Farm
	Total Points	**100**	**82.0**	**84.4**	**78.7**	**34.8**
	Ranking		**2**	**1**	**3**	**4**
1	**Price**	**50**	**50**	**40**	**39**	**22**
	Bid item total price for week of April 19, 2021- April 23, 2021 (16 items)		$158.85	$199.10	$202.40	$367.65
2	**Reputation of the vendor and of the vendor's goods or services;**	**2**	**2**	**2**	**2**	**0**
	Previous experience of similar scope and size = 2 points		2	2	2	0
3	**The quality of the vendor's goods or services**	**20**	**20**	**20**	**20**	**0**
	Excellent/Good = 20 pts.; Fair (inferior products replaced promptly) - 10 pts. Poor (unusable) = 0 *new vendors to District based on prior history with other Districts (references)		20	20	20	0
4	**The extent to which the goods or services meet District's needs**	**16**	**0.5**	**13**	**9**	**6**
	The qualified supplier(s) must have USDA approved facilities = 4 pts.	4	4	4	0	0
	HACCP plan in place = 4 points	4	4	4	4	0
	Proof of insurance = 3 points	3	3	3	3	3
	Food handler's permit or a comparable food certification = 2 points	2	0	2	2	0
	Current Local Health Department inspections; no finding = 3 points; corrected findings = 2 point; findings not corrected/none submitted = 0 points	3	0	0	0	3
5	**Past Relationship with District**	**1**	**1**	**1**	**1**	**0**
	Positive past experience = 1 points; not positive past experience/no experience = o points		1	1	1	0
6	**HUB**	**1**	**0**	**0**	**0**	**0**
	Yes = 1 point No = 0		no	no	no	no
7	**Total long-term cost to the district to acquire the vendor's goods or services**	**5**	**5.0**	**4.0**	**3.9**	**2.2**
	Annual Cost (52 weeks)		$8,260.20	$10,353.20	$10,524.80	$19,117.80
8	**Vendor or the vendor's ultimate parent company or majority owner has its principal place of business in this state or employs at least 500 persons in this state**	**1**	**1**	**1**	**1**	**1**
	Located in Texas Yes = 1 point No = 0		Texas	Texas	Texas	Texas
9	**Any other relevant factor specifically listed in the request for bids or proposals.**	**4**	**2.5**	**3.5**	**2.5**	**4.0**
	All "Buy American" documentation = Complete/All domestic = 3 points; Incomplete = 2 points No = 0 points	3	2	3	2	3
			Incomplete	Complete	Incomplete	All domestic
	Distributor Location within 50 miles of McAllen = .5 point; Geo Local Farmer (Region 1) Preference = 1 point	1	0.5	0.5	0.5	1
			50 miles from McAllen	50 miles from McAllen	50 miles from McAllen	Local Farmer

Request for Proposal 2021-1022 Fresh Produce for Child Nutrition Program

Vendors List - Awarded Vendors

Award Date:

Expiration Date:

	Vendor	Contact Information	Awarded/Discount
1	Brothers Produce 3173 Produce Row Houston, TX 77023-	Phone: (713) 924-4196 Fax: (713) 921-3060 Destilynn Lindberg Dlindberg@brothersproduceaustin.com; info@brothersproduce.com	Qualified
2	Buster Lind Produce Inc 502 West Schunior Edinburg, TX 78541	Phone: (956) 383-1665 Fax: (956) 383-0809 Cameron Lind, Sales Representative busterlindpro@aol.com	Qualified
3	Nicho Produce Co., Inc. 925 N. 10th Ave. Edinburg, TX 78541	Phone: (956) 383-5633 Fax: (956) 380-3281 Tommy Villarreal tommy@nichoproduce.com	Qualified
4	Terra Preta Farm 2806 E Rogers Rd. Edinburg, TX 78542	Phone: (956) 472-7436 Shakera Raygoza info@terrapretafarm.com	Qualified

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Competitive Sealed Proposal ("CSP") No. 2021-1027 Paving Improvements

REFERENCE: Goal 3 - Facility Priorities; Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

Administration solicited proposals for paving improvements at Nikki Rowe High School, Travis Middle School, Alvarez Elementary, Wilson Elementary, McAllen Memorial High School, Lamar Academy, and Rayburn Elementary.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

Four hundred sixty-six (466) contractors were invited to submit proposals, and four (4) contractors responded. On May 4, 2021, the evaluation committee, comprised of Ruben Trevino, Executive Director of Facilities Maintenance & Operations; Melissa Ortiz, Project Manager for Facilities Maintenance & Operations; Roel Moroles, Assistant Director of Facilities Maintenance & Operations; Alejandra Gonzalez, Director of Purchasing Services; Elizabeth Cabrera, Purchasing Services Coordinator; and Sandra Zamora, Senior Buyer, evaluated the proposals and is recommending that the Board award this contract to 2GS, LLC dba Earthworks Enterprise, from Penitas, TX, the highest ranked contractor.

LEGAL REVIEW:

A draft copy of the AIA contract is attached. The AIA contract is pending receipt of payment and performance bonds and final legal review.

BUDGETARY CONSIDERATIONS:

The contract price for this project is $943,815.00 which includes a contingency in the amount of $25,000.00. Funds for this project are budgeted through the Maintenance Tax Note.

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve Competitive Sealed Proposal ("CSP") No. 2021-1027 Paving Improvements to 2GS, LLC dba Earthworks Enterprise.

SUBMITTED BY: _____ **SUPERVISOR:** Arely Benavides (May 6, 2021 12:32 CDT)

For further information contact:
Name: Ruben Treviño
Office: (956) 632-3200
email: ruben.trevino@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

MCALLEN

Competitive Sealed Proposal No. 2021-1027 Paving Improvements

Vendor:		2GS, LLC dba Earthworks Enterprise	Diamond Eight Industries, LLC	NM Contracting, LLC	RDH Site and Concrete, LLC
Rank➡➡		**1**	**4**	**3**	**2**
Total Points➡		95.0	66.0	72.3	79.4
AMOUNT/BASE BID (CONTINGENCY INCLUDED)	Max. Pts⬇	**$943,815.00**	**$1,206,132.50**	**$1,339,787.00**	**$1,170,735.00**
Proposed construction contract price (Base price). Contract price shall include both base price and total alternate price. Final weighting distribution between base Price and total of alternates will be a calculated percentage.	60	60.0	47.0	42.3	48.4
List three (3) references of current or past projects completed within the past five (5) years of similar scope and size • The quality of the work provided by bidder. • The bidder's history of providing warranty documents. • The bidder's history of timeliness in completing warranty work. • The bidder's history of staying on schedule. • The bidder's cooperative attitude when working with the owner and its architect in resolving construction issues. • The bidder's history of providing detailed documentation and a fair assessment of change order pricing. • The bidder's history of repeat business with owner(s).	3	1.5	1	0	3
Similar scope and size (0.5 pts for scope; 0.5 pts for size per reference)		2 scope / 1 size	2 scope / 0 size	0 scope / 3 size	
List any claims, judgments, arbitration proceedings or suits pending or outstanding against your company or its officers. If any, summarize the nature of the claims.	1	1	0	1	1
			none submitted		
List current or past **MISD projects** completed within the past five (5) years of similar scope and size where you have been the "Prime Contractor".	1	1	0	0	0
Similar scope and size			none submitted	0 scope / 0 size	none submitted
List three (3) current or past **K-12 projects** completed within the past five (5) years of similar scope and size where you have been the "Prime Contractor".	3	2.5	0	1.5	0
Similar scope and size (0.5 pts for scope; 0.5 pts for size per reference)		3 scope / 2 size	0 scope / 0 size	0 scope / 3 size	none submitted
List current or past **Non K-12 projects** completed within the past five (5) years of similar scope and size where you have been the "Prime Contractor".	3	3	1	1	3
Similar scope and size (0.5 pts for scope; 0.5 pts for size per reference)			1 scope / 1 size	0 scope / 2 size	
List and **attach** three **(3) references** from major suppliers and/or sub-contractors within the past two (2) years which specifically address a) history of paying sub-contractors b) providing materials on time (Reference letters must be dated).	3	3	3	3	0
					owner references, not supplier/subs
List your company's history of **on-time project completion** (based on responses stated in questions 4-6)	3	2	0	1.5	3
		2 scope / 2 size	none submitted	0 scope / 3 size	
List your company's history of repeat business with **District**.	1	1	0	1	0
			none submitted		none submitted
Attach **"Workers Compensation Experience Rating"** for the **last three (3) years** (2018, 2019, and 2020**).**	3	2	0	2	3
		2018, 2019	none submitted	2018, 2019	
Attach "OSHA Form 300 Log of Work-Related Injuries and Illnesses" for the **last three (3) years (2018, 2019, and 2020)** addressing the following: Number of injuries and illnesses; Number of lost time accidents; Number of recordable cases; Number of fatalities; Number of employee direct hire fixed hours worked (round to 1,000's)	3	3	3	3	3
Attach your company's **safety program manual and/or procedures for current and new employees**.	2	2	2	2	2
State the frequency safety inspections are conducted for projects	1	1	0	1	1
			none submitted		
Attach your company's **drug/alcohol prevention policy and/or procedures.**	1	1	1	1	1
Select the correct statement: • General Contractor and will utilize 100% of your own forces. Describe the sufficient resources your company has to manage staff and successfully perform the work • Joint venture or other type of arrangement. Describe type of arrangement. If using subcontractors, list the subcontractors by trade that will be assigned to this	1	1	0	1	1
			none submitted		
List names List names of the individuals who will be assigned for the duration of the project (i.e., Project Manager and Project Superintendent. **Include their job titles, job descriptions/responsibilities, and include details listed below.**	2	2	0	2	2
			none submitted		

Competitive Sealed Proposal No. 2021-1027 Paving Improvements

	Vendor:	2GS, LLC dba Earthworks Enterprise	Diamond Eight Industries, LLC	NM Contracting, LLC	RDH Site and Concrete, LLC
Attach a letter from your surety company addressing the following points. **1) Surety Company** • Listed in the State Board of Insurance, Bond Department's "List of Insurance Companies Licensed to Write Fidelity and Surety Bonds in Texas (http://www.tdi.texas.gov/commercial/pcbond.html) https://www.fiscal.treasury.gov/fsreports/ref/suretyBnd/c570_a-z.htm • Is authorized to do business in Texas and is authorized to do business up to the limit of the contract. • Holds a certificate of authority from the U.S. Secretary of Treasury or has obtained reinsurance for any liability in excess of $100,000. • AM Best Rating **2) Contractor** • Maximum bonding limit for the contractor • Aggregate/total available limit of coverage. • Years doing business with surety	2	1	2	2	2
		Power of Attorney did not meet #2)			
List projects that your company **currently** has **in progress**. For each project listed address the following points: • Name of project; • Owner's contact person and phone number; • Architect, Architect's contact person and phone number; • Contract amount; • Percent complete; • Scheduled completion date; • List total worth of work in progress and under contract	1	1	1	1	1
Attach a **CURRENT** financial statement • Balance and income statement (indicating current assets, net fixed assets, other assets, current liabilities and other liabilities) • Financial statement (indicating name and address of firm preparing financial statement, and date thereof; • If the financial statement is not for the identical organization submitting offer, explain the relationship and financial responsibility of the organization whose financial statement is provided (parent, subsidiary, etc.)	2	2	2	2	2
Select your company's Dun & Bradstreet risk indicator and attach documentation (risk indicator 1 – 4): (1 pt.)	1	1	0	1	0
			none submitted		none submitted
Bid Bond	1	1	1	1	1
Attach a proposed **project schedule/timeline**	2	2	2	2	2

Competitive Sealed Proposal No. 2021-1027 Paving Improvements

Open Date/Time:
Wednesday, April 28, 2021; 3:00 P.M. to be read at 3:20 P.M.

★ **Recommended for Award of Contract**

Line #	Description	QTY	UOM	★ 2GS, LLC dba Earthworks Enterprise Penitas, Texas	DIAMOND EIGHT INDUSTRIES, LLC Santa Rosa, Texas	NM Contracting, LLC McAllen, Texas	RDH Site and Concrete, LLC Palmview, Texas
	Number of Days to Complete:			**90 Days**	**60 Days**	**60 Days**	**120 Days**
				Extended	**Extended**	**Extended**	**Extended**
1	**Total: All Packages**	1	LS	**$943,815.00**	$1,206,132.50	$1,339,787.00	$1,170,735.00
1.1	Line #2 James Nikki Rowe High School Paving Improvements	1	LS	$236,850.00	$252,803.00	$343,470.00	$288,800.00
1.2	Line #3 Travis Middle School Paving Improvements	1	LS	$26,850.00	$67,055.50	$46,497.00	$50,940.00
1.3	Line #4 Alvarez Elementary Paving Improvements	1	LS	$83,700.00	$114,095.00	$120,885.00	$90,755.00
1.4	Line #5 Wilson Elementary Paving Improvements	1	LS	$53,500.00	$93,394.00	$82,618.00	$80,580.00
1.5	Line #6 McAllen Memorial High School Paving Improvements	1	LS	$290,800.00	$340,661.00	$404,163.00	$356,000.00
1.6	Line #7 Lamar Academy Paving Improvements	1	LS	$113,665.00	$157,491.00	$153,050.00	$138,080.00
1.7	Line #8 Rayburn Elementary Paving Improvements	1	LS	$113,450.00	$155,633.00	$164,104.00	$140,580.00
1.8	Project Contingency	1	EA	$25,000.00	$25,000.00	$25,000.00	$25,000.00

AIA® Document A101™ – 2017

Standard Form of Agreement Between Owner and Contractor *where the basis of payment is a Stipulated Sum*

AGREEMENT made as of the day of in the year 202__
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

McALLEN INDEPENDENT SCHOOL DISTRICT
2000 North 23rd Street
McAllen, Texas 78501

and the Contractor:
(Name, legal status, address and other information)

for the following Project:
(Name, location and detailed description)

The Architect:
(Name, legal status, address and other information)

The Owner and Contractor agree as follows.

ADDITIONS AND DELETIONS:
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

The parties should complete A101™–2017, Exhibit A, Insurance and Bonds, contemporaneously with this Agreement. AIA Document A201™–2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

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TABLE OF ARTICLES

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2 THE WORK OF THIS CONTRACT

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EXHIBIT A MODIFIED AIA DOCUMENT A201–2007, GENERAL CONDITIONS OF THE CONTRACT FOR CONSTRUCTION
EXHIBIT B CONTRACTOR'S PROPOSAL
EXHIBITS C PAYMENT AND PERFORMANCE BONDS
EXHIBIT D CONTRACTOR'S INSURANCE CERTIFICATES
EXHIBIT E PLANS AND SPECIFICATIONS

INSURANCE AND BONDS

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary, and other Conditions), all sections of the Project Manual, Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 9.

ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be:
(Check one of the following boxes.)

[ ] The date of this Agreement.

[X] A date set forth in a notice to proceed issued by the Owner.

[ ] Established as follows:
(Insert a date or a means to determine the date of commencement of the Work.)

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of this Agreement.

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§ 3.2 The Contract Time shall be measured from the date of commencement of the Work.

§ 3.3 Substantial Completion

§ 3.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Contractor shall diligently prosecute and achieve Substantial Completion of the entire Work:
(Check one of the following boxes and complete the necessary information.)

[ ] Not later than ( ) calendar days from the date of commencement of the Work.

[ ] By the following date:

Final Completion shall be 30 calendar days after the date of Substantial Completion, subject to adjustments of the Contract Time as provided in the Contract Documents.

§ 3.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Contractor shall achieve Substantial Completion of such portions by the following dates:

Portion of Work	Substantial Completion Date

§ 3.3.3 If the Contractor fails to achieve Substantial Completion as provided in this Section 3.3, liquidated damages, if any, shall be assessed as set forth in Section 4.5.

ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be ($), subject to additions and deductions as provided in the Contract Documents. The Contract Sum consists of two portions, the budgeted amount of [ ] Dollars and [ ] Cents ($[ ]) and a contingency of [ ] Dollars ($[ ]) as specified in Section 4.3 below. This contingency is for the sole use of the Owner to be used for changes in the scope of the Work and for the betterment of the Project. Contractor acknowledges and agrees that the contingency portion of the Contract Sum set forth in Section 4.3 shall not be due or payable unless and to the extent that Owner authorizes such expenditure in writing If the Owner's Contingency is not expended or not fully expended, then any unused portion shall belong to the Owner and shall be credited to the Owner in calculating final payment.

§ 4.2 Alternates

§ 4.2.1 Alternates, if any, included in the Contract Sum:

Item	Price

§ 4.2.2 Subject to the conditions noted below, the following alternates may be accepted by the Owner following execution of this Agreement. Upon acceptance, the Owner shall issue a Modification to this Agreement.
(Insert below each alternate and the conditions that must be met for the Owner to accept the alternate.)

Item	Price	Conditions for Acceptance

§ 4.3 Allowances, if any, included in the Contract Sum:
(Identify each allowance.)

Item	Price
Contingency	$[ ]

§ 4.4 Unit prices, if any:
(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)

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[Unit prices for certain components are specified in the bidding form attached hereto as part of Exhibit B. Such prices are only applicable in the event Owner opts to increase or decrease the number of required components.]

Item	Units and Limitations	Price per Unit ($0.00)

§ 4.5 Liquidated damages, if any:
(Insert terms and conditions for liquidated damages, if any.)

§ 4.5.1 Substantial Completion. Owner and Contractor recognize that time is of the essence in this Agreement and that Owner will suffer financial loss if the Work is not completed within the time specified in Article 3, plus any extension thereof in accordance with Article 8 of the General Conditions. They also recognize the delays, expense and difficulties involved in proving in a legal proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring such proof, Owner and Contractor agree that as liquidated damages for delay (but not as penalty) Contractor shall pay Owner [ ] Dollars and Zero Cents ($[ ].00) per calendar day for each day after the Substantial Completion date noted in Article 3 until the Work is substantially complete.

§ 4.5.2 Final Completion. In addition, timely Final Completion is an essential condition of this Agreement. Contractor agrees to achieve Final Completion of the Work within 30 calendar days of the Substantial Completion date (subject to adjustment of such date in accordance with the terms hereof). It is specifically understood and agreed by and between Owner and Contractor that time is of the essence in the Final Completion of the Project and Owner shall sustain additional damages as a result of Contractor's failure, neglect or refusal to achieve said deadline. Such damages are, and will continue to be, impracticable and extremely difficult to determine. Contractor and Owner also recognize the delays, expense and difficulties involved in proving in a legal proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring such proof, Owner and Contractor agree that as liquidated damages for delay (but not as penalty) Contractor shall pay Owner [ ] Dollars and Zero Cents ($[ ].00) per calendar day for each day after the Final Completion date noted in Article 3 until the Work is substantially complete.

§ 4.5.3 ***It is expressly understood that the said sum per day set forth in this Section 4.5 is agreed upon as a fair estimate of the pecuniary damages, which will be sustained by the Owner in the event that the Work is not completed within the agreed time, or within the legally extended time, if any. Said sum shall be considered as liquidated damages only, the exact ascertainment of which is difficult, and in no sense shall be considered a penalty.*** It is expressly agreed as a part of the consideration inducing the Owner to execute this Agreement that the Owner may deduct from any Payment made to the Contractor any sums due from Contractor to Owner pursuant to Section 4.5 above.

§ 4.6 Other:
(Insert provisions for bonus or other incentives, if any, that might result in a change to the Contract Sum.)

§ 4.6.1 Commitment of Current Revenues Only. In the event that during any term hereof, the governing body of any local government party does not appropriate sufficient funds to meet the obligations of such party under this Agreement, then any party may terminate this Agreement upon ninety (90) days written notice to the other party. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of each government party hereto pursuant to the provisions of Texas Local Governmentt Code §271.903.

ARTICLE 5 PAYMENTS

§ 5.1 Progress Payments

§ 5.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

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§ 5.1.3 Provided that an Application for Payment is received by the Architect not later than the first day of a month, the Owner shall make payment of the amount certified to the Contractor not later than the fifth day following approval by the Board of Trustees or as otherwise required by applicable law .
(Federal, state or local laws may require payment within a certain period of time.)

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum less any unused Owner's contingency among the various portions of the Work. The schedule of values shall be prepared in such form, and supported by such data to substantiate its accuracy, as the Owner and the Architect may require. This schedule of values, unless objected to by the Architect or the Owner, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 5.1.6 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 5.1.6.1 The amount of each progress payment shall first include:

- **.1** That portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values;
- **.2** That portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction, or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing; and
- **.3** That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified to the extent approved by the Owner in writing, as provided in Section 7.3.9 of AIA Document A201.

§ 5.1.6.2 The amount of each progress payment shall then be reduced by:

- **.1** The aggregate of any amounts previously paid by the Owner;
- **.2** The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201;
- **.3** Any amount for which the Contractor does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Contractor intends to pay;
- **.4** For Work performed or defects discovered since the last payment application, any amount for which the Architect may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document A201 or amounts certified by the Architect and disputed by the Owner; and
- **.5** Retainage withheld pursuant to Section 5.1.7.

§ 5.1.7 Retainage

§ 5.1.7.1 For each progress payment made prior to Substantial Completion of the Work, the Owner shall withhold the following amount, as retainage, from the payment otherwise due:
(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)

Five percent (5%) if the amount set forth in Section 4.1 above for the Contract Sum is at least Four Hundred Thousand Dollars ($400,000.00) and ten percent (10%) if such amount is less than Four Hundred Thousand Dollars ($400,000.00).

(Paragraphs deleted)

§ 5.1.7.2 Reduction or limitation of retainage, if any, shall be as follows:

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(If the retainage established in Section 5.1.7.1 is to be modified prior to Substantial Completion of the entire Work, including modifications for Substantial Completion of portions of the Work as provided in Section 3.3.2, insert provisions for such modifications.)

None.

§ 5.1.7.3 Except as set forth in this Section 5.1.7.3, upon Substantial Completion of the Work, the Contractor may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 5.1.7. The Application for Payment submitted at Substantial Completion shall not include retainage as follows:
(Insert any other conditions for release of retainage upon Substantial Completion.)

Retainage on any incomplete Work and Unsettled claims.
(Paragraph deleted)
§ 5.1.9 Except with the Owner's prior written approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 5.1.10 If Owner is entitled to deduct liquidated damages, or any other damages or amounts provided in the Contract Documents, including clean-up fees, then Owner shall be entitled to deduct such liquidated damages, amounts and fees at any time.

§ 5.1.11 If Contractor fails or refuses to complete the Work, or has unsettled claims with Owner, any payment to Contractor shall be subject to deduction for such amounts as the Architect if applicable, shall determine as the cost for completing incomplete Work and the value of unsettled claim.

§ 5.2 Final Payment
§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum minus disputed sums, authorized deductions and liquidated damages, shall be made by the Owner to the Contractor after

.1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct nonconformingWork as provided in Article 12 of AIA Document A201, and to satisfy other requirements, if any, which extend beyond final payment;

.2 the Contractor has provided all documents required by Sections 3.5 et seq. and 9.10.2 et seq. of AIA Document A201;

.3 the Contractor has provided the following documents:

.1 Written certifications that no materials used in the Work contain lead or asbestos materials in them in excess of amounts allowed by federal, state or local standards, laws, codes, rules and regulations; the Federal Environmental Protection Agency (EPA) standards; and/or the Federal Occupational Safety and Health Administration (OSHA) standards, whichever is most restrictive. The Contractor shall provide this written certification as part of submittals under the Section in the Project Manual related to Contract Closeout;

.2 Final list of subcontractors (AIA Document G705);

.3 Contractor's certification in Texas Education Agency's Certification of Project Compliance, located at: www.tea.state.tx.us/school.finance/facilities/cert_2004. pdf;

.4 Contractor's warranties, organized as required elsewhere in the Contract Documents;

.5 Maintenance and Instruction Manuals;

.6 Owner's Final Completion Certificate; and

.7 "As-constructed record drawings". At the completion of the Project, the Contractor shall submit one complete set of "as-constructed" record drawings, with all changes made during construction, including concealed mechanical, electrical, and plumbing items. The Contractor shall submit these as electronic, sepia, or other acceptable medium, in the discretion of the Owner. The "as-constructed" record drawings shall delete the seal of the

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Architect and/or the Engineer and any reference to those firms providing professional services to the Owner, except for historical or reference purposes;

.4 a final Certificate for Payment has been issued by the Architect; and

.5 Owner's Board of Trustees has voted to accept the Work and approve the Final Payment.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, and upon acceptance by the Owner and Architect, and after satisfactory evidence has been given by the Contractor that all of the Contractor's bills have been paid and the entire Project is free from liens.

§ 5.3 Interest

Payments due and unpaid under the Contract shall bear interest pursuant to Texas Government Code §2251.025.
(Insert rate of interest agreed upon, if any.)

%

ARTICLE 6 DISPUTE RESOLUTION

§ 6.1 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201, unless the parties appoint below another individual, not a party to this Agreement, to serve as the Initial Decision Maker.
(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

§ 6.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by, mediation pursuant to Article 15 of AIA Document A201, the method of binding dispute resolution shall be as follows:
(Check the appropriate box.)

[ ] Arbitration pursuant to Section 15.4 of AIA Document A201–2017

[X] Litigation in a court of competent jurisdiction

[ ] Other *(Specify)*

If the Owner and Contractor do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 7 TERMINATION OR SUSPENSION

§ 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201.

(Paragraphs deleted)

§ 7.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017.

ARTICLE 8 MISCELLANEOUS PROVISIONS

§ 8.1 All references to AIA Document A201-2017, AIA Document A201-2007, AIA Document A201 or the A201, shall mean to the modified A201-2007 attached hereto as Exhibit "A". Similarly, references to AIA Document A101-2017, AIA Document A101-2007 or to the A101 shall mean to this A101-2017. Where reference is made in this

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Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 8.2 The Owner's representative:
(Name, address, email address, and other information)

Mr. Ruben Trevino
McAllen Independent School District
20000 N. 23rd St.
McAllen, TX 78501-6126

§ 8.3 The Contractor's representative:
(Name, address, email address, and other information)

§ 8.4 Neither the Owner's nor the Contractor's representative shall be changed without ten days' prior notice to the other party.

§ 8.5 Insurance and Bonds
§ 8.5.1 The Contractor shall purchase and maintain insurance as set forth in Article II of the AIA Document A201. The Contractor's insurance certificates are attached hereto as Exhibit "D".

§ 8.5.2 The Contractor shall provide bonds as set forth in AIA Document A201. The original bonds required pursuant to Section 11.4 of the A201 and this Section 8.5 are attached to the Owner's execution original of this Agreement as Exhibit "C" with a copy of the bonds attached as Exhibit "C" to the Contractor's execution original.

(Paragraphs deleted)
§ 8.7 Other provisions:

§ 8.7.1 The Agreement shall be governed by the laws of the State of Texas, and any litigation shall be conducted in state district court. Mandatory and exclusive venue shall be in Hidalgo County, Texas.

§ 8.7.2 As a material consideration of the making of this Agreement, the modifications to this Agreement shall not be construed against the maker of said modifications.

§ 8.7.3 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors. As part of that responsibility, Contractor shall enforce the Owner's alcohol-free, drug-free, tobacco-free, harassment-free and weapon-free policies and zones, which will require compliance with those policies and zones by Contractor's employees, subcontractors, and all other persons carrying out the Contract.

§ 8.7.4 Contractor acknowledges that the Owner retained the party set forth above under "Architect" above to provide certain design, contract administration and/or other services for the Project, and may not have used an AIA document for the contract with such party. All references in the Contract Documents to the Architect shall be to the entity named on the first page as the "Architect". The parties acknowledge and agree that, notwithstanding any other provision in the Contract Documents, the Owner is not obligated to retain an architect for the Project and the Owner makes no representations about the party set forth above under "Architect" being an architect.

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§ 8.7.5 Contractor shall require all construction workers, whether Contractor's own forces or the forces of Contractor's subcontractors, to wear identification tags on the front of their persons during all times that they are on Owner's property. Such identification tags shall contain a current photograph and the worker's full name in a typeface large enough to be seen from a reasonable distance.

§ 8.7.6 Contractor shall require all construction workers, whether Contractor's own forces or the forces of Contractor's subcontractors, to park their personal motor vehicles on Owner's property only in the parking places designated by the Owner's campus principal. Any vehicles not parked in the appropriate locations shall be towed at the vehicle owner's sole expense.

