

AGENDA

**Regular Meeting of the Bedford City Council
Tuesday, May 8, 2012
2000 Forest Ridge Drive
Bedford, Texas 76021**

**Council Chamber Work Session 6:00 p.m.
Council Chamber Regular Session 6:30 p.m.**

**COMPLETE COUNCIL AGENDAS AND BACKGROUND INFORMATION ARE AVAILABLE FOR REVIEW
ONLINE AT <http://www.bedfordtx.gov>**

WORK SESSION

- Review and discuss items on the regular agenda and consider placing items for approval by consent.

EXECUTIVE SESSION:

To convene before the Regular Session, if time permits, in the conference room in compliance with Section 551.001 et. Seq. Texas Government Code, to discuss the following:

- Pursuant to Section 551.071, consultation with City Attorney regarding pending or contemplated litigation – Gregory Eric Austin v. City of Bedford.
- Pursuant to Section 551.087, deliberation regarding economic development negotiations relative to Block G1, Lot1, Citgo Addition #2.

REGULAR SESSION 6:30 P.M.

CALL TO ORDER/GENERAL COMMENTS

INVOCATION (Dr. Jeff May, First United Methodist Church of Bedford)

PLEDGE OF ALLEGIANCE

OPEN FORUM

(The public is invited to address the Council on any topic that is posted on this agenda. Citizens desiring to speak on Public Hearing(s) must do so at the time the Public Hearing(s) are opened. In order to speak during Open Forum a person must first sign in with the City Secretary prior to the Regular Session being called to order. Speakers will be called upon in the order in which they sign in. Any person not signing in prior to the commencement of the Regular Session shall not be allowed to speak under Open Forum. Further, Open Forum is limited to a maximum of 30 minutes. Should speakers not use the entire 30 minutes Council will proceed with the agenda. At the majority vote of the Council the Mayor may extend the time allotted for Open Forum.)

CONSIDER APPROVAL OF ITEMS BY CONSENT

COUNCIL RECOGNITION

1. Proclamation recognizing the Sketch-A-School Art Contest winners.
2. Proclamation declaring June, July and August 2012 as Summer Reading Club Season.

APPROVAL OF THE MINUTES

3. Consider approval of the following City Council minutes:
 - a) April 24, 2012 regular meeting

OLD BUSINESS

4. Consider a resolution authorizing the City Manager to enter into an agreement with Motorola Solutions for the replacement of the current 800 MHZ radio system in the amount of \$1,134,520.
5. Consider a resolution authorizing the City Manager to enter into Utility Adjustment Agreement Amendment #2 (UAAA) with NTE Mobility Partners, LLC and Bluebonnet Contractors, LLC for the adjustment of the City of Bedford's existing utilities impacted by the North Tarrant Express Project. (This item was tabled at the April 24, 2012 Council Meeting)

NEW BUSINESS

6. Public hearing and consider a resolution for a site plan for use as a medical office building at 1916 Central Drive, Site Plan Case S-054 (Martin Reinke, M.D.). The property is zoned Heavy Commercial; known as Lot 1R , Block 1, First State Addition, and is located at 1916 Central Drive, Bedford, Texas. The property is generally located south of L. Don Dodson Drive and east of Central Drive. (S-054)
7. Consider a resolution authorizing the City Manager to accept the proposal and sealed dollar cost fees from BKD, LLP for audit services.
8. Consider a resolution authorizing the City Manager to renew a two-year agreement with Valley View Consulting, L.L.C., to provide Investment Advisory Services.
9. Consider a resolution authorizing the City Manager to enter into agreements with Tech Logic for a Full Service Program Agreement, Self Checkout Software License Renewal and Extended Hardware Warranty in the amount of \$37,228.
10. Report on most recent meeting of the following Boards and Commissions:
 - ✓ Animal Control Board- Councilman Griffin
 - ✓ Animal Shelter Advisory Board- Councilman Griffin
 - ✓ Beautification Commission- Councilman Turner
 - ✓ Community Affairs Commission- Councilman Fisher
 - ✓ Cultural Commission- Councilman Champney
 - ✓ Library Board- Councilman Brown
 - ✓ Parks & Recreation Board- Councilman Griffin
 - ✓ Senior Citizen Advisory Board- Councilman Savage
 - ✓ Teen Court Advisory Board- Councilman Griffin
11. Councilmember reports
 - a) Mayor Story – State of the City
 - b) Councilman Savage – Tenure Comments
12. City Manager/Staff Reports
13. Take any action necessary as a result of the Executive Session

(Any item on this posted agenda may be discussed in executive session provided it is within one of the permitted categories under Chapter 551 of the Texas Government Code.)

ADJOURNMENT

CERTIFICATION

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted on the outside window in a display cabinet at the City Hall of the City of Bedford, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted by the following date and time: Friday, May 4, 2012 at 5:00 p.m., and remained so posted at least 72 hours before said meeting convened.

Michael Wells, City Secretary

Date Notice Removed

(Auxiliary aids and services are available to a person when necessary to afford an equal opportunity to participate in City functions and activities. Auxiliary aids and services or accommodations should be requested forty-eight (48) hours prior to the scheduled starting time of a posted council meeting by calling 817.952.2101.)



Council Agenda Background

PRESENTER: Jim Story, Mayor

DATE: 05/08/12

Council Recognition

ITEM:

Proclamation recognizing the Sketch-A-School Art Contest winners.

City Manager Review: _____

DISCUSSION:

Each year, every third grader in the Hurst-Euless-Bedford Independent School District (HEB ISD) participates in the Heritage Education program at the Old Bedford School. One component of the program is the Sketch-A-School Art Contest, which provides the students an opportunity to reflect upon their visit and draw a picture of their most memorable moment from visiting the Old Bedford School. This is the 16 year of the contest and more than 300 poster entries were judged by the Heritage Education Docents with assistance from the staff at the Old Bedford School. From the entries, 1, 2, 3 Places, Most Creative, Most Original and Honorable Mention were awarded.

The award recipients will be at the meeting to be recognized.

ATTACHMENTS:

Proclamation



CITY OF
BEDFORD

Proclamation

WHEREAS, school children visit the Old Bedford School and are introduced to the Heritage Education Program in conjunction with their Social Studies curriculum to highlight the local community's history; and

WHEREAS, this event marks the 16th year of the Sketch-A-School Contest and more than 300 posters were entered by Hurst, Eules, and Bedford ISD third grade students; and

WHEREAS, each poster illustrated the students most memorable recollection of the visit to the Old Bedford School and the six posters were chosen from the following third graders.

NOW, THEREFORE, let it be known that I, Jim Story, Mayor of the City of Bedford, and the City Council ask the citizens of Bedford to join us in recognizing the following Sketch-A-School Contest Winners:

Jackson Banfield	1st Place	River Trails Elementary
Savannah Cole	2nd Place	Meadow Creek Elementary
Isabella Castillo	3rd Place	Meadow Creek Elementary
Kyle Walker	Most Creative	Donna Park Elementary
Carola Crespo	Most Original	Lakewood Elementary
Samantha O'Brien	Honorable Mention	Meadow Creek Elementary
Mario Moneir	Honorable Mention	South Eules Elementary

In witness whereof, I have hereunto set my hand and caused the seal of the City of Bedford to be affixed this 8th day of May, 2012.

JIM STORY MAYOR




Council Agenda Background

PRESENTER: Jim Story, Mayor

DATE: 05/08/12

Council Recognition

ITEM:

Proclamation declaring June, July and August 2012 as Summer Reading Club Season.

City Manager Review: _____

DISCUSSION:

Shady Brook School Librarian, Bea Cochran, and her Super Readers will accept the proclamation on behalf of the Bedford Public Library. The Bedford Public Library will host a variety of programs throughout the summer to encourage all Bedford residents, especially children, to keep reading this summer. Children who want to attend the Summer Reading Club Kickoff Party at Splash must register by May 17, 2012.

Summer Reading Club Kickoff Rally

Friday, May 18 from 5:00 – 8:00 pm

ATTACHMENTS:

Proclamation



CITY OF
BEDFORD

Proclamation

WHEREAS, the summer season brings to mind the joy of playing with friends, swimming at the Bedford Splash water park and reading whatever you wanted to. You could follow your superhero in a comic book. Learn about cars and spaceships. You could explore future worlds or times gone by; and

WHEREAS, recreational reading that takes place during the summer is valuable to a child's success and happiness. Self selected recreational reading creates a healthy atmosphere that facilitates the desire to read and write. It improves reading scores. It builds life-long learners. Helps develop vocabulary, fluency, comprehension, and a joy of the written word; and

WHEREAS, adults lead best by example. Pick up a book and join the Library's Summer Reading Club. Have your child participate in the program for praise, compliments, accomplishments, and prizes.

NOW, THEREFORE, let it be known that I, Jim Story, Mayor of the City of Bedford, and the City Council do hereby proclaim June, July and August, 2012 as:

Summer Reading Club Season

in the City of Bedford and invite all residents to register for the reading club at the Bedford Public Library.

*In witness whereof, I have hereunto set my hand and caused the seal of the City of Bedford to be affixed this
8th day of May, 2012.*

JIM STORY MAYOR




Council Agenda Background

PRESENTER: Michael Wells, City Secretary

DATE: 05/08/12

Minutes

ITEM:

Consider approval of the following City Council minutes:

- a) April 24, 2012 regular meeting

City Manager Review: _____

DISCUSSION:

N/A

ATTACHMENTS:

Minutes of April 24, 2012 regular meeting

STATE OF TEXAS §

COUNTY OF TARRANT §

CITY OF BEDFORD §

The City Council of the City of Bedford, Texas, met in Work Session at 6:00 p.m. and Regular Session at 6:30 p.m. in the Council Chambers of City Hall, 2000 Forest Ridge Drive, on the 24th day of April, 2012 with the following members present:

Jim Story	Mayor
Chris Brown	Council Members
Ray Champney	
Roger Fisher	
Jim Griffin	
Roy Savage	
Roy W. Turner	

constituting a quorum.

Staff present included:

David Miller	Deputy City Manager
Stan Lowry	City Attorney
Michael Wells	City Secretary
Cliff Blackwell	Administrative Services Director
Eric Griffin	Deputy Police Chief
John Kubala	Public Works Director
Mirenda McQuagge-Walden	Managing Director of Community Services
Bill Syblon	Development Director

CALL TO ORDER

Mayor Story called the Work Session to order at 6:00 p.m.

WORK SESSION

- **Review and discuss items on the regular agenda and consider placing items for approval by consent.**

Council discussed placing the following items on consent: 4, 7 which is being tabled, 8, 9, 10, 11, 12 and 13.

Mayor Story adjourned the Work Session at 6:06 p.m.

EXECUTIVE SESSION:

To convene before the Regular Session, if time permits, in the conference room in compliance with Section 551.001 et. Seq. Texas Government Code, to discuss the following:

- Pursuant to Section 551.087, deliberation regarding economic development negotiations relative to Block 1, Lot 2A, Bedford-Arlington Road Ltd. Sub.
- Pursuant to Section 551.087, deliberation regarding economic development negotiations relative to Block G1, Lot1, Citgo Addition #2.

Council convened into Executive Session pursuant to the Texas Government Code pursuant to Section 551.087, deliberation regarding economic development negotiations relative to Block 1, Lot 2A, Bedford-

Arlington Road Ltd. Sub. and Section 551.087, deliberation regarding economic development negotiations relative to Block G1, Lot1, Citgo Addition #2 at 6:06 p.m.

Council did not finish the Executive Session and will convene again at the end of the meeting.

Council convened into Executive Session again at approximately 7:12 p.m.

Council reconvened from Executive Session at approximately 7:38 p.m.

Any necessary action to be taken as a result of the Executive Session will occur during the Regular Session of the Bedford City Council Meeting.

REGULAR SESSION 6:30 P.M.

The Regular Session began at 6:33 p.m.

CALL TO ORDER/GENERAL COMMENTS

Mayor Story called the meeting to order. He stated that Council will have to go back into Executive Session at the end of the meeting.

INVOCATION (Erik Gronberg, Lead Pastor, Trinity Lutheran Church of Fort Worth)

Erik Gronberg, Lead Pastor of Trinity Lutheran Church of Fort Worth, gave tonight's invocation.

PLEDGE OF ALLEGIANCE

Jackson Boyd, Star Scout from Boy Scout Troop 340, led the Pledge of Allegiance.

OPEN FORUM

Nobody chose to speak under tonight's Open Forum.

CONSIDER APPROVAL OF ITEMS BY CONSENT

Motioned by Councilman Champney, seconded by Councilman Turner, to approve the following items by consent: 4, 6, 7 which is being tabled, 8, 9, 10, 11, 12 and 13.

Motion approved 7-0-0. Mayor Story declared the motion carried.

COUNCIL RECOGNITION

1. Proclamation declaring May 2012 as Motorcycle Safety and Awareness Month.

Mayor Story read a proclamation declaring May 2012 as Motorcycle Safety and Awareness Month. Members of the Patriots Motorcycle Club were on hand to accept the proclamation.

2. Proclamation recognizing the week of April 22–28, 2012 as National Crime Victims' Rights Week.

Mayor Story read a proclamation recognizing the week of April 22–28, 2012 as National Crime Victims' Rights Week. Deputy Police Chief Eric Griffin and Crime Victims' Coordinator Kathy Haeker were on hand to accept the proclamation. Ms. Haeker thanked the citizens and the Police Department. She wanted to recognize citizen volunteers including Pam Lynch. She stated that just for the month of April, there have been 56 crime victims in the City. Deputy Chief Griffin thanked Ms. Haeker for her dedication to the community and for being an asset to the Police Department.

3. Employee Service Recognition.

The following employee received recognition for dedicated service and commitment to the City of Bedford:

Mary Miller, Community Services – 20 years of service

APPROVAL OF THE MINUTES

- 4. Consider approval of the following City Council minutes:**
a) **April 10, 2012 regular meeting**

This item was approved by consent.

OLD BUSINESS

- 5. Consider a resolution of the City Council of the City of Bedford, Texas, approving a process for awarding a contract when the City has received identical bids pursuant to Section 271.901 of the Texas Local Government Code; and awarding the bid for the sale of property located at 3601 West Pipeline Road, Euless, Texas to _____ after following the procedure in Section 271.901 providing that the contract to sell to _____ is approved.**

Mayor Story presented information regarding this resolution. The City went out for bids to sell the Sotogrande Community Building and Tennis Center. Two bids were received and both were for the exact same amount. At the last Council meeting, Council decided to award the bid by “drawing lots” per State Law. Deputy City Manager David Miller then explained how the process for “drawing lots” would work.

City Secretary Michael Wells presented representatives from Euless Loaves and Fishes Foundation, Inc. and Westdale Properties America I, Ltd, index cards with the names of the companies printed on them to verify that both companies’ names were the exact same size and font. After that verification, Assistant City Secretary Amanda Jacobs folded the cards in the exact same manner and placed them into a hat. Mr. Wells then stood at the front of the room with the hat. Josh Vinson, Star Scout from Boy Scout Troop 340, pulled one of the folded cards from the hat and gave it to the Mayor. Mayor Story read the name on the card, which was Westdale Properties America I, Ltd.

Motioned by Councilman Champney, seconded by Councilman Griffin, to approve a resolution of the City Council of the City of Bedford, Texas, approving a process for awarding a contract when the City has received identical bids pursuant to Section 271.901 of the Texas Local Government Code; and awarding the bid for the sale of property located at 3601 West Pipeline Road, Euless, Texas to Westdale Properties America I, Ltd. after following the procedure in Section 271.901 providing that the contract to sell to Westdale Properties America I, Ltd. is approved.

Motion approved 7-0-0. Mayor Story declared the motion carried.

NEW BUSINESS

- 6. Consider a resolution of the City Council of the City Of Bedford, Texas approving an Economic Development Program Agreement, pursuant to Chapter 380 of the Texas Local Government Code and the City’s Economic Development Incentive Policy and Program, with Cheddar’s Inc.**

This item was discussed during Executive Session and was approved by consent.

- 7. Consider a resolution authorizing the City Manager to enter into Utility Adjustment Agreement Amendment #2 (UAAA) with NTE Mobility Partners, LLC and Bluebonnet Contractors, LLC for the adjustment of the City of Bedford’s existing utilities impacted by the North Tarrant Express Project.**

This item was tabled by consent.

- 8. Consider a resolution authorizing the City Manager to execute Amendment No. 1 to Contract No. CS0031 between the City of Bedford and Comptroller of Public Accounts State Energy Conservation Office related to American Recovery and Reinvestment Act Transportation, Traffic Light Synchronization.**

This item was approved by consent.

- 9. Consider a resolution authorizing the Mayor to sign an Oncor Electric Delivery Company Easement and Right of Way for electrical service to the site of the future Simpson Terrace Water Well.**

This item was approved by consent.

- 10. Consider a resolution authorizing the City Manager to enter into an agreement with Brain Freeze Events Incorporated, doing business as Kona Ice, to provide product for the sale of shaved ice at the Bedford Splash Aquatics Center for one season.**

This item was approved by consent.

- 11. Consider a resolution authorizing the City Manager to enter into a lease agreement for one year with the DFW Tejanos Organization for the purpose of conducting practices and games at the Stormie Jones soccer fields.**

This item was approved by consent.

- 12. Consider a resolution authorizing the City Manager to enter into a lease agreement for one year with the Tri-Cities Baseball Association for the purposes of having league games and practice at both the Boys Ranch Park and the Meadowpark Athletic Complex.**

This item was approved by consent.

- 13. Consider a resolution authorizing the City Manager to enter into a contract with Western Enterprises Inc. for the 2012 4thFest Fireworks Program in the amount of \$29,000.**

This item was approved by consent.

- 14. Consider a resolution appointing members to Bedford's Citizen Boards and Commissions.**

Motioned by Councilman Griffin, seconded by Councilman Champney, to approve a resolution appointing members to Bedford's Citizen Boards and Commissions as read.

Motion approved 7-0-0. Mayor Story declared the motion carried.

- 15. Staff update and receive Council input on the request to sponsor the Arts Council Northeast Triple Crown Event on Saturday, May 19, 2012.**

Deputy City Manager David Miller stated that at a previous Council meeting, Councilman Champney had presented the possibility of sponsoring a table at the Arts Council Northeast Triple Crown Event on May 19 in order to raise money for the organization. Council was of the consensus to wait until after April 19 to make a decision since the amount for the sponsorship would drop to \$1,500. At the \$1,500 "Citation" level of sponsorship, the City would get its name in the program and a table for ten with City's name on the table. Council could also decide to buy individual tickets at \$150 a piece, which may be less expensive though the City would not get the sponsorship recognition.

Council discussed moving forward with the sponsorship as well as using the sponsorship as an economic development tool. Council was of the consensus to sponsor a table at the event.

16. Report on most recent meeting of the following Boards and Commissions:

✓ **Animal Control Board- Councilman Griffin**

No report was given.

✓ **Animal Shelter Advisory Board- Councilman Griffin**

Councilman Griffin reported on the Pet Fair that was held this past Saturday. It was one of the largest ones ever attended by citizens and visitors. He and Police Chief Roger Gibson and Deputy Police Chief Les Hawkins cooked over 300 hamburgers and hot dogs. Seven animals were adopted at the event. The Carter Blood Care vehicle was also there and 15 people gave blood.

✓ **Beautification Commission- Councilman Turner**

No report was given.

✓ **Community Affairs Commission- Councilman Fisher**

Councilman Fisher tipped his hat to the Commission and David Franklin in particular, for a successful Energy Fair at the Library. Between 350 and 400 people were in attendance and there were several sponsors and vendors. The event did not cost the City a dime. Also at the event was a game truck that was powered by solar energy. The Commission has discussed expanding the event to the Bedford Boys Ranch in order to accommodate more vendors and visitors.

✓ **Cultural Commission- Councilman Champney**

No report was given.

✓ **Investment Committee – Councilman Savage**

No report was given.

✓ **Library Board- Councilman Brown**

Councilman Brown reported that the Board met last week. The Library received the 2012 Wayne Williams Library Project of the Year award which included a \$500 cash award as well as a plaque which is on display in the Library lobby. Kate Marshall, a student at Texas Women's University, did a video for the Library's Annual report, which can be found on the Library's website and blog. He wanted to bring to Council's attention a discussion the Board had for placing a sign on Bedford Road at the entrance of the City, which may be electronic or a lighted monument sign. He thanked the Boy Scouts of Troop 340 for inviting him to speak to them earlier before the meeting.

✓ **Parks & Recreation Board- Councilman Griffin**

No report was given.

✓ **Senior Citizen Advisory Board- Councilman Savage**

Councilman Savage reported that he attended his last Board meeting and has served as Council liaison for the past 12 years. The Center has had a large number of volunteers this past quarter and their energy never ceases to amaze him.

✓ **Teen Court Advisory Board- Councilman Griffin**

Councilman Griffin reported that the Teen Court Banquet will be held this Thursday at the Hurst Convention Center. The silent auction to help the scholarship fund will be at 6:00 p.m. with the dinner at 7:00 p.m.

17. Council member reports

Councilman Griffin reported that 6Stones and Atmos Energy are partnering to work on a house at 2001 Memphis Drive on Wednesday from 9:30 a.m. to 4:30 p.m. They are asking for representatives from the City to stop by and say hello.

Mayor Story thanked Scoutmaster Michael Ramsey and Boy Scout Troop 340 for being at tonight's meeting.

18. City Manager report

Deputy City Manager David Miller stated he wanted to echo what Councilman Fisher said regarding the Energy Fair and wanted to take his hat off to David Franklin.

19. Take any action necessary as a result of the Executive Session.

Item #6 was discussed during the Executive Session and was then approved by consent.

ADJOURNMENT

Mayor Story adjourned the meeting at 7:39 p.m.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary



Council Agenda Background

PRESENTER: James Tindell, Fire Chief

DATE: 05/08/12

Council Mission Area: Provide a safe and friendly community environment.

ITEM:

Consider a resolution authorizing the City Manager to enter into an agreement with Motorola Solutions for the replacement of the current 800 MHZ radio system in the amount of \$1,134,520.