§ 8.7.7 Contractor shall institute a theft deterrence program designed to restrict construction worker access to properties of Owner that are currently in use, to maintain supervision of Contractor's and Contractor's subcontractor's forces, and to reimburse the Owner or those persons suffering a theft loss which results from Contractor's forces or Contractor's subcontractor's forces' actions, omissions, or failure to secure the Work or connecting or adjacent property of Owner.

§ 8.7.8 The Contractor may not assign its responsibilities, duties, obligations and rights under this Agreement, without the express written consent of the Owner. This does not prevent Contractor from engaging subcontractors to perform various phases of the Project, but Contractor shall be fully responsible to Owner for the work, actions and omissions of all such subcontractors.

§ 8.7.9 This Agreement is subject to all applicable federal and state laws, rules, and regulations. Invalidity of any portion of this Agreement under the laws of the State of Texas or of the United States shall not affect the validity of the remainder of this Agreement.

§ 8.7.10 By signing this Agreement, the undersigned certifies as follows: Under Section 231.006, Texas Family Code, the vendor or applicant certifies that the individual or business entity named in the contract, bid, or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this contract may be terminated, and payment may be withheld if this certification is inaccurate.

§ 8.7.11 No delay or omission by Owner in exercising any right or power accruing upon the noncompliance or failure of performance by Contractor of any of the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by Owner of any of the covenants, conditions or agreements hereof to be performed by Contractor shall not be construed to be a waiver of any subsequent breach thereof or of any other covenant, condition or agreement herein contained.

§ 8.7.12 Contractor stipulates that Owner is a political subdivision of the State of the Texas, and, as such, enjoys immunities from suit and liability as provided by the constitution and laws of the State of Texas. By entering into this Agreement, Owner does not waive any of its immunities from suit and/or liability, except as otherwise specifically provided herein, and as specifically authorized by law.

§ 8.7.13 By executing this Agreement, Contractor verifies that it does not boycott Israel, and it will not boycott Israel during the terms of this Contract.

§ 8.7.14 Contractor verifies and affirms that it is not a foreign terrorist organization as identified on the list prepared and maintained by the Texas Comptroller of Public Accounts. If Contractor has misrepresented its inclusion on the Comptroller's list, such omission or misrepresentation will void this Contract.

ARTICLE 9 ENUMERATION OF CONTRACT DOCUMENTS

§ 9.1 This Agreement is comprised of the following documents:

.1 This executed AIA Document A101™–2017, Standard Form of Agreement Between Owner and Contractor

.2 AIA Document A201™–2007, General Conditions of the Contract for Construction

(Paragraphs deleted)

(as modified and attached hereto as Exhibit "A")

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(Paragraph deleted)

.3 Drawings attached hereto as part of Exhibit "E".

Number	Title	Date

.4 Specifications attached hereto as part of Exhibit "E".

Section	Title	Date	Pages

.5 Addenda, if any:

Number	Date	Pages

Portions of Addenda relating to bidding or proposal requirements are not part of the Contract Documents unless the bidding or proposal requirements are also enumerated in this Article 9.

.6 The following Exhibits, which are attached hereto:

.1	Exhibit A	The modified AIA Document A201–2007, General Conditions of the Contract for Construction.
.2	Exhibit B	Contractor's Proposal
.3	Exhibits C	Payment and Performance Bonds
.4	Exhibit D	Contractor's Insurance Certificates
.5	Exhibit E	Plans and Specifications

This Agreement entered into as of the day and year first written above.

OWNER:

McALLEN INDEPENDENT SCHOOL DISTRICT

By: _____

CONTRACTOR:

[ ]

By: _____
Printer Name:
Title:

APPROVED AS TO FORM
ATLAS, HALL & RODRIGUEZ, LLP

By: _____
Stephen L. Crain

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EXHIBIT A

to

(Paragraph deleted)

Agreement dated [, 20], between
McAllen Independent School District and [ ]
(CSP 20__-__ [ ])

Modified AIA Document A201-2007 General Conditions of the Contract for Construction

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User Notes: (1413695541)

EXHIBIT B

to

Agreement dated [, 20], between
McAllen Independent School District and [ ]
(CSP 20__-__ [ ])
Contractor's Proposal

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EXHIBIT C

to

(Table deleted)

Agreement dated [, 20], between
McAllen Independent School District and [ ]
(CSP 20__-__ [ ])

Payment Bond

and

Performance Bond

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(Table deleted)

EXHIBIT D

to

Agreement dated [, 20], between
McAllen Independent School District and [ ]
(CSP 20__-__ [ ])

Contractor's Insurance Certificates

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EXHIBIT E

to

Agreement dated [, 20], between
McAllen Independent School District and [ ]
(CSP 20__-__ [ ])

Plans and/or Specifications

(Table deleted)

DRAFT

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AIA® Document A201™ – 2007

General Conditions of the Contract for Construction

for the following PROJECT:
(Name and location or address)

THE OWNER:
(Name, legal status and address)

McALLEN INDEPENDENT SCHOOL DISTRICT
2000 North 23rd Street
McAllen, Texas 78501

THE ARCHITECT:
(Name, legal status and address)

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ADDITIONS AND DELETIONS:
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 BASIC DEFINITIONS

§ 1.1.1 THE CONTRACT DOCUMENTS

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect pursuant to Section 7.4. At the Owner's option, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding requirements.

§ 1.1.1.1 Contractor acknowledges and warrants that it has closely examined all the Contract Documents and is unaware of any instance where the documents are not suitable or are insufficient to enable the Contractor to complete the Work in a timely manner for the Contract sum, and that they include all Work, whether or not shown or described, which reasonably may be inferred or useful for the completion of the Work in full compliance with all applicable codes, laws, ordinances, and regulations.

§ 1.1.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor (except as provided in Sections 5.3 and 5.4 hereof), (3) between the Owner and the Architect or the Architect's consultants or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations of the Contractor under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.3.1 The Work shall include the obligation of the Contractor to visit the site of the Project before submitting a proposal. Such site visit shall be for the purpose of familiarizing Contractor with the conditions as they exist and the character of the operations to be carried on under the Contract Documents, including all existing site conditions, access to the site, physical characteristics of the site and surrounding areas. It also includes all supplies, skill, supervision, transportation services and other facilities and things necessary, proper or incidental to the carrying out and completion of the terms of the Contract and all other items of cost or value needed to produce, construct and fully complete the public work identified by the Contract Documents.

§ 1.1.4 THE PROJECT

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by separate contractors.

§ 1.1.5 THE DRAWINGS

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams wherever located and whenever issued.

§ 1.1.6 THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

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§ 1.1.7 INSTRUMENTS OF SERVICE

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 INITIAL DECISION MAKER

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2 and certify termination of the Agreement under Section 14.2.2.

§ 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results. Any differences between the requirements of the Drawings and the Specifications or any differences noted within the Drawings themselves or within the Specifications themselves have been referred to Owner and Architect by Contractor prior to the submission of bids and have been clarified by an Addendum issued to all bidders.

If such differences or conflicts were not called to Owner's and Architect's attention prior to submission of bids, Architect shall decide which of the conflicting requirements will govern based upon the following: the most stringent of the requirements will take precedence over the less stringent; the most expensive item will take precedence over the less expensive, and subject to the approval of Owner, Contractor shall perform the Work at no additional cost and/or time to Owner in accordance with the Architect's decision. Work not covered in the Contract Documents will not be required unless it is consistent therewith and is reasonably inferable as being necessary to produce the intended results.

§ 1.2.1.1 In the event of conflicts or discrepancies among the Contract Documents, interpretations will be based on the following priorities:

.1 The Agreement;
.2 Addenda, with those of later date having precedence over those of earlier date;
.3 Supplemental Conditions, if any;
.4 The General Conditions of the Contract for Construction;
.5 Specifications
.6 Drawings, in the case of inconsistency between the Drawings and Specifications or within either document, not clarified by Addendum, the better quality or greater quantity of Work shall be included in the Contract Documents. Clarifications of the inconsistency will be accomplished with the Contractor and, if necessary, an appropriate reduction in the contract will be accomplished by Change Order. Figures given on drawings govern scale measurements. Large scale drawings take precedence over small sale drawings. Written words take precedence over numbers. Handwritten documents take precedence over typewritten documents. Existing conditions take precedence over drawings and specifications for dimensions and shall be verified by the Contractor. The Contractor proceeds at his own risk if conflicts or discrepancies are not resolved prior to the execution of the Work.

§ 1.2.1.2 If Work is required in a manner to make it impossible to produce Work of the quality required by or reasonably inferred from the Contract Documents, or should discrepancies appear among the Contract Documents, Contractor shall request in writing an interpretation from Architect before proceeding with the Work. If Contractor fails to make such request, no excuse will thereafter be entertained for failure to carryout Work in the required manner or provide required guarantees, warranties, or bonds, and Contractor shall not be entitled to any change in the Contract Sum or the Contract Time on account of such failure.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

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§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 CAPITALIZATION

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 INTERPRETATION

In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 1.5.1 Instruments of Service, including the Drawings, Specifications, and other similar or related documents and copies thereof are furnished to Contractor for the purpose of performing the Work and are, and shall remain, the property of Owner and Owner will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Owner's or Owner's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect's consultants.

§ 1.6 TRANSMISSION OF DATA IN DIGITAL FORM

If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions, unless otherwise already provided in the Agreement or the Contract Documents.

ARTICLE 2 OWNER

§ 2.1 GENERAL

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Board of Trustees of Owner, by majority vote, is the only representative of Owner, having the power to enter into a Contract, to execute a change order requiring an increase in the Contract Sum, or agree to an extension of the contractual completion date. The Board shall designate, as appropriate, an authorized representative(s) to act on its behalf during the course of construction. In the event that an emergency changes the scope of the Work before the Board's next regular meeting or in order to facilitate and expedite the timely completion of the Work, the Board's authorized representative(s) may approve construction changes that do not exceed $5,000.00 in increased costs. Any such changes shall be confirmed in writing between the Contractor and the Board's authorized representative(s) and notice of such approved changes shall be given to the Board at its next regular meeting. The Board will act as soon as reasonably possible to avoid undue delays in the construction completion date.

§ 2.1.2 DELETED.

§ 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 2.2.1 Prior to commencement of the Work, the Contractor may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Contractor may only request such evidence if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) a change in the Work materially changes the Contract Sum; or (3) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

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§ 2.2.2 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.2.3 The Owner shall furnish surveys describing physical characteristics and legal limitations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work. In connection with the foregoing, Contractor shall be solely responsible for locating (and shall locate prior to performing any Work) all utilities lines, telephone company, cable, sewer lines, water pipes, gas lines, and electrical lines, including without limitation, all buried pipelines and buried telephone cables and shall perform the Work in such a manner so as to avoid damaging any such lines, cables, pipes and pipelines. Under this provision the Architect and Engineer are in no way relieved of their responsibilities outlined in the Contract or other attached contracts for identification of existing conditions.

§ 2.2.4 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.2.5 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2 for use on this Project. All costs of reproduction are the responsibility of Contractor.

§ 2.3 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents or fails to remove and discharge (within ten (10) days) any lien filed upon Owner's or, if applicable landlord's, property by anyone claiming by, through, or under Contractor, or disregards the instructions of Architect or Owner when based on the requirements of the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3 and any delay resulting from such Work stoppage shall not extend any Milestone Date identified in the Contract for Construction or the required dates of Substantial or Final Completion.

§ 2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect or failure. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

§ 2.4.1 The rights stated in Article 2 shall be in addition to and not in limitation of any other rights of Owner granted in the Contract Documents or at law or in equity.

ARTICLE 3 CONTRACTOR

§ 3.1 GENERAL

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express

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authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.2.3, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect and Owner in writing any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for design information in such form as the Architect may require.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect and Owner in writing any nonconformity discovered by or made known to the Contractor as a request for design information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall make Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities unless the Contractor recognized or reasonably should have recognized such error, inconsistency, omission or difference and knowingly failed to report it to the Architect and Owner.

§ 3.2.5 The Contractor shall not be entitled to additional compensation for the "rework portion" of any additional work caused by his failure to carefully study and compare the Contract Documents prior to execution of the Work.

§ 3.2.6 The Contractor shall make reasonable attempt to interpret the Contract Documents before asking the Architect for assistance in interpretation. The Contractor shall not ask the Architect for observation of work prior to the Contractor's field superintendent's personal inspection of the work and his determination that the work complies with the Contract Documents.

§ 3.2.7 If, in the opinion of the Architect, the Contractor does not make a reasonable effort to comply with the above requirements of the Contract Documents and this causes the Architect or Architect's consultants to expend an unreasonable amount of the time in the discharge of the duties imposed on Architect by the Contract Documents, then the Contractor shall bear the cost of compensation for the Architect's additional services made necessary by such failure. The Architect will give the Contractor prior notice of intent to bill for additional services related to Sections 3.2.6, 3.2.7, and 3.12 before additional services are performed.

§ 3.2.8 If the Contractor has knowledge that any of the products or systems specified will perform in a manner that will limit the Contractor's ability to satisfactorily perform the work or to honor his Warranty, Contractor shall promptly

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notify the Architect in writing, providing substantiation for the position. Any necessary changes, including substitutions of materials, may only be accomplished by an appropriate Modification.

§ 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the Owner and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.3.4 Contractor shall be responsible to Owner for acts and omissions of Contractor's employees, Subcontractors, and their agents and employees, and other persons performing portions of the Work under Contract Documents or other arrangements with Contractor.

§ 3.3.5 Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on the Work, including those with respect to the safety of persons and property and their protection from damages, injury, or loss. Contractor shall promptly remedy damage and loss to property at the site caused in whole or in part by Contractor, its Subcontractor, or anyone directly or indirectly employed by any of them or by anyone for whose acts they may be liable, except for damage or loss attributable solely to acts or omissions of Owner or Architect or by anyone for whose acts either of them may be liable and not attributable to the fault or negligence of Contractor, its Subcontractor, or anyone directly or indirectly employed by them. The foregoing obligations of Contractor are in addition to Contractor's obligations under other provisions hereunder.

§ 3.3.6 Contractor shall be responsible for inspection of portion of Work already performed under the Contract for Construction to determine that such portions are in proper condition to receive subsequent Work.

§ 3.3.7 Contractor has the responsibility to ensure that all material suppliers and Subcontractors, their agents, and employees adhere to the Contract Documents, and that they order materials on time, taking into account the current market and delivery conditions, and that they provide materials on time. Contractor shall coordinate its Work with that of all others on the Project, including of construction utilities.

§ 3.3.8 Contractor shall establish and maintain bench marks and all other grades, lines, and levels necessary for the Work; report errors or inconsistencies to Owner and Architect before commencing Work; and, if applicable, review the placement of the buildings and permanent facilities on the site with Owner and Architect after all lines are staked out and before foundation Work is started. Contractor shall provide access to the Work for Owner, Architect, other persons designated by Owner, and governmental inspectors. Any encroachments made by Contractor or its Subcontractors on adjacent properties caused by construction as revealed by an improvements survey, except for encroachments arising from errors or omissions not reasonably discoverable by Contractor in the Contract Documents, shall be the sole responsibility of Contractor, and Contractor shall correct such encroachments within thirty (30) days of the improvement survey (or as soon thereafter as reasonably possible), at Contractor's sole cost and expense, either by the removal of the encroachment (and subsequent reconstruction on the Project site) or agreement with the adjacent property owner (s) (in form and substance satisfactory to Owner in its sole discretion) allowing the encroachments to remain.

§ 3.3.9 Contractor shall verify at the Work site the measurements indicated on the Drawings and Specifications and shall establish correctly the lines, levels, and positions for the Work and be responsible for their accuracy and proper

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correlation with control lines, monuments, and data, as established by surveys furnished by Owner. Work shall be erected square, plumb, level, true to line and grade, in the exact plane and to the correct elevation and/or sloped to drain as indicated. To ensure the proper execution of its subsequent Work, Contractor shall measure all Work already in place (including but not limited to utilities and grades installed or prepared by others) and shall at once report to Architect and Owner any discrepancy between said Work and the Drawings and Specifications for the Work.

§ 3.3.10 Any discrepancy or omission in the dimensions or elections shown on the Drawings and Specifications or found in previous Work which may prevent accurate layout or construction of the Work, shall immediately be reported by Contractor to Owner and Architect. If Contractor performs, permits, or causes performance of any Work when Contractor knows or reasonably should have known that such discrepancy or omission exists, without first obtaining further instruction from Architect or Owner, Contractor shall bear any and all costs arising therefrom including, without limitation, the costs of correction thereof without increase or adjustment in the Contract Sum. Omissions from the Drawings or Specifications, or the misdescription of details of Work which are reasonably inferable in order to carry out the intent of the Drawings and Specifications, or which are customarily performed, shall not relieve contractor from performing such omitted or mis-described details of the Work, and they shall be performed as if fully and correctly set forth and described in the Drawings and Specifications, at no additional cost to Owner.

§ 3.3.11 Contractor shall engage workers who are skilled in performing the Work, and all Work shall be performed with care and skill and in a good workmanlike manner under the full-time supervision of an approved engineer or foreman. Contractor shall be liable for all property damage, including repairs and replacements of the Work and economic losses, which proximately result from the breach of this duty. Contractor shall advise Architect:

.1 if a specified product deviates from good construction practices;
.2 if following the Specifications will affect any warranties; or
.3 any objections which Contractor may have with the Specifications.

Nothing contained in Section 1.1.3 shall alter the responsibilities established in this Section.

§ 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 Except in the case of minor changes in the Work authorized by the Architect in accordance with Sections 3.12.8 or 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive. By making requests for substitutions based on Section 3.4.2, Contractor:

.1 represents that Contractor has personally investigated the proposed substitute product and determined that it is equal or superior in all respects to that specified;
.2 represents that Contractor will provide the same warranty for the substitution that Contractor would for that specified;
.3 certifies that the cost data presented is complete and includes all related costs under this Contract except Architect's redesign costs, and waives all claims for additional costs related to the substitution which subsequently become apparent; and
.4 will coordinate the installation for the accepted substitute, making such changes as may be required for the Work to be complete in all respects.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them. Contractor shall also be responsible for labor peace on the Project and shall at all times make its best efforts and judgments as an experienced Contractor to adopt and implement policies and practices designed to avoid Work stoppages, slowdowns, disputes, or strikes where reasonably possible and practical under the circumstances and shall at all times maintain Project-wide labor harmony. Except as specifically provided in Section 8.3 hereof, Contractor shall be liable to Owner for all damages suffered by Owner.

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§ 3.4.4 Materials shall conform to manufacturer's standards in effect at the date of execution of the Agreement and shall be installed in strict accordance with manufacturer's directions. Contractor shall, if required by Owner or Architect, furnish satisfactory evidence as to the kind and quality of any materials. All packaged materials shall be shipped to the site in the original containers clearly labeled, and delivery slips shall be submitted with bulk materials identifying thereon the source, and warranting quality and compliance with Contract Documents.

§ 3.4.5 When the Contract Documents require the Work, or any part of same, to be above the standards required by applicable laws, ordinances, rules and regulations, and other statutory provisions pertaining to the Work, such Work shall be performed and completed by Contractor in accordance with the Contract Documents.

§ 3.4.6 When the manufacturer's name, patent numbers, underwriter's labels, model numbers or similar identifying marks are required, such markings shall be located as inconspicuously as possible.

§ 3.5 WARRANTY

The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of the best quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from faults and defects. Work, materials, or equipment not conforming to these requirements may be considered defective. If required by the Architect or Owner, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.5.2 ALL WARRANTIES SHALL INCLUDE LABOR AND MATERIALS AND THE MANUFACTURER'S WARRANTY SHALL BE SIGNED BY SUBCONTRACTOR AND COUNTERSIGNED BY CONTRACTOR. ALL WARRANTIES SHALL BE ADDRESSED TO OWNER AND DELIVERED TO ARCHITECT UPON COMPLETION OF THE WORK AND BEFORE OR WITH THE SUBMISSION OF REQUEST FOR FINAL PAYMENT.

§ 3.5.3 Contractor shall issue in writing to Owner as a condition precedent to final payment a "general warranty" reflecting the terms and conditions of this Section 3.5 for all Work under the Contract.

§ 3.5.4 The warranties provided in Section 3.5 shall be in addition to and not in limitation of any other warranty or remedy required by law or by the Contract Documents, and such warranty or remedy required by law or by the Contract Documents, and such warranty shall be interpreted to require Contractor to replace defective materials and equipment and re-execute defective Work which is disclosed to the Contractor by the Owner within a period of one (1) year after final completion of the entire Work unless a longer time is specifically called for in the specifications. The Contractor shall assign all components, equipment and fixture warranties to the Owner and will deliver all manuals to the Owner at the completion of construction.

§3.5.5 Except when a longer warranty time is specifically called for in the Specification Sections or is otherwise provided by law, the General Warranty shall be for twelve (12) months and shall be in form and content otherwise satisfactory to Owner.

§3.5.6 Warranties shall become effective on a date established by Owner and Architect in accordance with the Contract Documents. This date shall be the Date of Substantial Completion of the entire Work, unless otherwise provided in any Certificate of Partial Substantial Completion approved by the parties.

§3.5.7 If Architect considers it impractical, because of unsuitable test conditions or some other factors, to execute simultaneous final acceptance of all equipment, portions of properly installed and functioning equipment may be certified by Architect for final acceptance, subject to Owner's approval, when that portion of the system is complete and ready for operation as called for under Section 9.8.1.

§3.5.8 Contractor shall warrant for a period of twelve (12) months that the building(s) shall be watertight and leak proof at every point and in every area, except where leaks can be attributed to damage to the building(s) by external forces beyond Contractor's control. Contractor shall, immediately upon notification by Owner of water penetration, determine the source of water penetration and, at its own expense, do any Work necessary to make the building(s)

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watertight. Contractor shall also, at its own expense, repair or replace any other damaged material, finishes, and furnishings, damaged as a result of this water penetration, to return the building(s) to its (their) original condition.

§3.5.9 In addition to the foregoing stipulations, Contractor shall comply with all other warranties referred to in any portions of the Contract Documents or otherwise provided by law or in equity, and where warranties overlap, the more stringent requirement shall govern.

§3.5.10 If for any reason Contractor cannot warrant any part of the Work using material or construction methods that have been specified, or shown, it shall notify Owner and Architect in writing before the Contract is signed, giving reasons, together with the name of product and data on a substitution it can warrant.

§ 3.6 TAXES

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 PERMITS, FEES, NOTICES AND COMPLIANCE WITH LAWS

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall make application, secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract, including without limitation, street openings, sidewalk, and other obstructions, access over public ways and storage necessary for proper execution and which are, legally required at the time bids are received or negotiations concluded.

§3.7.1.1 The Contractor shall also obtain all permits and approvals, and pay all fees and expenses, if any, associated with National Pollutant Discharge Elimination System (NPDES) regulations administered by the Environmental Protection Agency and state and local authorities, that require completion of documentation and/or acquisition of all permits for the Project. Contractor's obligations under this Section do not require it to perform engineering services during the pre-construction phase to prepare proper drainage for the construction sites. However, any drainage alterations made by Contractor during construction phase which modifies the original site drainage plan and requires the issuance of a permit shall be at Contractor's sole cost.

a. The Owner shall pay directly to the governing authority the cost of all permanent property utility assessments and similar utility connection charges.

b. The Contractor shall be responsible for obtaining and paying for all City and County Building Permits, Inspection Fees and Plan Checking Fees; temporary utility charges, tap charges and water meter charges and any other similar fees assessed by jurisdictional authorities having control over the Project.

c. The Owner shall pay fees payable to the Texas Department of Licensing and Regulations (TDLR) for document review relative to the Elimination of Architectural Barriers Act and the Architect will submit the documents to the TDLR for review and approval.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders and all other requirements of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work (including, without limitation, the installation of any materials or equipment) that it knows or reasonably should have known would be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 Concealed or Unknown Conditions. If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the

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Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend to the Owner in writing an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor in writing, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may proceed as provided in Article 15. . No adjustment in the Contract Time or Contract Sum shall be permitted in connection with a concealed or unknown condition that does not differ materially from those conditions disclosed or based on data provided to Contractor and by the Contractor's prior inspections, tests, reviews, and pre-construction services for the Project; or by the Contractors inspections, tests, reviews and pre-construction services that Contractor had the opportunity and obligation to make in connection with the Project but did not do so.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect in writing. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 ALLOWANCES

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

- **.1** Allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- **.2** Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- **.3** Whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness. If a decision is needed to avoid a delay, Contractor shall notify Architect and Owner in writing sufficiently in advance of needed date to allow reasonable time for selections to be made.

§ 3.9 SUPERINTENDENT

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the name and qualifications of a proposed superintendent. The superintendent shall be satisfactory to the Owner and shall not be changed except with the consent of the Architect, unless the superintendent leaves the employment of the Contractor. No increase in Contract Time or Contract Sum shall be allowed in the event the Owner or Architects object to any nominated superintendent. Such approval by the Owner shall not be unreasonably withheld.

§ 3.9.3 DELETED.

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§ 3.10 CONTRACTOR'S CONSTRUCTION SCHEDULES

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's I review and approval a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised as required herein and at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work. The schedule shall indicate the proposed starting and completion dates for the various subdivisions of the Work as well as the totality of the Work. The schedule shall be updated every thirty (30) days and submitted to Architect with Contractor's Applications for Payment. Each schedule shall contain a comparison of actual progress with the estimated progress for such point in time stated in the original schedule. If any schedule submitted sets such a date for Substantial Completion for the Work or any phase of the Work beyond the date(s) of Substantial Completion established in the Contract (as the same may be extended as provided in the Contract Documents), then Contractor shall submit to Architect and Owner for their review and approval a narrative description of the means and methods that Contractor intends to employ to expedite the progress of the Work to ensure timely completion of the various phases of the Work as well as the totality of the Work. To ensure such timely completion, Contractor shall take all necessary action including, without limitation, increasing the number of personnel and labor on the Project and implementing overtime and double shifts. In that event, Contractor shall not be entitled to an adjustment in the Contract Sum or the schedule.

§ 3.10.2 The Contractor shall prepare a submittal schedule, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, and shall submit the schedule(s) for the Architect's and Owner's approval. The Architect's and Owner's approval shall not unreasonably be delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.10.4 The process of approving Contractor's schedules and updates to Contractor's schedule shall not constitute a warranty by the Owner that any non-Contractor milestones or activities will occur as set out on Contractor's schedule. Approval of a Contractor's schedule does not constitute a commitment by the Owner to furnish any Owner-furnished information or material any earlier than Owner would otherwise be obligated to furnish that information or material under the Contract Documents. Failure of the Work to proceed in the sequence scheduled by Contractor shall not alone serve as the basis for a Claim for additional compensation or time. In the event there is interference with the Work, which is beyond its control, Contractor shall attempt to reschedule the Work in a manner that will hold resulting additional time and cost to a minimum. The construction schedule shall be in a detailed format satisfactory to the Owner and the Architect and shall also:

.1 provide a graphic representation of all activities and events that will occur during performance of the Work;
.2 identify each phase of construction and occupancy; and
.3 set forth dates that are critical in ensuing the timely and orderly completion of the Work in accordance with the requirements of the Contract Documents hereinafter referred to as Milestone Dates.

§ 3.10.5 The Owner shall have the right to reschedule the time of day for the performance of any part of the Work that may interfere with the operation of the Owner's premises or any tenants or invitees thereof. The Contractor shall, upon the Owner's request, reschedule any portion of the Work affecting operation of the premises during hours when the premises are not in operation. Any rescheduling of performance of the Work under this Section 3.10.5 may be grounds for an extension of the Contract Time, if permitted under Section 8.3.1 and an equitable adjustments in the Contract Sum, if: (1) the performance of the Work was properly scheduled by the Contractor in compliance with the requirements of the Contract Documents, (2) such rescheduling is required for the convenience of the Owner and is not attributable to any act of omission of Contractor, and (3) if Owner agrees to the Contract Sum adjustment prior to any rescheduling.