City Attorney Review: No

City Manager Review: _____

DISCUSSION:

The existing 20 year old analog Motorola 800 trunk radio system now in use for Public Safety and City Public Works/Parks radio communications has reached its end of life due to the non-availability of repair parts. The system is jointly owned along with the six Northeast Tarrant County area cities who compose the Northeast Trunk Radio Consortium, (Bedford, Colleyville, Euless, Grapevine, Keller/Westlake, and Southlake, and is known as NETCO).

In addition to the non-availability of repair parts for the system, NETCO has determined that the jointly owned Motorola 800 trunked radio system should be replaced with a system that will meet the soon to be required Federal Communication Commission P25 digital standard for all new trunked public safety radio.

NETCO believes that this can best be accomplished by upgrading the existing Motorola 800 trunked radio system infrastructure (base radios and related computer equipment) with a Motorola digital 700/800 trunked system. Each of the NETCO cities would be responsible for 1/6 of the total \$4,251,263 infrastructure cost or \$708,544 for each NETCO member city and all the cost of their respective subscriber equipment, which varies in each city. The City of Bedford's subscriber equipment cost is projected to be \$584,009. The overall cost to Bedford for the new 700/800 P25 digital trunk radio system is \$1,292,553.

An opportunity to take advantage of reduced pricing has been identified that will allow each NETCO city to enter into a purchase agreement with Motorola Solutions, and these separate agreements will then be combined at the time of purchasing the infrastructure and subscriber equipment. The reduced pricing is based on pricing offered to the City of Fort Worth by Motorola Solutions for the purchase of a similar upgrade to their Motorola 800 trunk radio system. This reduction in pricing is comprised of two parts: the first is a 9.1% reduction off of current HGAC pricing for the infrastructure equipment, with the second part being an additional 34.14% reduction off of current HGAC pricing for the subscriber equipment. This reduced pricing is contingent on the purchase agreement being executed prior to June 29, 2012. If the purchase agreement is not executed before June 29, 2012, the subscriber equipment price reverts to 20% off HGAC pricing. The infrastructure price would remain the same. In addition to the reduced pricing, by entering into the purchase agreement, NETCO cities will accrue no interest until October 2013 and the first payment on the agreement will not be due until October 2013. Should a NETCO city decide to sign the purchase agreement before June 29, 2012 to secure the reduced pricing, that city has the option to pay the total cost at the first payment or revert to payment milestones that can then be set with Motorola Solutions without incurring any early payment penalties or added interest.

Each of the NETCO cities will be responsible for 1/6 of the \$3,864,397 discounted infrastructure cost or \$644,066 for each NETCO member city and all the cost of their respective subscriber equipment.

The City of Bedford's discounted subscriber equipment cost is projected to be \$490,454. The overall cost to Bedford for the new 700/800 P25 digital trunk radio system is \$1,134,520 with all discounts applied.

The funding options are: Motorola Solutions, lease to purchase or issuance of a Certificate of Obligation. We will meet with Motorola to determine actual interest rates and make comparisons to a CO issuance. A portion of the funding for this project or \$151,473.44 is available from the previously approved purchase of the portable radios.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into an agreement with Motorola Solutions for the replacement of the current 800 MHZ radio system in the amount of \$1,134,520.

FISCAL IMPACT:

There is no fiscal impact until October 2013, which will be determined once financing is decided.

ATTACHMENTS:

Resolution
Agreement

RESOLUTION NO. 12-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH MOTOROLA SOLUTIONS FOR THE REPLACEMENT OF THE CURRENT 800 MHZ RADIO SYSTEM IN THE AMOUNT OF \$1,134,520.

WHEREAS, the City Council of Bedford, Texas, determines the need to replace the current 800 MHZ trunked radio system; and,

WHEREAS, Motorola Solutions is the provider of the infrastructure and subscriber equipment; and,

WHEREAS, a significant cost savings will be gained entering into this agreement with Motorola Solutions.

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

SECTION 1. That the City Council hereby authorizes the City Manager to enter into an agreement with Motorola Solutions for the replacement of the current 800 MHZ radio system in the amount of \$1,134,520.

PASSED AND APPROVED this 8th day of May 2012, by a vote of __ ayes, __ nays, and __ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

SYSTEM PURCHASE AGREEMENT (Radio Systems)

THIS AGREEMENT (“Agreement”) is made and entered into this ____ day of 2012, by and between Motorola Solutions, Inc., a Delaware corporation duly authorized to conduct business in the State of Texas (“Motorola” or “Seller”) and The City of Bedford, a body corporate and politic (“Purchaser”).

WITNESSETH:

WHEREAS, the Purchaser desires to purchase a Communications System; and

WHEREAS, Motorola desires to sell a Communications System to Purchaser; and

WHEREAS, Houston-Galveston Area Council (“H-GAC”), acting as the agent for various local governmental entities who are “End Users” under interlocal agreements (including the Purchaser) has solicited proposals for radio communications equipment and conducted discussions with Motorola concerning its proposal and, where applicable, in accordance with the competitive procurement procedures of Texas law; and

WHEREAS, H-GAC and Motorola entered into that certain Contract dated as of January 1, 2008 (the “Contract”), which provided that End Users may purchase radio communications equipment from Motorola pursuant to certain terms contained therein; and

THEREFORE, the parties hereby enter into an agreement pursuant to which Motorola shall perform the work and furnish the equipment and services as more fully set forth herein and in the following exhibits, which are either attached hereto or incorporated by reference and hereby made a part of this Agreement:

Exhibit A General Provisions.

Exhibit B Motorola Software License Agreement.

Exhibit C Technical and Implementation Documents, consisting of: System Description, Equipment List, Statement of Work, Acceptance Test Plan, and the Performance Schedule all dated March 26, 2012.

Exhibit D Motorola/H-GAC Contract dated January 1, 2008.

Exhibit E Warranty and Maintenance Plan and Service Terms and Conditions (if applicable).

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

Section 1 SCOPE OF WORK

A. Motorola shall furnish all of the equipment and software as outlined in Exhibit C and provide the tools, supplies, labor and supervision necessary for the installation of the items purchased in accordance with Exhibit C.

B. In addition to responsibilities described in the Statement of Work, Purchaser shall perform the following coincident with the performance of this Agreement:

(1) Provide a designated Project Director.

(2) Provide ingress and egress to Purchaser's facilities and/or sites as requested by Motorola and have such facilities available for installation of the equipment to be installed.

(3) Provide adequate telephone or other communications lines (including modem access and adequate interfacing networking capabilities) for the installation, operation and support of the equipment.

(4) Provide adequate space, air conditioning and other environmental conditions, and adequate and appropriate electrical power outlets, distribution, equipment and connections for the installation, operation and support of the equipment.

(5) Provide a designated work area with adequate heat and light, and a secure storage area for equipment delivered to the Purchaser. The Purchaser shall be solely liable for loss or damage to equipment prior to, during and following installation when such equipment is on or within Purchaser's facilities and/or vehicles.

Section 2 SITES

This Agreement is predicated on the utilization of sites and site configurations, which have been selected either by the Purchaser or by Motorola and set forth in Exhibit C. In either situation, should it be determined by Motorola and Purchaser during the course of performance on this Agreement that the sites or configuration selected are no longer available or desired, new or replacement sites or configuration will be selected and approved by both Motorola and the Purchaser. If any price or schedule adjustments are necessary as a result of these new or replacement sites, such adjustments will be added to this Agreement by change order in accordance with Section 4 of the General Provisions.

Section 3 SUBSURFACE/STRUCTURAL CONDITIONS

This Agreement is predicated upon normal soil conditions defined by E.I.A. standard RS-222 (latest revision). Should Motorola encounter subsurface, structural, adverse environmental and/or latent conditions at any site differing from those indicated on the specifications, or as used in the preparation of the bid price, the Purchaser will be given immediate notice of such conditions before they are further disturbed. Thereupon, Motorola and the Purchaser shall promptly investigate the conditions and, if found to be different, will adjust the plans and/or specifications as may be necessary. Any changes that cause an adjustment in the contract price

or in time required for the performance of any part of the contract shall result in a contract modification in accordance with Section 4 of the General Provisions.

Section 4 PERIOD OF PERFORMANCE

A. Motorola projects that it will be able to obtain final acceptance and completion of the Acceptance Test Plan within the time interval specified in Exhibit C (if applicable). A more detailed timeline shall be provided to Purchaser after the design review and customer kick-off meeting.

B. Whenever a party knows or reasonably should know that any actual or potential condition due to circumstances beyond its control is delaying or threatens to delay the timely performance of the work, the party shall within thirty (30) days give the other party notice thereof and may request an extension of time to perform the work.

C. In order to successfully integrate and implement this project, shipments will be made F.O.B. Destination to Purchaser facilities, local Motorola staging facilities, warehousing facilities, or any combination thereof. It is agreed that this plan is acceptable to Purchaser and that Motorola will advise prior to shipment of actual destination and that Purchaser will accept shipment, and make payment as required by this Agreement.

D. It is also agreed that equipment shipping dates reflected in this Agreement are estimates only, and that shipment may be made at any time prior to, or subsequent to these estimated shipping dates.

Section 5 ACCEPTANCE CRITERIA

A. Motorola will test the Communications System in accordance with the Acceptance Test Plan. System acceptance will occur upon the successful completion of such testing ("System Acceptance") at which time both parties shall promptly execute a certificate of system acceptance. If the Acceptance Test Plan includes separate tests for individual subsystems or phases of the System, both parties shall promptly execute certificates of subsystem acceptance upon the successful completion of testing of such subsystems or phases. Minor omissions or variances in performance which do not materially affect the operation of the Communications System as a whole will not postpone System Acceptance. Purchaser and Motorola will jointly prepare a list of such omissions and variances which Motorola will correct according to an agreed upon schedule.

B. Motorola agrees to notify Purchaser when the Communications System is ready for acceptance testing. Motorola and Purchaser agree to commence acceptance testing within ten (10) business days after receiving such notification. If testing is delayed for reasons within the control of Purchaser or its employees, contractors, agents or consultants for more than ten (10) business days after notification, final payment will be due within thirty (30) days after such notification and the Warranty Period will commence immediately.

C. Motorola may, but is not obligated to, issue written authorization for Purchaser to use the Communications System or its subsystem(s) for limited training or testing purposes, prior to the completion of testing by Motorola. Any use of the Communications System without prior written authorization by Motorola shall constitute System Acceptance.

Section 6 PAYMENT SCHEDULE

A. Motorola agrees to sell all of the equipment and perform the services as outlined in the Scope of Work, and Purchaser agrees to buy the aforementioned equipment and services for the sum of (\$1,134,519.97), which includes the H-GAC administration fee. The final price may be adjusted by change orders approved pursuant to Statement of Work attached hereto as Exhibit "C".

B. Customer will make a down payment of \$0.00 in the form of a wire transfer, check, or cashier's check from a U.S. financial institution. The balance of the purchase price will be paid via the disbursement of the financing proceeds pursuant to the Equipment Lease-Purchase Agreement No.23284 executed between the parties. For customer's reference, the Federal Tax Identification number for Motorola is 36-1115800.

Motorola reserves the right to make partial shipments of equipment and to request payment upon shipment of such equipment. In addition, Motorola reserves the right to invoice for installations or civil work completed on a site-by-site basis, when applicable.

C. In the event of failure or delay by the Purchaser in providing sites, space, approvals, licenses, or any other Purchaser obligations required preceding delivery of Motorola equipment, it is agreed that Motorola, at its sole discretion, may ship equipment as planned and that the Purchaser will accept the equipment and make payment in accordance with the terms of this Agreement. Any additional costs incurred by Motorola for storage of equipment will be invoiced and paid by Purchaser.

D. For any additional payments, payments to Motorola shall be made as follows:

- (i) Motorola shall immediately forward an invoice for the payment requested in Section 6(B) above to Purchaser.
- (ii) Purchaser shall pay the Motorola invoice within thirty (30) calendar days of receipt.

E. Motorola will pay H-GAC's administrative fee in accordance with the payment terms of Motorola/H-GAC Contract dated January 1, 2008.

F. TERM. Unless terminated in accordance with other provisions of this Agreement or extended by mutual agreement of the Parties, the term of this Agreement begins on the date as set forth above and continues until the date of Final Project Acceptance or expiration of the Warranty Period, whichever occurs last.

Section 7 PROJECT MANAGEMENT

A. If the size or complexity of the project warrants, Motorola will assign a Project Manager, who is authorized to exercise technical direction of this project. Motorola, at any time, may designate a new or alternate Project Manager with written notice to Purchaser and H-GAC.

B. All matters affecting the terms of this Agreement or the administration thereof shall be referred to Motorola's cognizant Contract Administrator who shall have authority to negotiate changes in or amendments to this Agreement.

Section 8 NOTICE ADDRESSES

A. Motorola Solutions, Inc.
1303 East Algonquin Road
Schaumburg, IL 60196
Attn.: Law Department

B.

C. Houston-Galveston Area Council
3555 Timmons Lane, Suite 120
Houston, Texas 77027
Attn.: Public Services Manager

Section 9 ORDER OF PRECEDENCE

In the event of an inconsistency in this Agreement, the inconsistency shall be resolved in the following order:

The main body of this Agreement.

Exhibit A General Provisions.

Exhibit B Motorola Software License.

Exhibit C Technical and Implementation Documents.

Exhibit E Warranty and Maintenance Plan and Service Terms and Conditions (if applicable)

Exhibit D Motorola/H-GAC Contract dated January 1, 2008.

Section 10 DISPUTES

Motorola and the Purchaser will attempt to settle any claim or controversy arising out of this Agreement through consultation and negotiation in good faith and a spirit of mutual cooperation. If those attempts fail, then the dispute will be mediated by a mutually acceptable mediator to be chosen by Motorola and the Purchaser within thirty (30) days after written notice by one of the parties demanding non-binding mediation. Neither party may unreasonably withhold consent to the selection of a mediator. Motorola and the Purchaser will bear their own costs but will share the cost of the mediator equally. By mutual agreement, however, Motorola and Purchaser may postpone mediation until both parties have completed some specified but limited discovery about the dispute. The parties may also agree to replace mediation with some other form of non-binding alternate dispute resolution procedure (“ADR”).

Any dispute which cannot be resolved between the parties through negotiation or mediation within two (2) months of the date of the initial demand for it by one of the parties may then be submitted to a court of competent jurisdiction in Texas. Both Motorola and Purchaser consent to jurisdiction over it by such a court. All communications pursuant to the negotiation and mediation will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and any additional confidentiality protections provided by applicable law. The use of any ADR procedures will not be considered under the doctrine of laches, waiver or estoppel to affect adversely the rights of either party. Nothing shall prevent either of the parties from resorting to the judicial proceedings mentioned in this paragraph if (a) good faith efforts to attempt resolution of the dispute under these procedures have been unsuccessful or (b) interim relief from the court is necessary to prevent serious and irreparable injury to one of the parties or others.

Section 11 SEVERABILITY

If any portion of this Agreement or any exhibits hereto is held to be invalid, such provision or portion of such provision shall be considered severable, and the remainder of this Agreement shall not be affected.

Section 12 HEADINGS AND SECTION REFERENCES

The headings given to the paragraphs are inserted for convenience only and are in no way to be construed as part of this Agreement or as a limitation of the scope of the particular paragraph to which the heading refers.

Section 13 SURVIVAL OF TERMS

The following provisions will survive the expiration or termination of this Agreement for any reason: Section 6 (Payment Schedule) if any payment obligations exist; Section 9 (Order of Precedence); Section 10 (Disputes); Section 11 (Severability); Section 12 (Headings and Section References); Section 13 (Survival of Terms) and Section 14 (Full Agreement).

Section 14 FULL AGREEMENT

This Agreement and its Exhibits constitute the final expression of the agreement of the parties and supersedes all previous agreements and understandings, whether written or oral, relating to the work. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. A facsimile copy or computer image, such as a PDF or tiff image, or a signature shall be treated as and shall have the same effect as an original signature. In addition, a true and correct facsimile copy or computer image of this Agreement shall be treated as and shall have the same effect as an original signed copy of this document. This Agreement may not be altered, amended, or modified except by written instrument signed by duly authorized representatives of the parties. The preprinted terms and conditions found on any Purchaser purchase order, acknowledgment or other form will not be considered an amendment or modification of this Agreement, even if a representative of each party signs that document.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the last day and year written below.

MOTOROLA SOLUTIONS, INC.

PURCHASER

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Print - Block Letters)

Name: _____
(Print - Block Letters)

Title: _____
(Print - Block Letters)

Title: _____
(Print - Block Letters)

Date: _____

Date: _____

EXHIBIT A
GENERAL PROVISIONS
MOTOROLA SOLUTIONS, INC.

Section 1 STANDARDS OF WORK

Motorola agrees that the performance of work described in this Agreement and pursuant to this Agreement shall be done in a professional manner and shall conform to professional standards. All packaging and packing shall be in accordance with good commercial practice.

Section 2 TAXES

The prices set forth in the Agreement are exclusive of any amount for Federal, State or Local excise, sales, lease, gross income service, rental, use, property, occupation or similar taxes. If any taxes are determined applicable to this transaction or Motorola is required to pay or bear the burden thereof, the Purchaser agrees to pay to Motorola the amount of such taxes and any interest or penalty thereon no later than thirty (30) days after receipt of an invoice therefor.

Section 3 SHIPPING, TITLE AND RISK OF LOSS

All sales and deliveries are F.O.B. Destination. Motorola reserves the right to make deliveries in installments and the Agreement shall be severable as to such installments. Title to the equipment shall pass to the Purchaser upon receipt at the F.O.B. Destination. After delivery to the F.O.B. Destination, risk of loss and damage to the articles shall be borne by the Purchaser. The above notwithstanding, title to software and any third party supplied software shall not pass upon payment of the license fee therefor or under any circumstances. Use of the software shall be in accordance with the Software License Agreement.

Section 4 CHANGES IN THE WORK

A. The Purchaser may, at any time, by written order, make changes within the general scope of the work, including but not limited to revisions of, or additions to, portions of the work, or changes in method of shipment or packaging and place of delivery.

B. If any order under this Section 4 causes an increase or decrease in the cost of or time required for the performance of any part of the work under this Agreement, an equitable adjustment shall be made in the Agreement price or delivery schedule, or both, and the Agreement shall be modified in writing accordingly. Motorola is not obligated to comply with any order hereunder unless and until the parties reach agreement as to the aforementioned equitable adjustment and same is reflected as an addendum to this Agreement.

Section 5 LIMITATION OF LIABILITY

Except for personal injury or death, Motorola's total liability whether for breach of contract, warranty, negligence, indemnification, strict liability in tort or otherwise, is limited to the price of the particular products or services sold hereunder with respect to which losses or damages are claimed. IN NO EVENT WILL MOTOROLA BE LIABLE FOR ANY LOSS OF USE, LOSS OF TIME, INCONVENIENCE, COMMERCIAL LOSS, LOST PROFITS OR SAVINGS OR OTHER INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES TO THE FULL EXTENT SUCH MAY BE DISCLAIMED BY LAW. This limitation of liability provision survives the expiration or termination of the Agreement and applies notwithstanding any contrary provision. No action shall be brought for any breach of this contract more than two (2) years after the accrual of such cause of action except for money due upon an open account.

Section 6 EXCUSABLE DELAYS

A. Neither Motorola nor the Purchaser shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but are not be limited to, acts of God; fire; strikes; material shortages; compliance with laws or regulations; riots; acts of war; or any other conditions beyond the reasonable control of the party or parties.

B. Delays as identified herein may cause an impact on the Period of Performance stated in the Agreement. Such delays will be subject to an Agreement addendum as described in Section 4.

Section 7 DEFAULT

A. If either party fails to perform a material obligation under this Agreement, the other party may consider the non-performing party to be in default (unless such failure has been caused by the conditions set forth in Section 6 of these General Provisions) and may assert a default claim by giving the non-performing party a written and detailed notice of default. Except for a default by Purchaser for failing to pay any amount when due under this Agreement which must be cured immediately, the defaulting party will have thirty (30) days after receipt of the notice of default to either cure the default or, if the default is not curable within thirty (30) days, provide a written cure plan. The defaulting party will begin implementing the cure plan immediately after receipt of notice by the other party that it approves the plan. If Purchaser is the defaulting party, Motorola may stop work on the project until it approves the Purchaser's cure plan.

B. If a defaulting party fails to cure the default as provided above in Section 7.A, unless otherwise agreed in writing, the non-defaulting party may terminate any unfulfilled portion of this Agreement. In the event of termination for default, the defaulting party will promptly return to the non-defaulting party any of its confidential information. If Purchaser is the non-defaulting party, terminates this Agreement as

permitted by this Section, and completes the System through a third party, Purchaser may as its exclusive remedy recover from Motorola reasonable costs incurred to complete the System to a capability not exceeding that specified in this Agreement less the unpaid portion of the contract price. Purchaser will mitigate damages and provide Motorola with detailed invoices substantiating the charges. IN THE EVENT OF DEFAULT, MOTOROLA SHALL NOT BE LIABLE FOR ANY INCIDENTAL, LIQUIDATED, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES.

Section 8 DELAYS BY PURCHASER

If the Purchaser is responsible for delays in the schedule set forth in the Agreement, the Purchaser shall be liable for actual costs incurred by Motorola resulting from these delays if Motorola requests compensation. Such charges may include, but are not limited to, additional Engineering; rescheduling charges; storage charges; maintenance charges; and transportation charges. The Purchaser shall have the option to attempt to minimize actual costs incurred by storing and transporting equipment at its own expense. Such delays will be subject to an Agreement addendum as described in Section 4.

Section 9 LICENSES/AUTHORIZATION

The Purchaser is solely responsible for obtaining any licenses or other authorizations required by the Federal Communications Commission and for complying with FCC rules. Neither Motorola nor any of its employees is an agent or representative of the Purchaser in FCC matters or otherwise. Motorola, however, may assist in the preparation of the license application at no charge to the Purchaser. Purchaser acknowledges that project implementation is predicated on receipt of proper FCC licensing.

Section 10 INDEMNIFICATION

Motorola agrees to and hereby indemnifies and saves Purchaser harmless from all liabilities, judgments, costs, damages and expenses which may accrue against, be charged to, or recovered from the Purchaser by reason of or on account of damage to the tangible property of the Purchaser or the property of, injury to, or death of any person, to the extent and in the proportion that such damage or injury is caused by Motorola's negligent acts or omissions or that of its employees, subcontractors, or agents while on the premises of the Purchaser during the delivery and installation of the communications equipment. IN NO EVENT WILL MOTOROLA BE LIABLE FOR INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES.

Section 11 WARRANTIES

A. **WARRANTY PERIOD.** Upon System Acceptance, the System Functionality representation described below is fulfilled. The Equipment and Motorola Software is warranted for a period of one (1) year after System Acceptance ("Warranty Period") in accordance with the applicable limited warranties shown below. In no event will the warranty period last longer than eighteen (18) months after the Equipment and Software

is shipped from Motorola. Purchaser must notify Motorola in writing if Equipment or Motorola Software does not conform to these warranties no later than one month after the expiration of the Warranty Period.

B. **SYSTEM FUNCTIONALITY.** Motorola represents that the Communications System will satisfy the functional requirements in Exhibit C. Upon System Acceptance, this System Functionality representation is fulfilled. After System Acceptance, the Equipment Warranty set forth below and the Software Warranty set forth in the Software License Agreement will apply.

Motorola will not be responsible for performance deficiencies of the System caused by ancillary equipment not furnished by Motorola which is attached to or used in connection with the System provided hereunder. Additionally, Motorola will not be responsible for System performance when the functionality is reduced for reasons beyond Motorola's control including, but not limited to, i) an earthquake, adverse atmospheric conditions or other natural causes; ii) the construction of a building that adversely affects the microwave path reliability or RF coverage; iii) the addition of additional frequencies at System sites that cause RF interference or intermodulation; iv) Purchaser changes to load usage and/or configuration outside the parameters specified in Exhibit C; v) any other act of parties who are beyond Motorola's control, including Purchaser or its employees, contractors, consultants or agents.

C. **EQUIPMENT WARRANTY.** Motorola warrants the Equipment against material defects in material and workmanship under normal use and service during the Warranty Period. Unless otherwise specified in writing, the Warranty Period for non-Motorola manufactured Equipment will be as stated in this Section. At no additional charge and at its option, Motorola will either repair the defective Equipment, replace it with the same or equivalent Equipment, or refund the purchase price of the defective Equipment, and such action on the part of Motorola will be the full extent of Motorola's liability hereunder. Repaired or replaced Equipment is warranted for the balance of the original applicable warranty period. All replaced parts of the Equipment shall become the property of Motorola.

THIS WARRANTY DOES NOT APPLY TO

- a) Defects or damage resulting from use of the Equipment in other than its normal and customary manner.
- b) Defects or damage occurring from misuse, accident, liquids, neglect or acts of God.
- c) Defects or damage occurring from testing, maintenance, installation, alteration, modification, or adjustment not provided by Motorola pursuant to this System Purchase Agreement.

- d) Breakage of or damage to antennas unless caused directly by defects in material or workmanship.
- e) Equipment that has been subjected to unauthorized modifications, disassembly or repairs (including the addition to the Equipment of non-Motorola supplied equipment if not authorized by Motorola) which adversely affect performance of the Equipment or interfere with Motorola's normal warranty inspection and testing of the Equipment to verify any warranty claim.
- f) Equipment that has had the serial number removed or made illegible.
- g) Batteries (because they carry their own separate limited warranty).
- h) Freight costs to the repair depot.
- i) Equipment that has been subject to illegal or unauthorized alteration of the software/firmware in the Equipment.
- j) Scratches or other cosmetic damage to Equipment surfaces that does not affect the operation of the Equipment.
- k) Software.
- l) Normal or customary wear and tear.

D. Motorola Software Warranty. Motorola Software is warranted in accordance with the terms of the Software License Agreement attached as Exhibit B.

E. These express limited warranties as set forth in this Section are extended by Motorola to the original end user purchasing or leasing the System for commercial, industrial, or governmental use only, and are not assignable or transferable. These are the complete warranties for the Equipment and Software provided pursuant to this Agreement.

F. THESE WARRANTIES ARE GIVEN IN LIEU OF ALL OTHER WARRANTIES. MOTOROLA DISCLAIMS ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL MOTOROLA BE LIABLE FOR DAMAGES IN EXCESS OF THE PURCHASE PRICE OF THE EQUIPMENT. IN NO EVENT WILL MOTOROLA BE LIABLE FOR ANY LOSS OF USE, LOSS OF TIME, INCONVENIENCE, COMMERCIAL LOSS, LOST PROFITS OR SAVINGS OR OTHER INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OR INABILITY TO USE THE EQUIPMENT, TO THE FULL EXTENT SUCH MAY BE DISCLAIMED BY LAW.

Section 12 CONFIDENTIAL INFORMATION

Subject to State of Texas Public Information Act, Motorola proprietary computer programs will be released in accordance with the Software License provisions set forth elsewhere, if applicable. All other material and information of confidential nature marked Motorola PROPRIETARY and/or CONFIDENTIAL will be released as necessary under the following conditions:

- (1) Purchaser shall exercise reasonable and prudent measures to keep these items in confidence.
- (2) Purchaser shall not disclose these items to third parties without prior written permission, unless Motorola makes them public or Purchaser learns them rightfully from sources independent of Motorola, or it is required by law to be disclosed.
- (3) Motorola, where necessary, retains the right to prescribe specific security measures for the Purchaser to follow to maintain the confidentiality.

In the event disclosure of such information is necessary, a separate Non-Disclosure Agreement will be required.

Section 13 SOFTWARE LICENSE

A. Motorola Software. Any Motorola Software furnished will be licensed to Purchaser solely according to the terms and restrictions of the Software License Agreement attached as Exhibit B. Purchaser hereby accepts all of the terms and restrictions of the Software License Agreement.

B. Non-Motorola Software. Any Non-Motorola Software furnished by Motorola will be subject to the terms and restrictions of its copyright owner unless such copyright owner has granted to Motorola the right to sublicense such Non-Motorola Software pursuant to the Software License Agreement, in which case the Software License Agreement (including any addendum to satisfy such copyright owner's requirements) shall apply and the copyright owner will have all of Motorola's rights and protections under the Software License Agreement.

Section 14 PATENT INDEMNIFICATION

A. Motorola will defend at its expense any suit brought against Purchaser to the extent it is based on a third-party claim alleging that the Equipment manufactured by Motorola or the Motorola Software ("Motorola Product") directly infringes a United States patent or copyright ("Infringement Claim"). Motorola's duties to defend and indemnify are conditioned upon: Purchaser promptly notifying Motorola in writing of the Infringement Claim; Motorola having sole control of the defense of the suit and all negotiations for its settlement or compromise; and Purchaser providing to Motorola cooperation and, if requested by Motorola, reasonable assistance in the defense of the

Infringement Claim. In addition to Motorola's obligation to defend, and subject to the same conditions, Motorola will pay all damages finally awarded against Purchaser by a court of competent jurisdiction for an Infringement Claim or agreed to, in writing, by Motorola in settlement of an Infringement Claim.

B. If an Infringement Claim occurs, or in Motorola's opinion is likely to occur, Motorola may at its option and expense: (a) procure for Purchaser the right to continue using the Motorola Product; (b) replace or modify the Motorola Product so that it becomes non-infringing while providing functionally equivalent performance; or (c) accept the return of the Motorola Product and grant Purchaser a credit for the Motorola Product, less a reasonable charge for depreciation. The depreciation amount will be calculated based upon generally accepted accounting standards.

C. Motorola will have no duty to defend or indemnify for any Infringement Claim that is based upon: (a) the combination of the Motorola Product with any software, apparatus or device not furnished by Motorola; (b) the use of ancillary equipment or software not furnished by Motorola and that is attached to or used in connection with the Motorola Product; (c) Motorola Product designed or manufactured in accordance with Purchaser's designs, specifications, guidelines or instructions, if the alleged infringement would not have occurred without such designs, specifications, guidelines or instructions; (d) a modification of the Motorola Product by a party other than Motorola; (e) use of the Motorola Product in a manner for which the Motorola Product was not designed or that is inconsistent with the terms of this Agreement; or (f) the failure by Purchaser to install an enhancement release to the Motorola Software that is intended to correct the claimed infringement. In no event will Motorola's liability resulting from its indemnity obligation to Purchaser extend in any way to royalties payable on a per use basis or the Purchaser's revenues, or any royalty basis other than a reasonable royalty based upon revenue derived by Motorola from Purchaser from sales or license of the infringing Motorola Product.

D. This Section 14 provides Purchaser's sole and exclusive remedies and Motorola's entire liability in the event of an Infringement Claim. Purchaser has no right to recover and Motorola has no obligation to provide any other or further remedies, whether under another provision of this Agreement or any other legal theory or principle, in connection with an Infringement Claim. In addition, the rights and remedies provided in this Section 14 are subject to and limited by the restrictions set forth in Section 5.

Section 15 DISCLAIMER OF PATENT LICENSE

Nothing contained in this Agreement shall be deemed to grant, either directly or by implication, estoppel, or otherwise, any license under any patents or patent applications of Motorola, except that Purchaser shall have the normal non-exclusive royalty-free license to use that is implied, or otherwise arises by operation of law, in the sale of a product.

Section 16 WAIVER

Failure or delay on the part of Motorola or Purchaser to exercise a right or power hereunder shall not operate as a waiver of the right or power. For a waiver of a right or power to be effective, it must be in a writing signed by the waiving party. An effective waiver of a right or power will not be construed as either a future or continuing waiver of that same right or power, or the waiver of any other right or power.

Section 17 GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and the venue of any litigation concerning the terms and conditions hereof or the rights and duties of the parties hereto, shall be in a state or federal court having jurisdiction of the controversy and sitting in Tarrant County, Texas.

Section 18 ASSIGNABILITY

Except as provided herein, neither party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other party, which consent will not be unreasonably withheld. Any attempted assignment, delegation, or transfer without the necessary consent will be void. Notwithstanding the foregoing, Motorola may assign this Agreement to any of its affiliates or its right to receive payment without the prior consent of Purchaser.

Section 19 SURVIVAL OF TERMS

The following provisions will survive the expiration or termination of this Agreement for any reason: Section 2 (Taxes); Section 5 (Limitation of Liability); Section 7 (Default); Subsection 11.F (Disclaimer of Implied Warranties); Section 12 (Confidential Information); Section 13 (Software License); and Section 16 (Waiver); Section 17 (Governing Law) and Section 19 (Survival of Terms).

Section 20 ADMINISTRATOR LEVEL ACCOUNT ACCESS

Motorola will provide Purchaser with Administrative User Credentials. Purchaser agrees to only grant Administrative User Credentials to those personnel with the training or experience to correctly use the access. Purchaser is responsible for protecting Administrative User Credentials from disclosure and maintaining Credential validity by, among other things, updating passwords when required. Purchaser may be asked to provide valid Administrative User Credentials when in contact with Motorola System support. Purchaser understands that changes made as the Administrative User can significantly impact the performance of the System. Purchaser agrees that it will be solely responsible for any negative impact on the System or its users by any such changes. System issues occurring as a result of changes made by an Administrative User may impact Motorola's ability to perform its obligations under the Agreement or its Maintenance and Support Agreement. In such cases, a revision to the appropriate provisions of the Agreement, including the Statement of Work, may be necessary. To the extent Motorola provides assistance to correct any issues caused by or arising out of the

use of or failure to maintain Administrative User Credentials, Motorola will be entitled to bill Purchaser and Purchaser will pay Motorola on a time and materials basis for resolving the issue.

Section 21 MAINTENANCE SERVICE

If this Agreement contains a Warranty and Maintenance Plan, then, during the Warranty Period, in addition to warranty services, Motorola will provide maintenance services for the Equipment and support for the Motorola Software pursuant to the terms of this Agreement, including the Warranty and Maintenance Plan and Service Terms and Conditions. Such services and support are included in the Contract Price. If Customer wishes to purchase additional maintenance and support services during the Warranty Period, or any maintenance and support services after the Warranty Period, the description of and pricing for such services will be set forth in a separate document. Unless otherwise agreed by the Parties in writing, the terms and conditions applicable to such maintenance and support will be Motorola's standard Service Terms and Conditions, together with the appropriate statements of work.

Exhibit B

Software License Agreement

This Exhibit B, Software License Agreement ("Agreement") is between Motorola Solutions, Inc., ("Motorola"), and the City of Bedford ("Licensee").

For good and valuable consideration, the parties agree as follows:

Section 1 DEFINITIONS

1.1 "Designated Products" means products provided by Motorola to Licensee with which or for which the Software and Documentation is licensed for use.

1.2 "Documentation" means product and software documentation that specifies technical and performance features and capabilities, and the user, operation and training manuals for the Software (including all physical or electronic media upon which such information is provided).

1.3 "Open Source Software" means software with either freely obtainable source code, license for modification, or permission for free distribution.

1.4 "Open Source Software License" means the terms or conditions under which the Open Source Software is licensed.

1.5 "Primary Agreement" means the agreement to which this exhibit is attached.

1.6 "Security Vulnerability" means a flaw or weakness in system security procedures, design, implementation, or internal controls that could be exercised (accidentally triggered or intentionally exploited) and result in a security breach such that data is compromised, manipulated or stolen or the system damaged.

1.7 "Software" (i) means proprietary software in object code format, and adaptations, translations, de-compilations, disassemblies, emulations, or derivative works of such software; (ii) means any modifications, enhancements, new versions and new releases of the software provided by Motorola; and (iii) may contain one or more items of software owned by a third party supplier. The term "Software" does not include any third party software provided under separate license or third party software not licensable under the terms of this Agreement.

Section 2 SCOPE

Motorola and Licensee enter into this Agreement in connection with Motorola's delivery of certain proprietary Software or products containing embedded or pre-loaded proprietary Software, or both. This Agreement contains the terms and conditions of the license Motorola is providing to Licensee, and Licensee's use of the Software and Documentation.

Section 3 GRANT OF LICENSE

3.1. Subject to the provisions of this Agreement and the payment of applicable license fees, Motorola grants to Licensee a personal, limited, non-transferable (except as permitted in Section 7) and non-exclusive license under Motorola's copyrights and Confidential Information (as defined in the Primary Agreement) embodied in the Software to use the Software, in object code form, and the Documentation solely in connection with Licensee's use of the Designated Products. This Agreement does not grant any rights to source code.

3.2. If the Software licensed under this Agreement contains or is derived from Open Source Software, the terms and conditions governing the use of such Open Source Software are in the Open Source Software Licenses of the copyright owner and not this Agreement. If there is a conflict between the terms and conditions of this Agreement and the terms and conditions of the Open Source Software Licenses governing Licensee's use of the Open Source Software, the terms and conditions of the license grant of the applicable Open Source Software Licenses will take precedence over the license grants in this Agreement. If requested by Licensee, Motorola will use commercially reasonable efforts to: (i) determine whether any Open Source Software is provided under this Agreement; (ii) identify the Open Source Software and provide Licensee a copy of the applicable Open Source Software License (or specify where that license may be found); and, (iii) provide Licensee a copy of the Open Source Software source code, without charge, if it is publicly available (although distribution fees may be applicable).

Section 4 LIMITATIONS ON USE

4.1. Licensee may use the Software only for Licensee's internal business purposes and only in accordance with the Documentation. Any other use of the Software is strictly prohibited. Without limiting the general nature of these restrictions, Licensee will not make the Software available for use by third parties on a "time sharing," "application service provider," or "service bureau" basis or for any other similar commercial rental or sharing arrangement.

4.2. Licensee will not, and will not allow or enable any third party to: (i) reverse engineer, disassemble, peel components, decompile, reprogram or otherwise reduce the Software or any portion to a human perceptible form or otherwise attempt to recreate the source code; (ii) modify, adapt, create derivative works of, or merge the Software; (iii) copy, reproduce, distribute, lend, or lease the Software or Documentation to any third party, grant any sublicense or other rights in the Software or Documentation to any third party, or take any action that would cause the Software or Documentation to be placed in the public domain; (iv) remove, or in any way alter or obscure, any copyright notice or other notice of Motorola's proprietary rights; (v) provide, copy, transmit, disclose, divulge or make the Software or Documentation available to, or permit the use of the Software by any third party or on any machine except as expressly authorized by this Agreement; or (vi) use, or permit the use of, the Software in a manner that would result in the production of a copy of the Software solely by activating a machine containing the Software. Licensee may make one copy of Software to be used solely for archival, back-up, or disaster recovery purposes; *provided* that Licensee may not operate that copy of the Software at the same time as the original Software is being operated. Licensee may make as many copies of the Documentation as it may reasonably require for the internal use of the Software.

4.3. Unless otherwise authorized by Motorola in writing, Licensee will not, and will not enable or allow any third party to: (i) install a licensed copy of the Software on more than one unit of a Designated Product; or (ii) copy onto or transfer Software installed in one unit of a Designated Product onto one other device. Licensee may temporarily transfer Software installed on a Designated Product to another device if the Designated Product is inoperable or malfunctioning, if Licensee provides written notice to Motorola of the temporary transfer and identifies the device on which the Software is transferred. Temporary transfer of the Software to another device must be discontinued when the original Designated Product is returned to operation and the Software must be removed from the other device. Licensee must provide prompt written notice to Motorola at the time temporary transfer is discontinued.

4.4. When using Motorola's Radio Service Software ("RSS"), Licensee must purchase a separate license for each location at which Licensee uses RSS. Licensee's use of RSS at a licensed location does not entitle Licensee to use or access RSS remotely. Licensee may make one copy of RSS for each licensed location. Licensee shall provide Motorola with a list of all locations at which Licensee uses or intends to use RSS upon Motorola's request.

4.5. Licensee will maintain, during the term of this Agreement and for a period of two years thereafter, accurate records relating to this license grant to verify compliance with this Agreement. Motorola or an independent third party ("Auditor") may inspect Licensee's premises, books and records, upon reasonable

prior notice to Licensee, during Licensee's normal business hours and subject to Licensee's facility and security regulations. Motorola is responsible for the payment of all expenses and costs of the Auditor. Any information obtained by Motorola and the Auditor will be kept in strict confidence by Motorola and the Auditor and used solely for the purpose of verifying Licensee's compliance with the terms of this Agreement.

Section 5 OWNERSHIP AND TITLE

Motorola, its licensors, and its suppliers retain all of their proprietary rights in any form in and to the Software and Documentation, including, but not limited to, all rights in patents, patent applications, inventions, copyrights, trademarks, trade secrets, trade names, and other proprietary rights in or relating to the Software and Documentation (including any corrections, bug fixes, enhancements, updates, modifications, adaptations, translations, de-compilations, disassemblies, emulations to or derivative works from the Software or Documentation, whether made by Motorola or another party, or any improvements that result from Motorola's processes or, provision of information services). No rights are granted to Licensee under this Agreement by implication, estoppel or otherwise, except for those rights which are expressly granted to Licensee in this Agreement. All intellectual property developed, originated, or prepared by Motorola in connection with providing the Software, Designated Products, Documentation or related services, remains vested exclusively in Motorola, and Licensee will not have any shared development or other intellectual property rights.

Section 6 LIMITED WARRANTY; DISCLAIMER OF WARRANTY

6.1. The commencement date and the term of the Software warranty will be a period of one (1) year from delivery of the Software (the "Warranty Period"). If Licensee is not in breach of any of its obligations under this Agreement, Motorola warrants that the unmodified Software, when used properly and in accordance with the Documentation and this Agreement, will be free from a reproducible defect that eliminates the functionality or successful operation of a feature critical to the primary functionality or successful operation of the Software. Whether a defect occurs will be determined by Motorola solely with reference to the Documentation. Motorola does not warrant that Licensee's use of the Software or the Designated Products will be uninterrupted, error-free, completely free of Security Vulnerabilities, or that the Software or the Designated Products will meet Licensee's particular requirements. Motorola makes no representations or warranties with respect to any third party software included in the Software.

6.2 Motorola's sole obligation to Licensee and Licensee's exclusive remedy under this warranty is to use reasonable efforts to remedy any material Software defect covered by this warranty. These efforts will involve either replacing the media or attempting to correct significant, demonstrable program or documentation errors or Security Vulnerabilities. If Motorola cannot correct the defect within a reasonable time, then at Motorola's option, Motorola will replace the defective Software with functionally-equivalent Software, license to Licensee substitute Software which will accomplish the same objective, or terminate the license and refund the Licensee's paid license fee.

6.3. Warranty claims are described in the Primary Agreement.

6.4. The express warranties set forth in this Section 6 are in lieu of, and Motorola disclaims, any and all other warranties (express or implied, oral or written) with respect to the Software or Documentation, including, without limitation, any and all implied warranties of condition, title, non-infringement, merchantability, or fitness for a particular purpose or use by Licensee (whether or not Motorola knows, has reason to know, has been advised, or is otherwise aware of any such purpose or use), whether arising by law, by reason of custom or usage of trade, or by course of dealing. In addition, Motorola disclaims any warranty to any person other than Licensee with respect to the Software or Documentation.

Section 7 TRANSFERS

Licensee will not transfer the Software or Documentation to any third party without Motorola's prior written consent. Motorola's consent may be withheld at its discretion and may be conditioned upon transferee paying all applicable license fees and agreeing to be bound by this Agreement. If the Designated Products are Motorola's radio products and Licensee transfers ownership of the Motorola radio products to a third party, Licensee may assign its right to use the Software (other than RSS and Motorola's FLASHport® software) which is embedded in or furnished for use with the radio products and the related Documentation; *provided* that Licensee transfers all copies of the Software and Documentation to the transferee, and Licensee and the transferee sign a transfer form to be provided by Motorola upon request, obligating the transferee to be bound by this Agreement.