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§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE

The Contractor shall maintain at the site for the Owner one copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to indicate field changes and selections (all changes and selections to be approved by Owner and Architect in advance) made during construction, and one copy of approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be available to the Architect and shall be delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

§ 3.11.1 At the Date of Substantial Completion and as a condition precedent to final payment, Contractor shall furnish the following documents to Architect for submittal to Owner: Record Drawings showing the field changes and selections (all changes and selections to be approved by Owner and Architect in advance) affecting the general construction, mechanical, electrical, plumbing, and all other Work, and indicating the Work as actually installed. These shall consist of carefully drawn markings on a set of reproducible prints of Architect's Drawings obtained and paid for by Contractor. Contractor shall maintain at the job site one (1) set of Architect's Drawings and indicate thereon each field change as it occurs. The Contractor shall post all Addenda on Construction Documents prior to commencing work on the site.

§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. Their purpose is to demonstrate the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors. If, in the opinion of the Architect, the Shop Drawings, Product Data, Samples and similar submittals are incomplete, indicate an inadequate understanding of the work covered by the submittals, or indicate a lack of study and review by the Contractor prior to submittal to the Architect, the submittals will be returned, unchecked, to the Contractor for correction of these three deficiencies and subsequent re-submittal. Additional service charges as outlined in Section 3.2.7 may be charged by the Architect in this event.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop

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Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional who shall comply with requirements of Owner regarding qualifications and insurance, and whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance and design criteria specified in the Contract Documents.

§ 3.12.11 The Contractor shall submit Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents to the Architect at least 30 days prior to the date the Contractor needs the reviewed submittals returned. Where colors are to be selected by the Architect, the Contractor shall submit all Samples in adequate time to allow the Architect to prepare a complete selection schedule. In general, all submittals requiring color selection shall be submitted to the Architect within four weeks of the date of the Contract for construction.

§3.12.12 The Contractor shall submit the number of copies of Shop Drawings, Product Data, Samples and similar submittals which the Contractor and his Subcontractors need for their use plus two additional sets for the Architect and one additional set for each of the Architect's consultants involved with the particular section of work. Where shop drawings are involved, the Contractor shall submit one high quality reproducible transparency and one opaque print of the shop drawing for the Architect plus one additional opaque print for each of the Architect's consultants involved with the particular section of work. The reproducible transparency will be marked by the Architect and/or his consultants and returned to the Contractor for his use, distribution, correction or re-submittal as required. The Architect and his consultants will retain the marked up prints. After final review and correction of the submittal, the Contractor shall send two corrected sets to the Architect, and one to each of the Architect's consultants involved with the particular section of work.

§ 3.13 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§3.13.1 Only materials and equipment which are to be used directly in the Work shall be brought to and stored on the Project site by the Contractor. After equipment is no longer required for the Work, it shall be promptly removed from the Project site. Protection of construction materials and equipment stored at the Project site from weather, theft, damage and all other adversity is solely the responsibility of the Contractor.

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§3.13.2 The Contractor and any entity for whom the Contractor is responsible shall not erect any sign on the Project site without written consent of the Owner.

§3.13.3 Contractor shall ensure that the Work, at all times, is performed in a manner that affords reasonable access, both vehicular and pedestrian, to the site of the Work and all adjacent areas. The Work shall be performed to the fullest extent reasonably possible, in such a manner that public areas adjacent to the site of the Work shall be free from all debris, building materials and equipment likely to cause hazardous conditions. Without limitation of any other provision on the Contract Documents, Contractor shall use its best efforts to minimize any interference with the occupancy or beneficial use of: (1) any area and buildings adjacent to the site or the Work or (2) the Building in the event of partial occupancy.

§3.13.4 Without prior approval of the Owner, the Contractor shall not permit any workers to use any existing facilities at the Project site, including without limitation, lavatories, toilets, entrance and parking areas other than those designated by Owner. Without limitation of any other provisions of the Contract Documents, the Contractor shall use its best efforts to comply with all rules and regulations promulgated by the Owner in connection with the use and occupancy of the Project site and the Building, as amended from time to time.

§ 3.14 CUTTING AND PATCHING

§ 3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting and patching shall be restored to the condition existing prior to the cutting, fitting and patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

§ 3.15 CLEANING UP

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and Owner shall be entitled to reimbursement from the Contractor.

§ 3.15.3 Prior to the Architect's inspection for Submittal Completion the Contractor shall clean exterior and interior surfaces exposed to view; remove temporary labels, stains, and foreign substances; polish transparent and glossy surfaces; clean equipment and fixtures to a sanitary condition; replace air filters in mechanical equipment; clean roof, gutters and downspouts; remove obstructions and flush debris from drainage systems; clean site; sweep paved areas and rake clean other surfaces; remove trash and surplus materials from the site.

§ 3.16 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

§ 3.17 ROYALTIES, PATENTS AND COPYRIGHTS

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

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§ 3.18 INDEMNIFICATION

§ 3.18.1 To the fullest extent permitted by law, Contractor shall indemnify, defend, and hold harmless Owner, the Board of Trustees of Owner, all elected officials, employees and agents of Owner and of any of the above mentioned parties (the "Indemnified Parties") from and against any and all loss, cost, expense, damage, injury, liability, claim, demand, penalty, or cause of action (including attorneys' fees), directly or indirectly arising out of, resulting from, or related to (in whole or in part), (1) the Work performed hereunder, (2) the Contract, or (3) the act or omission of Contractor, a Subcontractor, or an individual, partnership, joint venture, corporation or other entity (a) directly or indirectly employed by Contractor or a Subcontractor, or (b) for whose acts or omissions Contractor or a Subcontractor may be liable (excluding property damage to the Work itself, covered by Owner's all-risk builder's risk insurance, subject to Contractor's liability for any deductible amounts thereunder). The obligations of Contractor under this indemnification shall apply to all matters except those arising solely from the wanton and willful negligence or the malicious acts or omissions of Owner. Further, the obligations of Contractor under this indemnification shall not extend to the liability of Architect, its agents, or employees, arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, Change Orders, designs, or Specifications, (2) the giving of or failure to give directions or instructions by Architect, its agents, or employees, provided such giving or failure to give is the primary cause of the injury or damage, or (3) any matter prohibited by Section 130.002, Texas Civil Practice and Remedies Code. Contractor shall promptly advise Owner in writing of any action, administrative or legal proceeding, or investigation as to which this indemnification may apply, and Contractor, at Contractor's expense, shall assume on behalf of Owner and conduct with due diligence and in good faith the defense thereof with counsel satisfactory to Owner; provided, Owner shall have the right to be represented therein by advisory counsel of its own selection and at its own expense; and provided further, that if the defendants in any such action include both Contractor and Owner, and Owner shall have reasonably concluded that there may be legal defenses available to it that are different from, or additional to, or inconsistent with, those available to Contractor, then Owner shall have the right to select separate counsel to participate in the defense of such action on its own behalf at Contractor's expense. In the event of failure by Contractor to fully perform in accordance with this indemnification Section, then Owner, at its option, and without relieving Contractor of its obligations hereunder, may so perform, but all costs and expenses so incurred by Owner in that event shall be reimbursed by Contractor to Owner, together with interest on the same from the date any such expense was paid by Owner until reimbursed by Contractor, at the rate of interest provided to be paid on judgments by the law of the jurisdiction to which the interpretation of the Contract is subject. The obligations of Contractor under this Section shall survive the expiration of the Contract and specifically shall survive the limitations contained in Section 15.1 hereof.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

§ 3.19 SUBSTITUTIONS OF PRODUCTS AND SYSTEMS, "OR EQUAL" BRANDS

§ 3.19.1 The materials, products and the systems covered by these specifications have been selected as a standard because of quality, particular suitability, or record of satisfactory performance. It is not intended to preclude the use of equivalent or better materials, products or systems provided that it meet the requirements of the particular project and have been approved in an addendum as a substitution prior to the submission of bids. If prior written approval in an addendum has not been obtained, it will be assumed that the Bid is based upon the materials, products, and systems described in the Bidding Documents and no substitutions will be permitted, except as provided hereinafter.

§3.19.2 If, after award of contract, the Contractor or one of his Subcontractors or Suppliers determines that any of the products or systems specified will perform in a manner that will limit the Contractor's ability to satisfactorily perform the work or to honor the Warranty, the Contractor shall promptly notify the Architect, in writing, providing detailed substantiation for his position. Any changes deemed necessary by the Owner and Architect, including substitution of materials and change in Contract Sum, either upward or downward, if any, shall be accompanied by appropriate modification.

§3.20 RECORD DRAWINGS

§3.20.1 At the completion of the project, the Contractor shall submit one complete set of blue lines showing all changes and routing of utilities made during construction, excluding Architect made CAD changes, to the Architect. Drafting

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shall be legible to the Architect's satisfaction. The Contractor shall pay for the cost of the required recording/drafting. The record set shall be kept up to date on a daily basis and the Architect shall review its status at the project meetings. The Architect shall furnish the Contractor with a blueline set at contract award which shall have all Addenda incorporated. The Owner will pay for the printing of the blueline set. The Architect will incorporate any record information into the construction (CAD) documents and provide the Owner with an electronic copy of the record information on the Construction documents that have all bid and construction changes incorporated. The cost for incorporating the record information into the CD will be paid for by the Owner. The Architect will transmit the electronic CD to the Owner with a copy of the transmittal to the Contractor's construction manager.

ARTICLE 4 ARCHITECT

§ 4.1 GENERAL

§ 4.1.1 The Owner shall retain an architect lawfully licensed to practice architecture or an entity lawfully practicing architecture in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 4.1.2 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

§ 4.1.3 If the employment of the Architect is terminated, the Owner shall employ a successor architect whose status under the Contract Documents shall be that of the former Architect.

§ 4.2 ADMINISTRATION OF THE CONTRACT

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect, as representative of the Owner,will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. The Architect will be required to make on-site inspections as necessary to keep the Owner informed of the progress of the Work and as necessary to guard the Owner against defects and deficiencies in the Work. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. The Architect shall not have control over or charge of and shall not be responsible for safety precautions and programs in connection with the Work. Architect shall be responsible for promptly notifying Contractor of the failure of Contractor, Subcontractors or any other persons performing any of the Work, in failing to use proper construction means, methods, techniques, sequences, procedures, safety precautions and programs, but only to the extent Architect becomes aware of, or should, exercising due professional diligence, be aware of, same. Architect shall also promptly notify Owner in writing of the failure of any of the foregoing parties to carry out the Work in accordance with the Contract Documents.

§ 4.2.4 COMMUNICATIONS FACILITATING CONTRACT ADMINISTRATION

Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate with each other through the Architect about matters arising out of or relating to the Contract. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

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§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority and responsibility to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve or reject, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data and Samples, for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5 and 3.12. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may authorize minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect's responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 DELETED.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

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ARTICLE 5 SUBCONTRACTORS

§ 5.1 DEFINITIONS

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site or to otherwise furnish labor, material or other services with respect to a portion of the Work. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site or to otherwise furnish labor, material or other services with respect to a portion of the Work. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§ 5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, but no later than 10 days prior to the submittal date for the Contractor's first Application for Payment shall furnish in writing to the Owner through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to any such proposed person or entity or (2) that the Architect requires additional time for review. Failure of the Owner or Architect to reply within the 14-day period shall constitute notice of no reasonable objection. Failure of the Contractor to submit the subject names in a timely manner may delay processing of the Contractor's Application for Payment.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person or entity previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 SUBCONTRACTUAL RELATIONS

By appropriate written agreement, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.3.1 All subcontracts shall be in written form and shall specifically provide that Owner is an intended third-party beneficiary of the subcontract.

§ 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

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.1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor in writing; and

.2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon such assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity.

§ 5.5 Contractor shall promptly notify Owner and Architect of any material defaults by any Sub-contractor. Notwithstanding any provision contained in Article 5 to the contrary, it is hereby acknowledged and agreed that Owner has in no way agreed, expressly or implicitly, nor will Owner agree, to allow any Sub-contractor or other materialman or workman employed by Contractor the right to obtain a personal judgment or to create a lien against Owner for the amount due from the Contractor.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Article 15.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, separate contractors and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights that apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

§ 6.2 MUTUAL RESPONSIBILITY

§ 6.2.1 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

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§ 6.2.3 DELETED.

§ 6.2.4 The Contractor shall promptly remedy damage the Contractor causes to completed or partially completed construction or to property of the Owner or separate contractors as provided in Section 10.2.5.

§ 6.2.5 The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 OWNER'S RIGHT TO CLEAN UP

If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 GENERAL

§ 7.1.1 Changes in the Work may only be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents and is subject to the approval of the Owner.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor and Architect; a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect and is subject to the approval of the Owner.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work. Except as permitted in Section 7.3 and 9.7, a change in the Contract Sum or the Contract Time shall be accomplished only by Change Order. Accordingly, no course of conduct or dealings between the parties, nor express or implied acceptance of alterations or additions to the Work and no claim that Owner has been unjustly enriched by any alteration of or addition to the Work, whether or not there is, in fact, any unjust enrichment to the Work, shall be the basis of any claim to an increase in any amounts due under the Contract Documents or a change in any time period provided for in the Contract Documents.

§ 7.2 CHANGE ORDERS

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor and Architect stating their agreement upon all of the following:

.1 The change in the Work;
.2 The amount of the adjustment, if any, in the Contract Sum; and
.3 The extent of the adjustment, if any, in the Contract Time.

§ 7.2.2 Agreement on any Change Order shall constitute a final settlement of all matters relating to the change in the Work that is the subject of the Change Order, including, but not limited, to all direct and indirect costs associated with such change and any and all adjustments to the Contract Sum and the construction schedule.

§7.2.3 Contractor shall keep and periodically submit to Owner copies of a log for all Change Orders.

§ 7.3 CONSTRUCTION CHANGE DIRECTIVES

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly. Contractor shall keep and periodically submit to Owner copies of a log for all Construction Change Directives and a log for all requests for information.

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§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

.1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation in writing between the Owner and the Contractor;

.2 Unit prices stated in the Contract Documents or subsequently agreed upon in writing between the Owner and the Contractor;

.3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee, in each case in writing between the Owner and the Contractor; or

.4 As provided in Section 7.3.7.

§ 7.3.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 7.3.5 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.6 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.7 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the method and the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit not to exceed a total maximum of **fifteen** percent **(15%)** for all Work, and further limited to as follows, not to exceed five percent (5%) for Work done by Contractor's employees and **ten** percent **(10%)** of such Work's actual cost to be apportioned between any and all Subcontractors and Sub-subcontractor. "*Actual cost*" does not include any item that could be deemed to be a general conditions cost or overhead, such as, but not limited to, the cost of Contractor and Subcontractor supervisory personnel assigned to the Work, and field office and related expenses. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.7 shall be limited to the following:

.1 Costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;

.2 Costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;

.3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;

.4 Costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and

.5 Additional costs of supervision and field office personnel directly attributable to the change.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be

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reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 MINOR CHANGES IN THE WORK

The Architect has authority after having obtained Owner's approval to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order signed by the Architect and shall be binding on the Owner and Contractor.

ARTICLE 8 TIME

§ 8.1 DEFINITIONS

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.1.1 The Work shall be fully completed within the time limit and/or date stated in the Contract between Owner and Contractor.

§ 8.1.1.2 Liquidated Damages: If the Contractor should fail to fully complete the Work within the stated time (subject however to extension of time duly granted in the manner and for the causes specified in the General Conditions), Contractor shall be charged by and shall pay to Owner, as liquidated damages, the sum specified in Article 3 of the AIA document A101 – 2017 by and between Owner and Contractor to which this document is attached as Exhibit A per calendar day that the Work remains incomplete beyond the time fixed for completion. Contractor hereby agrees that from the nature of the project it would be impracticable and extremely difficult to fix the actual damage that would or will be suffered in the event that Contractor should fail to fully complete the Work by the time limit or date stated and the amount of the liquidated damages are fair and reasonable. The parties agree that the liquidated damages are a reasonable forecast of just compensation for the harm done to Owner that would be caused by Contractor's failure to timely complete the Work. Contractor agrees that the amount of liquidated damages due Owner may be deducted by Owner from any monies that might otherwise be or become payable to Contractor.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 PROGRESS AND COMPLETION

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 DELAYS AND EXTENSIONS OF TIME

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner; or by changes ordered in the Work; or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes

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beyond the Contractor's control; or by delay authorized by Owner pending mediation, or by other causes that the Architect determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine provided, however, that such extension of Contract Time shall be net of any delays caused by or due to the fault or negligence of Contractor or that are otherwise the responsibility of Contractor and shall also be net of any contingency or "float" time allowance included in Contractor's construction schedule. Contractor shall, in the event of any occurrence likely to cause a delay, cooperate in good faith with Architect and Owner to minimize and mitigate the impact of any such occurrence and do all things reasonable under the circumstances to achieve this goal.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents. Contactor shall not be entitled to damages of any type for delays caused by Owner, his servant, agents, employees, or separate Contractors hired or retained by Owner. Contractor may receive an extension or extensions for additional time in which to complete the Contract but shall not receive any damages of any type for such delays. Changes in the Work, regardless of the extent or number of such Changes or Owner's exercise of any of its remedies of suspension of the Work or requirement of correction or re-execution of any defective Work, shall not under any circumstances be construed as intentional interference with Contractor's performance of the Work.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 CONTRACT SUM

The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.1.1 Commitment of Current Revenues Only. As reflected in Section 4.5 of the modified AIA document A101 – 2017 Edition by and between Owner and Contractor to which this document is attached as Exhibit A, in the event that, during any term hereof, the governing body of any party does not appropriate sufficient funds to meet the obligations of such party under this Contract, then any party may terminate this Contract upon ninety (90) days written notice to the other party. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of each party hereto pursuant to the provisions of Tex. Loc. Govt. Code Ann. § 271.903.

§ 9.2 SCHEDULE OF VALUES

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit to the Owner and to the Architect, before the first Application for Payment, a schedule of values allocating the entire Contract Sum to the various portions of the Work, which in the aggregate equals the total Contract Sum, divided so as to facilitate payments to Subcontractors, supported by such evidence of correctness as Architect may direct or as required by Owner. This schedule, when approved by Architect and Owner, shall be used to monitor the progress of the Work and as a basis for Certificates for Payment. All items with entered values will be transferred by Contractor to the "Application and Certificate for Payment," and shall include the latest approved Change Orders and Construction Change Directives. Change Order values and Construction Change Directives values shall be broken down to show the various subcontracts. The Application for Payment shall be on a form as provided by Architect and approved by Owner. Each item shall show its total scheduled value, value of previous applications, value of the application, percentage completed, value completed, and value yet to be completed. All blanks and columns must be filled in, including every percentage complete figure. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 9.3 APPLICATIONS FOR PAYMENT

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, for completed portions of the Work. Such application shall be notarized, if required, and supported by such data substantiating the Contractor's right to payment as the Owner or Architect may require, such as copies of requisitions from Subcontractors and material suppliers, and shall reflect retainage if provided for in the Contract Documents. Any

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allowances included in the Application for Payment shall be separately itemized with supporting data attached. The Application for Payment shall be accompanied by a certification by an office of Contractor to the effect that:

> There are no known mechanics', materialman's or laborers' liens or claims, or any other liens or claims, legal or equitable, contractual, statutory, or constitutional, outstanding or known to exist at the date of this Application; all due and payable bills with respect to the Work have been paid to date or are included in the amount requested in the current Application and there is no known basis for the filing of any mechanics', materialman's or laborers' lien or claim, or any other lien or claim, legal or equitable, contractual, statutory, or constitutional, on the Work; and waivers and releases from all Subcontractors, laborers, and material men for Work done and materials furnished have been obtained in such form as to constitute an effective waiver and release of all such liens and claims under the laws of the state within which the Project is located and shall be delivered to Architect together with Contractor's waiver and release of liens and claims at the time of submission of the Application for Payment.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or material supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing by the Owner and Surety. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site. Under no circumstances will the Owner reimburse the Contractor for down payments, deposits, or other advance payments for materials or equipment.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work. The vesting of such title shall not impose any obligations on Owner or relieve Contractor of any of its obligations under the Contract, that Contractor shall remain responsible for damage to or loss of the Work, whether completed or under construction, until responsibility for the Work has been accepted by Owner in the manner set forth in the Contract Documents.

§ 9.4 CERTIFICATES FOR PAYMENT

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and on all other information available to Architect including, without limitation, the data comprising the Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and

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inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified and that the aggregate amount theretofore paid to Contractor plus any applicable retention does not exceed the value of the completed portion of the Work. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, or (3) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 DECISIONS TO WITHHOLD CERTIFICATION

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- **.1** defective Work not remedied;
- **.2** third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- **.3** failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- **.4** reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- **.5** damage to the Owner or a separate contractor;
- **.6** reasonable evidence that the Work will not be completed within the Contract Time, or that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- **.7** failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.3 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or material or equipment suppliers to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Architect will reflect such payment on the next Certificate for Payment.

§ 9.5.4 Notwithstanding any provision contained within this Article, if the Work has not attained Substantial Completion within the Contract Time, subject to extensions of time allowed under these Conditions, Architect may withhold any further payment to Contractor to the extent necessary to preserve sufficient funds to complete the construction of the Project and to cover liquidated damages assessed against Contractor up to the time of the Application for Payment and to the time it is reasonably anticipated that Substantial Completion will be achieved.

§ 9.6 PROGRESS PAYMENTS

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect. Owner may refuse to make payment on any Certificate for Payment for any default of the Contract, including, but not limited to, those defaults set forth in Sections 9.5.1.1 through 9.5.1.7. Owner shall not be deemed in default by reason of withholding payment while any of such defaults remain uncured.

§ 9.6.2 The Contractor shall pay each Subcontractor no later than seven days after receipt of payment from the Owner the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

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§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and material and equipment suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor.

§ 9.6.5 Contractor payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 DELETED.

§ 9.7 FAILURE OF PAYMENT

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not, for reasons other than a default of the Contract, including but not limited to, those defaults set forth in Sections 9.5.1.1 through 9.5.1.7 pay the Contractor within seven days after the date established in the Contract Documents the amount certified by the Architect, then the Contractor may, upon seven additional days' written notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.7.1 If Owner is entitled to reimbursement or payment from Contractor under or pursuant to the Contract Documents, such payment shall be made promptly upon demand by Owner. Notwithstanding anything contained in the Contract Documents to the contrary, if Contractor fails to promptly make any payment due Owner, or if Owner incurs any costs and expenses to cure any default of Contractor or to correct defective Work, Owner shall have an absolute right to offset such amount against the Contract Sum and may, in Owner sole discretion, elect either to (i) deduct an amount equal to that which Owner is entitled from any payment then or thereafter due Contractor from Owner, or (ii) issue a written notice to Contractor reducing the Contract Sum by an amount equal to that which Owner is entitled.

§ 9.8 SUBSTANTIAL COMPLETION

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof (which Owner agrees to accept separately) is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

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§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of issuance of the certificate of final payment by Architect unless otherwise provided in the Certificate of Substantial Completion. The Work will not be considered suitable for Substantial Completion review until all Project systems included in the Work are operational as designed and scheduled, all designated or required governmental inspections and certifications have been made and posted, designated instruction of Owner's personnel in the operation of systems has been completed, and all final finishes within the Contract are in place. In general, the only remaining Work shall be minor in nature, so that Owner and/or Owner's employees and if applicable, the public, could occupy the building on that date and the completing of the Work by Contractor would not materially interfere or hamper Owner's or Owner's employees and if applicable, the public, (or those claiming by, through, or under Owner) from normal County operations. As a further condition of Substantial Completion acceptance, Contractor shall certify that all remaining Work will be completed within thirty (30) consecutive calendar days or as agreed upon following the Date of Substantial Completion. If Contractor requests a Substantial Completion review, and Architect, after performing the Substantial Completion review, finds that the Project was not ready for the Substantial Completion review, then Contractor shall pay the Architect's fees for any additional Substantial Completion reviews.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§9.8.6 In order for the project or a major portion thereof to be considered substantially complete, the following conditions must be met: (1) All inspections by governmental authorities have jurisdiction over the project must have been finalized, any remedial work required by those authorities must have been completed, and Certificates of Occupancy and similar governmental approval forms must have been issued and copies delivered to the Owner and Architect. (2) All work, both interior and exterior, shall have been completed and cleaned except minor items which if completed after occupancy, will not, in the Owner's opinion, cause interference to the Owner's use of the building or any portion thereof. A significantly large number of items to be completed or corrected will preclude the Architect from issuing a Certificate of Substantial Completion. The Owner and Architect will be the sole judge of what constitutes a significantly large number of items.

§9.8.7 After the date of Substantial Completion of the Project is evidenced by the Certificate of Substantial Completion, the Contractor will be allowed a period of thirty (30) days, unless extended by mutual agreement or provision of the Contract, within which to correct all deficiencies attached to the Certificate of Substantial Completion. Failure of the Contractor to complete such corrections within the stipulated time will be reported to the Contractor's surety. In this report, the Contactor and surety will be informed that, should correction remain incomplete for fifteen (15) days, the Owner may initiate action to complete corrective work out of the remaining Contract funds in accordance with Article 14.

§ 9.9 PARTIAL OCCUPANCY OR USE

§ 9.9.1 The Owner may occupy or use any portion of the Work authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

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§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 FINAL COMPLETION AND FINAL PAYMENT

§ 9.10.1 Upon receipt of the Contractor's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- **.1** liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
- **.2** failure of the Work to comply with the requirements of the Contract Documents;
- **.3** terms of special warranties required by the Contract Documents; or
- .4 faulty or defective Work appearing after Substantial Completion.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 SAFETY OF PERSONS AND PROPERTY

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to

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.1 employees on the Work and other persons who may be affected thereby;

.2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and

.3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

§ 10.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities. The Contractor shall also be responsible, at the Contractor's sole cost and expense, for all measures necessary to protect any property adjacent to the project and improvements therein. Any damage to such property or improvements shall be promptly repaired by the Contractor.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 INJURY OR DAMAGE TO PERSON OR PROPERTY

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 HAZARDOUS MATERIALS

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing.

§ 10.3.2 Upon receipt of the Contractor's written notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons

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or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shut-down, delay and start-up.

§ 10.3.3 DELETED.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents.

§ 10.3.5 The Contractor shall indemnify the Owner for the cost and expense the Owner incurs (1) for remediation of a material or substance the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 DELETED.

§ 10.4 EMERGENCIES

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 CONTRACTOR'S LIABILITY INSURANCE

§ 11.1.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Contractor and Owner from claims set forth below which may arise out of or result from the Contractor's operations and completed operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- **.1** Claims under workers' compensation, disability benefit and other similar employee benefit acts that are applicable to the Work to be performed;
- **.2** Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;
- **.3** Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;
- **.4** Claims for damages insured by usual personal injury liability coverage;
- **.5** Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- **.6** Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
- **.7** Claims for bodily injury or property damage arising out of completed operations; and
- **.8** Claims involving contractual liability insurance applicable to the Contractor's obligations under Section 3.18.

§ 11.1.2 The insurance required by Section 11.1.1 shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment, and, with respect to the Contractor's completed operations coverage, until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents.

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§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness.

§ 11.1.4 The Contractor shall cause the commercial liability coverage required by the Contract Documents to include (1) the Owner, the Architect and the Architect's consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.

§ 11.1.5 SCHEDULE OF INSURANCE COVERAGES

§ 11.1.5.1 Contractor shall carry and keep in full force for the duration of the project the following Coverage.

Coverage	**Minimum Amounts and Limits**
Worker's Compensation	
Employer's Liability:	Statutory Limits
Bodily Injury by Accident	$500,000.00/each accident
Bodily Injury by Disease	$500,000.00/each employee
Bodily Injury by Disease	$500,000.00/Policy Limit
Commercial General Liability	
Bodily Injury/Property Damage	$1,000,000.00 per occurrence $2,000,000.00 aggregate

(Premises Operations, Independent Contractors, Product/Completed Operations, Personal Injury, Contractual Liability, Explosion, Collapse, Underground and Broad Form Property Damage).

Comprehensive Automobile Liability	$1,000,000.00 Combined Single Limit per Occurrence

Auto liability insurance shall be on a standard form written to cover all owned, hired, and non-owned automobiles. The policy shall be endorsed to include the Indemnified Parties (Section 3.18) as additional insured, contain cross-liability and severability of interest endorsements, and state that this insurance is primary insurance as regards to any other insurance carried by the Indemnified Parties (see Section 3.18).