Section 8 TERM AND TERMINATION

8.1 Licensee's right to use the Software and Documentation will begin when the Primary Agreement is signed by both parties and will continue for the life of the Designated Products with which or for which the Software and Documentation have been provided by Motorola, unless Licensee breaches this Agreement, in which case this Agreement and Licensee's right to use the Software and Documentation may be terminated immediately upon notice by Motorola.

8.2 Within thirty (30) days after termination of this Agreement, Licensee must certify in writing to Motorola that all copies of the Software have been removed or deleted from the Designated Products and that all copies of the Software and Documentation have been returned to Motorola or destroyed by Licensee and are no longer in use by Licensee.

8.3 Licensee acknowledges that Motorola made a considerable investment of resources in the development, marketing, and distribution of the Software and Documentation and that Licensee's breach of this Agreement will result in irreparable harm to Motorola for which monetary damages would be inadequate. If Licensee breaches this Agreement, Motorola may terminate this Agreement and be entitled to all available remedies at law or in equity (including immediate injunctive relief and repossession of all non-embedded Software and associated Documentation unless Licensee is a Federal agency of the United States Government).

Section 9 UNITED STATES GOVERNMENT LICENSING PROVISIONS

This Section applies if Licensee is the United States Government or a United States Government agency. Licensee's use, duplication or disclosure of the Software and Documentation under Motorola's copyrights or trade secret rights is subject to the restrictions set forth in subparagraphs (c)(1) and (2) of the Commercial Computer Software-Restricted Rights clause at FAR 52.227-19 (JUNE 1987), if applicable, unless they are being provided to the Department of Defense. If the Software and Documentation are being provided to the Department of Defense, Licensee's use, duplication, or disclosure of the Software and Documentation is subject to the restricted rights set forth in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013 (OCT 1988), if applicable. The Software and Documentation may or may not include a Restricted Rights notice, or other notice referring to this Agreement. The provisions of this Agreement will continue to apply, but only to the extent that they are consistent with the rights provided to the Licensee under the provisions of the FAR or DFARS mentioned above, as applicable to the particular procuring agency and procurement transaction.

Section 10 CONFIDENTIALITY

Subject to State of Texas Public Information Act, Licensee acknowledges that the Software and Documentation contain Motorola's valuable proprietary and confidential information and are Motorola's trade secrets. Licensee will not disclose the Software and Documentation to any third party except as permitted by this Agreement or expressly in writing by Motorola. Licensee will take necessary and appropriate precautions to maintain the confidentiality and guard against the unauthorized disclosure of the Software and Documentation. Licensee will limit access to the Software and Documentation only to

Licensee's employees who "need to know" and are authorized to use the Software and Documentation as permitted by this Agreement.

Section 11 LIMITATION OF LIABILITY

The Limitation of Liability provision is described in the Primary Agreement.

Section 12 NOTICES

Notices are described in the Primary Agreement.

Section 13 GENERAL

13.1. **COPYRIGHT NOTICES.** The existence of a copyright notice on the Software will not be construed as an admission or presumption of publication of the Software or public disclosure of any trade secrets associated with the Software.

13.2. **COMPLIANCE WITH LAWS.** Licensee acknowledges that the Software is subject to the laws and regulations of the United States and Licensee will comply with all applicable laws and regulations, including export laws and regulations of the United States. Licensee will not, without the prior authorization of Motorola and the appropriate governmental authority of the United States, in any form export or re-export, sell or resell, ship or reship, or divert, through direct or indirect means, any item or technical data or direct or indirect products sold or otherwise furnished to any person within any territory for which the United States Government or any of its agencies at the time of the action, requires an export license or other governmental approval. Violation of this provision is a material breach of this Agreement.

13.3. **ASSIGNMENTS AND SUBCONTRACTING.** Motorola may assign its rights or subcontract its obligations under this Agreement, or encumber or sell its rights in any Software, without prior notice to or consent of Licensee.

13.4. **GOVERNING LAW.** This Agreement is governed by the laws of the United States to the extent that they apply and otherwise by the internal substantive laws of the State of Texas. The terms of the U.N. Convention on Contracts for the International Sale of Goods do not apply. In the event that the Uniform Computer Information Transaction Act, any version of this Act, or a substantially similar law (collectively "UCITA") becomes applicable to a party's performance under this Agreement, UCITA does not govern any aspect of this Agreement or any license granted under this Agreement, or any of the parties' rights or obligations under this Agreement. The governing law will be that in effect prior to the applicability of UCITA.

13.5. **THIRD PARTY BENEFICIARIES.** This Agreement is entered into solely for the benefit of Motorola and Licensee. No third party has the right to make any claim or assert any right under this Agreement, and no third party is deemed a beneficiary of this Agreement. Notwithstanding the foregoing, any licensor or supplier of third party software included in the Software will be a direct and intended third party beneficiary of this Agreement.

13.6. **SURVIVAL.** Sections 4, 5, 6.4, 7, 8, 9, 10, 11 and 13 survive the termination of this Agreement.

13.7. **ORDER OF PRECEDENCE.** In the event of inconsistencies between this Exhibit and the Primary Agreement, the parties agree that this Exhibit prevails, only with respect to the specific subject matter of this Exhibit, and not the Primary Agreement or any other exhibit as it applies to any other subject matter.

13.8 **SECURITY.** Motorola uses reasonable means in the design and writing of its own Software and the acquisition of third party Software to limit Security Vulnerabilities. While no software can be guaranteed to be free from Security Vulnerabilities, if a Security Vulnerability is discovered, Motorola will take the steps set forth in Section 6 of this Agreement.

Exhibit C

Technical and Implementation Documents

Exhibit D

Motorola/H-GAC Radio Communications Equipment & Systems Agreement

Exhibit E
Service Terms and Conditions

Motorola Solutions, Inc. ("Motorola") and the customer named in this Agreement ("Customer") hereby agree as follows:

Section 1 APPLICABILITY

These Service Terms and Conditions apply to service contracts whereby Motorola will provide to Customer either (1) maintenance, support and/or other services under a Motorola Service Agreement, or (2) installation services under a Motorola Installation Agreement.

Section 2 DEFINITIONS AND INTERPRETATION

2.1 "Agreement" means these Service Terms and Conditions; the cover page for the Service Agreement or the Installation Agreement, as applicable; and any other attachments, all of which are incorporated herein by this reference. In interpreting this Agreement and resolving any ambiguities, these Service Terms and Conditions take precedence over any cover page, and the cover page takes precedence over any attachments, unless the cover page or attachment states otherwise.

2.2 "Equipment" means the equipment that is specified in the attachments or is subsequently added to this Agreement.

2.3 "Services" means those installation, maintenance, support, training, and other services described in this Agreement.

Section 3 ACCEPTANCE

Customer accepts these Service Terms and Conditions and agrees to pay the prices set forth in the Agreement. This Agreement becomes binding only when accepted in writing by Motorola. The term of this Agreement begins on the "Start Date" indicated in this Agreement.

Section 4 SCOPE OF SERVICES

4.1. Motorola will provide the Services described in this Agreement or in a more detailed statement of work or other document attached to this Agreement. At Customer's request, Motorola may also provide additional services at Motorola's then-applicable rates for the services.

4.2. If Motorola is providing Services for Equipment, Motorola parts or parts of equal quality will be used; the Equipment will be serviced at levels set forth in the manufacturer's product manuals; and routine service procedures that are prescribed by Motorola will be followed.

4.3. If Customer purchases from Motorola additional equipment that becomes part of the same system as the initial Equipment, the additional equipment may be added to this Agreement and will be billed at the applicable rates after the warranty for the additional equipment expires.

4.4. All Equipment must be in good working order on the Start Date or when additional equipment is added to the Agreement. Upon reasonable request by Motorola, Customer will provide a complete serial and model number list of the Equipment. Customer must promptly notify Motorola in writing when any Equipment is lost, damaged, stolen or taken out of service. Customer's obligation to pay Service fees for such Equipment will terminate at the end of the month in which Motorola receives the written notice.

4.5. Customer must specifically identify any Equipment that is labeled intrinsically safe for use in hazardous environments.

4.6. If Equipment cannot, in Motorola's reasonable opinion, be properly or economically serviced for any reason, Motorola may modify the scope of Services related to such Equipment; remove that Equipment from the Agreement; or increase the price to Service such Equipment.

4.7. Customer must promptly notify Motorola of any Equipment failure. Motorola will respond to Customer's notification in a manner consistent with the level of Service purchased as indicated in this Agreement.

Section 5 EXCLUDED SERVICES

5.1. Service excludes the repair or replacement of Equipment that has become defective or damaged from use in other than the normal, customary, intended, and authorized manner; use not in compliance with applicable industry standards; excessive wear and tear; or accident, liquids, power surges, neglect, acts of God or other force majeure events.

5.2. Unless specifically included in this Agreement, Service excludes items that are consumed in the normal operation of the Equipment, such as batteries or magnetic tapes.; upgrading or reprogramming Equipment; accessories, belt clips, battery chargers, custom or special products, modified units, or software; and repair or maintenance of any transmission line, antenna, microwave equipment, tower or tower lighting, duplexer, combiner, or multicoupler. Motorola has no obligations for any transmission medium, such as telephone lines, computer networks, the internet or the worldwide web, or for Equipment malfunction caused by such transmission medium.

Section 6 TIME AND PLACE OF SERVICE

Service will be provided at the location specified in this Agreement. When Motorola performs service at Customer's location, Customer will provide Motorola, at no charge, a non-hazardous work environment with adequate shelter, heat, light, and power and with full and free access to the Equipment. Waivers of liability from Motorola or its subcontractors will not be imposed as a site access requirement. Customer will provide all information pertaining to the hardware and software elements of any system with which the Equipment is interfacing so that Motorola may perform its Services. Unless otherwise stated in this Agreement, the hours of Service will be 8:30 a.m. to 4:30 p.m., local time, excluding weekends and holidays. Unless otherwise stated in this Agreement, the price for the Services exclude any charges or expenses associated with helicopter or other unusual access requirements; if these charges or expenses are reasonably incurred by Motorola in rendering the Services, Customer agrees to reimburse Motorola for those charges and expenses.

Section 7 CUSTOMER Contact

Customer will provide Motorola with designated points of contact (list of names and phone numbers) that will be available twenty-four (24) hours per day, seven (7) days per week, and an escalation procedure to enable Customer's personnel to maintain contact, as needed, with Motorola.

Section 8 PAYMENT

Unless alternative payment terms are stated in this Agreement, Motorola will invoice Customer in advance for each payment period. All other charges will be billed monthly, and Customer must pay each invoice in U.S. dollars within thirty (30) days of the invoice date. Customer will reimburse Motorola for all property taxes, sales and use taxes, excise taxes, and other taxes or assessments that are levied as a result of Services rendered under this Agreement (except income, profit, and franchise taxes of Motorola) by any governmental entity.

Section 9 WARRANTY

Motorola warrants that its Services under this Agreement will be free of defects in materials and workmanship for a period of ninety (90) days from the date the performance of the Services are completed. In the event of a breach of this warranty, Customer's sole remedy is to require Motorola to re-perform the non-conforming Service or to refund, on a pro-rata basis, the fees paid for the non-conforming Service. MOTOROLA DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Section 10 DEFAULT/TERMINATION

10.1. If either party defaults in the performance of this Agreement, the other party will give to the non-performing party a written and detailed notice of the default. The non-performing party will have thirty (30) days thereafter to provide a written plan to cure the default that is acceptable to the other party and begin implementing the cure plan immediately after plan approval. If the non-performing party fails to provide or implement the cure plan, then the injured party, in addition to any other rights available to it

under law, may immediately terminate this Agreement effective upon giving a written notice of termination to the defaulting party.

10.2. Any termination of this Agreement will not relieve either party of obligations previously incurred pursuant to this Agreement, including payments which may be due and owing at the time of termination. All sums owed by Customer to Motorola will become due and payable immediately upon termination of this Agreement. Upon the effective date of termination, Motorola will have no further obligation to provide Services.

Section 11 LIMITATION OF LIABILITY

Except for personal injury or death, Motorola's total liability, whether for breach of contract, warranty, negligence, strict liability in tort, or otherwise, will be limited to the direct damages recoverable under law, but not to exceed the price of twelve (12) months of Service provided under this Agreement. ALTHOUGH THE PARTIES ACKNOWLEDGE THE POSSIBILITY OF SUCH LOSSES OR DAMAGES, THEY AGREE THAT MOTOROLA WILL NOT BE LIABLE FOR ANY COMMERCIAL LOSS; INCONVENIENCE; LOSS OF USE, TIME, DATA, GOOD WILL, REVENUES, PROFITS OR SAVINGS; OR OTHER SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES IN ANY WAY RELATED TO OR ARISING FROM THIS AGREEMENT OR THE PERFORMANCE OF SERVICES BY MOTOROLA PURSUANT TO THIS AGREEMENT. No action for contract breach or otherwise relating to the transactions contemplated by this Agreement may be brought more than two (2) years after the accrual of such cause of action, except for money due upon an open account. This limitation of liability will survive the expiration or termination of this Agreement and applies notwithstanding any contrary provision.

Section 12 EXCLUSIVE TERMS AND CONDITIONS

12.1. This Agreement supersedes all prior and concurrent agreements and understandings between the parties, whether written or oral, related to the Services, and there are no agreements or representations concerning the subject matter of this Agreement except for those expressed herein. The Agreement may not be amended or modified except by a written agreement signed by authorized representatives of both parties.

12.2. Customer agrees to reference this Agreement on any purchase order issued in furtherance of this Agreement, however, an omission of the reference to this Agreement will not affect its applicability. In no event will either party be bound by any terms contained in a Customer purchase order, acknowledgement, or other writing unless: the purchase order, acknowledgement, or other writing specifically refers to this Agreement; clearly indicate the intention of both parties to override and modify this Agreement; and the purchase order, acknowledgement, or other writing is signed by authorized representatives of both parties.

Section 13 PROPRIETARY INFORMATION; CONFIDENTIALITY; INTELLECTUAL PROPERTY RIGHTS

13.1. Any information or data in the form of specifications, drawings, reprints, technical information or otherwise furnished to Customer under this Agreement will remain Motorola's property, will be deemed proprietary, will be kept confidential, and will be promptly returned at Motorola's request. Customer may not disclose, without Motorola's written permission or as required by law, any confidential information or data to any person, or use confidential information or data for any purpose other than performing its obligations under this Agreement. The obligations set forth in this Section survive the expiration or termination of this Agreement.

13.2. Unless otherwise agreed in writing, no commercial, financial or technical information disclosed in any manner or at any time by Customer to Motorola will be deemed secret or confidential. Motorola will have no obligation to provide Customer with access to its confidential and proprietary information, including cost and pricing data.

13.3. This Agreement does not grant directly or by implication, estoppel, or otherwise, any ownership right or license under any Motorola patent, copyright, trade secret, or other intellectual property including any intellectual property created as a result of or related to the Equipment sold or Services performed under this Agreement.

Section 14 FCC LICENSES AND OTHER AUTHORIZATIONS

Customer is solely responsible for obtaining licenses or other authorizations required by the Federal Communications Commission or any other federal, state, or local government agency and for complying with all rules and regulations required by such agencies. Neither Motorola nor any of its employees is an agent or representative of Customer in any governmental matters.

Section 15 COVENANT NOT TO EMPLOY

During the term of this Agreement and continuing for a period of two (2) years thereafter, Customer will not hire, engage on contract, solicit the employment of, or recommend employment to any third party of any employee of Motorola or its subcontractors without the prior written authorization of Motorola. This provision applies only to those employees of Motorola or its subcontractors who are responsible for rendering services under this Agreement. If this provision is found to be overly broad under applicable law, it shall be modified as necessary to conform to such law.

Section 16 MATERIALS, TOOLS AND EQUIPMENT

All tools, equipment, dies, gauges, models, drawings or other materials paid for or furnished by Motorola for the purpose of this Agreement will be and remain the sole property of Motorola. Customer will safeguard all such property while it is in Customer's custody or control, be liable for any loss or damage to this property, and return it to Motorola upon request. This property will be held by Customer for Motorola's use without charge and may be removed from Customer's premises by Motorola at any time without restriction.

Section 17 GENERAL TERMS

17.1. If any court renders any portion of this Agreement unenforceable, the remaining terms will continue in full force and effect.

17.2. This Agreement and the rights and duties of the parties will be governed and interpreted in accordance with the laws of the State of Texas.

17.3. Failure to exercise any right will not operate as a waiver of that right, power, or privilege.

17.4. Neither party is liable for delays or lack of performance resulting from any causes that are beyond that party's reasonable control, such as strikes, material shortages, or acts of God.

17.5. Motorola may assign its rights and obligations, and may subcontract any portion of its performance, under this Agreement.

17.6. If Motorola provides Services after the termination or expiration of this Agreement, the terms and conditions in effect at the time of the termination or expiration will apply to those Services and Customer agrees to pay for those services on a time and materials basis at Motorola's then effective hourly rates.



Council Agenda Background

PRESENTER: John F. Kubala, P. E., Public Works Director **DATE:** 05/08/12

Council Mission Area: Be responsive to the needs of the community.

ITEM:

Consider a resolution authorizing the City Manager to enter into Utility Adjustment Agreement Amendment #2 (UAAA) with NTE Mobility Partners, LLC and Bluebonnet Contractors, LLC for the adjustment of the City of Bedford's existing utilities impacted by the North Tarrant Express Project.

City Attorney Review: Yes

City Manager Review: _____

DISCUSSION:

This item was tabled at the April 24, 2012 Council Meeting.

The construction of the North Tarrant Express (NTE) will cause the removal, relocation, or other necessary adjustments of existing utilities impacted by the NTE. Bluebonnet Contractors, LLC is the Design-Build Contractor for the Facility. The City of Bedford has requested that NTE Mobility Partners, LLC and Bluebonnet undertake the Adjustment of the Owner Utilities as necessary to accommodate the NTE. The City entered into a Master Utility Adjustment Agreement (MUAA) in July 2011. This UAAA provides the mechanism to accomplish a portion of these adjustments. This UAAA consists of five water and/or wastewater lines conflicting with the proposed Roadway Structure of the NTE. These facilities will be replaced with like-kind according to the City's Standards.

The UAAA provides for cost allocation of any adjustments between the City and NTE Mobility Partners and Bluebonnet in accordance with 203.092, Texas Transportation Code. This basically provides for a 50/50 split for adjustments made to facilities within the existing right-of-way of the NTE. When the facilities are within an easement, the NTE Mobility Partners and Bluebonnet pay 100% of the relocation cost. The total cost for this group of utility relocations, as shown on the attached City of Bedford Estimate, is \$1,511,831.73 with Bluebonnet paying \$1,135,307.93 and the City of Bedford paying \$376,523.80. This brings the City's total participation to \$2,321,393.03. The Reimbursement Agreement with Bluebonnet, approved by the City Council on February 22, 2011, provides for a lump sum payment by the City on June 1, 2014.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into Utility Adjustment Agreement Amendment #2 (UAAA) with NTE Mobility Partners, LLC and Bluebonnet Contractors, LLC for the adjustment of the City of Bedford's existing utilities impacted by the North Tarrant Express Project

FISCAL IMPACT:

\$2,321,393.03 due June 1, 2014

ATTACHMENTS:

Resolution
City of Bedford Assembly
UAAA #2
City of Bedford Estimate
Utility Assembly 183-U-0503-0002 (Available for review in the City Secretary's Office.)

RESOLUTION NO. 12-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO UTILITY ADJUSTMENT AGREEMENT AMENDMENT #2 (UAAA) WITH NTE MOBILITY PARTNERS, LLC AND BLUEBONNET CONTRACTORS, LLC FOR THE ADJUSTMENT OF THE CITY OF BEDFORD'S EXISTING UTILITIES IMPACTED BY THE NORTH TARRANT EXPRESS PROJECT.

WHEREAS, the City Council of Bedford, Texas determines that existing utilities must be adjusted to provide for the construction of the North Tarrant Express; and,

WHEREAS, the City Council of Bedford, Texas recognizes that time is of the essence in completing the work contemplated herein.

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

SECTION 1. That the City Manager is authorized to enter into Utility Adjustment Agreement Amendment #2 (UAAA) with NTE Mobility Partners, LLC and Bluebonnet Contractors, LLC for the adjustment of the City of Bedford's existing utilities impacted by the North Tarrant Express Project.

SECTION 2. That funding for this agreement is due June 1, 2014.

PASSED AND APPROVED this the 8th day of May 2012, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

City of Bedford Assembly
Developer Managed
Assembly Number: 183-U-0503-0002
North Tarrant Express (NTE) – Segment East
April 10, 2012

<u>Proposed Facilities</u>	<u>Conflict ID</u>
➤ One (1) 8" water line crossing SH 121 at approx NTE BL Sta. 1139+82	(313)
➤ One (1) 8" water line running along the north ROW of SH 121 from approx NTE BL Sta. 1139+82 to 1146+70	(314/315)
➤ One (1) 8" water line running along the north ROW of SH 121 from approx NTE BL Sta. 1146+40 to 1154+95	(317)
➤ One(1) 8" water line running along the north ROW of SH 183 from approx NTE BL Sta. 1272+38 to 1329+77	(349)
➤ One (1) 8" wastewater line running along the north ROW of SH 183 from approx NTE BL Sta. 1284+17 to 1316+70	(364)

Existing Facilities to Remain

➤ One (1) 8" water line crossing under Brown Trail along the south ROW of SH 121 from approx NTE BL Sta. 1145+60 to 1147+00	(316)
➤ One (1) 4" wastewater line that comes into the ROW to connect to a manhole along the south ROW of SH 121 at approx NTE BL Sta. 1153+10	(318)
➤ One (1) 15" previously abandoned wastewater line crossing SH 121 at approx NTE BL Sta. 1168+30	(324)
➤ Two (2) 6" water lines crossing under Bedford/Eules Rd. along the south ROW of SH 121 from approx NTE BL Sta. 1173+00 to 1174+00	(327/328)
➤ One (1) 8" water line coming into the ROW along the south side of SH 121	(334)
➤ One (1) 12" wastewater line crossing under the SH 121/183 split at approx NTE BL Sta. 1261+85	(348)

Bluebonnet Contractors, LLC has submitted the attached Utility Assembly in compliance with the CDA to adjust approximately 7979 linear feet of water facilities and approximately 1137 of wastewater facilities for the City of Bedford. Portions of these existing facilities are in conflict with the NTE Project, and are to be adjusted in compliance with TxDOT's Utility Accommodation Rules (UAR). The existing facilities to remain in place and active are also UAR Compliant. Conflicts that will be strictly abandoned and not relocated are 324 and 348. These two wastewater conflicts will be abandoned in place along with the facilities that require adjustment. The proposed adjustments are located adjacent to and crossing SH 121/183 from NTE Utility BL STA 1139+82 to STA 1329+77. The adjustments will consist of replacing the facilities with like-kind. The estimated total cost to replace these facilities is \$1,511,831.73. The final shared cost will be determined by the eligibility ratio (75.09%) pursuant to 203.092, Texas Transportation Code, as amended, Rule 21.23 of Title 43. There are no betterments or salvage values associated with this Utility Assembly.

This 'Developer Managed' Assembly consists of thirteen components as required by the CDA (Assembly Summary, Utility Adjustment Agreement, Plans, Specifications, and Estimates, Affidavit of Property Interests, Statement of Work, Joint Use Acknowledgement, Assembly Checklist, No Conflict Sign-Off Forms, Right of Way Maps, TxDOT Checklist and Approval).

LTRA Engineering prepared the plans for the City of Bedford which were signed and sealed by Marco Ramirez, PE.

Bluebonnet Contractors, LLC recommends approval of the Assembly and has acknowledged the Traffic Control Plan as defined in Bluebonnet Contractors General Notes Construction Notes on sheet 4 of each plan set. The SW3P is also address in Bluebonnet Contractors General Notes under Environmental Notes sheet 4 of each plan set. Both Bluebonnet Contractors and the City of Bedford have executed this Assembly.

Bluebonnet Contractors, LLC will schedule and conduct a pre-construction meeting to address NTE Safety and environmental issues prior to performing any adjustment related activities on the project. All safety, traffic control, and environmental issues will be complied with during construction activities in the vicinity of the line to maintain the integrity of the City of Bedford's facilities, and protect the traveling public. TxDOT has 10 business days to review and approve the Assembly.

Bluebonnet Contractors, LLC and the City of Bedford expect to complete construction activities within 180 days from TxDOT's notice to proceed.

Recommended for Approval:

Scott Stockburger, P.E.

H. Scott Colter, P.E.

Alfonso Diaz Del Rio

County: TARRANT
Highway: SH 121
Limits: FROM IH 820 IN
HURST TO SH 183 IN
BEDFORD and from
SH 121/183 split to FM
157 in Euless
Fed. Proj. No.: N/A
ROW CSJ No.: 0364-01-119
Const. CSJ No.: 0364-01-054
ROW CSJ No.: 0364-05-038
Const. CSJ No.: 0364-05-025

UTILITY ADJUSTMENT AGREEMENT AMENDMENT (Developer Managed)
(Amendment No. 0002 to Agreement No.: 183-U-0503)

THIS AMENDMENT TO MASTER UTILITY ADJUSTMENT AGREEMENT (this “Amendment”), by and between NTE Mobility Partners LLC, hereinafter identified as the “**Developer**”, Bluebonnet Contractors, LLC, hereinafter identified as the “**Design-Build Contractor**” and The City of Bedford, hereinafter identified as the “**Owner**”, is as follows:

WITNESSETH

WHEREAS, the STATE of TEXAS, acting by and through the Texas Department of Transportation, hereinafter identified as “TxDOT”, proposes to construct the turnpike project identified above (the “Facility”, as more particularly described in the “Original Agreement”, defined below); and

WHEREAS, pursuant to that certain Comprehensive Development Agreement (“CDA”) by and between TxDOT and the Developer with respect to the Facility, the Developer has undertaken the obligation to design, construct, finance, operate and maintain the Facility, including causing the removal, relocation, or other necessary adjustment of existing utilities impacted by the Facility (collectively, “Adjustment”); and

WHEREAS, pursuant to that certain Design-Build Contract by and between the Developer and the Design-Build Contractor with respect to the Facility (the “Design-Build Contract”), the Design-Build Contractor has undertaken the obligation to design and construct the Facility, which includes the Adjustment; and

WHEREAS, the Owner, the Developer, and the Design-Build Contractor are parties to that certain executed Master Utility Adjustment Agreement designated by the “Agreement No.” indicated above, as amended by previous amendments, if any (the “Original Agreement”), which provides for the adjustment of certain utilities owned and/or operated by the Owner (the “Utilities”); and

WHEREAS, the parties are required to utilize this Amendment form in order to modify the Original Agreement to add the adjustment of Owner facilities not covered by the Original Agreement; and

WHEREAS, the parties desire to amend the Original Agreement to add additional Owner utility facility(ies), on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the agreements contained herein, the parties hereto agree as follows:

1. **Amendment.** The Original Agreement is hereby amended as follows:

1.1 **Plans.**

- (a) The description of the Owner Utilities and the proposed Adjustment of the Owner Utilities in the Original Agreement is hereby amended to add the following utility facility(ies) ("Additional Owner Utilities") and proposed Adjustment(s) to the Owner Utilities described in the Original Agreement

To adjust approximately 7979 linear feet of water facilities and approximately 1137 of wastewater facilities for the City of Bedford. Portions of these existing facilities are in conflict with the NTE Project, and are to be adjusted in compliance with TxDOT's Utility Accommodation Rules (UAR). The existing facilities to remain in place and active are also UAR Compliant. Conflicts that will be strictly abandoned and not relocated are 324 and 348. These two wastewater conflicts will be abandoned in place along with the facilities that require adjustment. The proposed adjustments are located adjacent to and crossing SH 121/183 from NTE Utility BL STA 1139+82 to STA 1329+77. The adjustments will consist of replacing the facilities with like-kind.; and

- (b) The Plans, as defined in Paragraph 1 of the Original Agreement, are hereby amended to add thereto the plans, specifications and cost estimates attached hereto as Exhibit A.
- (c) The Plans attached hereto as Exhibit A, along with this Amendment, shall be submitted upon execution to TxDOT in accordance with Paragraph 2 of the Original Agreement, and Paragraph 2 shall apply to this Amendment and the Plans attached hereto in the same manner as if this Amendment were the Original Agreement. If the Owner claims an Existing Interest for any of the Additional Owner Utilities, documentation with respect to such claim shall be submitted to TxDOT as part of this Amendment and the attached Plans, in accordance with Paragraph 16(a) of the Original Agreement.

1.2 **Advancement of Funds by Owner for Engineering and Construction Costs.**

- (a) Exhibit A of the Original Agreement is hereby amended to add for the Additional Owner Utilities and proposed Adjustment(s) the following information set forth on Exhibit A hereto: (i) all estimated engineering and construction-related costs, including labor, material, equipment and other miscellaneous construction items, and (ii) the Owner's and Design-Build Contractor's respective cost sharing responsibility for the estimated costs, as more fully described in Section 1.4 below.

The Owner shall advance to the Design-Build Contractor its allocated share, if any, of the estimated costs for construction and engineering work to be performed by Design-Build Contractor under this Amendment, in accordance with the following terms:

- The adjustment of the Owner's Utilities does not require advancement of funds.
- The adjustment of the Owner's Utilities does require advancement of funds and the terms agreed to between the Design-Build Contractor and Owner are listed below.

- (b) Adjustment Based on Actual Costs or Agreed Sum. For purposes of Paragraph 7(b) of the Original Agreement, the following terms apply to the Additional Owner Utilities and proposed Adjustment.

[Check the one appropriate provision]:

- The Owner is responsible for its share of the Design-Build Contractor's actual cost for the Adjustment, including any identified Betterment. Accordingly, upon completion of all Adjustment work to be performed by both parties pursuant to this Amendment, (i) the Owner shall pay to the Design-Build Contractor the amount, if any, by which the actual cost of the Betterment (as determined in Paragraph 9(b)) plus the actual cost of Owner's share of the Adjustment (based on the allocation set forth in Exhibit A) exceeds the estimated cost advanced by the Owner, or (ii) the Design-Build Contractor shall refund to the Owner the amount, if any, by which such advance exceeds such actual cost, as applicable.
- The Agreed Sum is the agreed and final amount due for the Adjustment, including any Betterment, under this Amendment. Accordingly, no adjustment (either up or down) of such amount shall be made based on actual costs.

1.3 **Reimbursement of Owner's Direct and Indirect Costs.** For purposes of Paragraph 6 of the Original Agreement, the following terms apply to the Additional Owner Utilities and proposed Adjustment:

- (a) Design-Build Contractor agrees to reimburse the Owner its share of the Owner's direct and indirect costs (e.g., engineering, inspection, testing, ROW, including Owner's corporate overhead loadings) as identified in Exhibit A. When requested by the Owner, monthly progress payments will be made. The monthly payment will not exceed 80% of the estimated work done to date. Once the work is complete, final payment of the eligible costs will be made. Intermediate payments shall not be construed as final payment for any items included in the intermediate payment.
- (b) The Owner's direct and indirect costs associated with Adjustment of the Owner Utilities shall be developed pursuant to the method checked and described below *[check only one box]*:
- (1) Actual direct and indirect costs accumulated in accordance with (i) a work order accounting procedure prescribed by the applicable Federal or State regulatory body, or (ii) established accounting procedure developed by the Owner and which the Owner uses in its regular operations or,
- (2) The agreed sum of \$_____ ("Agreed Sum") as supported by the analysis of the Owner's estimated costs attached hereto as part of Exhibit A.

1.4 **Responsibility for Costs of Adjustment Work.** For purposes of Paragraph 4 of the Original Agreement, responsibility for the Agreed Sum or Actual Cost, as applicable, of all Adjustment work to be performed pursuant to this Amendment shall be allocated between the Design-Build Contractor and the Owner as identified in Exhibit A hereto and in accordance with §203.092, Texas Transportation Code. An allocation percentage may be determined by application of an Eligibility Ratio, if appropriate, as detailed in Exhibit A, provided however, that any portion of an Agreed Sum or Actual Cost attributable to Betterment shall be allocated 100% to the Owner in accordance with Paragraph 9 of the Original Agreement. Payment for the work completed of Design-Build Contractor's portion of the Agreed Sum or Actual Cost, as applicable, shall be due upon receipt of invoice. Invoice will be considered past due after 30 days.

1.5 **Betterment.**

- (a) Paragraph 9(b) (Betterment and Salvage) of the Original Agreement is hereby amended to add the following *[Check the one box that applies, and complete if appropriate]*:

- The Adjustment of the Additional Owner Utilities, pursuant to the Plans as amended herein, does not include any Betterment.
- The Adjustment of the Additional Owner Utilities, pursuant to the Plans as amended herein, includes Betterment to the Additional Owner Utilities by reason of *[insert explanation, e.g. "replacing 12" pipe with 24" pipe]*: _____. The Design-Build Contractor has provided to the Owner comparative estimates for (i) all work to be performed by the Design-Build Contractor pursuant to this Amendment, including work attributable to the Betterment, and (ii) the cost to perform such work without the Betterment, which estimates are hereby approved by the Owner. The estimated cost of the Design-Build Contractor's work under this Amendment which is attributable to Betterment is \$_____, calculated by subtracting (ii) from (i). The percentage of the total cost of the Design-Build Contractor's work under this Amendment which is attributable to Betterment is _____%, calculated by subtracting (ii) from (i), which remainder is divided by (i).
- (b) If the above Paragraph 1.5(a) identifies Betterment, the Owner shall advance to the Design-Build Contractor, at least **fourteen (14) days** prior to the date scheduled for commencement of construction for Adjustment of the Additional Owner Utilities, the estimated cost attributable to Betterment as set forth in Paragraph 1.5(a) of this Amendment. If the Owner fails to advance payment to the Design-Build Contractor on or before the foregoing deadline, the Design-Build Contractor shall have the option of commencing and completing (without delay) the Adjustment work without installation of the applicable Betterment. *[Check the one appropriate provision]:*
- The estimated cost stated in Paragraph 1.5(a) of this Amendment is the agreed and final amount due for Betterment under this Amendment, and accordingly no adjustment (either up or down) of such amount shall be made based on actual costs.
- The Owner is responsible for the Design-Build Contractor's actual cost for the identified Betterment. Accordingly, upon completion of all Adjustment work to be performed by both parties pursuant to this Amendment, (i) the Owner shall pay to the Design-Build Contractor the amount, if any, by which the actual cost of the Betterment (determined as provided below in this paragraph) exceeds the estimated cost advanced by the Owner, or (ii) the Design-Build Contractor shall refund to the Owner the amount, if any, by which such advance exceeds such actual cost, as applicable. Any additional payment by the Owner shall be due within **sixty (60) days** after the Owner's receipt of the Design-Build Contractor's invoice therefore, together with supporting documentation; any refund shall be due within **sixty (60) days** after completion of the Adjustment work under this Amendment. The actual cost of Betterment incurred by the Design-Build Contractor shall be calculated by multiplying (i) the Betterment percentage stated in Paragraph 1.5(a) of this Amendment, by (ii) the actual cost of all work performed by the Design-Build Contractor pursuant to this Amendment (including work attributable to the Betterment), as invoiced by the Design-Build Contractor to the Owner.
- (c) The determinations and calculations of Betterment described in this Amendment shall exclude right-of-way acquisition costs. Betterment in connection with right-of-way acquisition is addressed in Paragraph 15 of the Original Agreement.

1.6 **Miscellaneous.**

- (a) Owner and Design-Build Contractor agree to refer to this Amendment, designated by the "Amendment No." and "Agreement Number" indicated on page 1 above, on all future correspondence regarding the Adjustment work that is the subject of this Amendment and to track separately all costs relating to this Amendment and the Adjustment work described herein.

2. **General.**

- (a) All capitalized terms used in this Amendment shall have the meanings assigned to them in the Original Agreement, except as otherwise stated herein.
- (b) This Amendment may be executed in any number of counterparts. Each such counterpart hereof shall be deemed to be an original instrument but all such counterparts together shall constitute one and the same instrument.
- (c) Except as amended hereby, the Original Agreement shall remain in full force and effect. In no event shall the responsibility, as between the Owner and the Design-Build Contractor, for the preparation of the Plans and the Adjustment of the Owner Utilities be deemed to be amended hereby.
- (d) This Amendment shall become effective upon the later of (a) the date of signing by the last party (either the Owner, the Design-Build Contractor or the Developer) signing this Amendment, and (b) the completion of TxDOT's review and approval as indicated by the signature of TxDOT's representative, below.

APPROVED BY:

**TEXAS DEPARTMENT OF
TRANSPORTATION**

By: _____
Authorized Signature

Printed
Name: Donald C. Toner, Jr, SR/WA

Director – Strategic Projects Right of Way
Strategic Projects Division

Date: _____

DESIGN-BUILD CONTRACTOR

Bluebonnet Contractors, LLC

By: _____
Duly Authorized Representative

Printed
Name: Jose Carlos Esteban

Title: Chief Executive Officer

Date: _____

OWNER

City of Bedford

By: _____
Duly Authorized Representative

Printed
Name: _____

Title: _____

Date: _____

DEVELOPER

NTE Mobility Partners LLC

By: _____
Duly Authorized Representative

Printed
Name: Steve Hankins, PE

Title: Director of Design & Construction

Date: _____

City of Bedford Estimate: 183-U-0503-0002

Conflicts: 313, 314, 315, 316, 317, 318, 324, 327, 328, 334, 348, 349, 364

April 10, 2012

Estimated Direct Costs for Bluebonnet Contractors, LLC \$ 1,258,785.00

Estimated Direct Costs for the City of Bedford \$ -

Estimated Indirect Costs for Bluebonnet Contractors, LLC \$ 180,945.33

Estimated Indirect Costs for the City of Bedford \$ 72,101.40

Total Estimated Cost for Relocation of Facilities \$ 1,511,831.73

$$\begin{aligned} 50\% \times (4292/8697) &= 24.68\% \\ 100\% \times (4385/8697) &= 50.42\% + \\ & \quad \underline{75.09\%} \end{aligned} \qquad \text{Eligibility Ratio: 75.09\%}$$

Total estimated amount to be paid back to Bluebonnet Contractors, LLC: \$ 376,523.80



Council Agenda Background

PRESENTER: Jacquelyn Reyff, Planning Manager
Richard Hanness, Architect for the project

DATE: 05/08/12

Council Mission Area: Foster economic growth.

ITEM:

Public hearing and consider a resolution for a site plan for use as a medical office building at 1916 Central Drive, Site Plan Case S-054 (Martin Reinke, M.D.). The property is zoned Heavy Commercial; known as Lot 1R , Block 1, First State Addition, and is located at 1916 Central Drive, Bedford, Texas. The property is generally located south of L. Don Dodson Drive and east of Central Drive. (S-054)

City Attorney Review: N/A

City Manager Review: _____

DISCUSSION:

The proposed site plan was required to be reviewed by both the Planning and Zoning Commission and the City Council because it is located within the Central Business Overlay District.

Due to the road construction along State Highway 183, this applicant has an existing business within the City, but has to move and chose to relocate about a quarter mile north of their current location. A new 4,120 SF medical office building would be constructed at the address of 1916 Central Drive.

The required parking for a medical office building is one parking space/250 SF of building area. In this case, the building area is 4,120 SF; therefore, the required parking is 17 spaces. The applicant is providing 28 spaces including two handicapped spaces. The site plan provides for an additional 11 spaces. The landscaping as shown on the site plan meets or exceeds the landscaping requirements. The ingress and egress will be located along Plaza Parkway from two curb cuts.

The Comprehensive Plan indicates the location of 1916 Central Drive to be commercial in nature; therefore, the proposed use of a medical office building would not be in conflict with the Comprehensive Plan.

The Planning and Zoning Commission recommended unanimous approval of this item at their April 12, 2012 meeting by a vote of 5-0-0.

There were no other outstanding issues identified relative to the City of Bedford Zoning Ordinance.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution for a site plan for use as a medical office building at 1916 Central Drive, Site Plan Case S-054 (Martin Reinke, M.D.). The property is zoned Heavy Commercial; known as Lot 1R , Block 1, First State Addition, and is located at 1916 Central Drive, Bedford, Texas. The property is generally located south of L. Don Dodson Drive and east of Central Drive. (S-054)

FISCAL IMPACT:

N/A

ATTACHMENTS:

Resolution
April 12, 2012 Planning & Zoning Minutes
Site Plan Application
Zoning Map of Referenced Property
Site Plan and Elevations
8 ½ x 11 drawings

RESOLUTION NO. 12-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS, APPROVING A SITE PLAN FOR A MEDICAL OFFICE BUILDING LOCATED AT THE PROPERTY KNOWN AS LOT 1R, BLOCK 1, FIRST STATE ADDITION 1916 CENTRAL DRIVE (S-054).

WHEREAS, the property is located in the Central Business District Overlay District and requires approval from both the Planning and Zoning Commission and the City Council of Bedford, Texas; and,

WHEREAS, the Planning and Zoning Commission recommended approval of the site plan at their April 12, 2012 meeting; and,

WHEREAS, the City Council of Bedford, Texas finds that it is in the best interest of the City to accept the Medical Office Site Plan; and,

WHEREAS, the said site plan is known as Lot 1R, Block 1, First State Addition. The property is generally located south of L. Don Dodson Drive and east of Central Drive.

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

SECTION 1. That the City Council hereby approves the resolution accepting the medical office site plan.

PASSED AND APPROVED this the 8th day of May 2012, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

**PLANNING AND ZONING COMMISSION
MEETING MINUTES OF APRIL 12, 2012**

DRAFT

Commissioner Reese gave tonight's invocation.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was given.

APPROVAL OF MINUTES

- 1. Consider approval of the following Planning and Zoning Commission meeting minutes:
a) March 22, 2012.**

Motion: Commissioner Henning made a motion to approve the meeting minutes of March 22, 2012, correct as written.

Vice Chairman Stroope seconded the motion and the vote was as follows:

Ayes: Commissioner Sinisi, Henning, Vice Chairman Stroope

Nays: None

Abstention: Commissioner Reese

Chairman Davisson declared the motion approved.

PUBLIC HEARING

- 2. Site Plan Case S-054, request for a site plan approval for a new office building, (Martin Reinke, M.D.). The property is zoned Heavy Commercial; known as Lot 1R, Block 1, First State Addition, and is located at 1916 Central Drive, Bedford, Texas. The property is generally located south of L. Don Dodson and east of Central Drive.**

Chairman Davisson recognized Jacquelyn Reyff, AICP, Planning Manager reviewed Zoning Case Z-219.

Chairman Davisson recognized Richard Haness, 4324 Alta Vista Lane, Dallas, Texas was there to represent this application.

Chairman Davisson opened the public hearing at 7:06 p.m. and recognized

Chairman Davisson closed the public hearing at 7:09 p.m.

The Commission discussed the application.

Motion: Commissioner Henning made a motion to approve Site Plan Case S-054.

Commissioner Reese seconded the motion and the vote was as follows:

Motion approved 5-0-0. Chairman Davisson declared the motion approved.

ADJOURNMENT



Planning & Zoning Commission Staff Report

April 12, 2012

Case# S-054

Prepared April 4, 2012

Request:

The applicant is proposing to construct a new medical office building to be located at 1916 Central Drive.

Applicant	Martin Reinke
General Location	1916 Central Drive
Applicable Zoning Ordinance Section	Section 4.16.B
Notification Requirements	15-day legal ad in Ft. Worth Star Telegram
Property Owners Notified	12
Action Required	Approval or Denial of Site Plan

Description:

A 4,120 SF medical office building would be constructed at the address of 1916 Central Drive. The site plan is required to be reviewed by the Planning and Zoning Commission because it is located within the Central Business Overlay District.

Development Review Committee:

The Development Review Committee met on April 2, 2012, and determined the proposed site plan could proceed to the Planning and Zoning Commission based on the plan received.