§11.1.5.2 All policies shall contain special endorsements to include:

.1 The Owner as an additional insured (except for Worker's Compensation) and all other parties identified in Section 3.18 (Indemnified Parties);

.2 Wavier of Subrogation in favor of Owner under the Worker's Compensation and Employer's Liability policies.

.3 A statement that a notice shall be given to Owner by certified mail thirty (30) days prior to cancellation or upon any material changes in coverage.

4. Contain cross-liability and severability of interest endorsements;

5. state that this insurance is primary insurance in regard to any other insurance carried by an Indemnified Party (see Section 3.18);

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.6 the following coverage:

a. Premises/Operations;
b. Independent Contractors;
c. Completed Operations for a period of two years following the acceptance of Contractor's Work;
d. Comprehensive General Liability Endorsement to include Blanket Contractual Liability (specifically covering, but not limited to, the contractual obligations assumed by Contractor, Broad Form Property Damage, and Personal Injury Liability with employee and contractual exclusions removed);
e. Deletion of exclusions relative to Collapse, Explosion, and Underground Property Damage Hazards;
f. Personal Injury Liability with the contractual exclusions removed;
g. Cross Liability Endorsement.

§11.1.5.6 Umbrella Excess Liability Insurance

Bodily Injury and	$2,000,000.00 per occurrence
Property Damage	$2,000,000.00 aggregate

This policy shall be written on an umbrella excess basis above, the coverage described in this Article 11. The policy shall be endorsed to include the Indemnified Parties (Section 3.18) as additional insureds. The policy shall contain cross-liability and severability of interest endorsements and shall state, as regard the Indemnified Parties that the insurance is primary insurance as to any other insurance carried by any Indemnified Party. The policy shall be endorsed to provide the defense coverage obligation.

§11.1.6 Further, Contractor shall require all Subcontractors to carry similar insurance coverage and limits of liability as required under this Article 11, adjusted to the nature of Subcontractor's operations and submit same to Owner for approval before any Work commences.

§11.1.7 In the event Contractor fails to obtain the required certificates of insurance from the Subcontractor and a claim is made or suffered, Contractor shall indemnify, defend, and hold harmless the indemnified parties from any and all claims for which the required insurance would have provided coverage.

§11.1.8 Workers' Compensation Insurance Coverage.

§11.1.8.1 Definitions:

.1 Certificate of coverage ("certificate") - A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

.2 Duration of the project - includes the time from the beginning of the work on the project until the contractor's/person's work on the project has been completed and accepted by the governmental entity.

.3 Persons providing services on the project ("subcontractor" in §406.096) - includes all persons or entities performing all or part of the services the contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

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§11.1.8.2 The contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the contractor providing services on the project, for the duration of the project.

§11.1.8.3 The Contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.

§11.1.8.4 If the coverage period shown on the contractor's current certificate of coverage ends during the duration of the project, the contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.

§11.1.8.5 The contractor shall obtain from each person providing services on a project, and provide to the governmental entity:

.1 a certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and

.2 no later than seven days after receipt by the contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.

§11.1.8.6 The contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.

§11.1.8.7 The contractor shall notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.

§11.1.8.8 The contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.

§11.1.8.9 The contractor shall contractually require each person with whom it contracts to provide services on a project, to:

.1 provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project;

.2 provide to the contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project;

.3 provide the contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

.4 obtain from each other person with whom it contracts, and provide to the contractor:

(a) a certificate of coverage, prior to the other person beginning work on the project; and

(b) a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

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.5 retain all required certificates of coverage on file for the duration of the project and for one year thereafter;

.6 notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and

.7 contractually require each person with whom it contracts, to perform as required by paragraphs .1 - .7, with the certificates of coverage to be provided to the person for whom they are providing services.

§11.1.8.10 By signing this contract or providing or causing to be provided a certificate of coverage, the contractor is representing to the governmental entity that all employees of the contractor who will provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

§11.1.8.11 The contractor's failure to comply with any of these provisions is a breach of contract by the contractor which entitles the governmental entity to declare the contract void if the contractor does not remedy the breach within ten days after receipt of notice of breach from the governmental entity.

§ 11.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

§ 11.2.1 By signing the Contract or providing or causing to be provided a Certificate of Coverage, the Contractor is representing to the Owner that all employees of the Contractor who will provide services on the Project will be covered by workers' compensation coverage for the duration of the Project, that coverage will be based on proper reporting or classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

§11.2.2 Optionally, the Owner may require the Contractor to purchase and maintain Project Management Protective Liability insurance from the Contractor's usual sources as primary coverage for the Owner's, Contractor's and Architect's vicarious liability for construction operations under the contract. Unless otherwise required by the Contract Documents, the Owner shall reimburse the Contractor by increasing the Contract Sum to pay the cost of purchasing and maintaining such optional insurance coverage and the Contractor shall not be responsible for purchasing any other liability insurance on behalf of the Owner. The minimum limits of liability purchased with such coverage shall be equal to the aggregate of the limits required for Contractor's Liability Insurance under Article 11.

§ 11.3 PROPERTY INSURANCE

§ 11.3.1 Contractor shall obtain a builder's risk "all-risk" or equivalent policy in the amount of the initial Contract Sum (or if applicable Guaranteed Maximum Price), plus value of subsequent Contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. The policy must also name its subcontractors and the Owner as additional insured, as their respective interests may appear. Coverage shall include material stored on-site and in transit. Such insurance will be with a company or companies lawfully authorized to do business in Texas. The policy must have the following endorsement: "This insurance shall be specific as to coverage and not considered as contributing insurance with any permanent insurance maintained on the present premises."

§ 11.3.1.1 Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework,

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testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss.

§ 11.3.1.1.1 For any claim made against Contractor's Builder's Risk Insurance, the deductible shall not exceed $2,500.00 for a Contract Sum of less than $4 million. For a Contract Sum of $4 million or more, the deductible shall not exceed $5,000.00.

§11.3.1.1.2 The Contractor waives all rights against (1) Owner, the Subcontractors, Sub-subcontractors, agents, and employees, and (2) the Architect, Architect's consultants, separate contractors, if any, and any of their Subcontractors, Sub-subcontractors, agents, and employees, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to this Section or other property insurance applicable to the Work, except such rights as Contractor has to proceeds of such insurance held by the Contractor as a fiduciary. The Contractor, as appropriate, shall require of any separate contractors, Subcontractors, Sub-subcontractors, agents, and employees of any of them by appropriate written agreements, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§11.3.1.1.3 The Contractor as fiduciary shall have power to adjust and settle a loss with insurers. The Contractor shall pay all Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements shall require Subcontractors to make payment to their Sub-subcontractors in similar manner. If required in writing by a party in interest, the Contractor as fiduciary shall, upon occurrence of insured loss, give bond for proper performance of the Contractor's duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Contractor shall deposit in a separate account proceeds so received, which the Contractor shall distribute in accordance with such agreement as the parties in interest may reach. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor under the insurance proceeds.

§ 11.3.1.2 DELETED.

§ 11.3.1.3 DELETED.

§ 11.3.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 11.3.1.5 Partial occupancy or use shall not affect the validity or coverage of property insurance.

§ 11.3.2 BOILER AND MACHINERY INSURANCE DELETED.

§ 11.3.3 LOSS OF USE INSURANCE DELETED.

§ 11.3.4 DELETED.

§ 11.3.5 DELETED.

§ 11.3.6 DELETED.

§ 11.3.7 WAIVERS OF SUBROGATION

Contractor waives all rights against (1) Owner, the Subcontractors, Sub-subcontractors, agents and employees, and (2) the Architect, Architect's consultants, separate contractors if any, and any of their Subcontractors, Sub-subcontractors, agents and employees, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to this Article 11or other property insurance applicable to the Work, except such rights as Contractor has to proceeds of such insurance held by the Contractor as fiduciary. The Contractor, as appropriate, shall require of any separate contractors, Subcontractors, Sub-subcontractors, agents and employees of any of them, by appropriate

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written agreements, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 11.3.8 A loss insured under the Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.3.10. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.3.9 DELETED.

§ 11.3.10 The Owner as fiduciary shall have power to adjust and settle a loss with insurers.

§ 11.4 PERFORMANCE BOND AND PAYMENT BOND

§ 11.4.1 The Contractor shall furnish a Performance Bond in an amount equal to one hundred percent (100%) of the Contract Sum, as security for the faithful performance of the Contract and also a one hundred percent (100%) Payment Bond, as security for the payment of all persons performing labor on the Project under this Contract and furnishing materials in connection with the Contract. The Performance Bond and the Payment Bond may be in one or in separate instruments in accordance with local law. Surety companies must be authorized to write surety bonds in Texas and any such surety bond must comply with the requirements of Subchapter A of Chapter 3503 of the Texas Insurance Code.

§11.4.1.1 The Contractor shall deliver the required Bonds to the Owner not later than the date of the preconstruction meeting. All Bonds will be reviewed by the Architect for compliance with the Contract Documents prior to the execution of the Contract. In the event that Architect has any questions concerning the sufficiency of the bonds, Architect shall refer the bonds to Owner or Owner's representative for decision.

§11.4.1.2 All bonds shall be originals. The Contractor shall require the attorney-in-fact who executes the required Bonds on behalf of the Surety to affix thereto a certified and current copy of the power-of-attorney. The name, address, and telephone number of a contact person for the Bonding Company shall be provided.

§ 11.4.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

§ 11.4.3 The Bonds shall be provided to comply with the terms and provisions of Chapter 2253 of the Texas Government Code. Bonds shall be signed by an agent resident in the State of Texas and date of bond shall be on or after the date of execution of the Contract but prior to the date of the notice to proceed. If at any time during the continuance of the Contract, the surety of the Contractor's bonds becomes insufficient, the Owner shall have the right to require additional and sufficient sureties which the Contractor shall furnish to the satisfaction of the Owner within ten (10) days after notice to do so. In default thereof, the Contractor may be suspended, and all payment or money due to the Contractor withheld until sufficient bonds are provided by Contractor.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 UNCOVERING OF WORK

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time or Contract Sum.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Contract Documents, such costs

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and the cost of correction shall be at the Contractor's expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

§ 12.2 CORRECTION OF WORK

§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION

The Contractor shall promptly correct Work rejected by the Architect as incomplete, defective, or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 AFTER SUBSTANTIAL COMPLETION

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the entire Work (unless otherwise provided in any Certificate of Partial Substantial Completion approved by the parties), or within such longer period of time as may be prescribed by law or in equity, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be defective or otherwise not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. This corrective period shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work. Corrective Work shall be warranted to be free from defects for a period equal to the longer of six (6) months after the completion of the corrective Work or one (1) year after the Date of Substantial Completion (subject to extension as previously described) or such longer period of time as may be prescribed by law or in equity, or expiration of the term of any applicable special warranty, if applicable, required by the Contract Documents. Any defect in such Work shall be corrected again by Contractor promptly upon notice of the defect from Owner. This obligation under this Section 12.2.2.1 shall survive acceptance of the Work under the Contract and termination of the Contract by the Owner. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§12.2.2.4 Just before the termination of the various guarantee periods, Contractor shall accompany Owner's agent and Architect on an inspection tour of the building and shall note any defects and shall start remedying these defects within ten (10) days of the inspection tour and shall prosecute the Work without interruption until accepted by Owner and Architect, even though such prosecution should extend beyond the limit of the guarantee period.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused in whole or in part by the Contractor's correction or removal of Work that is defective or otherwise not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents or under law or in equity. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

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§ 12.3 ACCEPTANCE OF NONCONFORMING WORK

If the Owner prefers to accept Work that is defective or otherwise not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located.

§ 13.2 SUCCESSORS AND ASSIGNS

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate such assignment.

§ 13.3 WRITTEN NOTICE

§13.3.1 Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity, or to an officer of the corporation for which it was intended; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice or if delivered by facsimile to the offices of the person or corporation for which it was intended. Facsimiles received after 5:00 p.m. on a business day, or on a weekend or legal holiday on which the recipient's offices are closed, notice shall be deemed to have been duly served on the next business day.

§ 13.4 RIGHTS AND REMEDIES

§ 13.4.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law or in equity or by any other agreement, and any such rights and remedies shall survive the acceptance of the Work and/or any termination of the Contract Documents.

§ 13.4.2 No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach there under, except as may be specifically agreed in writing.

§ 13.5 TESTS AND INSPECTIONS

§ 13.5.1 Tests, inspections and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Architect, Owner and Contractor shall be afforded a reasonable opportunity to attend, observe, and witness all inspections and tests of the Work. Architect or Owner may at any time request and receive from Contractor satisfactory evidence that materials, supplies, or equipment are in conformance with the Contract Documents. The conduct of any inspection or test and the receipt of any approval shall not operate to relieve Contractor from its obligations under the Contract Documents unless specifically so stated by Owner in writing.

§ 13.5.2 If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures.

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§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, or reveal faulty or otherwise defective Work, or if the necessity of any such testing, inspection, or approval procedures arises out of the fault, neglect, or omission of Contractor, Contractor shall bear all costs of such testing, inspection, and approval procedures and all other costs made necessary by Contractor's failures, including, without limitation, those costs of repeated and additional procedures and compensation for Architect's services and expenses of Owner's personnel and consultant fees and expenses. Such costs shall be paid by Contractor within ten (10) days of receipt of invoice from Owner with supporting data attached.

§ 13.5.4 Required certificates of testing, inspection or approval shall, be secured by the Contractor and delivered to the Owner, unless such testing or inspection services are arranged by Owner.

§ 13.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.6 INTEREST

An overdue payment bears interest at the legal rate established by the Texas Government Code, currently in Section 2251.025, or in the event no rate is so established, at the rate of one percent (1%) each month. Any such payment shall be deemed overdue on the thirty-first (31st) day after Owner receives an invoice from Contractor.

§ 13.7 TIME LIMITS ON CLAIMS

The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract within the time period specified by applicable law.

§ 13.8.1 The Contractor shall maintain policies of employment as follows: "The Contractor and the Contractor's Subcontractors shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin. Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, religion, color, sex, or national origin. Such action shall include, but not be limited to, the following: employment, promotion, demotion, or transfer; recruitment, or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants, notices setting forth the nondiscrimination policies."

§13.8.1.1 The Contractor and the Contractor's Subcontractors shall, in all solicitations or advertisements for employees placed by them or on their behalf; state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, or national origin.

§13.9 CERTIFICATION OF ASBESTOS-FREE PROJECT

§13.9.1 Contractor shall submit to the Architect a letter addressed to the Owner certifying that all materials used in the construction of this Project contain less than 0.10 by weight of asbestos and for which it can be demonstrated that, under reasonably foreseeable job site conditions, will not release asbestos fibers in excess of 0.1 fibers per cubic centimeter. Certification letters shall be dated, shall reference this specific Project, and shall be signed by not less than two (2) officers of the construction company.

§13.9.2 Certification shall further state that should asbestos fibers be found at this Project in concentrations greater than 0.1 fibers per cubic centimeter, that Contractor shall be responsible for determining which materials contain asbestos fibers and shall take corrective action to remove those materials from the Project at no additional cost to the Owner.

§13.9.3 Final payment shall not be made until this letter of certification has been received.

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ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 TERMINATION BY THE CONTRACTOR

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of sixty (60) consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

.1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped; or

.2 An act of government, such as a declaration of national emergency that requires all Work to be

(Paragraphs deleted)

stopped.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 14.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon fourteen (14) days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work properly executed in accordance with the Contract Documents.

§ 14.1.4 Owner shall not be responsible for damages for loss of anticipated profits on Work not performed on account of any termination described in Sections 14.1.1 and 14.1.2.

§ 14.2 TERMINATION BY THE OWNER FOR CAUSE

§ 14.2.1 The Owner may terminate the Contract if the Contractor

.1 refuses or fails to supply enough properly skilled workers or proper materials and equipment;

.2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;

.3 disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority;

.4 disregards the instructions of Architect or Owner (when such instructions are based on the requirements of the Contract Documents);

.5 is adjudged bankrupt or insolvent, or makes a general assignment for the benefit of Contractor's creditors, or a trustee or receiver is appointed for Contractor or for any of its property, or files a petition to take advantage of any debtor's act, or to reorganize under bankruptcy or similar law; or

.6 otherwise does not fully comply with the Contract Documents**.**

§ 14.2.2 When any of the above reasons exist, the Owner, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

.1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;

.2 Accept assignment of subcontracts pursuant to Section 5.4; and

.3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 To the extent the costs of completing Work, including compensation for additional professional services and expenses, exceed those costs that would have been payable to Contractor to complete the Work except for

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Contractor's default, Contractor will pay the difference to Owner, and this obligation for payment shall survive termination of the Contract. Such costs incurred by Owner will be determined by Owner and confirmed by Architect.

§14.2.5 In addition to Owner's right to remove Contractor from any part of Work pursuant to the Contract Documents, Owner may, at any time, at will and without cause, terminate any part of Work or any subcontract or all remaining Work for any reason whatsoever by giving seven (7) days' prior written notice to Contractor specifying the part of Work or subcontract to be terminated and the effective date of termination. Contractor shall continue to prosecute the part of Work not terminated. If any part of Work or subcontract is so terminated, Contractor shall be entitled to payment for Work properly executed in accordance with the Contract Documents (the basis for such payment shall be as provided in the Contract) and for costs directly related to Work thereafter performed by Contractor in terminating such Work or subcontract including reasonable demobilization and cancellation charges provided said Work is authorized in advance by Architect and Owner. No payment shall be made by Owner, however, to the extent that such Work or subcontract is, was, or could have been terminated under the Contract Documents or an equitable adjustment is made or denied under another provision of the Contract. In case of such termination, Owner will issue a Construction Change Directive or authorize a Change Order making any required adjustment to the Date of Substantial Completion and/or the Contract Sum. For the remainder of the Work, the Contract Documents shall remain in full force and effect.

§14.2.6 Owner shall not be responsible for damages for loss of anticipated profits on Work not performed on account of any termination described in Section 14.2.5.

§14.2.7 Upon a determination by a court of competent jurisdiction that termination of Contractor pursuant to Section 14.2.1 was wrongful, such termination will be deemed converted to a termination for convenience pursuant to Section 14.2.5 and Contractor's remedy for wrongful termination shall be limited to the recovery of the payments permitted for termination for convenience as set forth in Section 14.2.5.

§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- **.1** that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
- **.2** that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- **.1** cease operations as directed by the Owner in the notice;
- **.2** take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- **.3** except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, without any overhead or profit on the Work not executed.

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ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 CLAIMS

§ 15.1.1 DEFINITION

A Claim is a demand or assertion by one of the parties seeking, as a matter of right adjustment, or interpretation of the Contract Terms, payment of money, extension of time or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim. Claims must be by written notice.

§ 15.1.2 NOTICE OF CLAIMS

Claims by either the Owner or Contractor must be initiated by written notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later. Said written notice of claims shall state specifically the reason for the claim, the date or dates of the cause or causes of the claim, and if any extension of time is requested, the number of days of extension requested.

§ 15.1.3 CONTINUING CONTRACT PERFORMANCE

Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. The Architect will prepare Change Orders and issue Certificates for Payment in accordance with the decisions of the Initial Decision Maker.

§ 15.1.4 CLAIMS FOR ADDITIONAL COST

If the Contractor wishes to make a Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Said notice shall itemize all claims and shall contain sufficient detail and substantiating data to permit evaluation of same by Owner and Architect. No such claim shall be value unless so made. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.5 CLAIMS FOR ADDITIONAL TIME

§ 15.1.5.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.5.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated and had an adverse effect on the scheduled construction. Extensions of time may be requested for any month of construction for days lost due to adverse weather in excess of the normally expected lost time; provided, however, if Architect determines that the seasonal average of adverse weather days during construction is less than would be normally expected, no Change Order shall be issued and the request for extension of time shall be denied.

§ 15.1.6 CLAIMS FOR CONSEQUENTIAL DAMAGES

(Paragraph deleted)

Contractor shall not be entitled to claims for additional time and/or increase in Contract Price due to a problem or non-performance of a subcontractor.

§ 15.1.7 In the event the Contractor fails to achieve substantial completion by the date indicated in the Contract, and extended by approved Change Order, the Owner shall be entitled to liquidated damages in the amount as stated in Section 3.1.1 of the modified AIA document A 101 – 2007 Edition by and between Owner and Contractor to which this document is attached as Exhibit A per day until the Work is substantially completed. It is expressly understood that the said sum per day is agreed upon as a fair estimate of the pecuniary damages, which will be sustained by Owner in the event that the Work is not completed within the agreed time, or within the legally extended time, if any. Said sum shall be considered as liquidated damages only, the exact ascertainment of which is difficult and in no sense be considered a penalty.

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This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.6 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 INITIAL DECISION

§ 15.2.1 Claims, excluding those arising under Sections 10.3, 10.4, 11.3.9, and 11.3.10, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Initial Decision Maker with no decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim in whole or in part, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of such request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to litigation.

§ 15.2.6 DELETED.

§ 15.2.6.1 DELETED.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 DELETED.

§ 15.3 MEDIATION

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract may be subject to mediation as a condition precedent to litigation.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation.

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§ 15.3.3 The parties shall share the mediator's fee. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.4 ARBITRATION

The parties expressly agree that disputes or claims arising under the Contract Documents shall not be subject to arbitration unless mutually agreed by the parties in writing.

OWNER:	**CONTRACTOR:**
McALLEN INDEPENDENT SCHOOL DISTRICT	[_____]
By: _____	By: _____ Printed Name: _____ Title: _____
_____ Date	_____ Date

APPROVED AS TO FORM
ATLAS, HALL & RODRIGUEZ, LLP

By: _____
Stephen L. Crain

(Paragraphs deleted)

DRAFT

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BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Request for Cooperative Quotes No. 2021-1028 Phenolic Restroom Partition Replacement at McAllen High School and Memorial High School

REFERENCE: Goal 3 - Facility Priorities; Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

Administration solicited cooperative quotes for restroom improvements. The work will consist of installation of phenolic partitions with aluminum frames at McAllen High School and Memorial High School.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

Two hundred thirty-eight (238) contractors were invited to submit a cooperative quote, and three (3) contractors responded, including one contractor who was not awarded on a cooperative. The two cooperative quotes were reviewed by Ruben Treviño, Executive Director of Facilities Maintenance & Operations; Melissa Ortiz, Project Manager for Facilities Maintenance and Operations; and Roel Moroles, Assistant Director of Facilities Maintenance & Operations. Facilities Maintenance and Operations staff is recommending that the Board of Trustees award this contract to Noble Texas Builders LLC, the lowest-priced vendor ($186,848), through 2020-002 BuyBoard Contract #581-19. Administration is currently in negotiations with potential contractor.

LEGAL REVIEW:

A draft copy of the AIA contract is attached. The contract is pending receipt of the performance and payment bonds and final legal review.

BUDGETARY CONSIDERATIONS:

Funds for this project are budgeted through the Maintenance Tax Note.

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve Request for Cooperative Quotes No. 2021-1028 Phenolic Restroom Partition Replacement at McAllen High School and Memorial High School and award Noble Texas Builders LLC.

SUBMITTED BY: _____ **SUPERVISOR:** Arely Benavides (May 5, 2021 13:53 CDT)

For further information contact:
Name: Ruben Treviño
Office: (956) 632-3200
email: ruben.trevino@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

2021-1028 Request for Cooperative Quotes Phenolic Restroom Partition Replacement at McAllen High School and Memorial High School

Deadline: 04/30/2021 03:00 PM (CT)

★ Recommended for Award of Contract

				★ **Noble Texas Builders** La Feria, TX	**Indeco Sales** Belton, TX
	The project shall be completed within three hundred (300) calendar days.:			90 Calendar Days	180 Calendar Days
			Total Price:	**$186,848.00**	**$231,750.00**
Line #	**Description**	**QTY**	**UOM**	**Unit Price**	**Unit Price**
	Enter cooperative agency name.			Buy Board	Buy Board
	Enter cooperative contract #.			581-19	#584-19
	Manufacturer Model #			BRADLEY	Wilsonart Phenolic Partitions
	Specify removal method.			Surface Mounted Latch with emergency egress	Lift Door 1/2" and Push Open
1	Total amount proposed, in accordance with the "Specifications Drawings", for location 1)McAllen High School. Specify manufacturer/model # of proposed system.	1	LS	**$84,380.00**	$129,200.00
2	Total amount proposed, in accordance with the "Specifications Drawings", for location 2)Memorial High School. Specify manufacturer/model # of proposed system.	1	LS	**$102,468.00**	$102,550.00

AIA® Document A101™ – 2017

Standard Form of Agreement Between Owner and Contractor *where the basis of payment is a Stipulated Sum*

AGREEMENT made as of the day of in the year 202__
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

McALLEN INDEPENDENT SCHOOL DISTRICT
2000 North 23rd Street
McAllen, Texas 78501

and the Contractor:
(Name, legal status, address and other information)

for the following Project:
(Name, location and detailed description)

The Architect:
(Name, legal status, address and other information)

The Owner and Contractor agree as follows.

ADDITIONS AND DELETIONS:
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

The parties should complete A101™–2017, Exhibit A, Insurance and Bonds, contemporaneously with this Agreement. AIA Document A201™–2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

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TABLE OF ARTICLES

1 THE CONTRACT DOCUMENTS

2 THE WORK OF THIS CONTRACT

3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

4 CONTRACT SUM

5 PAYMENTS

6 DISPUTE RESOLUTION

7 TERMINATION OR SUSPENSION

8 MISCELLANEOUS PROVISIONS

9 ENUMERATION OF CONTRACT DOCUMENTS

EXHIBIT A MODIFIED AIA DOCUMENT A201–2007, GENERAL CONDITIONS OF THE CONTRACT FOR CONSTRUCTION
EXHIBIT B CONTRACTOR'S PROPOSAL
EXHIBITS C PAYMENT AND PERFORMANCE BONDS
EXHIBIT D CONTRACTOR'S INSURANCE CERTIFICATES
EXHIBIT E PLANS AND SPECIFICATIONS

INSURANCE AND BONDS

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary, and other Conditions), all sections of the Project Manual, Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 9.

ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be:
(Check one of the following boxes.)

[ ] The date of this Agreement.

[X] A date set forth in a notice to proceed issued by the Owner.

[ ] Established as follows:
(Insert a date or a means to determine the date of commencement of the Work.)

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of this Agreement.

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§ 3.2 The Contract Time shall be measured from the date of commencement of the Work.

§ 3.3 Substantial Completion

§ 3.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Contractor shall diligently prosecute and achieve Substantial Completion of the entire Work:
(Check one of the following boxes and complete the necessary information.)

[ ] Not later than ( ) calendar days from the date of commencement of the Work.

[ ] By the following date:

Final Completion shall be 30 calendar days after the date of Substantial Completion, subject to adjustments of the Contract Time as provided in the Contract Documents.

§ 3.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Contractor shall achieve Substantial Completion of such portions by the following dates:

Portion of Work	Substantial Completion Date

§ 3.3.3 If the Contractor fails to achieve Substantial Completion as provided in this Section 3.3, liquidated damages, if any, shall be assessed as set forth in Section 4.5.

ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be ($), subject to additions and deductions as provided in the Contract Documents. The Contract Sum consists of two portions, the budgeted amount of [ ] Dollars and [ ] Cents ($[ ]) and a contingency of [ ] Dollars ($[ ]) as specified in Section 4.3 below. This contingency is for the sole use of the Owner to be used for changes in the scope of the Work and for the betterment of the Project. Contractor acknowledges and agrees that the contingency portion of the Contract Sum set forth in Section 4.3 shall not be due or payable unless and to the extent that Owner authorizes such expenditure in writing If the Owner's Contingency is not expended or not fully expended, then any unused portion shall belong to the Owner and shall be credited to the Owner in calculating final payment.

§ 4.2 Alternates

§ 4.2.1 Alternates, if any, included in the Contract Sum:

Item	Price

§ 4.2.2 Subject to the conditions noted below, the following alternates may be accepted by the Owner following execution of this Agreement. Upon acceptance, the Owner shall issue a Modification to this Agreement.
(Insert below each alternate and the conditions that must be met for the Owner to accept the alternate.)