Zoning and Site Conditions:

The property is zoned H, Heavy Commercial. The Heavy Commercial zoning district is established to provide for development of retail and commercial uses, including higher intensity commercial uses. Medical office buildings are permitted uses within the H zoning district. The surrounding land uses adjacent to the property are as follows:

	North	South	East	West
Zoning of Adjacent Property	PUD	H	PUD	H
Land Usage	Office	Office	Office	Sonic Restaurant

The applicant is proposing to construct a new 4,120 SF medical office building. The height of the building will be 28'5", which meets the height requirement of a building not being greater than 35'.

The building will meet all the required setbacks and lot coverage for the H zoning district.

Ingress/Egress

Two curb cuts will be located along Plaza Parkway. The first curb cut will be located just north of the intersection of Central Drive and Plaza Parkway. The second curb cut will be located north of the first curb cut along Plaza Parkway.

Parking

The required parking for a medical office building is 1 parking space/250 SF of building area. In this case, the building area is 4,120 SF; therefore, the required parking is 17 spaces. The applicant is providing 28 spaces including two handicapped spaces. The site plan is in excess of 11 spaces than what is required. Additionally, a loading zone is required to be 10 SF x 25 SF. The applicant provided for a loading zone to be located on the east side of the building and to be 10 SF x 25 SF.

Landscaping

The table below discusses the landscaping credits based on what is currently located on the site.

Plant Material	Calculation	Number	Credit
Existing Trees 3" Caliper	200 SF/tree	2	400 SF
Existing Trees 6" Caliper & Greater	440 SF/tree	8	3,200 SF
Shrubs 10 – 1 Gal	100 SF/10	75	750 SF
Planting area 25 SF of bed	100 SF/25 SF of bed	110 SF of bed	440 SF
Totals			4,790 SF

There are 11 existing trees on site with total caliper inches of 177. The applicant will be removing three trees with total caliper inches of 54. Remaining on site will be 8 trees and 123 caliper inches.

The table below illustrates the landscaping schedule for the new plantings.

Type of Plant	Size	Totals
Crepe Myrtle	12' H	10
Clerera	5 Gal	24
Blue Carpet Juniper	5 Gal	9
Dwarf Yaupon	5 Gal	42
Liorope	12" Pot	175
Seasonal Color	4" Pot	110

The landscaping as shown on the site plan meets or exceeds the landscaping requirements.

Comprehensive Plan:

The Comprehensive Plan indicates the location of 1916 Central Drive to be commercial. Therefore, the proposed use of a medical office building meets the character of the area and the intent of the Comprehensive Plan.

Planning & Zoning Commission Review Options:

Recommend approval or denial of the site plan for 1916 Central Drive for a medical office building to be located in the Central Business District Overlay.

**City of Bedford
Site Plan Review Application**

P&Z MTG, 4/12/12

S-054

Received 3/26/12

Applicant (Printed Name) RICHARD HANESS (Signature) [Signature]
 Address: 4324 ALTA VISTA LANE, DALLAS TX 75229
 Telephone number: 214-679-2602 Fax number: -

Legal Description:

Lot(s) A1, Block(s) 1, Addition(s) FIRST STATE or
 Tract(s) 2, Abstract(s) 71, Survey(s) THOMAS FIELDY SURVEY
 of the City of Bedford, Texas.

Street Address 1916 1819 CENTRAL DRIVE

Fee: (\$205.00 plus \$205.00 per acre over one.) \$205.00 + \$205.00 x _____ = _____
 Payable by cash, Visa, MasterCard or check made out to the City of Bedford. (# of acres) (total fee)

Property Owner: (*Signature) [Signature]

Developer: (*Signature)

(Printed name)
Martin Reinke

(Printed name)

(Company name)
Eyebedford Property LLC

(Company name)

(Street Address, City, State & Zip Code)
1422 MAIN STREET SUITE 208

(Street Address, City, State & Zip Code)

(Email address) SOUTH LACE TX 76092
MHR6734@FATHINK.NET

(Email address)

(Telephone number) 214-334-1125 (FAX number)

(Telephone number) (FAX number)

Land Planner/Engineer: (*Signature) [Signature]

Surveyor: (*Signature)

(Printed name)
RICHARD O. HANESS

(Printed name)

(Company Name)
RICHARD O. HANESS ARCHITECT

(Company Name)

(Street Address, City, State & Zip Code)
4324 ALTA VISTA LN.

(Street Address, City, State & Zip Code)

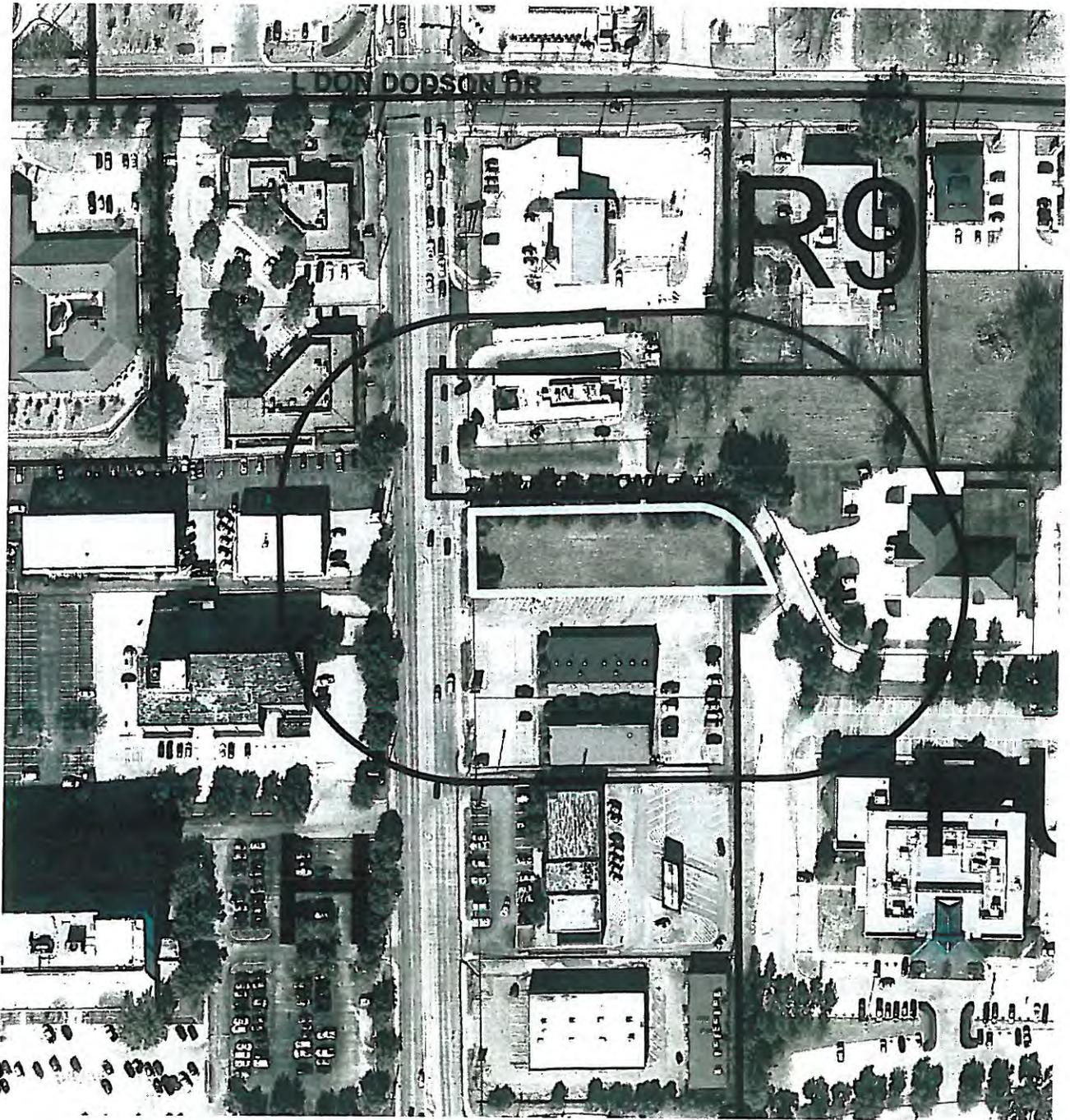
DALLAS, TX 75229

(Telephone number) 214-679-2602 (FAX number) -

(Telephone number) (FAX number)

***Signatures certify that all information provided is true and correct.**

Please indicate sole contact for the City purposes with an arrow "⇨".



City of Bedford, Texas

Hearing Date: 4-12-12

Site Plan: S-054

**Address: 1916 Central Drive
Bedford, Texas 76021**

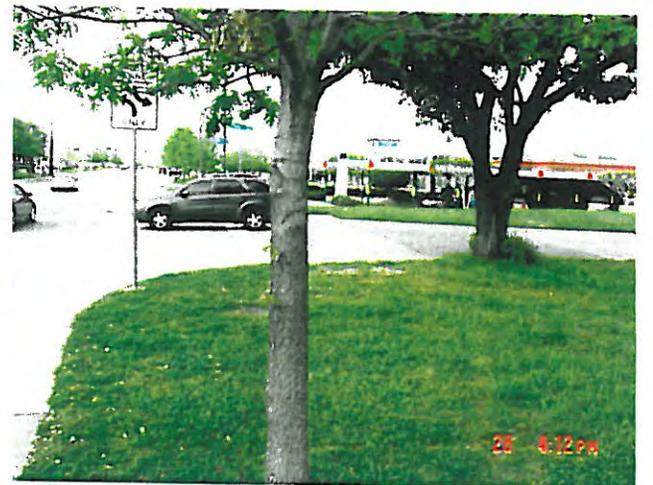
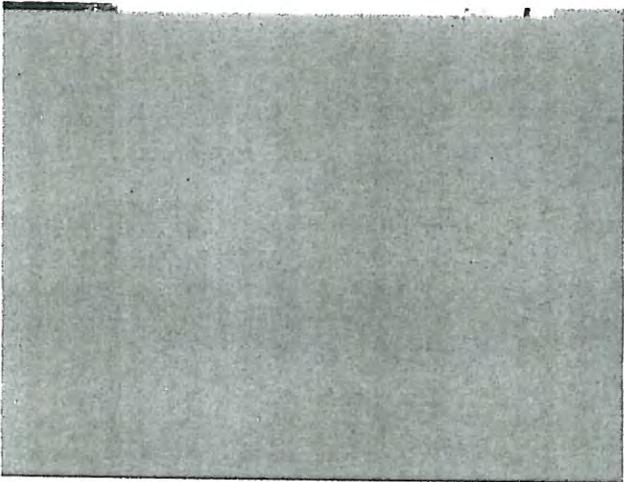
Legal: Lot 1R, Block 1, First State Addition



-  Parcel Boundary
-  Subject Parcel and Buffer

DISCLAIMER
The City of Bedford makes no representation or warranty as to the accuracy of this map and its information or to its fitness for use. Any user of this map product accepts the same AS IS, WITH ALL FAULTS, and assumes all responsibility for the use thereof, and further agrees to not hold the City of Bedford liable from any damage, loss, or liability arising from any use of the map product. Independent verification of all information contained on this map should be obtained by the end user.

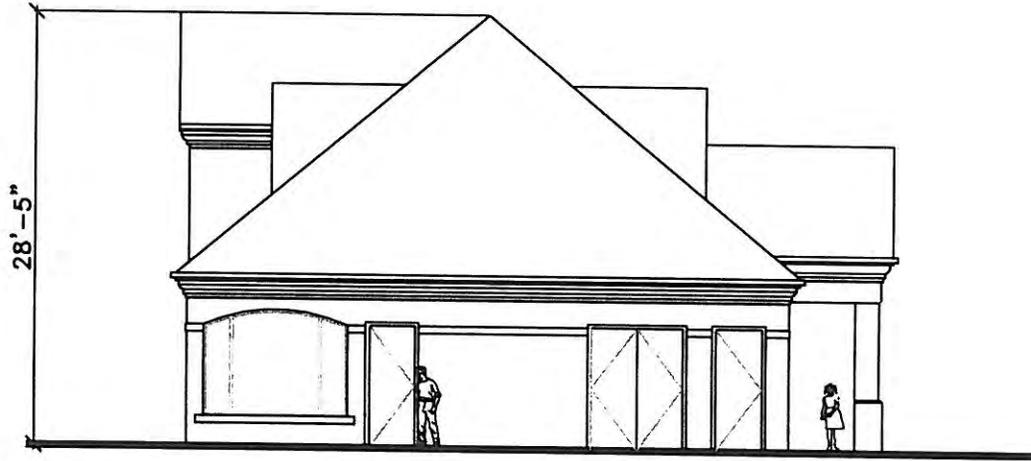
P&Z MTG, 4/12/12
S-054



P&Z MTG, 4/12/12

S-054

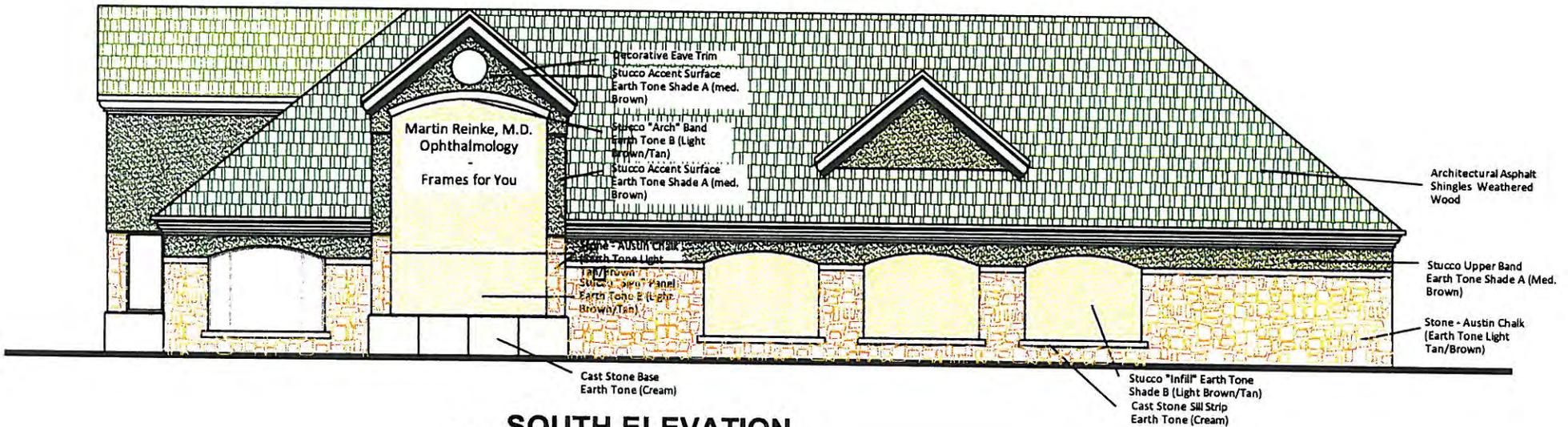
Received 3/26/12



EAST ELEVATION

2

SCALE: $\frac{1}{4}'' = 1'-0''$



SOUTH ELEVATION

1

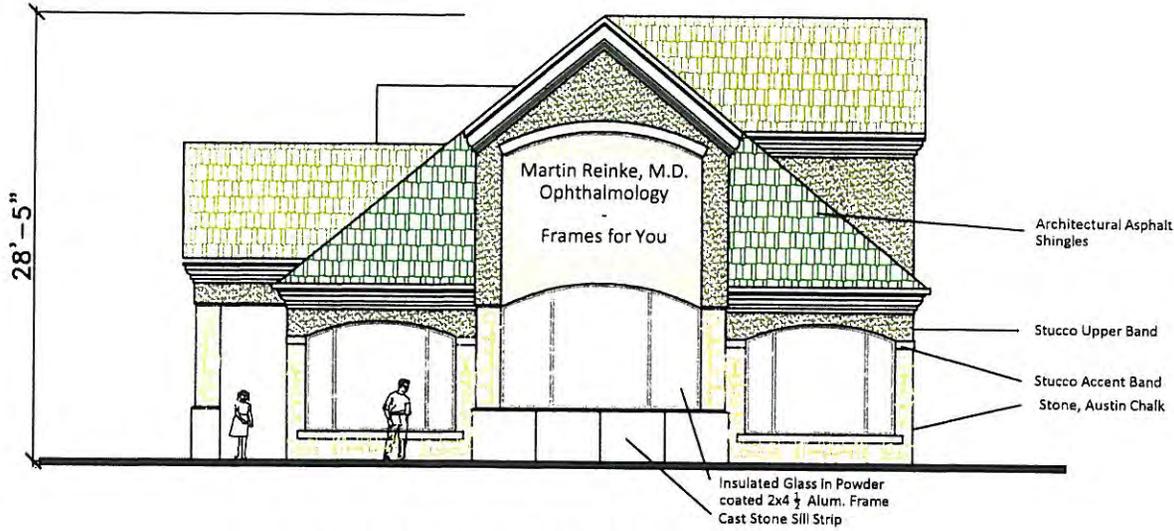
SCALE: $\frac{1}{4}'' = 1'-0''$

Schematic Exterior Elevations
1619 Central Drive, Bedford, Texas

P&Z MTG, 4/12/12

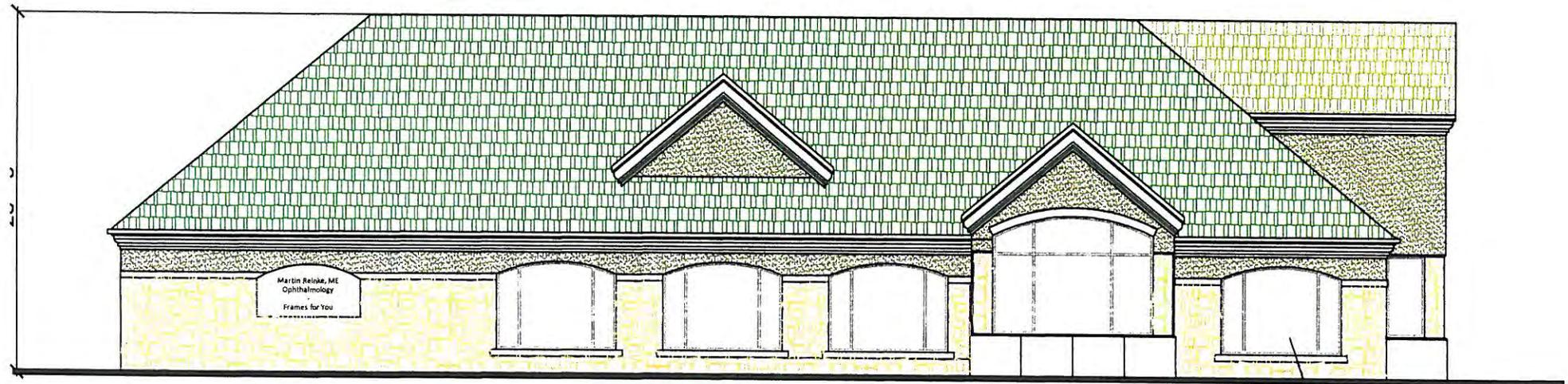
S-054

Received 3/26/12



2 WEST ELEVATION

SCALE: $\frac{1}{4}'' = 1'-0''$



1 NORTH ELEVATION

SCALE: $\frac{1}{4}'' = 1'-0''$

Bronze "Low E" insulated Glass (Thickness of Outer Pane as required by Wind Load) in 2 $\frac{1}{2}''$ x 4 $\frac{1}{2}''$ Powder Coated Aluminum Store Front

Schematic Exterior Elevations 1619 Central Drive, Bedford, Texas



Council Agenda Background

PRESENTER: Clifford Blackwell, Director of Admin Services **DATE:** 05/08/12

Council Mission Area: Demonstrate excellent customer service in an efficient manner.

ITEM:

Consider a resolution authorizing the City Manager to accept the proposal and sealed dollar cost fees from BKD, LLP for audit services.

City Attorney Review: No

City Manager Review: _____

DISCUSSION:

The City of Bedford's current agreement for audit services expired with the completion of the audit for the fiscal year ended September 30, 2011. A Request for Proposal (RFP) was developed and advertised in February 2012, with six proposals received from qualified firms.

City staff, along with a consultant, performed a thorough technical review to determine each firm's capability, approach and understanding of the scope of the audit. The proposals were graded and ranked according to their qualifications and staff experience.

Accompanying the proposals were sealed dollar cost fees from the audit firms. Funding for the annual fees would come from the current operating budget, which has \$55,200 allotted for audit services. The total bid values over 5 years were as follows:

- Snow Garrett Williams \$241,810
- LaFollett & Co, PLLC \$249,730
- Patillo, Brown & Hill, LLP \$278,550
- BKD, LLP \$284,780
- Rylander, Clay & Opitz, LLP \$295,450
- Weaver, LLP \$335,500

In addition, the annual cost of audit services is adjusted each year to account for the consumer price index (CPI) as well as other minor cost differentials over the life of the contract term (5 years).

Although the total cost value is a consideration in the review process, staff considered other factors in narrowing this list to two qualified firms. First, the allocation of hours towards the scope of the audit among partners, managers and other accounting staff were considered. In addition, staff reviewed the pricing risk of the sealed fees, which measured the plausibility of the rates changing during the course of the contract term. Another factor considered was the size of the firm and its capability of managing multiple audit engagements during the same time period.

After the completion of the technical review, staff met with the Audit Committee on April 19, 2012 to discuss the two most qualified firms for recommendation, Patillo, Brown & Hill, LLP and BKD, LLP. The Committee, along with staff, discussed the advantages and disadvantages of each firm, along with the references that were given on their behalf. Based on the discussion, the Audit Committee unanimously decided to recommend that the City Council accept the proposal from BKD, LLP.

BKD, LLP is national firm that has worked with over 400 government clients. It has been a part of the Dallas/Ft. Worth area market for approximately three years. They average a total staff size of 90 in the Dallas office, with 20 staff members dedicated to government audits. Their experience level from staff to partner is up to 18 years.

While BKD's fees are \$6,230 higher than the City's second choice (Patillo), the vast majority of their fees (97.2%) are directly related to audit services, with the remaining 2.8%, or \$8,200, tied to the printing costs of the reports, 91.5% of Patillo's fees are dedicated to audit services and 8.5%, or \$23,560, is tied to travel and printing costs due to the firm's location in Waco, Texas. Additionally, staff believes the cost differential is minimal when compared to the benefit of having experienced Certified Public Accountants (CPA's) throughout all levels of the audit team performing the review of City financials, a benefit not expressly provided via Patillo, Brown & Hill, LLP.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to accept the proposal and sealed dollar cost fees from BKD, LLP for audit services.

FISCAL IMPACT:

The annual fee for FY 2013 will be \$53,600, with a total cost of \$284,780 over the contract term.

ATTACHMENTS:

Resolution
Proposal and Fees

RESOLUTION NO. 12-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT THE PROPOSAL AND SEALED DOLLAR COST FEES FROM BKD, LLP FOR AUDIT SERVICES.

WHEREAS, the City of Bedford requires an annual audit of its general purpose financial statements; and,

WHEREAS, the current audit contract expired upon completion of the September 30, 2011 audit; and,

WHEREAS, the City solicited proposals from qualified audit firms to provide audit services and received six proposals; and,

WHEREAS, the City's Audit Committee and staff have reviewed the proposals; and,

WHEREAS, the Audit Committee and staff have unanimously determined that the proposal submitted by BKD, LLP is in the best interest of the City.

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

SECTION 1. That the City Council does hereby authorize the City Manager to accept the proposal from BKD, LLP for audit services for the fiscal years ending September 30, 2012, 2013, and 2014 with an option to continue for two additional years (2015-2016).

SECTION 2. The fee for the fiscal year 2012 audit will be \$53,600 and will increase in subsequent years by an amount specified in the sealed cost dollar bid.

PASSED AND APPROVED this 8th day of May 2012, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney



i. Title Page
Proposal for
Professional Auditing Services 2012-0213

March 16, 2012

City of Bedford, Texas

BKD, LLP
14241 Dallas Parkway
Suite 1100
Dallas, TX 75254
Phone: 972.702.8262
Kevin Kemp, CPA

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Our acceptance of this engagement is subject to completion of our normal client acceptance procedures. Upon acceptance, the actual terms of our engagement will be documented in a separate letter to be signed by you and us. All information contained within this proposal is proprietary and confidential. © 2012



iii. Transmittal Letter

March 16, 2012

Mr. Clifford Blackwell
Director of Administrative Services
City of Bedford, Texas
2000 Forest Ridge Drive
Bedford, TX 76021

Dear Mr. Blackwell:

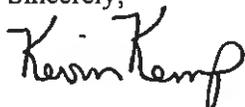
The City of Bedford, Texas (the City) demonstrates your commitment to fulfilling the needs of your residents through prompt, personal attention and a variety of quality municipal services. Because your citizens' tax dollars contribute to your ongoing success and are a valued and significant source of the City's revenue, it is your fiscal responsibility to maintain transparency and efficiency in your operations. As you continue to exhibit sound financial stewardship, you want to work with a CPA and advisory firm with the government expertise and national resources necessary to help you successfully navigate a complex and ever-changing regulatory environment. **BKD, LLP** can help.

For more than 85 years, we have been working to help clients cut a clear path through regulations and make the most out of every dollar. BKD's work with more than 400 government clients, including approximately 125 cities and municipalities, gives us insight into the challenges you face. The team behind your audit services has a broad base of specialized skills and expertise to evaluate, advise and deliver tailored solutions for you. We look forward to working with you so we may share best practices, offer ideas and provide alternative approaches year-round to help ease the audit process. That way, you can focus on what matters most—the health and well-being of the thousands of residents who call Bedford home.

We understand you are seeking professional services for the audit of the City's financial statements for the years ending September 30, 2012, 2013 and 2014, with an option for two additional years, as further discussed in the body of our detailed proposal. We are committed to performing your work within your required time period. With our proactive approach to service delivery, city government expertise and depth of resources, we believe BKD is the right CPA and advisory firm to provide the City audit services.

Our proposal is a firm and irrevocable offer for 90 days. I believe our proposal will help you select our firm for timely, efficient and objective services delivered by experienced professionals. I will call you soon to answer questions you may have about this proposal, or you may reach me at 972.702.8262 or by email at kkemp@bkd.com.

Sincerely,



Kevin Kemp, CPA
Partner

iv. Detailed Proposal

For your convenience, we have structured our proposal according to the questions in your Request for Proposal. We believe our proposal will demonstrate our qualifications to serve the City.

Executive Summary

As the City of Bedford (the City) looks toward the future, you recognize the importance of remaining responsible stewards of public funds. In today's uncertain economic climate, you face the daily challenge of managing resources, while providing a full range of municipal services. As you continue to meet the needs of your community, you need a CPA and advisory firm to provide year-round solutions to help you remain current on evolving regulations and maintain fiscal accountability. We believe **BKD, LLP** is that firm.

Our Understanding of Issues the City Faces

Delivering cost-effective services that meet the needs of the public while satisfying fiduciary and regulatory compliance requirements is critical to city governments. As you monitor expenditures and make the most of your resources, the City cannot afford to question the expertise or resources of your CPA and advisory firm. We understand you do not want your residents and regulatory bodies to lose confidence in your ability to submit timely and accurate financial statements. Amid increased regulatory scrutiny, you cannot afford to question the quality of your audit services. Working with inattentive or inaccessible advisors could result in delayed communication and guidance on evolving pronouncements and regulations, causing you to question whether you are in compliance.

We believe our work with more than 400 government entities across the country and our commitment to the industry can provide the City insight into issues these and other similar entities face.

The City's Desired Outcomes

Through the City's dedication to transparency and excellence in financial reporting, we understand you have earned the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting and want to continue to earn this special designation. You also want:

- ▲ Timely delivery of your audit report within 120 days
- ▲ Efficient and quality audit services
- ▲ A CPA and advisory firm with governmental expertise and national resources
- ▲ Year-round communication and industry insight
- ▲ Value beyond the basic service approach

BKD can help the City **experience guidance** through our governmental expertise and deep understanding of standards issued by the Governmental Accounting Standards Board (GASB), and requirements of GFOA and OMB Circular A-133. We are dedicated to providing you the timely audit services you require with the unmatched client service you deserve.



400+

Experience guidance with a top 10 firm that works with more than 400 government entities.

Solutions for the City

The City has requested information and a fee quote for the following professional services for the years ending September 2012, 2013 and 2014, with the option to be retained for the subsequent two years:

- ▲ Financial Statement Audit, Including CAFR Review & Preparation Assistance
- ▲ OMB Circular A-133 Single Audit, As Needed

Our experience and approach to the audit process can deliver added value and timely advice. Your proposed engagement team knows cities are unique entities that require an understanding of a number of accounting and reporting nuances. We have the expertise to help you navigate the complex operating and compliance environments with which you are confronted.

In addition, we believe open communication is crucial to a strong working relationship with the City. BKD will communicate proactively with you on changes in standards, laws and regulations and provide you with a flexible and efficient audit process. Our team will look beyond your numbers to bring proactive solutions to the challenges the City faces.

Please see the Specific Audit Approach section of this proposal for a detailed explanation of our audit service approaches.

BKD Is the Right Choice

We believe BKD is the right choice to provide the City with audit services because, in addition to quality services, we can provide the following benefits, as further demonstrated in the Firm Qualification & Experience section of this proposal:

- ▲ National government expertise
- ▲ A fresh look from an experienced team
- ▲ Significant OMB Circular A-133 experience
- ▲ Timely services to help retain your GFOA certificate
- ▲ Assistance maintaining citizen confidence with accountability of funds
- ▲ Proactive planning and communication
- ▲ Unmatched client service

After reviewing our proposal, we are confident you will find BKD is well qualified to provide professional services to the City. Beyond providing these services, we believe you will find BKD is the trusted advisor you can depend on to provide value for years to come.

2. Independence

The firm should provide an affirmative statement that is independent of the City of Bedford as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards.

BKD is independent with respect to the City as defined by auditing standards generally accepted in the United States of America, American Institute of Certified Public Accountants and the U.S. Government Accountability Office's *Government Auditing Standards*. We are not currently aware of any relationship that would impair this independence.

The firm also should provide an affirmative statement that it is independent of all of the component units of the City of Bedford as defined by those same standards.

BKD also is independent with respect to all of the component units of the City as defined by auditing standards generally accepted in the United States of America, American Institute of Certified Public Accountants and the U.S. Government Accountability Office's *Government Auditing Standards*. We are not currently aware of any relationship that would impair this independence.

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the City of Bedford or any of its component units for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

BKD has not had any professional relationship with the City or related entities. We believe no relationship exists that would constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the City of Bedford written notice of any professional relationships entered into during the period of this agreement.

BKD understands it shall give notice to the City of any professional relationships constituting a conflict of interest that are entered into during the period of this agreement.

3. License to Practice in Texas

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Texas.

BKD is properly licensed to practice public accounting in the state of Texas. All key professional staff that would be assigned to your engagement are properly licensed to practice in the state of Texas or able to practice in the state of Texas due to new mobility laws, without the requirement to obtain an individual Texas license.

4. Firm Qualifications & Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

BKD is one of the 10 largest CPA and advisory firms in the U.S. Our approximately 2,000 CPAs, advisors and dedicated staff in 30 offices serve clients in all 50 states and clients with operations in more than 40 countries. Geographically spread throughout the continental U.S., our large client base reflects the diversity of the government and not-for-profit industries, both in size and type of organization. In fiscal year 2011, 41 percent of BKD National Not-for-Profit & Government Group's service hours were dedicated to serving governmental entities.

Approximately 1,400 government and not-for-profit organizations nationwide depend on BKD as their CPA and advisory firm of choice. With approximately 180 advisors in BKD National Not-for-Profit & Government Group, and approximately 115 not-for-profit focused auditors firmwide, we have the experience and commitment you require.

The City's engagement would be primarily served from our Dallas office. We expect five professionals will be used on a full-time basis and three professionals, including an information technology consultant, concurring reviewer and a GASB technical resource, will be used on a part-time basis to complete the City's audit.



*With a top 10 U.S. CPA and advisory firm, you'll gain from our broad perspective on the issues you face and **experience a clear point of view.***

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

BKD is not a joint venture or consortium.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

BKD is committed to providing quality audit services to our clients. We submit our work to external reviewers who challenge our approach and findings. We are proud of the findings from these reviews, which indicate that our process works. A copy of our most recent American Institute of Certified Public Accountants (AICPA) peer review report is included in the Appendix.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past five (5) years.

From time to time, selected BKD audit engagements are subject to desk review by federal or other regulators. In all such reviews during the past five years, the reviews have shown our work to be satisfactory and no disciplinary or other administrative proceedings have resulted from those reviews.

In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past five (5) years with state regulatory bodies or professional organizations.

There have been no disciplinary actions taken against BKD by regulatory bodies or professional organizations in the last five years and there are none pending.

Also describe all major pending and settled litigation of the firm during the last five (5) years. Please identify any litigation involving the local office.

BKD's emphasis on quality has rewarded the firm with an excellent track record regarding claims related to professional services. Underwriters of professional liability insurance for accounting firms have informed us that we have one of the best litigation histories in the accounting profession. To avoid litigation, BKD maintains an extensive risk management program addressing a multitude of issues ranging from client acceptance to final working paper and financial statement review. However, as with any firm our size, the firm does experience litigation from time to time. Like any organization involved in litigation, there are times when settlements are reached. The details of settlements are confidential and cannot be disclosed; however, no such settlements have been significant. In addition, there is currently no significant pending litigation against BKD.

There has been no litigation involving the Dallas office.

The firm should also describe firm strengths, local strengths, audit philosophy and how it differs from other firms.

BKD Delivers Value

It is more important than ever to monitor expenditures and get exceptional value for your investments. However, informed consumers understand value is about more than just price. Value from a professional CPA and advisory firm is about the quality of the work and the merit of the advice. Expect BKD's work to be accurate and insightful. We stand behind it. Our Public Company Accounting Oversight Board (PCAOB) inspections and AICPA peer reviews demonstrate the firm's record of excellence.

As one of the 10 largest CPA firms in the country, we offer a network of national support and resources. BKD is large enough to help the City meet your goals. At the same time, we pride ourselves on hard work and low overhead, which keeps our fees competitive. With our reputation, size, service and experience, you can consider us a good value.

Government Expertise

While already substantial, our government practice is among our fastest growing industry practice segments. BKD National Not-for-Profit & Government Group works with approximately 1,400 clients, including more than 400 governmental clients. We can leverage best practices learned from working with other government entities to help you **experience guidance**, increase efficiencies and identify areas that may require attention.

Our commitment to governmental entities includes being a leader in national and state associations, as well as in the development of governmental accounting and auditing standards. In addition, our experience has enabled us to establish connections with the Governmental Accounting Standards Board, Office of Management and Budget, U.S. Government Accountability Office, and many other federal and state agencies. BKD is a member of the AICPA Governmental Audit Quality Center, whose members have demonstrated a commitment to governmental audit quality and to raising awareness about the importance of such audits. BKD is well suited to meet our governmental clients' needs.

Your proposed engagement team currently serves five Texas municipalities and has other governmental clients in Arkansas, Louisiana and Oklahoma.

A Fresh Look from an Experienced Team

Our engagement team will work with you to identify areas you believe may warrant a fresh look. The key to a successful transition is proper planning and communication during the information-gathering process. We will get to know your financial team members as soon as possible with little disruption to your operations. As a result, potential issues can be identified and resolved before they become critical business issues.

Significant OMB Circular A-133 Experience

At least one-third of our not-for-profit and government clients receive federal funding. We use audit programs and checklists designed specifically for the federal programs we audit. Our firm maintains a database of audit programs specifically tailored to the grants and other federal programs commonly found in cities. Our extensive experience providing compliance testing in accordance with OMB Circular A-133 can help properly perform and submit the City's Single Audit timely when a Single Audit is required.

Timely Services to Help Retain Your GFOA Certificate

We understand the City intends to prepare a comprehensive annual financial report (CAFR) and apply for the GFOA Certificate of Achievement for Excellence in Financial Reporting (CAFR Program). BKD can help you through this process by offering preparation assistance as needed and reviewing your reports. A review includes the evaluation of your reports using our independently prepared checklists designed to aid in financial reporting and disclosure accuracy and completeness. We will work with you to resolve identified discrepancies and reduce exceptions when your reports are returned.

Your residents count on you to act as stewards of their valuable resources. As you know, GFOA certification helps to increase the visibility and credibility of programs the City implements. Timely and accurate services are key to increasing confidence in the management of funds, yet the short window for completing annual audits can often create conflicts for meeting state deadlines and retaining your GFOA certification.



125

Experience guidance with a top 10 firm that works with approximately 125 cities and municipalities.



A core service philosophy at BKD is responsive reliability, which means you can count on our service process to follow the established timeline. You can expect timely delivery of reports and communications with your management, audit committee and interested third parties.

Assistance Maintaining Citizen Confidence with Accountability of Funds

Citizens of Bedford count on the management and councilors of the City to act as stewards of their valuable resources. Governmental entities have a fiduciary duty to be financially accountable to its constituents and the public. Timely and accurate audited financial statements are key to demonstrating your transparency and stewardship of funds. With BKD, you get a reputable, top 10 firm that is able to leverage best practices learned from working with other city governments to help increase efficiencies and identify areas that may require attention.

Proactive Planning & Communication

One of the first things you will notice about BKD is that our industry professionals are in communication with you or in your offices frequently. We pay careful attention to the challenges you face to offer timely, proactive advice resulting in a better client relationship. This knowledge sharing between your team and ours can be beneficial in determining effective and proactive solutions. In addition, to keep you informed about emerging issues in the accounting industry, we frequently provide special webinars, alerts, updates, seminars and articles. Recent examples include:

- ▲ Public Sector Audit Committee
- ▲ Government Financial Troubles & Assistance
- ▲ Implementing the New Governmental Fund Balance Reporting Standards
- ▲ GASB Proposed Changes to Pension Reporting

Unmatched Client Service

You want trusted advisors who will deliver exceptional client service, focus on your needs and take the time to address your unique challenges. BKD understands. We take our commitment so seriously we have penned our five standards of unmatched client service and supporting guidelines in **The BKD Experience: Unmatched Client Service**, a book that sets the firm's expectations for serving clients. Our five standards are:



Integrity First

We work hard to do what is right for you. You can rely on us to tell you what you need to hear.

True Expertise

From BKD, you can expect trained, capable staff and a high level of supervision by partners and experienced personnel.

Professional Demeanor

You can depend on prepared and attentive advisors to help meet your needs and provide new ideas.

Responsive Reliability

Accurate and thorough work, combined with timely delivery, is what you require, and at BKD, we would not want it any other way.

Principled Innovation

We want you to succeed. For the City, that means looking for new ideas to streamline a process, to better document work, to train your own staff and to improve your effectiveness.

BKD's Audit Philosophy

BKD's audit philosophy requires and promotes a high level of partner, manager and supervisor involvement in the delivery of our services, industry-based staffing preferences and an assessment of risk designed around industry-specific trends and issues. Our client-centered focus can bring the personal attention you desire, while our investment in developing BKD as a large, national firm provides the expertise and resources to help satisfy your business needs.

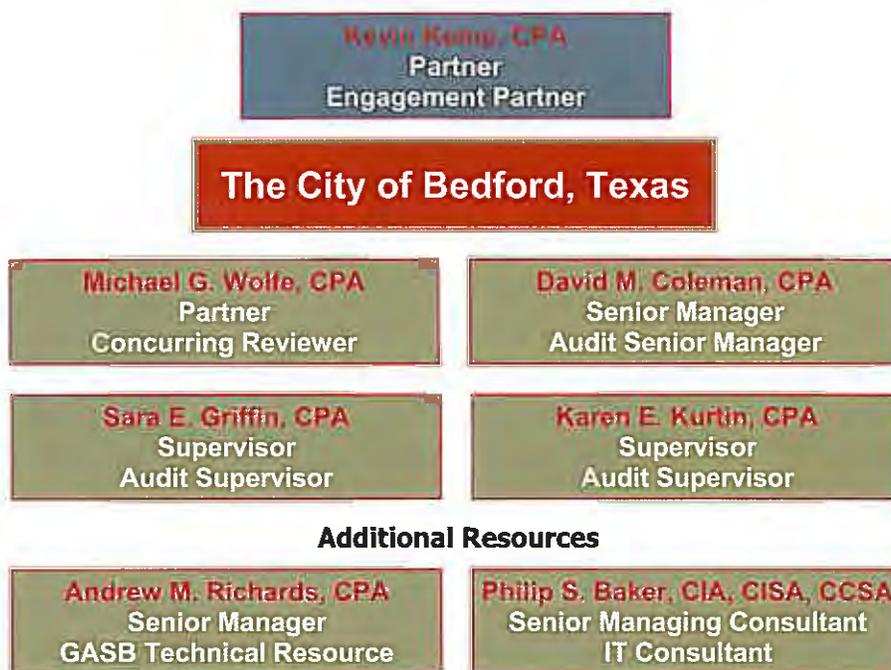
5. Partner, Supervisory & Staff Qualifications & Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Texas. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past two (2) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement.

The most critical factor in providing you high-quality service is choosing your engagement team. We take team selection seriously and have the appropriate team of advisors to meet your needs.

Engagement Team Organizational Chart



Engagement Team Experience



Kevin Kemp, CPA **Partner**

Kevin is regional industry partner for BKD National Not-for-Profit & Government Group in BKD's South Region and is a member of the firm's Not-for-Profit & Government Committee.

He has more than 18 years of experience providing audit and management consulting services to a client base that includes municipalities and their component units, counties, private colleges, utilities, state agencies and numerous service-related entities receiving government assistance. His team performs more than 75 Single Audits annually.

Kevin serves clients in obtaining tax-exempt financing, analyzing expansion opportunities and improving internal controls. He has served as primary contact for numerous clients, provided review services for audits subject to OMB Circular A-133 and maintained contacts with regulatory agencies. In addition, he has staff recruitment and training responsibilities.

His professional affiliations include membership in the Government Finance Officers Association of Texas, American Institute of Certified Public Accountants and Texas Society of Certified Public Accountants. He is a licensed CPA in Arkansas and Texas.

Kevin is a graduate of University of Central Arkansas, Conway, with a B.B.A. degree.

Kevin currently serves on engagements for the cities of El Paso, Kerrville, Lubbock and The Colony, Texas; Shreveport, Louisiana and the Cherokee Nation.

Kevin Kemp, CPA		
Date	CPE Course Completed	Hours
04/22/2011	Webinar - Lessons Learned on Revised Single Audit Approach	2.0
05/16/2011	Webinar - Mid-Year A&A Update for Health Care, Governmental and Not-for-	1.0
05/24/2011	TSCPA Nonprofit Organizations Conference	15.5
07/24/2011	Ethics Standards for Texas CPAs	4.0
09/28/2011	OGW A&A Update	8.5
09/29/2011	OGW Audit - Not-for-Profit & Government	5.0
09/29/2011	OGW Audit - Not-for-Profit/Government & Health Care	4.0
09/30/2011	OGW Keynote	1.0
09/30/2011	OGW Not-for-Profit & Government	3.5
09/30/2011	OGW Partner, Director & Manager Leadership Conference	1.5
10/01/2011	OGW Partner & Director Business Meeting	1.5
11/07/2011	Webinar - Government Auditing Stds & HUD Audits - The Basics (INTERNAL)	3.5
12/01/2011	Ethics: Just in Case	1.0
04/29/2010	Single Audit Training	4.0
06/09/2010	GFOA 104th Annual Conference, the Finance Officer's Role in Doing More	9.0
07/30/2010	Webcast - Mid-year A&A Update for NPG and HC	3.0
10/15/2010	Planning and Performing Efficient Audits - Health Care - South	16.0
11/03/2010	OGW A&A Update	8.0
11/04/2010	OGW Audit - Not-for-Profit & Government	4.5
11/04/2010	OGW Audit - Not-for-Profit/Government & Health Care	3.0
11/05/2010	OGW Not-for-Profit & Government	2.0

11/06/2010	OGW Partner & Director Leadership Conference	4.0
12/17/2010	Arkansas Ethics	4.0



Michael G. Wolfe, CPA
Partner

Mike provides technical support to BKD auditors, implements new professional standards, develops technology resources, reviews engagements, assists with professional education, resolves independence issues and helps with the internal office inspection process.