Item	Price	Conditions for Acceptance

§ 4.3 Allowances, if any, included in the Contract Sum:
(Identify each allowance.)

Item	Price
Contingency	$[ ]

§ 4.4 Unit prices, if any:
(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)

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[Unit prices for certain components are specified in the bidding form attached hereto as part of Exhibit B. Such prices are only applicable in the event Owner opts to increase or decrease the number of required components.]

Item	Units and Limitations	Price per Unit ($0.00)

§ 4.5 Liquidated damages, if any:
(Insert terms and conditions for liquidated damages, if any.)

§ 4.5.1 Substantial Completion. Owner and Contractor recognize that time is of the essence in this Agreement and that Owner will suffer financial loss if the Work is not completed within the time specified in Article 3, plus any extension thereof in accordance with Article 8 of the General Conditions. They also recognize the delays, expense and difficulties involved in proving in a legal proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring such proof, Owner and Contractor agree that as liquidated damages for delay (but not as penalty) Contractor shall pay Owner [ ] Dollars and Zero Cents ($[ ].00) per calendar day for each day after the Substantial Completion date noted in Article 3 until the Work is substantially complete.

§ 4.5.2 Final Completion. In addition, timely Final Completion is an essential condition of this Agreement. Contractor agrees to achieve Final Completion of the Work within 30 calendar days of the Substantial Completion date (subject to adjustment of such date in accordance with the terms hereof). It is specifically understood and agreed by and between Owner and Contractor that time is of the essence in the Final Completion of the Project and Owner shall sustain additional damages as a result of Contractor's failure, neglect or refusal to achieve said deadline. Such damages are, and will continue to be, impracticable and extremely difficult to determine. Contractor and Owner also recognize the delays, expense and difficulties involved in proving in a legal proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring such proof, Owner and Contractor agree that as liquidated damages for delay (but not as penalty) Contractor shall pay Owner [ ] Dollars and Zero Cents ($[ ].00) per calendar day for each day after the Final Completion date noted in Article 3 until the Work is substantially complete.

§ 4.5.3 ***It is expressly understood that the said sum per day set forth in this Section 4.5 is agreed upon as a fair estimate of the pecuniary damages, which will be sustained by the Owner in the event that the Work is not completed within the agreed time, or within the legally extended time, if any. Said sum shall be considered as liquidated damages only, the exact ascertainment of which is difficult, and in no sense shall be considered a penalty.*** It is expressly agreed as a part of the consideration inducing the Owner to execute this Agreement that the Owner may deduct from any Payment made to the Contractor any sums due from Contractor to Owner pursuant to Section 4.5 above.

§ 4.6 Other:
(Insert provisions for bonus or other incentives, if any, that might result in a change to the Contract Sum.)

§ 4.6.1 Commitment of Current Revenues Only. In the event that during any term hereof, the governing body of any local government party does not appropriate sufficient funds to meet the obligations of such party under this Agreement, then any party may terminate this Agreement upon ninety (90) days written notice to the other party. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of each government party hereto pursuant to the provisions of Texas Local Governmentt Code §271.903.

ARTICLE 5 PAYMENTS

§ 5.1 Progress Payments

§ 5.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

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§ 5.1.3 Provided that an Application for Payment is received by the Architect not later than the first day of a month, the Owner shall make payment of the amount certified to the Contractor not later than the fifth day following approval by the Board of Trustees or as otherwise required by applicable law .
(Federal, state or local laws may require payment within a certain period of time.)

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum less any unused Owner's contingency among the various portions of the Work. The schedule of values shall be prepared in such form, and supported by such data to substantiate its accuracy, as the Owner and the Architect may require. This schedule of values, unless objected to by the Architect or the Owner, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 5.1.6 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 5.1.6.1 The amount of each progress payment shall first include:

.1 That portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values;

.2 That portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction, or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing; and

.3 That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified to the extent approved by the Owner in writing, as provided in Section 7.3.9 of AIA Document A201.

§ 5.1.6.2 The amount of each progress payment shall then be reduced by:

.1 The aggregate of any amounts previously paid by the Owner;

.2 The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201;

.3 Any amount for which the Contractor does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Contractor intends to pay;

.4 For Work performed or defects discovered since the last payment application, any amount for which the Architect may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document A201 or amounts certified by the Architect and disputed by the Owner; and

.5 Retainage withheld pursuant to Section 5.1.7.

§ 5.1.7 Retainage

§ 5.1.7.1 For each progress payment made prior to Substantial Completion of the Work, the Owner shall withhold the following amount, as retainage, from the payment otherwise due:
(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)

Five percent (5%) if the amount set forth in Section 4.1 above for the Contract Sum is at least Four Hundred Thousand Dollars ($400,000.00) and ten percent (10%) if such amount is less than Four Hundred Thousand Dollars ($400,000.00).

(Paragraphs deleted)

§ 5.1.7.2 Reduction or limitation of retainage, if any, shall be as follows:

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(If the retainage established in Section 5.1.7.1 is to be modified prior to Substantial Completion of the entire Work, including modifications for Substantial Completion of portions of the Work as provided in Section 3.3.2, insert provisions for such modifications.)

None.

§ 5.1.7.3 Except as set forth in this Section 5.1.7.3, upon Substantial Completion of the Work, the Contractor may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 5.1.7. The Application for Payment submitted at Substantial Completion shall not include retainage as follows:
(Insert any other conditions for release of retainage upon Substantial Completion.)

Retainage on any incomplete Work and Unsettled claims.
(Paragraph deleted)
§ 5.1.9 Except with the Owner's prior written approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 5.1.10 If Owner is entitled to deduct liquidated damages, or any other damages or amounts provided in the Contract Documents, including clean-up fees, then Owner shall be entitled to deduct such liquidated damages, amounts and fees at any time.

§ 5.1.11 If Contractor fails or refuses to complete the Work, or has unsettled claims with Owner, any payment to Contractor shall be subject to deduction for such amounts as the Architect if applicable, shall determine as the cost for completing incomplete Work and the value of unsettled claim.

§ 5.2 Final Payment
§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum minus disputed sums, authorized deductions and liquidated damages, shall be made by the Owner to the Contractor after

.1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct nonconformingWork as provided in Article 12 of AIA Document A201, and to satisfy other requirements, if any, which extend beyond final payment;

.2 the Contractor has provided all documents required by Sections 3.5 et seq. and 9.10.2 et seq. of AIA Document A201;

.3 the Contractor has provided the following documents:

.1 Written certifications that no materials used in the Work contain lead or asbestos materials in them in excess of amounts allowed by federal, state or local standards, laws, codes, rules and regulations; the Federal Environmental Protection Agency (EPA) standards; and/or the Federal Occupational Safety and Health Administration (OSHA) standards, whichever is most restrictive. The Contractor shall provide this written certification as part of submittals under the Section in the Project Manual related to Contract Closeout;

.2 Final list of subcontractors (AIA Document G705);

.3 Contractor's certification in Texas Education Agency's Certification of Project Compliance, located at: www.tea.state.tx.us/school.finance/facilities/cert_2004. pdf;

.4 Contractor's warranties, organized as required elsewhere in the Contract Documents;

.5 Maintenance and Instruction Manuals;

.6 Owner's Final Completion Certificate; and

.7 "As-constructed record drawings". At the completion of the Project, the Contractor shall submit one complete set of "as-constructed" record drawings, with all changes made during construction, including concealed mechanical, electrical, and plumbing items. The Contractor shall submit these as electronic, sepia, or other acceptable medium, in the discretion of the Owner. The "as-constructed" record drawings shall delete the seal of the

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Architect and/or the Engineer and any reference to those firms providing professional services to the Owner, except for historical or reference purposes;

.4 a final Certificate for Payment has been issued by the Architect; and

.5 Owner's Board of Trustees has voted to accept the Work and approve the Final Payment.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, and upon acceptance by the Owner and Architect, and after satisfactory evidence has been given by the Contractor that all of the Contractor's bills have been paid and the entire Project is free from liens.

§ 5.3 Interest

Payments due and unpaid under the Contract shall bear interest pursuant to Texas Government Code §2251.025.
(Insert rate of interest agreed upon, if any.)

%

ARTICLE 6 DISPUTE RESOLUTION

§ 6.1 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201, unless the parties appoint below another individual, not a party to this Agreement, to serve as the Initial Decision Maker.
(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

§ 6.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by, mediation pursuant to Article 15 of AIA Document A201, the method of binding dispute resolution shall be as follows:
(Check the appropriate box.)

[ ] Arbitration pursuant to Section 15.4 of AIA Document A201–2017

[X] Litigation in a court of competent jurisdiction

[ ] Other *(Specify)*

If the Owner and Contractor do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 7 TERMINATION OR SUSPENSION

§ 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201.

(Paragraphs deleted)

§ 7.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017.

ARTICLE 8 MISCELLANEOUS PROVISIONS

§ 8.1 All references to AIA Document A201-2017, AIA Document A201-2007, AIA Document A201 or the A201, shall mean to the modified A201-2007 attached hereto as Exhibit "A". Similarly, references to AIA Document A101-2017, AIA Document A101-2007 or to the A101 shall mean to this A101-2017. Where reference is made in this

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Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 8.2 The Owner's representative:
(Name, address, email address, and other information)

Mr. Ruben Trevino
McAllen Independent School District
20000 N. 23rd St.
McAllen, TX 78501-6126

§ 8.3 The Contractor's representative:
(Name, address, email address, and other information)

§ 8.4 Neither the Owner's nor the Contractor's representative shall be changed without ten days' prior notice to the other party.

§ 8.5 Insurance and Bonds
§ 8.5.1 The Contractor shall purchase and maintain insurance as set forth in Article II of the AIA Document A201. The Contractor's insurance certificates are attached hereto as Exhibit "D".

§ 8.5.2 The Contractor shall provide bonds as set forth in AIA Document A201. The original bonds required pursuant to Section 11.4 of the A201 and this Section 8.5 are attached to the Owner's execution original of this Agreement as Exhibit "C" with a copy of the bonds attached as Exhibit "C" to the Contractor's execution original.

(Paragraphs deleted)
§ 8.7 Other provisions:

§ 8.7.1 The Agreement shall be governed by the laws of the State of Texas, and any litigation shall be conducted in state district court. Mandatory and exclusive venue shall be in Hidalgo County, Texas.

§ 8.7.2 As a material consideration of the making of this Agreement, the modifications to this Agreement shall not be construed against the maker of said modifications.

§ 8.7.3 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors. As part of that responsibility, Contractor shall enforce the Owner's alcohol-free, drug-free, tobacco-free, harassment-free and weapon-free policies and zones, which will require compliance with those policies and zones by Contractor's employees, subcontractors, and all other persons carrying out the Contract.

§ 8.7.4 Contractor acknowledges that the Owner retained the party set forth above under "Architect" above to provide certain design, contract administration and/or other services for the Project, and may not have used an AIA document for the contract with such party. All references in the Contract Documents to the Architect shall be to the entity named on the first page as the "Architect". The parties acknowledge and agree that, notwithstanding any other provision in the Contract Documents, the Owner is not obligated to retain an architect for the Project and the Owner makes no representations about the party set forth above under "Architect" being an architect.

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§ 8.7.5 Contractor shall require all construction workers, whether Contractor's own forces or the forces of Contractor's subcontractors, to wear identification tags on the front of their persons during all times that they are on Owner's property. Such identification tags shall contain a current photograph and the worker's full name in a typeface large enough to be seen from a reasonable distance.

§ 8.7.6 Contractor shall require all construction workers, whether Contractor's own forces or the forces of Contractor's subcontractors, to park their personal motor vehicles on Owner's property only in the parking places designated by the Owner's campus principal. Any vehicles not parked in the appropriate locations shall be towed at the vehicle owner's sole expense.

§ 8.7.7 Contractor shall institute a theft deterrence program designed to restrict construction worker access to properties of Owner that are currently in use, to maintain supervision of Contractor's and Contractor's subcontractor's forces, and to reimburse the Owner or those persons suffering a theft loss which results from Contractor's forces or Contractor's subcontractor's forces' actions, omissions, or failure to secure the Work or connecting or adjacent property of Owner.

§ 8.7.8 The Contractor may not assign its responsibilities, duties, obligations and rights under this Agreement, without the express written consent of the Owner. This does not prevent Contractor from engaging subcontractors to perform various phases of the Project, but Contractor shall be fully responsible to Owner for the work, actions and omissions of all such subcontractors.

§ 8.7.9 This Agreement is subject to all applicable federal and state laws, rules, and regulations. Invalidity of any portion of this Agreement under the laws of the State of Texas or of the United States shall not affect the validity of the remainder of this Agreement.

§ 8.7.10 By signing this Agreement, the undersigned certifies as follows: Under Section 231.006, Texas Family Code, the vendor or applicant certifies that the individual or business entity named in the contract, bid, or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this contract may be terminated, and payment may be withheld if this certification is inaccurate.

§ 8.7.11 No delay or omission by Owner in exercising any right or power accruing upon the noncompliance or failure of performance by Contractor of any of the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by Owner of any of the covenants, conditions or agreements hereof to be performed by Contractor shall not be construed to be a waiver of any subsequent breach thereof or of any other covenant, condition or agreement herein contained.

§ 8.7.12 Contractor stipulates that Owner is a political subdivision of the State of the Texas, and, as such, enjoys immunities from suit and liability as provided by the constitution and laws of the State of Texas. By entering into this Agreement, Owner does not waive any of its immunities from suit and/or liability, except as otherwise specifically provided herein, and as specifically authorized by law.

§ 8.7.13 By executing this Agreement, Contractor verifies that it does not boycott Israel, and it will not boycott Israel during the terms of this Contract.

§ 8.7.14 Contractor verifies and affirms that it is not a foreign terrorist organization as identified on the list prepared and maintained by the Texas Comptroller of Public Accounts. If Contractor has misrepresented its inclusion on the Comptroller's list, such omission or misrepresentation will void this Contract.

ARTICLE 9 ENUMERATION OF CONTRACT DOCUMENTS

§ 9.1 This Agreement is comprised of the following documents:

.1 This executed AIA Document A101™–2017, Standard Form of Agreement Between Owner and Contractor

.2 AIA Document A201™–2007, General Conditions of the Contract for Construction

(Paragraphs deleted)

(as modified and attached hereto as Exhibit "A")

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(Paragraph deleted)

.3 Drawings attached hereto as part of Exhibit "E".

Number	Title	Date

.4 Specifications attached hereto as part of Exhibit "E".

Section	Title	Date	Pages

.5 Addenda, if any:

Number	Date	Pages

Portions of Addenda relating to bidding or proposal requirements are not part of the Contract Documents unless the bidding or proposal requirements are also enumerated in this Article 9.

.6 The following Exhibits, which are attached hereto:

.1	Exhibit A	The modified AIA Document A201–2007, General Conditions of the Contract for Construction.
.2	Exhibit B	Contractor's Proposal
.3	Exhibits C	Payment and Performance Bonds
.4	Exhibit D	Contractor's Insurance Certificates
.5	Exhibit E	Plans and Specifications

This Agreement entered into as of the day and year first written above.

OWNER:

McALLEN INDEPENDENT SCHOOL DISTRICT

By: _____

CONTRACTOR:

[ ]

By: _____
Printer Name:
Title:

APPROVED AS TO FORM
ATLAS, HALL & RODRIGUEZ, LLP

By: _____
Stephen L. Crain

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EXHIBIT A

to

(Paragraph deleted)

Agreement dated [, 20], between
McAllen Independent School District and [ ]
(CSP 20__-__ [ ])

Modified AIA Document A201-2007 General Conditions of the Contract for Construction

DRAFT

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EXHIBIT B

to

Agreement dated [, 20], between
McAllen Independent School District and [ ]
(CSP 20__-__ [ ])
Contractor's Proposal

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EXHIBIT C

to

(Table deleted)

Agreement dated [, 20], between
McAllen Independent School District and [ ]
(CSP 20__-__ [ ])

Payment Bond

and

Performance Bond

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(Table deleted)

EXHIBIT D

to

Agreement dated [, 20], between
McAllen Independent School District and [ ]
(CSP 20__-__ [ ])

Contractor's Insurance Certificates

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EXHIBIT E

to

Agreement dated [, 20], between
McAllen Independent School District and [ ]
(CSP 20__-__ [ ])

Plans and/or Specifications

(Table deleted)

DRAFT

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AIA® Document A201™ – 2007

General Conditions of the Contract for Construction

for the following PROJECT:
(Name and location or address)

THE OWNER:
(Name, legal status and address)

McALLEN INDEPENDENT SCHOOL DISTRICT
2000 North 23rd Street
McAllen, Texas 78501

THE ARCHITECT:
(Name, legal status and address)

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 BASIC DEFINITIONS

§ 1.1.1 THE CONTRACT DOCUMENTS

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect pursuant to Section 7.4. At the Owner's option, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding requirements.

§ 1.1.1.1 Contractor acknowledges and warrants that it has closely examined all the Contract Documents and is unaware of any instance where the documents are not suitable or are insufficient to enable the Contractor to complete the Work in a timely manner for the Contract sum, and that they include all Work, whether or not shown or described, which reasonably may be inferred or useful for the completion of the Work in full compliance with all applicable codes, laws, ordinances, and regulations.

§ 1.1.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor (except as provided in Sections 5.3 and 5.4 hereof), (3) between the Owner and the Architect or the Architect's consultants or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations of the Contractor under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.3.1 The Work shall include the obligation of the Contractor to visit the site of the Project before submitting a proposal. Such site visit shall be for the purpose of familiarizing Contractor with the conditions as they exist and the character of the operations to be carried on under the Contract Documents, including all existing site conditions, access to the site, physical characteristics of the site and surrounding areas. It also includes all supplies, skill, supervision, transportation services and other facilities and things necessary, proper or incidental to the carrying out and completion of the terms of the Contract and all other items of cost or value needed to produce, construct and fully complete the public work identified by the Contract Documents.

§ 1.1.4 THE PROJECT

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by separate contractors.

§ 1.1.5 THE DRAWINGS

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams wherever located and whenever issued.

§ 1.1.6 THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

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§ 1.1.7 INSTRUMENTS OF SERVICE

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 INITIAL DECISION MAKER

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2 and certify termination of the Agreement under Section 14.2.2.

§ 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results. Any differences between the requirements of the Drawings and the Specifications or any differences noted within the Drawings themselves or within the Specifications themselves have been referred to Owner and Architect by Contractor prior to the submission of bids and have been clarified by an Addendum issued to all bidders.

If such differences or conflicts were not called to Owner's and Architect's attention prior to submission of bids, Architect shall decide which of the conflicting requirements will govern based upon the following: the most stringent of the requirements will take precedence over the less stringent; the most expensive item will take precedence over the less expensive, and subject to the approval of Owner, Contractor shall perform the Work at no additional cost and/or time to Owner in accordance with the Architect's decision. Work not covered in the Contract Documents will not be required unless it is consistent therewith and is reasonably inferable as being necessary to produce the intended results.

§ 1.2.1.1 In the event of conflicts or discrepancies among the Contract Documents, interpretations will be based on the following priorities:

.1 The Agreement;
.2 Addenda, with those of later date having precedence over those of earlier date;
.3 Supplemental Conditions, if any;
.4 The General Conditions of the Contract for Construction;
.5 Specifications
.6 Drawings, in the case of inconsistency between the Drawings and Specifications or within either document, not clarified by Addendum, the better quality or greater quantity of Work shall be included in the Contract Documents. Clarifications of the inconsistency will be accomplished with the Contractor and, if necessary, an appropriate reduction in the contract will be accomplished by Change Order. Figures given on drawings govern scale measurements. Large scale drawings take precedence over small sale drawings. Written words take precedence over numbers. Handwritten documents take precedence over typewritten documents. Existing conditions take precedence over drawings and specifications for dimensions and shall be verified by the Contractor. The Contractor proceeds at his own risk if conflicts or discrepancies are not resolved prior to the execution of the Work.

§ 1.2.1.2 If Work is required in a manner to make it impossible to produce Work of the quality required by or reasonably inferred from the Contract Documents, or should discrepancies appear among the Contract Documents, Contractor shall request in writing an interpretation from Architect before proceeding with the Work. If Contractor fails to make such request, no excuse will thereafter be entertained for failure to carryout Work in the required manner or provide required guarantees, warranties, or bonds, and Contractor shall not be entitled to any change in the Contract Sum or the Contract Time on account of such failure.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

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§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 CAPITALIZATION

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 INTERPRETATION

In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 1.5.1 Instruments of Service, including the Drawings, Specifications, and other similar or related documents and copies thereof are furnished to Contractor for the purpose of performing the Work and are, and shall remain, the property of Owner and Owner will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Owner's or Owner's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect's consultants.

§ 1.6 TRANSMISSION OF DATA IN DIGITAL FORM

If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions, unless otherwise already provided in the Agreement or the Contract Documents.

ARTICLE 2 OWNER

§ 2.1 GENERAL

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Board of Trustees of Owner, by majority vote, is the only representative of Owner, having the power to enter into a Contract, to execute a change order requiring an increase in the Contract Sum, or agree to an extension of the contractual completion date. The Board shall designate, as appropriate, an authorized representative(s) to act on its behalf during the course of construction. In the event that an emergency changes the scope of the Work before the Board's next regular meeting or in order to facilitate and expedite the timely completion of the Work, the Board's authorized representative(s) may approve construction changes that do not exceed $5,000.00 in increased costs. Any such changes shall be confirmed in writing between the Contractor and the Board's authorized representative(s) and notice of such approved changes shall be given to the Board at its next regular meeting. The Board will act as soon as reasonably possible to avoid undue delays in the construction completion date.

§ 2.1.2 DELETED.

§ 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 2.2.1 Prior to commencement of the Work, the Contractor may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Contractor may only request such evidence if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) a change in the Work materially changes the Contract Sum; or (3) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

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§ 2.2.2 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.2.3 The Owner shall furnish surveys describing physical characteristics and legal limitations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work. In connection with the foregoing, Contractor shall be solely responsible for locating (and shall locate prior to performing any Work) all utilities lines, telephone company, cable, sewer lines, water pipes, gas lines, and electrical lines, including without limitation, all buried pipelines and buried telephone cables and shall perform the Work in such a manner so as to avoid damaging any such lines, cables, pipes and pipelines. Under this provision the Architect and Engineer are in no way relieved of their responsibilities outlined in the Contract or other attached contracts for identification of existing conditions.

§ 2.2.4 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.2.5 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2 for use on this Project. All costs of reproduction are the responsibility of Contractor.

§ 2.3 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents or fails to remove and discharge (within ten (10) days) any lien filed upon Owner's or, if applicable landlord's, property by anyone claiming by, through, or under Contractor, or disregards the instructions of Architect or Owner when based on the requirements of the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3 and any delay resulting from such Work stoppage shall not extend any Milestone Date identified in the Contract for Construction or the required dates of Substantial or Final Completion.

§ 2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect or failure. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

§ 2.4.1 The rights stated in Article 2 shall be in addition to and not in limitation of any other rights of Owner granted in the Contract Documents or at law or in equity.

ARTICLE 3 CONTRACTOR

§ 3.1 GENERAL

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express

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authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.2.3, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect and Owner in writing any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for design information in such form as the Architect may require.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect and Owner in writing any nonconformity discovered by or made known to the Contractor as a request for design information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall make Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities unless the Contractor recognized or reasonably should have recognized such error, inconsistency, omission or difference and knowingly failed to report it to the Architect and Owner.

§ 3.2.5 The Contractor shall not be entitled to additional compensation for the "rework portion" of any additional work caused by his failure to carefully study and compare the Contract Documents prior to execution of the Work.

§ 3.2.6 The Contractor shall make reasonable attempt to interpret the Contract Documents before asking the Architect for assistance in interpretation. The Contractor shall not ask the Architect for observation of work prior to the Contractor's field superintendent's personal inspection of the work and his determination that the work complies with the Contract Documents.

§ 3.2.7 If, in the opinion of the Architect, the Contractor does not make a reasonable effort to comply with the above requirements of the Contract Documents and this causes the Architect or Architect's consultants to expend an unreasonable amount of the time in the discharge of the duties imposed on Architect by the Contract Documents, then the Contractor shall bear the cost of compensation for the Architect's additional services made necessary by such failure. The Architect will give the Contractor prior notice of intent to bill for additional services related to Sections 3.2.6, 3.2.7, and 3.12 before additional services are performed.

§ 3.2.8 If the Contractor has knowledge that any of the products or systems specified will perform in a manner that will limit the Contractor's ability to satisfactorily perform the work or to honor his Warranty, Contractor shall promptly

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notify the Architect in writing, providing substantiation for the position. Any necessary changes, including substitutions of materials, may only be accomplished by an appropriate Modification.

§ 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the Owner and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.3.4 Contractor shall be responsible to Owner for acts and omissions of Contractor's employees, Subcontractors, and their agents and employees, and other persons performing portions of the Work under Contract Documents or other arrangements with Contractor.

§ 3.3.5 Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on the Work, including those with respect to the safety of persons and property and their protection from damages, injury, or loss. Contractor shall promptly remedy damage and loss to property at the site caused in whole or in part by Contractor, its Subcontractor, or anyone directly or indirectly employed by any of them or by anyone for whose acts they may be liable, except for damage or loss attributable solely to acts or omissions of Owner or Architect or by anyone for whose acts either of them may be liable and not attributable to the fault or negligence of Contractor, its Subcontractor, or anyone directly or indirectly employed by them. The foregoing obligations of Contractor are in addition to Contractor's obligations under other provisions hereunder.

§ 3.3.6 Contractor shall be responsible for inspection of portion of Work already performed under the Contract for Construction to determine that such portions are in proper condition to receive subsequent Work.

§ 3.3.7 Contractor has the responsibility to ensure that all material suppliers and Subcontractors, their agents, and employees adhere to the Contract Documents, and that they order materials on time, taking into account the current market and delivery conditions, and that they provide materials on time. Contractor shall coordinate its Work with that of all others on the Project, including of construction utilities.

§ 3.3.8 Contractor shall establish and maintain bench marks and all other grades, lines, and levels necessary for the Work; report errors or inconsistencies to Owner and Architect before commencing Work; and, if applicable, review the placement of the buildings and permanent facilities on the site with Owner and Architect after all lines are staked out and before foundation Work is started. Contractor shall provide access to the Work for Owner, Architect, other persons designated by Owner, and governmental inspectors. Any encroachments made by Contractor or its Subcontractors on adjacent properties caused by construction as revealed by an improvements survey, except for encroachments arising from errors or omissions not reasonably discoverable by Contractor in the Contract Documents, shall be the sole responsibility of Contractor, and Contractor shall correct such encroachments within thirty (30) days of the improvement survey (or as soon thereafter as reasonably possible), at Contractor's sole cost and expense, either by the removal of the encroachment (and subsequent reconstruction on the Project site) or agreement with the adjacent property owner (s) (in form and substance satisfactory to Owner in its sole discretion) allowing the encroachments to remain.

§ 3.3.9 Contractor shall verify at the Work site the measurements indicated on the Drawings and Specifications and shall establish correctly the lines, levels, and positions for the Work and be responsible for their accuracy and proper

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correlation with control lines, monuments, and data, as established by surveys furnished by Owner. Work shall be erected square, plumb, level, true to line and grade, in the exact plane and to the correct elevation and/or sloped to drain as indicated. To ensure the proper execution of its subsequent Work, Contractor shall measure all Work already in place (including but not limited to utilities and grades installed or prepared by others) and shall at once report to Architect and Owner any discrepancy between said Work and the Drawings and Specifications for the Work.

§ 3.3.10 Any discrepancy or omission in the dimensions or elections shown on the Drawings and Specifications or found in previous Work which may prevent accurate layout or construction of the Work, shall immediately be reported by Contractor to Owner and Architect. If Contractor performs, permits, or causes performance of any Work when Contractor knows or reasonably should have known that such discrepancy or omission exists, without first obtaining further instruction from Architect or Owner, Contractor shall bear any and all costs arising therefrom including, without limitation, the costs of correction thereof without increase or adjustment in the Contract Sum. Omissions from the Drawings or Specifications, or the misdescription of details of Work which are reasonably inferable in order to carry out the intent of the Drawings and Specifications, or which are customarily performed, shall not relieve contractor from performing such omitted or mis-described details of the Work, and they shall be performed as if fully and correctly set forth and described in the Drawings and Specifications, at no additional cost to Owner.

§ 3.3.11 Contractor shall engage workers who are skilled in performing the Work, and all Work shall be performed with care and skill and in a good workmanlike manner under the full-time supervision of an approved engineer or foreman. Contractor shall be liable for all property damage, including repairs and replacements of the Work and economic losses, which proximately result from the breach of this duty. Contractor shall advise Architect:

.1 if a specified product deviates from good construction practices;
.2 if following the Specifications will affect any warranties; or
.3 any objections which Contractor may have with the Specifications.

Nothing contained in Section 1.1.3 shall alter the responsibilities established in this Section.

§ 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 Except in the case of minor changes in the Work authorized by the Architect in accordance with Sections 3.12.8 or 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive. By making requests for substitutions based on Section 3.4.2, Contractor:

.1 represents that Contractor has personally investigated the proposed substitute product and determined that it is equal or superior in all respects to that specified;
.2 represents that Contractor will provide the same warranty for the substitution that Contractor would for that specified;
.3 certifies that the cost data presented is complete and includes all related costs under this Contract except Architect's redesign costs, and waives all claims for additional costs related to the substitution which subsequently become apparent; and
.4 will coordinate the installation for the accepted substitute, making such changes as may be required for the Work to be complete in all respects.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them. Contractor shall also be responsible for labor peace on the Project and shall at all times make its best efforts and judgments as an experienced Contractor to adopt and implement policies and practices designed to avoid Work stoppages, slowdowns, disputes, or strikes where reasonably possible and practical under the circumstances and shall at all times maintain Project-wide labor harmony. Except as specifically provided in Section 8.3 hereof, Contractor shall be liable to Owner for all damages suffered by Owner.

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§ 3.4.4 Materials shall conform to manufacturer's standards in effect at the date of execution of the Agreement and shall be installed in strict accordance with manufacturer's directions. Contractor shall, if required by Owner or Architect, furnish satisfactory evidence as to the kind and quality of any materials. All packaged materials shall be shipped to the site in the original containers clearly labeled, and delivery slips shall be submitted with bulk materials identifying thereon the source, and warranting quality and compliance with Contract Documents.

§ 3.4.5 When the Contract Documents require the Work, or any part of same, to be above the standards required by applicable laws, ordinances, rules and regulations, and other statutory provisions pertaining to the Work, such Work shall be performed and completed by Contractor in accordance with the Contract Documents.

§ 3.4.6 When the manufacturer's name, patent numbers, underwriter's labels, model numbers or similar identifying marks are required, such markings shall be located as inconspicuously as possible.

§ 3.5 WARRANTY

The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of the best quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from faults and defects. Work, materials, or equipment not conforming to these requirements may be considered defective. If required by the Architect or Owner, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.5.2 ALL WARRANTIES SHALL INCLUDE LABOR AND MATERIALS AND THE MANUFACTURER'S WARRANTY SHALL BE SIGNED BY SUBCONTRACTOR AND COUNTERSIGNED BY CONTRACTOR. ALL WARRANTIES SHALL BE ADDRESSED TO OWNER AND DELIVERED TO ARCHITECT UPON COMPLETION OF THE WORK AND BEFORE OR WITH THE SUBMISSION OF REQUEST FOR FINAL PAYMENT.

§ 3.5.3 Contractor shall issue in writing to Owner as a condition precedent to final payment a "general warranty" reflecting the terms and conditions of this Section 3.5 for all Work under the Contract.

§ 3.5.4 The warranties provided in Section 3.5 shall be in addition to and not in limitation of any other warranty or remedy required by law or by the Contract Documents, and such warranty or remedy required by law or by the Contract Documents, and such warranty shall be interpreted to require Contractor to replace defective materials and equipment and re-execute defective Work which is disclosed to the Contractor by the Owner within a period of one (1) year after final completion of the entire Work unless a longer time is specifically called for in the specifications. The Contractor shall assign all components, equipment and fixture warranties to the Owner and will deliver all manuals to the Owner at the completion of construction.

§3.5.5 Except when a longer warranty time is specifically called for in the Specification Sections or is otherwise provided by law, the General Warranty shall be for twelve (12) months and shall be in form and content otherwise satisfactory to Owner.

§3.5.6 Warranties shall become effective on a date established by Owner and Architect in accordance with the Contract Documents. This date shall be the Date of Substantial Completion of the entire Work, unless otherwise provided in any Certificate of Partial Substantial Completion approved by the parties.

§3.5.7 If Architect considers it impractical, because of unsuitable test conditions or some other factors, to execute simultaneous final acceptance of all equipment, portions of properly installed and functioning equipment may be certified by Architect for final acceptance, subject to Owner's approval, when that portion of the system is complete and ready for operation as called for under Section 9.8.1.

§3.5.8 Contractor shall warrant for a period of twelve (12) months that the building(s) shall be watertight and leak proof at every point and in every area, except where leaks can be attributed to damage to the building(s) by external forces beyond Contractor's control. Contractor shall, immediately upon notification by Owner of water penetration, determine the source of water penetration and, at its own expense, do any Work necessary to make the building(s)

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watertight. Contractor shall also, at its own expense, repair or replace any other damaged material, finishes, and furnishings, damaged as a result of this water penetration, to return the building(s) to its (their) original condition.

§3.5.9 In addition to the foregoing stipulations, Contractor shall comply with all other warranties referred to in any portions of the Contract Documents or otherwise provided by law or in equity, and where warranties overlap, the more stringent requirement shall govern.

§3.5.10 If for any reason Contractor cannot warrant any part of the Work using material or construction methods that have been specified, or shown, it shall notify Owner and Architect in writing before the Contract is signed, giving reasons, together with the name of product and data on a substitution it can warrant.

§ 3.6 TAXES

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 PERMITS, FEES, NOTICES AND COMPLIANCE WITH LAWS

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall make application, secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract, including without limitation, street openings, sidewalk, and other obstructions, access over public ways and storage necessary for proper execution and which are, legally required at the time bids are received or negotiations concluded.

§3.7.1.1 The Contractor shall also obtain all permits and approvals, and pay all fees and expenses, if any, associated with National Pollutant Discharge Elimination System (NPDES) regulations administered by the Environmental Protection Agency and state and local authorities, that require completion of documentation and/or acquisition of all permits for the Project. Contractor's obligations under this Section do not require it to perform engineering services during the pre-construction phase to prepare proper drainage for the construction sites. However, any drainage alterations made by Contractor during construction phase which modifies the original site drainage plan and requires the issuance of a permit shall be at Contractor's sole cost.

a. The Owner shall pay directly to the governing authority the cost of all permanent property utility assessments and similar utility connection charges.

b. The Contractor shall be responsible for obtaining and paying for all City and County Building Permits, Inspection Fees and Plan Checking Fees; temporary utility charges, tap charges and water meter charges and any other similar fees assessed by jurisdictional authorities having control over the Project.

c. The Owner shall pay fees payable to the Texas Department of Licensing and Regulations (TDLR) for document review relative to the Elimination of Architectural Barriers Act and the Architect will submit the documents to the TDLR for review and approval.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders and all other requirements of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work (including, without limitation, the installation of any materials or equipment) that it knows or reasonably should have known would be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 Concealed or Unknown Conditions. If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the

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Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend to the Owner in writing an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor in writing, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may proceed as provided in Article 15. . No adjustment in the Contract Time or Contract Sum shall be permitted in connection with a concealed or unknown condition that does not differ materially from those conditions disclosed or based on data provided to Contractor and by the Contractor's prior inspections, tests, reviews, and pre-construction services for the Project; or by the Contractors inspections, tests, reviews and pre-construction services that Contractor had the opportunity and obligation to make in connection with the Project but did not do so.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect in writing. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 ALLOWANCES

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

- **.1** Allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- **.2** Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- **.3** Whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness. If a decision is needed to avoid a delay, Contractor shall notify Architect and Owner in writing sufficiently in advance of needed date to allow reasonable time for selections to be made.

§ 3.9 SUPERINTENDENT

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the name and qualifications of a proposed superintendent. The superintendent shall be satisfactory to the Owner and shall not be changed except with the consent of the Architect, unless the superintendent leaves the employment of the Contractor. No increase in Contract Time or Contract Sum shall be allowed in the event the Owner or Architects object to any nominated superintendent. Such approval by the Owner shall not be unreasonably withheld.

§ 3.9.3 DELETED.

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§ 3.10 CONTRACTOR'S CONSTRUCTION SCHEDULES

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's I review and approval a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised as required herein and at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work. The schedule shall indicate the proposed starting and completion dates for the various subdivisions of the Work as well as the totality of the Work. The schedule shall be updated every thirty (30) days and submitted to Architect with Contractor's Applications for Payment. Each schedule shall contain a comparison of actual progress with the estimated progress for such point in time stated in the original schedule. If any schedule submitted sets such a date for Substantial Completion for the Work or any phase of the Work beyond the date(s) of Substantial Completion established in the Contract (as the same may be extended as provided in the Contract Documents), then Contractor shall submit to Architect and Owner for their review and approval a narrative description of the means and methods that Contractor intends to employ to expedite the progress of the Work to ensure timely completion of the various phases of the Work as well as the totality of the Work. To ensure such timely completion, Contractor shall take all necessary action including, without limitation, increasing the number of personnel and labor on the Project and implementing overtime and double shifts. In that event, Contractor shall not be entitled to an adjustment in the Contract Sum or the schedule.

§ 3.10.2 The Contractor shall prepare a submittal schedule, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, and shall submit the schedule(s) for the Architect's and Owner's approval. The Architect's and Owner's approval shall not unreasonably be delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.10.4 The process of approving Contractor's schedules and updates to Contractor's schedule shall not constitute a warranty by the Owner that any non-Contractor milestones or activities will occur as set out on Contractor's schedule. Approval of a Contractor's schedule does not constitute a commitment by the Owner to furnish any Owner-furnished information or material any earlier than Owner would otherwise be obligated to furnish that information or material under the Contract Documents. Failure of the Work to proceed in the sequence scheduled by Contractor shall not alone serve as the basis for a Claim for additional compensation or time. In the event there is interference with the Work, which is beyond its control, Contractor shall attempt to reschedule the Work in a manner that will hold resulting additional time and cost to a minimum. The construction schedule shall be in a detailed format satisfactory to the Owner and the Architect and shall also:

.1 provide a graphic representation of all activities and events that will occur during performance of the Work;
.2 identify each phase of construction and occupancy; and
.3 set forth dates that are critical in ensuing the timely and orderly completion of the Work in accordance with the requirements of the Contract Documents hereinafter referred to as Milestone Dates.

§ 3.10.5 The Owner shall have the right to reschedule the time of day for the performance of any part of the Work that may interfere with the operation of the Owner's premises or any tenants or invitees thereof. The Contractor shall, upon the Owner's request, reschedule any portion of the Work affecting operation of the premises during hours when the premises are not in operation. Any rescheduling of performance of the Work under this Section 3.10.5 may be grounds for an extension of the Contract Time, if permitted under Section 8.3.1 and an equitable adjustments in the Contract Sum, if: (1) the performance of the Work was properly scheduled by the Contractor in compliance with the requirements of the Contract Documents, (2) such rescheduling is required for the convenience of the Owner and is not attributable to any act of omission of Contractor, and (3) if Owner agrees to the Contract Sum adjustment prior to any rescheduling.

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§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE

The Contractor shall maintain at the site for the Owner one copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to indicate field changes and selections (all changes and selections to be approved by Owner and Architect in advance) made during construction, and one copy of approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be available to the Architect and shall be delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

§ 3.11.1 At the Date of Substantial Completion and as a condition precedent to final payment, Contractor shall furnish the following documents to Architect for submittal to Owner: Record Drawings showing the field changes and selections (all changes and selections to be approved by Owner and Architect in advance) affecting the general construction, mechanical, electrical, plumbing, and all other Work, and indicating the Work as actually installed. These shall consist of carefully drawn markings on a set of reproducible prints of Architect's Drawings obtained and paid for by Contractor. Contractor shall maintain at the job site one (1) set of Architect's Drawings and indicate thereon each field change as it occurs. The Contractor shall post all Addenda on Construction Documents prior to commencing work on the site.

§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. Their purpose is to demonstrate the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors. If, in the opinion of the Architect, the Shop Drawings, Product Data, Samples and similar submittals are incomplete, indicate an inadequate understanding of the work covered by the submittals, or indicate a lack of study and review by the Contractor prior to submittal to the Architect, the submittals will be returned, unchecked, to the Contractor for correction of these three deficiencies and subsequent re-submittal. Additional service charges as outlined in Section 3.2.7 may be charged by the Architect in this event.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop

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Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional who shall comply with requirements of Owner regarding qualifications and insurance, and whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance and design criteria specified in the Contract Documents.

§ 3.12.11 The Contractor shall submit Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents to the Architect at least 30 days prior to the date the Contractor needs the reviewed submittals returned. Where colors are to be selected by the Architect, the Contractor shall submit all Samples in adequate time to allow the Architect to prepare a complete selection schedule. In general, all submittals requiring color selection shall be submitted to the Architect within four weeks of the date of the Contract for construction.

§3.12.12 The Contractor shall submit the number of copies of Shop Drawings, Product Data, Samples and similar submittals which the Contractor and his Subcontractors need for their use plus two additional sets for the Architect and one additional set for each of the Architect's consultants involved with the particular section of work. Where shop drawings are involved, the Contractor shall submit one high quality reproducible transparency and one opaque print of the shop drawing for the Architect plus one additional opaque print for each of the Architect's consultants involved with the particular section of work. The reproducible transparency will be marked by the Architect and/or his consultants and returned to the Contractor for his use, distribution, correction or re-submittal as required. The Architect and his consultants will retain the marked up prints. After final review and correction of the submittal, the Contractor shall send two corrected sets to the Architect, and one to each of the Architect's consultants involved with the particular section of work.

§ 3.13 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§3.13.1 Only materials and equipment which are to be used directly in the Work shall be brought to and stored on the Project site by the Contractor. After equipment is no longer required for the Work, it shall be promptly removed from the Project site. Protection of construction materials and equipment stored at the Project site from weather, theft, damage and all other adversity is solely the responsibility of the Contractor.

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§3.13.2 The Contractor and any entity for whom the Contractor is responsible shall not erect any sign on the Project site without written consent of the Owner.

§3.13.3 Contractor shall ensure that the Work, at all times, is performed in a manner that affords reasonable access, both vehicular and pedestrian, to the site of the Work and all adjacent areas. The Work shall be performed to the fullest extent reasonably possible, in such a manner that public areas adjacent to the site of the Work shall be free from all debris, building materials and equipment likely to cause hazardous conditions. Without limitation of any other provision on the Contract Documents, Contractor shall use its best efforts to minimize any interference with the occupancy or beneficial use of: (1) any area and buildings adjacent to the site or the Work or (2) the Building in the event of partial occupancy.

§3.13.4 Without prior approval of the Owner, the Contractor shall not permit any workers to use any existing facilities at the Project site, including without limitation, lavatories, toilets, entrance and parking areas other than those designated by Owner. Without limitation of any other provisions of the Contract Documents, the Contractor shall use its best efforts to comply with all rules and regulations promulgated by the Owner in connection with the use and occupancy of the Project site and the Building, as amended from time to time.

§ 3.14 CUTTING AND PATCHING

§ 3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting and patching shall be restored to the condition existing prior to the cutting, fitting and patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

§ 3.15 CLEANING UP

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and Owner shall be entitled to reimbursement from the Contractor.

§ 3.15.3 Prior to the Architect's inspection for Submittal Completion the Contractor shall clean exterior and interior surfaces exposed to view; remove temporary labels, stains, and foreign substances; polish transparent and glossy surfaces; clean equipment and fixtures to a sanitary condition; replace air filters in mechanical equipment; clean roof, gutters and downspouts; remove obstructions and flush debris from drainage systems; clean site; sweep paved areas and rake clean other surfaces; remove trash and surplus materials from the site.

§ 3.16 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

§ 3.17 ROYALTIES, PATENTS AND COPYRIGHTS

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

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§ 3.18 INDEMNIFICATION

§ 3.18.1 To the fullest extent permitted by law, Contractor shall indemnify, defend, and hold harmless Owner, the Board of Trustees of Owner, all elected officials, employees and agents of Owner and of any of the above mentioned parties (the "Indemnified Parties") from and against any and all loss, cost, expense, damage, injury, liability, claim, demand, penalty, or cause of action (including attorneys' fees), directly or indirectly arising out of, resulting from, or related to (in whole or in part), (1) the Work performed hereunder, (2) the Contract, or (3) the act or omission of Contractor, a Subcontractor, or an individual, partnership, joint venture, corporation or other entity (a) directly or indirectly employed by Contractor or a Subcontractor, or (b) for whose acts or omissions Contractor or a Subcontractor may be liable (excluding property damage to the Work itself, covered by Owner's all-risk builder's risk insurance, subject to Contractor's liability for any deductible amounts thereunder). The obligations of Contractor under this indemnification shall apply to all matters except those arising solely from the wanton and willful negligence or the malicious acts or omissions of Owner. Further, the obligations of Contractor under this indemnification shall not extend to the liability of Architect, its agents, or employees, arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, Change Orders, designs, or Specifications, (2) the giving of or failure to give directions or instructions by Architect, its agents, or employees, provided such giving or failure to give is the primary cause of the injury or damage, or (3) any matter prohibited by Section 130.002, Texas Civil Practice and Remedies Code. Contractor shall promptly advise Owner in writing of any action, administrative or legal proceeding, or investigation as to which this indemnification may apply, and Contractor, at Contractor's expense, shall assume on behalf of Owner and conduct with due diligence and in good faith the defense thereof with counsel satisfactory to Owner; provided, Owner shall have the right to be represented therein by advisory counsel of its own selection and at its own expense; and provided further, that if the defendants in any such action include both Contractor and Owner, and Owner shall have reasonably concluded that there may be legal defenses available to it that are different from, or additional to, or inconsistent with, those available to Contractor, then Owner shall have the right to select separate counsel to participate in the defense of such action on its own behalf at Contractor's expense. In the event of failure by Contractor to fully perform in accordance with this indemnification Section, then Owner, at its option, and without relieving Contractor of its obligations hereunder, may so perform, but all costs and expenses so incurred by Owner in that event shall be reimbursed by Contractor to Owner, together with interest on the same from the date any such expense was paid by Owner until reimbursed by Contractor, at the rate of interest provided to be paid on judgments by the law of the jurisdiction to which the interpretation of the Contract is subject. The obligations of Contractor under this Section shall survive the expiration of the Contract and specifically shall survive the limitations contained in Section 15.1 hereof.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

§ 3.19 SUBSTITUTIONS OF PRODUCTS AND SYSTEMS, "OR EQUAL" BRANDS

§ 3.19.1 The materials, products and the systems covered by these specifications have been selected as a standard because of quality, particular suitability, or record of satisfactory performance. It is not intended to preclude the use of equivalent or better materials, products or systems provided that it meet the requirements of the particular project and have been approved in an addendum as a substitution prior to the submission of bids. If prior written approval in an addendum has not been obtained, it will be assumed that the Bid is based upon the materials, products, and systems described in the Bidding Documents and no substitutions will be permitted, except as provided hereinafter.

§3.19.2 If, after award of contract, the Contractor or one of his Subcontractors or Suppliers determines that any of the products or systems specified will perform in a manner that will limit the Contractor's ability to satisfactorily perform the work or to honor the Warranty, the Contractor shall promptly notify the Architect, in writing, providing detailed substantiation for his position. Any changes deemed necessary by the Owner and Architect, including substitution of materials and change in Contract Sum, either upward or downward, if any, shall be accompanied by appropriate modification.

§3.20 RECORD DRAWINGS

§3.20.1 At the completion of the project, the Contractor shall submit one complete set of blue lines showing all changes and routing of utilities made during construction, excluding Architect made CAD changes, to the Architect. Drafting

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shall be legible to the Architect's satisfaction. The Contractor shall pay for the cost of the required recording/drafting. The record set shall be kept up to date on a daily basis and the Architect shall review its status at the project meetings. The Architect shall furnish the Contractor with a blueline set at contract award which shall have all Addenda incorporated. The Owner will pay for the printing of the blueline set. The Architect will incorporate any record information into the construction (CAD) documents and provide the Owner with an electronic copy of the record information on the Construction documents that have all bid and construction changes incorporated. The cost for incorporating the record information into the CD will be paid for by the Owner. The Architect will transmit the electronic CD to the Owner with a copy of the transmittal to the Contractor's construction manager.

ARTICLE 4 ARCHITECT

§ 4.1 GENERAL

§ 4.1.1 The Owner shall retain an architect lawfully licensed to practice architecture or an entity lawfully practicing architecture in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 4.1.2 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

§ 4.1.3 If the employment of the Architect is terminated, the Owner shall employ a successor architect whose status under the Contract Documents shall be that of the former Architect.

§ 4.2 ADMINISTRATION OF THE CONTRACT

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect, as representative of the Owner,will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. The Architect will be required to make on-site inspections as necessary to keep the Owner informed of the progress of the Work and as necessary to guard the Owner against defects and deficiencies in the Work. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. The Architect shall not have control over or charge of and shall not be responsible for safety precautions and programs in connection with the Work. Architect shall be responsible for promptly notifying Contractor of the failure of Contractor, Subcontractors or any other persons performing any of the Work, in failing to use proper construction means, methods, techniques, sequences, procedures, safety precautions and programs, but only to the extent Architect becomes aware of, or should, exercising due professional diligence, be aware of, same. Architect shall also promptly notify Owner in writing of the failure of any of the foregoing parties to carry out the Work in accordance with the Contract Documents.

§ 4.2.4 COMMUNICATIONS FACILITATING CONTRACT ADMINISTRATION

Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate with each other through the Architect about matters arising out of or relating to the Contract. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

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§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority and responsibility to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve or reject, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data and Samples, for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5 and 3.12. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may authorize minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect's responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 DELETED.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

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ARTICLE 5 SUBCONTRACTORS

§ 5.1 DEFINITIONS

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site or to otherwise furnish labor, material or other services with respect to a portion of the Work. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site or to otherwise furnish labor, material or other services with respect to a portion of the Work. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§ 5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, but no later than 10 days prior to the submittal date for the Contractor's first Application for Payment shall furnish in writing to the Owner through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to any such proposed person or entity or (2) that the Architect requires additional time for review. Failure of the Owner or Architect to reply within the 14-day period shall constitute notice of no reasonable objection. Failure of the Contractor to submit the subject names in a timely manner may delay processing of the Contractor's Application for Payment.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person or entity previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 SUBCONTRACTUAL RELATIONS

By appropriate written agreement, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.3.1 All subcontracts shall be in written form and shall specifically provide that Owner is an intended third-party beneficiary of the subcontract.

§ 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

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.1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor in writing; and

.2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon such assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity.

§ 5.5 Contractor shall promptly notify Owner and Architect of any material defaults by any Sub-contractor. Notwithstanding any provision contained in Article 5 to the contrary, it is hereby acknowledged and agreed that Owner has in no way agreed, expressly or implicitly, nor will Owner agree, to allow any Sub-contractor or other materialman or workman employed by Contractor the right to obtain a personal judgment or to create a lien against Owner for the amount due from the Contractor.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Article 15.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, separate contractors and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights that apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

§ 6.2 MUTUAL RESPONSIBILITY

§ 6.2.1 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

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§ 6.2.3 DELETED.

§ 6.2.4 The Contractor shall promptly remedy damage the Contractor causes to completed or partially completed construction or to property of the Owner or separate contractors as provided in Section 10.2.5.

§ 6.2.5 The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 OWNER'S RIGHT TO CLEAN UP

If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 GENERAL

§ 7.1.1 Changes in the Work may only be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents and is subject to the approval of the Owner.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor and Architect; a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect and is subject to the approval of the Owner.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work. Except as permitted in Section 7.3 and 9.7, a change in the Contract Sum or the Contract Time shall be accomplished only by Change Order. Accordingly, no course of conduct or dealings between the parties, nor express or implied acceptance of alterations or additions to the Work and no claim that Owner has been unjustly enriched by any alteration of or addition to the Work, whether or not there is, in fact, any unjust enrichment to the Work, shall be the basis of any claim to an increase in any amounts due under the Contract Documents or a change in any time period provided for in the Contract Documents.

§ 7.2 CHANGE ORDERS

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor and Architect stating their agreement upon all of the following:

.1 The change in the Work;
.2 The amount of the adjustment, if any, in the Contract Sum; and
.3 The extent of the adjustment, if any, in the Contract Time.

§ 7.2.2 Agreement on any Change Order shall constitute a final settlement of all matters relating to the change in the Work that is the subject of the Change Order, including, but not limited, to all direct and indirect costs associated with such change and any and all adjustments to the Contract Sum and the construction schedule.

§7.2.3 Contractor shall keep and periodically submit to Owner copies of a log for all Change Orders.

§ 7.3 CONSTRUCTION CHANGE DIRECTIVES

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly. Contractor shall keep and periodically submit to Owner copies of a log for all Construction Change Directives and a log for all requests for information.

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§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

.1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation in writing between the Owner and the Contractor;

.2 Unit prices stated in the Contract Documents or subsequently agreed upon in writing between the Owner and the Contractor;

.3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee, in each case in writing between the Owner and the Contractor; or

.4 As provided in Section 7.3.7.

§ 7.3.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 7.3.5 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.6 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.7 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the method and the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit not to exceed a total maximum of **fifteen** percent **(15%)** for all Work, and further limited to as follows, not to exceed five percent (5%) for Work done by Contractor's employees and **ten** percent **(10%)** of such Work's actual cost to be apportioned between any and all Subcontractors and Sub-subcontractor. "*Actual cost*" does not include any item that could be deemed to be a general conditions cost or overhead, such as, but not limited to, the cost of Contractor and Subcontractor supervisory personnel assigned to the Work, and field office and related expenses. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.7 shall be limited to the following:

.1 Costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;

.2 Costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;

.3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;

.4 Costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and

.5 Additional costs of supervision and field office personnel directly attributable to the change.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be

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reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 MINOR CHANGES IN THE WORK

The Architect has authority after having obtained Owner's approval to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order signed by the Architect and shall be binding on the Owner and Contractor.

ARTICLE 8 TIME

§ 8.1 DEFINITIONS

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.1.1 The Work shall be fully completed within the time limit and/or date stated in the Contract between Owner and Contractor.

§ 8.1.1.2 Liquidated Damages: If the Contractor should fail to fully complete the Work within the stated time (subject however to extension of time duly granted in the manner and for the causes specified in the General Conditions), Contractor shall be charged by and shall pay to Owner, as liquidated damages, the sum specified in Article 3 of the AIA document A101 – 2017 by and between Owner and Contractor to which this document is attached as Exhibit A per calendar day that the Work remains incomplete beyond the time fixed for completion. Contractor hereby agrees that from the nature of the project it would be impracticable and extremely difficult to fix the actual damage that would or will be suffered in the event that Contractor should fail to fully complete the Work by the time limit or date stated and the amount of the liquidated damages are fair and reasonable. The parties agree that the liquidated damages are a reasonable forecast of just compensation for the harm done to Owner that would be caused by Contractor's failure to timely complete the Work. Contractor agrees that the amount of liquidated damages due Owner may be deducted by Owner from any monies that might otherwise be or become payable to Contractor.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 PROGRESS AND COMPLETION

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 DELAYS AND EXTENSIONS OF TIME

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner; or by changes ordered in the Work; or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes

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beyond the Contractor's control; or by delay authorized by Owner pending mediation, or by other causes that the Architect determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine provided, however, that such extension of Contract Time shall be net of any delays caused by or due to the fault or negligence of Contractor or that are otherwise the responsibility of Contractor and shall also be net of any contingency or "float" time allowance included in Contractor's construction schedule. Contractor shall, in the event of any occurrence likely to cause a delay, cooperate in good faith with Architect and Owner to minimize and mitigate the impact of any such occurrence and do all things reasonable under the circumstances to achieve this goal.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents. Contactor shall not be entitled to damages of any type for delays caused by Owner, his servant, agents, employees, or separate Contractors hired or retained by Owner. Contractor may receive an extension or extensions for additional time in which to complete the Contract but shall not receive any damages of any type for such delays. Changes in the Work, regardless of the extent or number of such Changes or Owner's exercise of any of its remedies of suspension of the Work or requirement of correction or re-execution of any defective Work, shall not under any circumstances be construed as intentional interference with Contractor's performance of the Work.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 CONTRACT SUM

The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.1.1 Commitment of Current Revenues Only. As reflected in Section 4.5 of the modified AIA document A101 – 2017 Edition by and between Owner and Contractor to which this document is attached as Exhibit A, in the event that, during any term hereof, the governing body of any party does not appropriate sufficient funds to meet the obligations of such party under this Contract, then any party may terminate this Contract upon ninety (90) days written notice to the other party. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of each party hereto pursuant to the provisions of Tex. Loc. Govt. Code Ann. § 271.903.

§ 9.2 SCHEDULE OF VALUES

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit to the Owner and to the Architect, before the first Application for Payment, a schedule of values allocating the entire Contract Sum to the various portions of the Work, which in the aggregate equals the total Contract Sum, divided so as to facilitate payments to Subcontractors, supported by such evidence of correctness as Architect may direct or as required by Owner. This schedule, when approved by Architect and Owner, shall be used to monitor the progress of the Work and as a basis for Certificates for Payment. All items with entered values will be transferred by Contractor to the "Application and Certificate for Payment," and shall include the latest approved Change Orders and Construction Change Directives. Change Order values and Construction Change Directives values shall be broken down to show the various subcontracts. The Application for Payment shall be on a form as provided by Architect and approved by Owner. Each item shall show its total scheduled value, value of previous applications, value of the application, percentage completed, value completed, and value yet to be completed. All blanks and columns must be filled in, including every percentage complete figure. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 9.3 APPLICATIONS FOR PAYMENT

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, for completed portions of the Work. Such application shall be notarized, if required, and supported by such data substantiating the Contractor's right to payment as the Owner or Architect may require, such as copies of requisitions from Subcontractors and material suppliers, and shall reflect retainage if provided for in the Contract Documents. Any

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allowances included in the Application for Payment shall be separately itemized with supporting data attached. The Application for Payment shall be accompanied by a certification by an office of Contractor to the effect that:

> There are no known mechanics', materialman's or laborers' liens or claims, or any other liens or claims, legal or equitable, contractual, statutory, or constitutional, outstanding or known to exist at the date of this Application; all due and payable bills with respect to the Work have been paid to date or are included in the amount requested in the current Application and there is no known basis for the filing of any mechanics', materialman's or laborers' lien or claim, or any other lien or claim, legal or equitable, contractual, statutory, or constitutional, on the Work; and waivers and releases from all Subcontractors, laborers, and material men for Work done and materials furnished have been obtained in such form as to constitute an effective waiver and release of all such liens and claims under the laws of the state within which the Project is located and shall be delivered to Architect together with Contractor's waiver and release of liens and claims at the time of submission of the Application for Payment.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or material supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing by the Owner and Surety. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site. Under no circumstances will the Owner reimburse the Contractor for down payments, deposits, or other advance payments for materials or equipment.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work. The vesting of such title shall not impose any obligations on Owner or relieve Contractor of any of its obligations under the Contract, that Contractor shall remain responsible for damage to or loss of the Work, whether completed or under construction, until responsibility for the Work has been accepted by Owner in the manner set forth in the Contract Documents.

§ 9.4 CERTIFICATES FOR PAYMENT

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and on all other information available to Architect including, without limitation, the data comprising the Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and

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inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified and that the aggregate amount theretofore paid to Contractor plus any applicable retention does not exceed the value of the completed portion of the Work. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, or (3) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 DECISIONS TO WITHHOLD CERTIFICATION

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- **.1** defective Work not remedied;
- **.2** third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- **.3** failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- **.4** reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- **.5** damage to the Owner or a separate contractor;
- **.6** reasonable evidence that the Work will not be completed within the Contract Time, or that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- **.7** failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.3 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or material or equipment suppliers to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Architect will reflect such payment on the next Certificate for Payment.

§ 9.5.4 Notwithstanding any provision contained within this Article, if the Work has not attained Substantial Completion within the Contract Time, subject to extensions of time allowed under these Conditions, Architect may withhold any further payment to Contractor to the extent necessary to preserve sufficient funds to complete the construction of the Project and to cover liquidated damages assessed against Contractor up to the time of the Application for Payment and to the time it is reasonably anticipated that Substantial Completion will be achieved.

§ 9.6 PROGRESS PAYMENTS

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect. Owner may refuse to make payment on any Certificate for Payment for any default of the Contract, including, but not limited to, those defaults set forth in Sections 9.5.1.1 through 9.5.1.7. Owner shall not be deemed in default by reason of withholding payment while any of such defaults remain uncured.

§ 9.6.2 The Contractor shall pay each Subcontractor no later than seven days after receipt of payment from the Owner the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

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§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and material and equipment suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor.

§ 9.6.5 Contractor payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 DELETED.

§ 9.7 FAILURE OF PAYMENT

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not, for reasons other than a default of the Contract, including but not limited to, those defaults set forth in Sections 9.5.1.1 through 9.5.1.7 pay the Contractor within seven days after the date established in the Contract Documents the amount certified by the Architect, then the Contractor may, upon seven additional days' written notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.7.1 If Owner is entitled to reimbursement or payment from Contractor under or pursuant to the Contract Documents, such payment shall be made promptly upon demand by Owner. Notwithstanding anything contained in the Contract Documents to the contrary, if Contractor fails to promptly make any payment due Owner, or if Owner incurs any costs and expenses to cure any default of Contractor or to correct defective Work, Owner shall have an absolute right to offset such amount against the Contract Sum and may, in Owner sole discretion, elect either to (i) deduct an amount equal to that which Owner is entitled from any payment then or thereafter due Contractor from Owner, or (ii) issue a written notice to Contractor reducing the Contract Sum by an amount equal to that which Owner is entitled.

§ 9.8 SUBSTANTIAL COMPLETION

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof (which Owner agrees to accept separately) is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

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§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of issuance of the certificate of final payment by Architect unless otherwise provided in the Certificate of Substantial Completion. The Work will not be considered suitable for Substantial Completion review until all Project systems included in the Work are operational as designed and scheduled, all designated or required governmental inspections and certifications have been made and posted, designated instruction of Owner's personnel in the operation of systems has been completed, and all final finishes within the Contract are in place. In general, the only remaining Work shall be minor in nature, so that Owner and/or Owner's employees and if applicable, the public, could occupy the building on that date and the completing of the Work by Contractor would not materially interfere or hamper Owner's or Owner's employees and if applicable, the public, (or those claiming by, through, or under Owner) from normal County operations. As a further condition of Substantial Completion acceptance, Contractor shall certify that all remaining Work will be completed within thirty (30) consecutive calendar days or as agreed upon following the Date of Substantial Completion. If Contractor requests a Substantial Completion review, and Architect, after performing the Substantial Completion review, finds that the Project was not ready for the Substantial Completion review, then Contractor shall pay the Architect's fees for any additional Substantial Completion reviews.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§9.8.6 In order for the project or a major portion thereof to be considered substantially complete, the following conditions must be met: (1) All inspections by governmental authorities have jurisdiction over the project must have been finalized, any remedial work required by those authorities must have been completed, and Certificates of Occupancy and similar governmental approval forms must have been issued and copies delivered to the Owner and Architect. (2) All work, both interior and exterior, shall have been completed and cleaned except minor items which if completed after occupancy, will not, in the Owner's opinion, cause interference to the Owner's use of the building or any portion thereof. A significantly large number of items to be completed or corrected will preclude the Architect from issuing a Certificate of Substantial Completion. The Owner and Architect will be the sole judge of what constitutes a significantly large number of items.

§9.8.7 After the date of Substantial Completion of the Project is evidenced by the Certificate of Substantial Completion, the Contractor will be allowed a period of thirty (30) days, unless extended by mutual agreement or provision of the Contract, within which to correct all deficiencies attached to the Certificate of Substantial Completion. Failure of the Contractor to complete such corrections within the stipulated time will be reported to the Contractor's surety. In this report, the Contactor and surety will be informed that, should correction remain incomplete for fifteen (15) days, the Owner may initiate action to complete corrective work out of the remaining Contract funds in accordance with Article 14.

§ 9.9 PARTIAL OCCUPANCY OR USE

§ 9.9.1 The Owner may occupy or use any portion of the Work authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

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§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 FINAL COMPLETION AND FINAL PAYMENT

§ 9.10.1 Upon receipt of the Contractor's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- **.1** liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
- **.2** failure of the Work to comply with the requirements of the Contract Documents;
- **.3** terms of special warranties required by the Contract Documents; or
- .4 faulty or defective Work appearing after Substantial Completion.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 SAFETY OF PERSONS AND PROPERTY

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to

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.1 employees on the Work and other persons who may be affected thereby;

.2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and

.3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

§ 10.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities. The Contractor shall also be responsible, at the Contractor's sole cost and expense, for all measures necessary to protect any property adjacent to the project and improvements therein. Any damage to such property or improvements shall be promptly repaired by the Contractor.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 INJURY OR DAMAGE TO PERSON OR PROPERTY

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 HAZARDOUS MATERIALS

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing.

§ 10.3.2 Upon receipt of the Contractor's written notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons

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or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shut-down, delay and start-up.

§ 10.3.3 DELETED.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents.

§ 10.3.5 The Contractor shall indemnify the Owner for the cost and expense the Owner incurs (1) for remediation of a material or substance the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 DELETED.

§ 10.4 EMERGENCIES

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 CONTRACTOR'S LIABILITY INSURANCE

§ 11.1.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Contractor and Owner from claims set forth below which may arise out of or result from the Contractor's operations and completed operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- **.1** Claims under workers' compensation, disability benefit and other similar employee benefit acts that are applicable to the Work to be performed;
- **.2** Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;
- **.3** Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;
- **.4** Claims for damages insured by usual personal injury liability coverage;
- **.5** Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- **.6** Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
- **.7** Claims for bodily injury or property damage arising out of completed operations; and
- **.8** Claims involving contractual liability insurance applicable to the Contractor's obligations under Section 3.18.

§ 11.1.2 The insurance required by Section 11.1.1 shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment, and, with respect to the Contractor's completed operations coverage, until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents.

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§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness.

§ 11.1.4 The Contractor shall cause the commercial liability coverage required by the Contract Documents to include (1) the Owner, the Architect and the Architect's consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.

§ 11.1.5 SCHEDULE OF INSURANCE COVERAGES

§ 11.1.5.1 Contractor shall carry and keep in full force for the duration of the project the following Coverage.

Coverage	**Minimum Amounts and Limits**
Worker's Compensation	
Employer's Liability:	Statutory Limits
Bodily Injury by Accident	$500,000.00/each accident
Bodily Injury by Disease	$500,000.00/each employee
Bodily Injury by Disease	$500,000.00/Policy Limit
Commercial General Liability	
Bodily Injury/Property Damage	$1,000,000.00 per occurrence $2,000,000.00 aggregate

(Premises Operations, Independent Contractors, Product/Completed Operations, Personal Injury, Contractual Liability, Explosion, Collapse, Underground and Broad Form Property Damage).

Comprehensive Automobile Liability	$1,000,000.00 Combined Single Limit per Occurrence

Auto liability insurance shall be on a standard form written to cover all owned, hired, and non-owned automobiles. The policy shall be endorsed to include the Indemnified Parties (Section 3.18) as additional insured, contain cross-liability and severability of interest endorsements, and state that this insurance is primary insurance as regards to any other insurance carried by the Indemnified Parties (see Section 3.18).

§11.1.5.2 All policies shall contain special endorsements to include:

.1 The Owner as an additional insured (except for Worker's Compensation) and all other parties identified in Section 3.18 (Indemnified Parties);

.2 Wavier of Subrogation in favor of Owner under the Worker's Compensation and Employer's Liability policies.

.3 A statement that a notice shall be given to Owner by certified mail thirty (30) days prior to cancellation or upon any material changes in coverage.

4. Contain cross-liability and severability of interest endorsements;

5. state that this insurance is primary insurance in regard to any other insurance carried by an Indemnified Party (see Section 3.18);

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.6 the following coverage:

a. Premises/Operations;
b. Independent Contractors;
c. Completed Operations for a period of two years following the acceptance of Contractor's Work;
d. Comprehensive General Liability Endorsement to include Blanket Contractual Liability (specifically covering, but not limited to, the contractual obligations assumed by Contractor, Broad Form Property Damage, and Personal Injury Liability with employee and contractual exclusions removed);
e. Deletion of exclusions relative to Collapse, Explosion, and Underground Property Damage Hazards;
f. Personal Injury Liability with the contractual exclusions removed;
g. Cross Liability Endorsement.

§11.1.5.6 Umbrella Excess Liability Insurance

Bodily Injury and	$2,000,000.00 per occurrence
Property Damage	$2,000,000.00 aggregate

This policy shall be written on an umbrella excess basis above, the coverage described in this Article 11. The policy shall be endorsed to include the Indemnified Parties (Section 3.18) as additional insureds. The policy shall contain cross-liability and severability of interest endorsements and shall state, as regard the Indemnified Parties that the insurance is primary insurance as to any other insurance carried by any Indemnified Party. The policy shall be endorsed to provide the defense coverage obligation.

§11.1.6 Further, Contractor shall require all Subcontractors to carry similar insurance coverage and limits of liability as required under this Article 11, adjusted to the nature of Subcontractor's operations and submit same to Owner for approval before any Work commences.

§11.1.7 In the event Contractor fails to obtain the required certificates of insurance from the Subcontractor and a claim is made or suffered, Contractor shall indemnify, defend, and hold harmless the indemnified parties from any and all claims for which the required insurance would have provided coverage.

§11.1.8 Workers' Compensation Insurance Coverage.

§11.1.8.1 Definitions:

.1 Certificate of coverage ("certificate") - A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

.2 Duration of the project - includes the time from the beginning of the work on the project until the contractor's/person's work on the project has been completed and accepted by the governmental entity.

.3 Persons providing services on the project ("subcontractor" in §406.096) - includes all persons or entities performing all or part of the services the contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

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§11.1.8.2 The contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the contractor providing services on the project, for the duration of the project.

§11.1.8.3 The Contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.

§11.1.8.4 If the coverage period shown on the contractor's current certificate of coverage ends during the duration of the project, the contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.

§11.1.8.5 The contractor shall obtain from each person providing services on a project, and provide to the governmental entity:

.1 a certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and

.2 no later than seven days after receipt by the contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.

§11.1.8.6 The contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.

§11.1.8.7 The contractor shall notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.

§11.1.8.8 The contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.

§11.1.8.9 The contractor shall contractually require each person with whom it contracts to provide services on a project, to:

.1 provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project;

.2 provide to the contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project;

.3 provide the contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

.4 obtain from each other person with whom it contracts, and provide to the contractor:

(a) a certificate of coverage, prior to the other person beginning work on the project; and

(b) a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

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.5 retain all required certificates of coverage on file for the duration of the project and for one year thereafter;

.6 notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and

.7 contractually require each person with whom it contracts, to perform as required by paragraphs .1 - .7, with the certificates of coverage to be provided to the person for whom they are providing services.

§11.1.8.10 By signing this contract or providing or causing to be provided a certificate of coverage, the contractor is representing to the governmental entity that all employees of the contractor who will provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

§11.1.8.11 The contractor's failure to comply with any of these provisions is a breach of contract by the contractor which entitles the governmental entity to declare the contract void if the contractor does not remedy the breach within ten days after receipt of notice of breach from the governmental entity.

§ 11.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

§ 11.2.1 By signing the Contract or providing or causing to be provided a Certificate of Coverage, the Contractor is representing to the Owner that all employees of the Contractor who will provide services on the Project will be covered by workers' compensation coverage for the duration of the Project, that coverage will be based on proper reporting or classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

§11.2.2 Optionally, the Owner may require the Contractor to purchase and maintain Project Management Protective Liability insurance from the Contractor's usual sources as primary coverage for the Owner's, Contractor's and Architect's vicarious liability for construction operations under the contract. Unless otherwise required by the Contract Documents, the Owner shall reimburse the Contractor by increasing the Contract Sum to pay the cost of purchasing and maintaining such optional insurance coverage and the Contractor shall not be responsible for purchasing any other liability insurance on behalf of the Owner. The minimum limits of liability purchased with such coverage shall be equal to the aggregate of the limits required for Contractor's Liability Insurance under Article 11.

§ 11.3 PROPERTY INSURANCE

§ 11.3.1 Contractor shall obtain a builder's risk "all-risk" or equivalent policy in the amount of the initial Contract Sum (or if applicable Guaranteed Maximum Price), plus value of subsequent Contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. The policy must also name its subcontractors and the Owner as additional insured, as their respective interests may appear. Coverage shall include material stored on-site and in transit. Such insurance will be with a company or companies lawfully authorized to do business in Texas. The policy must have the following endorsement: "This insurance shall be specific as to coverage and not considered as contributing insurance with any permanent insurance maintained on the present premises."

§ 11.3.1.1 Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework,

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testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss.

§ 11.3.1.1.1 For any claim made against Contractor's Builder's Risk Insurance, the deductible shall not exceed $2,500.00 for a Contract Sum of less than $4 million. For a Contract Sum of $4 million or more, the deductible shall not exceed $5,000.00.

§11.3.1.1.2 The Contractor waives all rights against (1) Owner, the Subcontractors, Sub-subcontractors, agents, and employees, and (2) the Architect, Architect's consultants, separate contractors, if any, and any of their Subcontractors, Sub-subcontractors, agents, and employees, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to this Section or other property insurance applicable to the Work, except such rights as Contractor has to proceeds of such insurance held by the Contractor as a fiduciary. The Contractor, as appropriate, shall require of any separate contractors, Subcontractors, Sub-subcontractors, agents, and employees of any of them by appropriate written agreements, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§11.3.1.1.3 The Contractor as fiduciary shall have power to adjust and settle a loss with insurers. The Contractor shall pay all Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements shall require Subcontractors to make payment to their Sub-subcontractors in similar manner. If required in writing by a party in interest, the Contractor as fiduciary shall, upon occurrence of insured loss, give bond for proper performance of the Contractor's duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Contractor shall deposit in a separate account proceeds so received, which the Contractor shall distribute in accordance with such agreement as the parties in interest may reach. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor under the insurance proceeds.

§ 11.3.1.2 DELETED.

§ 11.3.1.3 DELETED.

§ 11.3.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 11.3.1.5 Partial occupancy or use shall not affect the validity or coverage of property insurance.

§ 11.3.2 BOILER AND MACHINERY INSURANCE DELETED.

§ 11.3.3 LOSS OF USE INSURANCE DELETED.

§ 11.3.4 DELETED.

§ 11.3.5 DELETED.

§ 11.3.6 DELETED.

§ 11.3.7 WAIVERS OF SUBROGATION

Contractor waives all rights against (1) Owner, the Subcontractors, Sub-subcontractors, agents and employees, and (2) the Architect, Architect's consultants, separate contractors if any, and any of their Subcontractors, Sub-subcontractors, agents and employees, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to this Article 11or other property insurance applicable to the Work, except such rights as Contractor has to proceeds of such insurance held by the Contractor as fiduciary. The Contractor, as appropriate, shall require of any separate contractors, Subcontractors, Sub-subcontractors, agents and employees of any of them, by appropriate

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written agreements, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 11.3.8 A loss insured under the Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.3.10. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.3.9 DELETED.

§ 11.3.10 The Owner as fiduciary shall have power to adjust and settle a loss with insurers.

§ 11.4 PERFORMANCE BOND AND PAYMENT BOND

§ 11.4.1 The Contractor shall furnish a Performance Bond in an amount equal to one hundred percent (100%) of the Contract Sum, as security for the faithful performance of the Contract and also a one hundred percent (100%) Payment Bond, as security for the payment of all persons performing labor on the Project under this Contract and furnishing materials in connection with the Contract. The Performance Bond and the Payment Bond may be in one or in separate instruments in accordance with local law. Surety companies must be authorized to write surety bonds in Texas and any such surety bond must comply with the requirements of Subchapter A of Chapter 3503 of the Texas Insurance Code.

§11.4.1.1 The Contractor shall deliver the required Bonds to the Owner not later than the date of the preconstruction meeting. All Bonds will be reviewed by the Architect for compliance with the Contract Documents prior to the execution of the Contract. In the event that Architect has any questions concerning the sufficiency of the bonds, Architect shall refer the bonds to Owner or Owner's representative for decision.

§11.4.1.2 All bonds shall be originals. The Contractor shall require the attorney-in-fact who executes the required Bonds on behalf of the Surety to affix thereto a certified and current copy of the power-of-attorney. The name, address, and telephone number of a contact person for the Bonding Company shall be provided.

§ 11.4.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

§ 11.4.3 The Bonds shall be provided to comply with the terms and provisions of Chapter 2253 of the Texas Government Code. Bonds shall be signed by an agent resident in the State of Texas and date of bond shall be on or after the date of execution of the Contract but prior to the date of the notice to proceed. If at any time during the continuance of the Contract, the surety of the Contractor's bonds becomes insufficient, the Owner shall have the right to require additional and sufficient sureties which the Contractor shall furnish to the satisfaction of the Owner within ten (10) days after notice to do so. In default thereof, the Contractor may be suspended, and all payment or money due to the Contractor withheld until sufficient bonds are provided by Contractor.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 UNCOVERING OF WORK

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time or Contract Sum.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Contract Documents, such costs

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and the cost of correction shall be at the Contractor's expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

§ 12.2 CORRECTION OF WORK

§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION

The Contractor shall promptly correct Work rejected by the Architect as incomplete, defective, or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 AFTER SUBSTANTIAL COMPLETION

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the entire Work (unless otherwise provided in any Certificate of Partial Substantial Completion approved by the parties), or within such longer period of time as may be prescribed by law or in equity, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be defective or otherwise not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. This corrective period shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work. Corrective Work shall be warranted to be free from defects for a period equal to the longer of six (6) months after the completion of the corrective Work or one (1) year after the Date of Substantial Completion (subject to extension as previously described) or such longer period of time as may be prescribed by law or in equity, or expiration of the term of any applicable special warranty, if applicable, required by the Contract Documents. Any defect in such Work shall be corrected again by Contractor promptly upon notice of the defect from Owner. This obligation under this Section 12.2.2.1 shall survive acceptance of the Work under the Contract and termination of the Contract by the Owner. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§12.2.2.4 Just before the termination of the various guarantee periods, Contractor shall accompany Owner's agent and Architect on an inspection tour of the building and shall note any defects and shall start remedying these defects within ten (10) days of the inspection tour and shall prosecute the Work without interruption until accepted by Owner and Architect, even though such prosecution should extend beyond the limit of the guarantee period.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused in whole or in part by the Contractor's correction or removal of Work that is defective or otherwise not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents or under law or in equity. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

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§ 12.3 ACCEPTANCE OF NONCONFORMING WORK

If the Owner prefers to accept Work that is defective or otherwise not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located.

§ 13.2 SUCCESSORS AND ASSIGNS

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate such assignment.

§ 13.3 WRITTEN NOTICE

§13.3.1 Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity, or to an officer of the corporation for which it was intended; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice or if delivered by facsimile to the offices of the person or corporation for which it was intended. Facsimiles received after 5:00 p.m. on a business day, or on a weekend or legal holiday on which the recipient's offices are closed, notice shall be deemed to have been duly served on the next business day.

§ 13.4 RIGHTS AND REMEDIES

§ 13.4.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law or in equity or by any other agreement, and any such rights and remedies shall survive the acceptance of the Work and/or any termination of the Contract Documents.

§ 13.4.2 No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach there under, except as may be specifically agreed in writing.

§ 13.5 TESTS AND INSPECTIONS

§ 13.5.1 Tests, inspections and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Architect, Owner and Contractor shall be afforded a reasonable opportunity to attend, observe, and witness all inspections and tests of the Work. Architect or Owner may at any time request and receive from Contractor satisfactory evidence that materials, supplies, or equipment are in conformance with the Contract Documents. The conduct of any inspection or test and the receipt of any approval shall not operate to relieve Contractor from its obligations under the Contract Documents unless specifically so stated by Owner in writing.

§ 13.5.2 If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures.

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§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, or reveal faulty or otherwise defective Work, or if the necessity of any such testing, inspection, or approval procedures arises out of the fault, neglect, or omission of Contractor, Contractor shall bear all costs of such testing, inspection, and approval procedures and all other costs made necessary by Contractor's failures, including, without limitation, those costs of repeated and additional procedures and compensation for Architect's services and expenses of Owner's personnel and consultant fees and expenses. Such costs shall be paid by Contractor within ten (10) days of receipt of invoice from Owner with supporting data attached.

§ 13.5.4 Required certificates of testing, inspection or approval shall, be secured by the Contractor and delivered to the Owner, unless such testing or inspection services are arranged by Owner.

§ 13.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.6 INTEREST

An overdue payment bears interest at the legal rate established by the Texas Government Code, currently in Section 2251.025, or in the event no rate is so established, at the rate of one percent (1%) each month. Any such payment shall be deemed overdue on the thirty-first (31st) day after Owner receives an invoice from Contractor.

§ 13.7 TIME LIMITS ON CLAIMS

The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract within the time period specified by applicable law.

§ 13.8.1 The Contractor shall maintain policies of employment as follows: "The Contractor and the Contractor's Subcontractors shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin. Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, religion, color, sex, or national origin. Such action shall include, but not be limited to, the following: employment, promotion, demotion, or transfer; recruitment, or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants, notices setting forth the nondiscrimination policies."

§13.8.1.1 The Contractor and the Contractor's Subcontractors shall, in all solicitations or advertisements for employees placed by them or on their behalf; state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, or national origin.

§13.9 CERTIFICATION OF ASBESTOS-FREE PROJECT

§13.9.1 Contractor shall submit to the Architect a letter addressed to the Owner certifying that all materials used in the construction of this Project contain less than 0.10 by weight of asbestos and for which it can be demonstrated that, under reasonably foreseeable job site conditions, will not release asbestos fibers in excess of 0.1 fibers per cubic centimeter. Certification letters shall be dated, shall reference this specific Project, and shall be signed by not less than two (2) officers of the construction company.

§13.9.2 Certification shall further state that should asbestos fibers be found at this Project in concentrations greater than 0.1 fibers per cubic centimeter, that Contractor shall be responsible for determining which materials contain asbestos fibers and shall take corrective action to remove those materials from the Project at no additional cost to the Owner.

§13.9.3 Final payment shall not be made until this letter of certification has been received.

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ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 TERMINATION BY THE CONTRACTOR

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of sixty (60) consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

.1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped; or

.2 An act of government, such as a declaration of national emergency that requires all Work to be

(Paragraphs deleted)

stopped.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 14.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon fourteen (14) days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work properly executed in accordance with the Contract Documents.

§ 14.1.4 Owner shall not be responsible for damages for loss of anticipated profits on Work not performed on account of any termination described in Sections 14.1.1 and 14.1.2.

§ 14.2 TERMINATION BY THE OWNER FOR CAUSE

§ 14.2.1 The Owner may terminate the Contract if the Contractor

.1 refuses or fails to supply enough properly skilled workers or proper materials and equipment;

.2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;

.3 disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority;

.4 disregards the instructions of Architect or Owner (when such instructions are based on the requirements of the Contract Documents);

.5 is adjudged bankrupt or insolvent, or makes a general assignment for the benefit of Contractor's creditors, or a trustee or receiver is appointed for Contractor or for any of its property, or files a petition to take advantage of any debtor's act, or to reorganize under bankruptcy or similar law; or

.6 otherwise does not fully comply with the Contract Documents**.**

§ 14.2.2 When any of the above reasons exist, the Owner, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

.1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;

.2 Accept assignment of subcontracts pursuant to Section 5.4; and

.3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 To the extent the costs of completing Work, including compensation for additional professional services and expenses, exceed those costs that would have been payable to Contractor to complete the Work except for

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Contractor's default, Contractor will pay the difference to Owner, and this obligation for payment shall survive termination of the Contract. Such costs incurred by Owner will be determined by Owner and confirmed by Architect.

§14.2.5 In addition to Owner's right to remove Contractor from any part of Work pursuant to the Contract Documents, Owner may, at any time, at will and without cause, terminate any part of Work or any subcontract or all remaining Work for any reason whatsoever by giving seven (7) days' prior written notice to Contractor specifying the part of Work or subcontract to be terminated and the effective date of termination. Contractor shall continue to prosecute the part of Work not terminated. If any part of Work or subcontract is so terminated, Contractor shall be entitled to payment for Work properly executed in accordance with the Contract Documents (the basis for such payment shall be as provided in the Contract) and for costs directly related to Work thereafter performed by Contractor in terminating such Work or subcontract including reasonable demobilization and cancellation charges provided said Work is authorized in advance by Architect and Owner. No payment shall be made by Owner, however, to the extent that such Work or subcontract is, was, or could have been terminated under the Contract Documents or an equitable adjustment is made or denied under another provision of the Contract. In case of such termination, Owner will issue a Construction Change Directive or authorize a Change Order making any required adjustment to the Date of Substantial Completion and/or the Contract Sum. For the remainder of the Work, the Contract Documents shall remain in full force and effect.

§14.2.6 Owner shall not be responsible for damages for loss of anticipated profits on Work not performed on account of any termination described in Section 14.2.5.

§14.2.7 Upon a determination by a court of competent jurisdiction that termination of Contractor pursuant to Section 14.2.1 was wrongful, such termination will be deemed converted to a termination for convenience pursuant to Section 14.2.5 and Contractor's remedy for wrongful termination shall be limited to the recovery of the payments permitted for termination for convenience as set forth in Section 14.2.5.

§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- **.1** that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
- **.2** that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- **.1** cease operations as directed by the Owner in the notice;
- **.2** take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- **.3** except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, without any overhead or profit on the Work not executed.

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User Notes: (1194743394)

ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 CLAIMS

§ 15.1.1 DEFINITION

A Claim is a demand or assertion by one of the parties seeking, as a matter of right adjustment, or interpretation of the Contract Terms, payment of money, extension of time or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim. Claims must be by written notice.

§ 15.1.2 NOTICE OF CLAIMS

Claims by either the Owner or Contractor must be initiated by written notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later. Said written notice of claims shall state specifically the reason for the claim, the date or dates of the cause or causes of the claim, and if any extension of time is requested, the number of days of extension requested.

§ 15.1.3 CONTINUING CONTRACT PERFORMANCE

Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. The Architect will prepare Change Orders and issue Certificates for Payment in accordance with the decisions of the Initial Decision Maker.

§ 15.1.4 CLAIMS FOR ADDITIONAL COST

If the Contractor wishes to make a Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Said notice shall itemize all claims and shall contain sufficient detail and substantiating data to permit evaluation of same by Owner and Architect. No such claim shall be value unless so made. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.5 CLAIMS FOR ADDITIONAL TIME

§ 15.1.5.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.5.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated and had an adverse effect on the scheduled construction. Extensions of time may be requested for any month of construction for days lost due to adverse weather in excess of the normally expected lost time; provided, however, if Architect determines that the seasonal average of adverse weather days during construction is less than would be normally expected, no Change Order shall be issued and the request for extension of time shall be denied.

§ 15.1.6 CLAIMS FOR CONSEQUENTIAL DAMAGES

(Paragraph deleted)

Contractor shall not be entitled to claims for additional time and/or increase in Contract Price due to a problem or non-performance of a subcontractor.

§ 15.1.7 In the event the Contractor fails to achieve substantial completion by the date indicated in the Contract, and extended by approved Change Order, the Owner shall be entitled to liquidated damages in the amount as stated in Section 3.1.1 of the modified AIA document A 101 – 2007 Edition by and between Owner and Contractor to which this document is attached as Exhibit A per day until the Work is substantially completed. It is expressly understood that the said sum per day is agreed upon as a fair estimate of the pecuniary damages, which will be sustained by Owner in the event that the Work is not completed within the agreed time, or within the legally extended time, if any. Said sum shall be considered as liquidated damages only, the exact ascertainment of which is difficult and in no sense be considered a penalty.

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This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.6 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 INITIAL DECISION

§ 15.2.1 Claims, excluding those arising under Sections 10.3, 10.4, 11.3.9, and 11.3.10, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Initial Decision Maker with no decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim in whole or in part, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of such request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to litigation.

§ 15.2.6 DELETED.

§ 15.2.6.1 DELETED.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 DELETED.

§ 15.3 MEDIATION

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract may be subject to mediation as a condition precedent to litigation.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation.

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§ 15.3.3 The parties shall share the mediator's fee. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.4 ARBITRATION

The parties expressly agree that disputes or claims arising under the Contract Documents shall not be subject to arbitration unless mutually agreed by the parties in writing.

OWNER:	**CONTRACTOR:**
McALLEN INDEPENDENT SCHOOL DISTRICT	[_____]
By: _____	By: _____ Printed Name: _____ Title: _____
_____ Date	_____ Date

APPROVED AS TO FORM
ATLAS, HALL & RODRIGUEZ, LLP

By: _____
Stephen L. Crain

(Paragraphs deleted)

DRAFT

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User Notes: (1194743394)

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Request for Proposal No. 2021-1012 Trophies, T-shirts, Awards, Incentives, and Related Products and Services

REFERENCE: Goal 1 - Student Achievement/Student Focus; Strategy 3 - Engaging Learning Environment

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

This Request for Proposal ("RFP") is an extended response period, multiple award contract, solicited in accordance with FASRG, section 3.16 titled "Multiple/Catalog/Discount-from-List Contract Awards". This allows vendors to submit responses throughout the year through the contract term. Vendors are awarded on an incremental basis, upon Board approval.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

One thousand two hundred twenty seven (1,227) vendors were invited to submit responses, and twenty-four (24) vendors responded. The evaluation committee, comprised of Alejandra Gonzalez, Director of Purchasing Services; Elizabeth Cabrera, Coordinator for Purchasing Services; and Gracie Garza, Senior Buyer evaluated the proposals. Administration is recommending that the twenty-four (24) vendors listed on the attached list, be awarded, to ensure availability of trophies, t-shirts, awards, incentives, and related products and services for all campus and departments, on an as-needed basis.

LEGAL REVIEW:

None required.

BUDGETARY CONSIDERATIONS:

Funds for these purchases are budgeted through local, state, federal, and grant funds.

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve Request for Proposal No. 2021-1012 Trophies, T-shirts, Awards, Incentives, and Related Products and Services, and award vendors on the attached list, for a coterminous term through May 9, 2024.

Alejandra Gonzalez
SUBMITTED BY: _____

Cynthia Medrano-Richards
SUPERVISOR: _____

For further information contact:
Name: Alejandra Gonzalez
Office: 956-657-4480
eMail: alejandra.gonzalez@mcallenisd.net

Approved for presentation to the Board of Education:

J. Hinojosa
_____
Superintendent of Schools

No.	Responding Supplier	City	State	Recommendation
1	All-Valley Screenprinting (Rodolfo R Zamora)	MCALLEN	TX	Qualified
2	Athletic Supply	ODESSA	TX	Qualified
3	AWARDS BY WILSON.com (WILSON AWARDS)	Fort Worth	TX	Qualified
4	Brown Industries, Inc.	Media	PA	Qualified
5	Coastal Enterprises	Fountain Valley	CA	Qualified
6	Curtis 1000 (TAYLOR CORPORATION)	DULUTH	GA	Qualified
7	Custom Sportswear, Inc.	Sewell	NJ	Qualified
8	Duratex Apparel (international apparel warehouse inc)	Pharr	TX	Qualified
9	Economy Award Co.	Delmita	TX	Qualified
10	Exclusive Designs	Mission	TX	Qualified
11	Fanwear Unlimited (Karla Rodriguez)	mcallen	TX	Qualified
12	GA advertising	Laredo	TX	Qualified
13	Gateway Printing & Office Supply, Inc.	Edinburg	TX	Qualified
14	Groggy Dog Sportswear (Groggy Dog Sportswear & Graphic Design, LLC)	Denton	TX	Qualified
15	Herff Jones	McAllen	TX	Qualified
16	Image Maker 4U, Inc	Hughes Springs	TX	Qualified
17	Knockout Sportswear (Knockout Sportswear.com LLC)	Rockwall	TX	Qualified
18	MCALLEN SPORTS	McAllen	TX	Qualified
19	Premier Awards & Gifts (Premier Awards, Inc)	McAllen	TX	Qualified
20	RGV CHEER WEAR & MORE (DOLORES ALARCON)	MCALLEN	TX	Qualified
21	Spirit Monkey	San Antonio	TX	Qualified
22	Texas Music Festivals Enterprise, Inc	San Juan	TX	Qualified
23	The Master Teacher	Manhattan	KS	Qualified
24	You Name it Specialties (YNIS, Inc)	San Antonio	TX	Qualified

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Request for Proposal No. 2021-1020 Food, Restaurants, Catering, Fundraising, Field Trips, and Rentals

REFERENCE: Goal 4 - Financial Priorities; Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

This Request for Proposal ("RFP") is an extended response-period multiple award contract, solicited in accordance with FASRG, section 3.16 titled "Multiple/Catalog/Discount-from-List Awards". This allows vendors to submit responses throughout the year through the contract term. Vendors are awarded on an incremental basis, upon Board approval.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

Five hundred twenty-three (523) vendors were invited to submit responses, and seventeen (17) vendors responded, including four (4) no bid. The evaluation committee, comprised of Alejandra Gonzalez, Director of Purchasing Services; Elizabeth Cabrera, Coordinator for Purchasing Services; and Rudy Salinas, Buyer, evaluated the proposals. Administration is recommending that the thirteen (13) vendors listed on the attached list, be awarded, to ensure availability of food, restaurants, catering, fundraising, field trips, and rentals, on an as-needed basis.

LEGAL REVIEW:

None required.

BUDGETARY CONSIDERATIONS:

Funds for these purchases are budgeted through local, state, federal, and grant funds.

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve Request for Proposal No. 2021-1020 Food, Restaurants, Catering, Fundraising, Field Trips, and Rentals and award vendors on the attached list, for a coterminous term through May 9, 2024.

Alejandra Gonzalez
SUBMITTED BY: _____

Cynthia Medrano-Richards
SUPERVISOR: _____

For further information contact:
Name: Alejandra Gonzalez
Office: 956-657-4480
email: alejandra.gonzalez@mcallenisd.net

Approved for presentation to the Board of Education:

J. Hinojosa
_____
Superintendent of Schools

2021-1020 Addendum 1

RFP - Food, Restaurants, Catering, Fundraising, Field Trips, and Rentals

	Responding Supplier	City	State	Recommendation
1	Buster Lind Produce Inc	Edinburg	TX	Qualified
2	Chick-fil-A N. 10th St.	McAllen	TX	Qualified
3	Chick-fil-A Sharyland Towne Crossing	Mission	TX	Qualified
4	Deanan Gourmet Popcorn (Deanan Products Inc)	Wylie	TX	Qualified
5	El Pollo Loco (EPL Ventures)	McAllen	TX	Qualified
6	Fork to Fit Kitchen	McAllen	TX	Qualified
7	Freedom Fundraising	Chandler	IN	Qualified
8	Old Fashion Candy Co., Inc.	Evansville	IN	Qualified
9	Peter Piper Pizza (Pizza Properties Inc)	El Paso	TX	Qualified
10	Rental World LLC (Wolf)	MCALLEN	TX	Qualified
11	Signature Fundraising, Inc.	Rowlett	TX	Qualified
12	Spirit Monkey	San Antonio	TX	Qualified
13	Strawbridge Studios, Inc.	Durham	NC	Qualified

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Direction to Administration to Follow TASB Excerpt for Proposed Revision to Board Policy DEC (LOCAL, Compensation and Benefits Leaves and Absences) Pending Release of TASB Update 117

REFERENCE: Goal 2: People Development; Strategy 2: Attract/Retain High Quality Staff

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:
Administration coordinated with TASB Policy Services to revise the section titled “Reimbursement for Leave upon Retirement”. Changes being recommended include minimizing the written notice requirement for all contract employees to submit reimbursement for leave from 60 calendar days to 14 calendar days. This will ensure all employees have the same advance written notice requirement (14 calendar days). Also recommend one of the criteria for this reimbursement be changed from at least 10 years of service with the district to has been employed by the District for at least the last 8 consecutive years. Final recommended revision is the inclusion of the following death benefit statement as part of the TASB excerpt..."The reimbursement described above shall also be paid to the estate of a deceased person who, at the time of death, was a District employee and was otherwise eligible for the benefit by virtue of the last eight (8) consecutive years of service with the District immediately prior to the date of death."

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:
Changes are being proposed to provide equity between all employees when it comes to providing advance written notice for reimbursement for leave upon retirement; To encourage timely district wide staffing reductions; To prevent the district from paying for leave accumulated in other districts; and the death benefit statement is to provide the estate a benefit that was earned by their loved ones.

Per TASB Policy Services, Update 117 is projected to be released by June 2021. Therefore, TASB only provided the proposed change in an excerpt format compared to the entire Policy DEC (Local). TASB recommended that in order to move the desired revisions forward, the Board could make a motion to direct Administration to follow the TASB excerpt until Policy DEC (Local) can be revised and included as part of Update 117.

LEGAL REVIEW:
This proposed revision has been reviewed by both TASB HR Policy Services and District Legal Counsel.

BUDGETARY CONSIDERATIONS:
Budgetary impact is dependent upon the number of employees retiring under the proposed revised policy.

RECOMMENDED BOARD ACTION:
That the Board of Trustees approve the Direction to Administration to Follow TASB Excerpt for Proposed Revision to Board Policy DEC (LOCAL, Compensation and Benefits Leaves and Absences) Pending Release of TASB Update 117.

SUBMITTED BY: _____ **SUPERVISOR:** Todd Miller

For further information contact:
Name: Todd Miller
Office: Human Resources (956) 618-6009
eMail: Todd.Miller@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools May 5, 2021

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of the Job Description for Director of Special Funding

REFERENCE: Goal 2: People Development; Strategy 2: Attract/Retain High Quality Staff

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

Administration reviews all positions to maximize operational efficiencies. This position is required to provide leadership in the effective administration of special funding that supports the major goals and educational objectives of the District. The primary responsibility of this position will be overseeing, managing, and ensuring compliance with all "Elementary and Secondary School Emergency Relief (ESSER)" Fund grants, which will include approximately $90m from ESSER 3, plus an estimated $39m grant from ESSER 2.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

Under the ESSER Fund, established as part of the Education Stabilization Fund in the CARES Act, State Educational Agencies (SEAs) will award subgrants to Local Education Agencies (LEAs) to address the impact that the Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have on elementary and secondary schools across the Nation.

LEGAL REVIEW:
None required.

BUDGETARY CONSIDERATIONS:
Funding for this position will come from Fund 282 (ESSER Funds).

RECOMMENDED BOARD ACTION:
That the Board of Trustees approve the Job Description for Director of Special Funding.

SUBMITTED BY: _____ **SUPERVISOR:** Todd M Miller

For further information contact:
Name: Todd Miller
Office: Human Resources (956) 618-6009
eMail: Todd.Miller@mcallenisd.net

Approved for presentation to the Board of Education:

J. Hinojosa

Superintendent of Schools May 6, 2021

BOARD AGENDA REPORT
McALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Setting Public Meeting Date for Budget and Vote on Proposed Tax Rate

REFERENCE: Goal 4; Strategy 7: Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

Education Code Section 44.004 requires a meeting notice for the budget and proposed tax rate for school districts. Prior to the notice being published, the Board must decide on the public meeting date and votes on a proposed tax rate that will be published in the NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

The Comptroller's guidelines for Truth-In-Taxation require school districts in most cases to publish a single NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE - in a local newspaper. The meeting notice follows a prescribed format provided by the Comptroller, and must appear in the newspaper no later than 10 days nor earlier than 30 days before the date of the public meeting.

Texas Tax Code Section 26.08(a) allows an optional Maintenance and Operations (M&O) tax rate after a disaster. When increased expenditure of money by a school district is necessary to respond to a disaster, including a tornado, hurricane, flood, or other calamity, but not including a drought, that has impacted a school district, and the governor has requested federal disaster assistance for the area in which the school district is located, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs. In the event of a declared disaster, as well as the House Bill 3 (HB 3) legislative updates, the Board is allowed to maintain the M&O tax rate at $1.0450 and the Debt Service tax rate is recommended to remain at $0.0936, maintaining the total tax rate at $1.1386 per $100 property value.

BOARD AGENDA REPORT
McALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Setting Public Meeting Date for Budget and Vote on Proposed Tax Rate

REFERENCE: Goal 4; Strategy 7: Financial Priorities

LEGAL REVIEW:

Reviewed by Kevin O'Hanlon from O'Hanlon, Demerath & Castillo.

BUDGETARY CONSIDERATIONS:

Administration will prepare a budget with a proposed Maintenance and Operation tax rate of $1.0450 and a Debt Service tax rate of $0.0936 for a total tax rate of $1.1386.

RECOMMENDED BOARD ACTION:

A. That the Board of Trustees authorize Administrative Staff to publish no later than June 4, 2021 the Notice of Public Meeting to Discuss Budget and Proposed Tax Rate on June 14, 2021.

B. That the Board of Trustees vote on the proposed tax rate of $1.0450 for Maintenance and Operations and $0.0936 for Debt Service to be published in the Notice of Public Meeting.

SUBMITTED BY: Adel Felix

SUPERVISOR: Cynthia Medrano-Richards

For further information contact:
Name: Adel Felix, CPA, CFE
Office: (956) 618-6016
eMail: adelita.felix@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

BOARD AGENDA REPORT
McALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of the McAllen Independent School District April Budget Amendment for Fiscal Year Beginning July 1, 2020 and Ending June 30, 2021

REFERENCE: Goal 4, Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

In accordance with TEA budget and accounting procedures guidelines, the District's official budget is comprised of the General Fund which includes Food Service and the Debt Service Fund. The District has administratively opted to officially adopt the Capital Projects Fund budget. The adoption of the budgets associated with these funds, and subsequent amendments, should be approved by the Board of Trustees. The authority to approve a budget or a budget amendment for a grant program, however, lies with the granting agency and not with the District's Board.

The administration will routinely allow amendments of existing budgeted funds between major function levels, in order to accommodate the necessary operations of the requesting department or campus. These amendments usually become necessary due to accounting coding requirements. These requests allowed at the administrative level are subject to final approval by the Board of Trustees.

The budget amendments are broken down into the following two categories:

1. Revisions – amendments that are necessary because of policy changes or revisions to programs that increase/decrease the budget.

2. Transfers – amendments that are necessary and/or amounts require adjustments but do not increase/decrease the budget.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

The budget amendment detail provides explanations for the revisions and transfers.

LEGAL REVIEW:

None required.

BUDGETARY CONSIDERATIONS:

	General Fund
Audited Fund Balance	$ 97,700,231
Revenues	253,785,254
Expenditures	264,084,595
Preliminary Ending Fund Balance	$ 87,400,890

BOARD AGENDA REPORT
McALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of the McAllen Independent School District April Budget Amendment for Fiscal Year Beginning July 1, 2020 and Ending June 30, 2021.

REFERENCE: Goal 4, Strategy 7 - Financial Priorities

RECOMMENDED BOARD ACTION:

That the Board of Trustees approve the McAllen Independent School District April Budget Amendments for the General Fund for Fiscal Year Beginning July 1, 2020 and Ending June 30, 2021.

SUBMITTED BY: Adel Felix

SUPERVISOR: Cynthia Medrano-Richards

For further information contact:
Name: Adel Felix CPA, CFE
Office: (956) 618-6016
eMail: adelita.felix@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

McAllen Independent School District
Summary Report as of April 30, 2021
Review of Budget Amendments and Proposed Amendments

GENERAL FUND

	A	B	C	D	E
			Budget Amendments Under Consideration		
Description	Original Budget	Revised Budget 03/31/2021	Revisions	Transfers	Revised Budget 04/30/2021
Audited Fund Balance	**97,700,231**	**97,700,231**			**97,700,231**
Revenues:					
Local:					
Property Taxes	79,823,682	79,823,682			79,823,682
Interest Income	1,559,000	809,000			809,000
Other Local Income	2,827,299	2,633,530	128,719		2,762,249
State:	137,774,797	139,046,497	127,000		139,173,497
Federal:	21,131,995	24,401,815	236,713		24,638,528
Other Sources:	0	6,307,690	270,608		6,578,298
Total Revenues	**243,116,773**	**253,022,214**	**763,040**	**0**	**253,785,254**
Expenditures:					
11 Instruction	125,902,178	131,351,996	(230,925)	(335,396)	130,785,675
12 Inst. Res. & Media Services	3,591,042	3,626,521		20,193	3,646,714
13 Curriculum Dev. & Inst. Staff Dev.	4,566,016	5,215,610		6,729	5,222,339
21 Inst. Leadership	3,424,579	3,132,623	(37)	130,321	3,262,907
23 School Leadership	13,398,767	13,925,261		44,701	13,969,962
31 Guid., Counseling & Eval. Ser.	10,033,333	9,819,143	128,000	39,539	9,986,682
32 Social Work Services	1,864,993	1,946,612		(4,062)	1,942,550
33 Health Services	3,031,453	3,118,135		123,223	3,241,358
34 Student (Pupil) Trans.	4,007,329	4,825,668		544,007	5,369,675
35 Food Services	17,566,135	22,877,472		805	22,878,277
36 Curricular/Extracurricular Act.	9,996,499	9,445,667		(265,584)	9,180,083
41 General Administration	7,895,268	8,747,311		63,621	8,810,932
51 Plant Maint. & Operations	19,817,409	22,539,532		(726,322)	21,813,210
52 Security and Monitoring Serv.	4,387,069	5,052,957		(5,914)	5,047,043
53 Data Processing Services	4,703,026	6,883,571		19,511	6,903,082
61 Community Services	35,975	55,961		(654)	55,307
71 Debt Service	7,073,589	7,078,590			7,078,590
81 Fac. Acquisition & Const.	5,000	938,018		45,282	983,300
95 Pmt. to Juv. Justice Alt. Ed. Prg.	40,000	40,000			40,000
99 Other Intergovernmental Charges	891,975	907,579			907,579
Other Uses	85,330	2,659,330		300,000	2,959,330
Total Expenditures	**242,316,965**	**264,187,557**	**(102,962)**	**0**	**264,084,595**
		437			
Preliminary Ending Fund Balance	**98,500,039**	**86,534,888**	**866,002**	**0**	**87,400,890**

GENERAL FUND
Revisions

REVENUES:				
Local				
Other Local Income	- Rebate from College Board for Fund 199 General Fund		$ 1,000	
	- Increase to Local Revenues for Fund 199 General Fund		127,719	
				128,719
State				
	- Summary of Finance Adjustment to 2019-2020 Prior Year for Fund 155 College, Career and Military Readiness		$ 127,000	
				127,000
Federal				
	- Decrease to Federal Revenue through Federal Government - Marine/Army ROTC		$ (21,000)	
	- Increase to Federal Revenue through Federal Government - E-Rate		64,489	
	- 2019 SHARS Cost Report Settle-Up		193,224	
				236,713
Other Sources				
	- Increase to Sale of Real/Personal Property for Sale of Chromebooks/Used Equipment		$ 270,608	
				270,608
		Grand Total		$ 763,040
EXPENDITURES:				
Function 11	- Adjustment to Fund 173 Special Education resulting from 2012 through 2016 Property Value Studies		$ (960)	
	- Adjustment to Fund 156 Early Education Allotment due to 4th SW Allotment Decrease		(328,573)	
	- Transfer from Fund Balance for Fund 155 College, Career and Military Readiness for Year End Needs		98,608	
				(230,925)
Function 21	- Adjustment to Fund 163 Advanced Learners resulting from 2012 through 2016 Property Value Studies		$ (37)	
				(37)
Function 31	- Increase to Testing Materials for Fund 199 General Fund from College Board Rebate		$ 1,000	
	- Increase to Testing Materials for Fund 155 College, Career and Military Readiness		127,000	
				128,000
		Grand Total		$ (102,962)

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Approval of Board of Education Meeting Minutes

REFERENCE: N/A

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:
The minutes for each meeting of the Board of Education are traditionally brought to the Board for approval. After approval, the minutes become the Official Record of Board Action.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:
The Administration asks that the Board of Education consider approval of the attached minutes.

LEGAL REVIEW: None

BUDGETARY CONSIDERATIONS: None

RECOMMENDED BOARD ACTION:
That the Board approve the minutes of the following meeting(s):

Regular Board Meeting - April 19, 2021 - 5:00 P.M.
Board Workshop - April 21, 2021 - 5:30 P.M.
Regular Board Meeting - April 26, 2021 - 5:00 P.M.

SUBMITTED BY: Natalia Goza **SUPERVISOR:**

Approved for presentation to the Board of Education:

For further information contact:
Name: Natalia Goza
Office: 956-618-6094
eMail: natalie.goza@mcallenisd.net

Superintendent of Schools May 4, 2021

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: May 10, 2021

SUBJECT: Annual Announcement of Continuing Education of Board Members

REFERENCE: Board Policy BBD (LEGAL)

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:
A provision to the Texas Education Code (TEC) requires that the President make an Announcement on continuing education of Board Members the last meeting before an election of trustees. The Announcement should reflect whether each trustee has met or is delinquent in meeting the training required to be completed as of the date of the meeting." [TEC, 11.159(b)].

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:
The board president is required to read aloud the name of each member who has completed the required continuing education, who has exceeded the required hours and the names of members who are deficient in the required hours.

LEGAL REVIEW: None

BUDGETARY CONSIDERATIONS: None

RECOMMENDED BOARD ACTION: This item is for information only, no action necessary.

SUBMITTED BY: Natalia Goza **SUPERVISOR:**

For further information contact:
Name: Natalia Goza
Office: 956 618-6094
eMail: natalie.goza@mcallenisd.net

Approved for presentation to the Board of Education:

440

Superintendent of Schools May 4, 2021

Board President announcement:

Post-Legislative Update to the Texas Education Code

The following board members have **completed** Post-Legislative Update to the Texas Education Code training:

- Tony Forina
- Sam Saldivar, Jr.
- Debbie Crane Aliseda
- Conrado Alvarado

The following board member is **deficient** in meeting the required Post-Legislative Update to the Texas Education Code training:

- Larry Esparza

The following board members **have scheduled training** to complete the Post-Legislative Update to the Texas Education Code:

- Danny Vela
- Marco Suarez

Team Building

The following board members **scheduled training** to complete the annual team-building session:

- Conrado Alvarado
- Sam Saldivar, Jr.
- Tony Forina
- Debbie Crane Aliseda
- Larry Esparza
- Marco Suarez
- Danny Vela

Additional Continuing Education

The following board members have **completed** the additional continuing education requirements:

- Conrado Alvarado
- Sam Saldivar, Jr.
- Tony Forina
- Debbie Crane Aliseda
- Marco Suarez

The following board member is **deficient** in meeting the additional continuing education requirements:

- Larry Esparza

The following board member **has scheduled training** to timely complete the additional continuing education requirements:

- Danny Vela

Evaluating Student Academic Performance and Setting Goals

The following board members have **completed** the biennial training on evaluating student academic performance and setting goals:

- Conrado Alvarado
- Sam Saldivar, Jr.
- Tony Forina
- Debbie Crane Aliseda
- Larry Esparza
- Marco Suarez
- Danny Vela

Identifying and Reporting Abuse, Trafficking, and Other Maltreatment of Children

The following board members have **completed** the biennial training on identifying and reporting abuse and trafficking:

- Conrado Alvarado
- Sam Saldivar, Jr.
- Tony Forina
- Debbie Crane Aliseda
- Marco Suarez

The following board member is **deficient** in meeting the required biennial training on identifying and reporting abuse and trafficking:

- Larry Esparza

The following board member **has scheduled training** to timely complete the biennial training on identifying and reporting abuse and trafficking:

- Danny Vela

EXCEEDING REQUIRED CONTINUING EDUCATION

Board Member Conrado Alvarado has **exceeded** the required amount of continuing education training by **3** additional hours.

Board Member Sam Saldivar, Jr. has **exceeded** the required amount of continuing education training by **63** additional hours.

Board Member Tony Forina has **exceeded** the required amount of continuing education training by **8** additional hours.

Board Member Debbie Crane Aliseda has **exceeded** the required amount of continuing education training by **14** additional hours.