He joined BKD's National Office in 2002 after working in the Springfield, Missouri office, where he provided audit and consulting services for not-for-profit and government organizations and real estate companies. He currently serves as the national accounting and auditing director for the not-for-profit and government industries. In this role, he has served as concurring reviewer for government engagements such as the city of Kansas City, Missouri; City and County of Denver, Colorado; city of Lubbock, Texas and both Cherokee and Choctaw Nations.

Mike is a member of the American Institute of Certified Public Accountants and Missouri Society of Certified Public Accountants.

He is a 1996 *summa cum laude* graduate of Missouri State University, Springfield, with a B.S. degree in accounting and a minor in computer information systems.

Michael G. Wolfe, CPA		
Date	CPE Course Completed	Hours
01/07/2011	Ethics: Non-attest Services, Integrity and Objectivity	2.0
01/14/2011	Webinar - SEC & PCAOB Update	2.5
04/28/2011	Webinar - Federal Government Contracting: Addressing Requirements of	1.0
05/03/2011	Webinar - Highlights of the Draft Health Care Audit Guide EXTERNAL	1.5
06/10/2011	AICPA National Not-for-Profit Industry Conference	16.5
09/01/2011	PCAOB-New Risk Assessment Standards Training	15.5
09/07/2011	An In-Depth Look at the GASB's Pension Proposals	2.0
09/20/2011	AICPA National Governmental Accounting and Auditing Update Conference	16.0
09/28/2011	OGW A&A Update	8.5
09/29/2011	OGW Audit - Health Care	1.5
09/29/2011	OGW Audit - Not-for-Profit/Government & Health Care	5.0
09/29/2011	OGW Audit - Financial Services	1.5
09/30/2011	OGW Keynote	1.0
09/30/2011	OGW Partner, Director & Manager Leadership Conference	1.5
10/01/2011	OGW Partner & Director Business Meeting	2.0
10/18/2011	2011 Update on Professional Liability & Risk Management Best Practices for	6.0
10/19/2011	Webinar - 403(b) Plan Fiduciary Responsibility & Industry Tools EXTERNAL	1.0
12/06/2011	Webinar - AICPA Professional Ethics: A Practical Guide (Western CPE)	2.0
12/07/2011	Webinar - Fraud & Embezzlement: Lessons from the Trenches Webinar	1.0
01/21/2010	Completing Engagements Efficiently Using PPC's Smart Practice Aids -	2.0
07/09/2010	A&A Directors' Update	17.5
09/08/2010	Webcast - FDIC Independence Rules	2.0
09/28/2010	2010 AICPA National Governmental Accounting and Auditing Update (GAAC)	14.0

11/03/2010	OGW A&A Update	8.0
11/04/2010	OGW Audit - Not-for-Profit & Government	4.5
11/04/2010	OGW Audit - Not-for-Profit/Government & Health Care	3.0
11/05/2010	OGW Not-for-Profit & Government	2.0
11/06/2010	OGW Partner & Director Leadership Conference	4.0
11/10/2010	Planning and Performing Efficient Audits - Government/Not For Profit - North	16.0
12/07/2010	Employee Benefit Plans II: Auditing Considerations	9.0



David M. Coleman, CPA
Senior Manager

David is a member of BKD National Not-for-Profit & Government Group. He has more than 10 years of experience providing audit and consulting services to a variety of governmental and not-for-profit organizations, including municipalities and their component units, utilities and other service-related entities that receive federal and state assistance. He has engagement oversight and review responsibilities for numerous governmental and not-for-profit organizations subject to OMB Circular A-133.

David currently acts as the manager on all Texas and Louisiana city engagements served by the Dallas office.

David is a member of the American Institute of Certified Public Accountants and Government Finance Officers Association of Texas. He is licensed in Arkansas and Texas.

He is a graduate of Henderson State University, Arkadelphia, Arkansas, with a B.B.A. degree in accounting.

David M. Coleman, CPA		
Date	CPE Course Completed	Hours
01/18/2011	PPEA Independent Review	2.0
04/22/2011	Webinar - Lessons Learned on Revised Single Audit Approach	2.0
05/16/2011	Webinar - Mid-Year A&A Update for Health Care, Governmental and Not-for-	1.0
08/24/2011	Webinar - Implementing the New Governmental Fund Balance Reporting	1.0
09/20/2011	AICPA National Governmental Accounting and Auditing Update Conference	13.5
09/28/2011	OGW A&A Update	8.5
09/29/2011	OGW Audit - Not-for-Profit/Government & Health Care	4.0
09/29/2011	OGW Audit - Not-for-Profit & Government	5.5
09/30/2011	OGW Partner, Director & Manager Leadership Conference	1.5
09/30/2011	OGW Not-for-Profit & Government	3.5
11/18/2011	Texas Ethics	4.0
05/10/2010	Single Audit Training	4.0
07/30/2010	Webcast - Mid-year A&A Update for NPG and HC	3.0
10/29/2010	Webcast - BKD Audit Form and Policy Update - Fall 2010	2.5
11/03/2010	OGW A&A Update	8.0
11/04/2010	OGW Audit - Not-for-Profit & Government	4.5
11/04/2010	OGW Audit - Not-for-Profit/Government & Health Care	3.0
11/05/2010	OGW Not-for-Profit & Government	3.0
11/12/2010	Planning and Performing Efficient Audits - Government/Not For Profit - South	16.0
12/20/2010	Arkansas Ethics	4.0



Sara E. Griffin, CPA
Supervisor

As a member of BKD National Not-for-Profit & Government Group, Sara provides an array of audit services for not-for-profit and governmental organizations, colleges, universities and charitable organizations. She is experienced with OMB Circular A-133 audit requirements, including student financial assistance. Sara also has served as an instructor for internal staff training.

She received computer-assisted auditing technique training and is an ACL software champion.

Sara is a member of the American Institute of Certified Public Accountants and Missouri Society of Certified Public Accountants and recently transferred to BKD's Dallas office.

She is a 2004 *magna cum laude* graduate of Missouri State University, Springfield, with a B.S. degree in accounting and a 2005 graduate with an M.Acc.

Sara E. Griffin, CPA

Date	CPE Course Completed	Hours
04/22/2011	Webinar - Lessons Learned on Revised Single Audit Approach	2.0
04/28/2011	Webinar - Federal Government Contracting: Addressing Requirements of Federal Acquisition Regulations	1.0
05/06/2011	MSCPA GASB Conference	14.0
06/02/2011	Webinar - Mid-Year A&A Update for Health Care, Governmental and Not-for-Profit Auditors (Re-Broadcast)	1.0
07/20/2011	Welcome to Office 2010!	2.0
07/21/2011	Webinar - Joining Tables in ACL (INTERNAL)	1.0
09/28/2011	OGW A&A Update	8.5
09/29/2011	OGW Audit - Not-for-Profit & Government	5.0
09/29/2011	OGW Audit - Not-for-Profit/Government & Health Care	4.0
09/30/2011	OGW Keynote	1.0
09/30/2011	OGW Not-for-Profit & Government	3.5
09/30/2011	OGW Ethics - General	2.0
04/05/2010	Single Audit Training	6.0
05/05/2010	Governmental Accounting Conference	14.0
06/21/2010	Advanced Auditing of HUD - Assisted Projects	8.0
07/01/2010	Engagement Managing & Efficiency Training	1.5
08/09/2010	Webcast Re-broadcast: Mid-year A&A Update for NPG and HC	3.0
10/29/2010	Webcast - BKD Audit Form and Policy Update - Fall 2010	2.5
11/03/2010	OGW A&A Update	4.5
11/04/2010	OGW Audit - Not-for-Profit & Government	5.0
11/04/2010	OGW Audit - Not-for-Profit/Government & Health Care	4.0
11/05/2010	OGW Ethics	2.0
11/05/2010	OGW Not-for-Profit & Government	4.5
11/10/2010	Planning and Performing Efficient Audits - Government/Not For Profit - North	16.0



Karen E. Kurtin, CPA
Supervisor

Karen has five years of accounting and audit experience. Formerly with a local accounting firm, Karen has worked with government and not-for-profit clients, as well as manufacturing, distribution and technology companies and investment partnerships.

Karen currently serves as the in-charge on the audits of the cities of Kerrville and The Colony, Texas.

She is a member of the American Institute of Certified Public Accountants and Texas Society of Certified Public Accountants.

Karen is a graduate of Texas A&M University, College Station, with a B.S. degree in mathematics and a graduate of the University of Texas, Dallas, with a M.S. degree in accounting and information management.

Karen E. Kurtin, CPA		
Date	CPE Course Completed	Hours
01/07/2011	Local Office A&A Update Training	4.0
04/22/2011	Webinar - Lessons Learned on Revised Single Audit Approach	2.0
05/10/2011	Governmental/NFP In-Charge	12.0
05/16/2011	Webinar - Mid-Year A&A Update for Health Care, Governmental and Not-for-Profit Auditors INTERNAL	1.0
05/26/2011	Hedge Accounting Training	1.5
08/24/2011	Webinar - Implementing the New Governmental Fund Balance Reporting Standards EXTERNAL	1.0
08/31/2011	Custom Training	8.0
10/12/2011	Staff Training Level 5 (1/2 of 1/08 Class)	27.0
11/11/2011	Fall 2011 Single Audit Update (internal webinar)	2.0
11/18/2011	Texas Ethics	4.0
06/18/2010	Financial Statement Linking	5.0
07/26/2010	GoFileRoom Training	4.5
10/08/2010	Webcast - BKD Audit Form and Policy Update - Fall 2010	2.5
10/13/2010	Planning and Performing Efficient Audits - Manufacturing/Distribution and Construction Real Estate - South - Session 1	16.0
10/27/2010	Staff Training Level 4 - Audit (1/2 of 1/08 Class)	27.0
06/12/2009	A & A Orientation	16.0
10/02/2009	In-Charge Training	9.5
10/07/2009	Staff Training Level 3 - Audit (1/2 of 1/08 Class)	27.0
10/29/2009	2006 Audit Update: SAS 102, 103, and 112	2.0
11/06/2009	ClientLink Webinar	1.0
12/04/2009	One Great Day - Audit Update	5.0
12/04/2009	A&A Update	6.0
12/07/2009	General Computer Controls	1.5

Additional Resource



Andrew M. Richards, CPA ***Senior Manager***

Andy is a member of BKD National Not-for-Profit & Government Group. With more than 15 years of experience at BKD, he provides audit and advisory services to not-for-profit and governmental entities. He also assists the BKD National Office in providing technical support to BKD auditors, developing firm guidance on governmental accounting standards, reviewing governmental audit engagements, developing professional education on government-related topics and performing internal office inspections.

From December 2007 through January 2010, Andy participated in the governmental accounting standards-setting process as a Practice Fellow with the Governmental Accounting Standards Board (GASB) in Norwalk, Connecticut. During that time, he acted as a GASB project manager working on the Codification of Pre-November 30, 1989, Financial Accounting Standards Board Pronouncements project, GASB Statement No. 14, *The Financial Reporting Entity*, Reexamination project, as well as the GASB Comprehensive Implementation Guide update. He also assisted the GASB technical research staff in responding to technical inquiries submitted by their constituency and performed several speaking engagements on behalf of GASB.

He is a member of the American Institute of Certified Public Accountants and Arkansas Society of Certified Public Accountants, where he serves on the State and Local Government Expert Panel. He has served as a local board member of the BKD Foundation.

Andy is a 1996 graduate of University of Arkansas, Fayetteville, with a B.S. degree in business administration and accounting.



Philip S. Baker, CIA, CISA, CCSA ***Senior Managing Consultant***

Philip has more than nine years of experience analyzing internal control environments and business risk, including several years with a Fortune 500 financial institution. His primary focus is assisting clients with risk identification and control environment design, leading internal audit teams and making cost-effective recommendations to enhance internal controls.

His experience includes managing multiple Sarbanes-Oxley implementations from inception to compliance. He also has managed SAS 70 engagements and performed Sarbanes-Oxley attest services. Previously, he was a member on internal audit teams and performed operational and financial audits in various industries, including oil and gas, real estate, retail and financial services.

Philip is an active member in the local chapter of the Institute of Internal Auditors and the Information Systems Audit and Control Association, now ISACA. His professional certifications include Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA) and a Certification in Control Self Assessment (CCSA).

He is a 2000 graduate of University of North Texas, Denton, with a B.B.A. degree in finance.

Not-for-Profit & Government-Related Training Programs Offered by the Firm

Our audit staff members are required to receive at least 120 hours of continuing professional education (CPE) every three years. For auditors involved with audits performed under *Government Auditing Standards*, this education includes the hours required to comply with *Government Auditing Standards Yellow Book* guidance. These auditors must earn 24 hours of CPE every two years from courses that directly relate to government auditing or the government environment. Auditors performing work such as planning, directing or performing fieldwork or reporting on an audit engagement under GAGAS must earn an additional 56 hours of CPE every two years from courses that directly enhance the auditor's professional proficiency to perform audit engagements. BKD offers an internal two-day not-for-profit and government seminar for our in-charge level employees. This seminar includes auditing and accounting issues that are specific to not-for-profit and governmental clients, including *Government Auditing Standards*, Single Audits/compliance audits under OMB Circular A-133 and accounting standards for not-for-profit and government financial reporting. In addition, an annual two-day internal not-for-profit and government seminar for those at the level of supervisor and above is held. This seminar includes regulatory changes, industry and market trends and accounting changes specific to not-for-profit and government organizations. BKD National Not-for-Profit & Government Group professionals also receive considerable training from external sources.

Indicate how the quality of staff over the term of the agreement will be assured.

While turnover in CPA firms is natural, you should expect your audit team to remain relatively constant throughout the years. In an appropriate staffing progression, the audit team changes as the individuals' experience and responsibility progress and new staff are introduced in entry-level positions. Through formal staff counseling (coaching/mentorship), timely job performance evaluation, direct supervision, client feedback and our personal service philosophy, we have been able to hold our staff turnover rate to a level comparable to that of other national firms. More importantly, our client-centered service approach and commitment to industry specialization help our retention efforts. Our professionals choose the industry they work in and have a passion for it.

Engagement partners, managers, other supervisory staff, specialists and other audit personnel may be changed if those personnel leave the firm, are promoted or are assigned to another office provided that replacements have substantially the same or better qualifications or experience.

BKD understands that engagement partners, managers, supervisory staff, specialists and audit personnel may be changed, provided replacements have substantially the same or better qualifications or experience.

Describe staff turnover in the local office over the last 24 months due to resignations or terminations.

BKD's Dallas office staff turnover rates during the last two fiscal years (FYs 2011 and 2010) were 32 percent and 24 percent, respectively. For fiscal year 2012, staff turnover at this time is approximately 14 percent, with less than three months until the fiscal year-end. In addition, Dallas-based accounting firm KBA Group, LLP joined BKD, and BKD opened its Dallas office June 1, 2010. Since this time, BKD's Dallas office has averaged approximately 25 percent turnover in audit staff on an annual basis.

These percentages are inclusive of both voluntary and involuntary departures (due to planned staffing reductions), which occurred during these periods and are comparable to those of other national firms.

6. Prior Engagements with the City of Bedford

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the City of Bedford by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact. Describe if how this does not conflict with your firm's independence in providing professional audit services in the future.

BKD has not had an engagement with the City within the last five years.

7. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum - 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours and the name and telephone number of the principal client contact.

Our clients are our best ambassadors, and we encourage you to contact them about their satisfaction with our services. The following clients have consented to discussing BKD's services and service delivery with you at your convenience. All of the below references receive the GFOA's Certificate of Excellence in Financial Reporting.

Client: City of El Paso, Texas
Ms. Carmen Arrieta-Candelaria
Chief Financial Officer
915.541.4435

Total Staff Hours: 2,200

Scope: Financial statement audit, OMB Circular A-133 Single Audit and agreed-upon procedures

Dates of Service: 2008 to present

Engagement Partner(s): Kevin Kemp

Client: City of Shreveport, Louisiana
Ms. Leanis Steward
Director of Internal Audit
318.673.7900

Total Staff Hours: 1,700

Scope: Financial statement audit, OMB Circular A-133 Single Audit and agreed-upon procedures

Dates of Service: 2007 to present

Engagement Partner(s): Kevin Kemp

Client: City of Lubbock, Texas
Ms. Pam Moon
Director of Accounting
806.775.2148

Total Staff Hours: 1,500

Scope: Financial statement audit, OMB Circular A-133 Single Audit and agreed-upon procedures

Dates of Service: 2005 to present

Engagement Partner(s): Kevin Kemp

Client: City of The Colony, Texas
Ms. Gwen Mansfield
Accounting Manager
972.624.3144

Total Staff Hours: 420

Scope: Financial statement audit

Dates of Service: 2010 to present

Engagement Partner(s): Kevin Kemp

Client: City of Kerrville, Texas
→ Mr. Mike Erwin ←
Director of Finance
830.258.1120

Total Staff Hours: 420

Scope: Financial statement audit

Dates of Service: 2011 to present

Engagement Partner(s): Kevin Kemp

Very Pleased w/ service
Highly recommended

CATR unlimited \$5,000 \$1,500/yr.



50

Experience reach from a top-tier firm that serves clients in all 50 states and internationally.

Representative Lists of Clients

BKD also is proud to work with municipalities firmwide, including:

City of Bellevue, Nebraska
 City of Brookings, South Dakota
 City & County of Denver, Colorado
 City of Kansas City, Missouri
 City of Nebraska City, Nebraska
 City of La Vista, Nebraska

City of Lincoln, Nebraska
 City of Little Rock, Arkansas
 City of Ralston, Nebraska
 City of Seward, Nebraska
 City of Shreveport, Louisiana

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal.

Technical Work Plan

Task or Event	Proposed Timing	Assigned Personnel	Work Hours
Planning Matters			20
Review of prior auditor workpapers (initial year only)	July 2012	Partner	
Delivery of internal control forms	July 2012	Supervisor	
Delivery of detailed audit plan & list of schedules to be prepared by the City	August 2012	Supervisor	
Pre-audit planning meeting/entrance conference with management	August 2012	Partner/Manager/Supervisor	
Risk Assessment			60
Pre-audit communication to those charged with governance	August 2012	Partner/Manager	
Client completion of internal control questionnaires	September 2012	Client	
Planning & interim fieldwork	At City's Convenience	All team members	
Review & walk-through tests for internal controls, including IT			
Completion of planning forms including preliminary analytics, interviews with key management, confirmation work & review of board meeting minutes			
Supervision & review			
Weekly progress reporting			
Fieldwork, Testing & Further Audit Procedures			285
Fieldwork:			
Entrance conference with the City's team	Early December 2012	Partner/Manager/Supervisor	
Cash & investments Receivables Inventory	December 2012	All team members	

Fixed assets			
Other assets			
Debt & accruals			
Net assets			
Income & expenses			
Supervision & review			
Other			
Special compliance reports			
Weekly progress reporting			
Exit conference with the City's team	By December 23	Partner/Manager/Supervisor	
Report & Other Communications Delivery			50
Delivery of drafts of the CAFR, management letter & communications with those charged with governance	Mid-January 2013	Partner	
Concurring partner independent final review	January 2013	Partner	
Delivery of final financial statements, management letters & other communications with those charged with governance	Mid-February 2013	Partner/Manager	
Presentations			5
Presentation to city council	Second meeting in February 2013	Partner	
Total Hours			420

Financial Statement Audit Service Description

BKD's audit approach focuses on areas of high risk—the unique characteristics of the City's operating environment, the design effectiveness of your internal controls and your financial statement amounts and disclosures. The objective: to express an opinion on the conformity of your financial statements, in all material respects, with accounting principles generally accepted in the United States.

Our audit will be performed in accordance with auditing standards generally accepted in the U.S. and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S.

Our five-phase approach to your financial statement audit is located below and on the following pages. We will work with you to develop an audit plan tailored to your specific circumstances and risks.

Phase 1: Planning

BKD will work closely with your management and city council early during the audit, as required by auditing standards, giving the group an overview of the scope and timing. We ask that your city council let us know about any risk issues they are aware of, any areas where they would like us to perform additional procedures or anything else material to the audit.

Materiality

BKD has a defined methodology for government clients that does not simply consider net income, but focuses on total assets and total revenue, to scope our audit approach, to evaluate actual or potential errors and to develop audit samples.

Phase 2: Risk Assessment

BKD will follow standards established by the Auditing Standards Board of the AICPA. These auditing standards affect the amount and type of information BKD will gather to perform your audit. We will:

- ▲ Obtain an understanding of your business and business environment, significant risks you face and how you mitigate those risks. This will include examining how you measure and manage financial performance, as well as your internal control over financial reporting.
- ▲ Evaluate where your financial statements might be susceptible to material misstatement due to error or fraud.
- ▲ Consider if internal controls have been implemented and assess the general controls around your information technology systems.

We will consider your internal controls documentation and ask you to complete various questionnaires for significant areas, such as investing, financing, capital asset acquisitions, receipts and disbursements and payroll.

We expect to interview your personnel and review prior city council meeting minutes as part of our information-gathering process.

Phase 3: Fieldwork, Testing & Further Audit Procedures

We will design our fieldwork procedures based on our consideration of your internal control system and will take advantage of the strengths in your system.

During fieldwork, we will:

- ▲ Ask management to further explore and clarify any potential misstatements, if any, we have identified
- ▲ Evaluate the materiality of those misstatements, if applicable
- ▲ Conclude that all identified risks of material misstatement have been addressed
- ▲ Test compliance with certain provisions of laws, regulations, contracts and grant agreements, as applicable
- ▲ Hold a formal exit conference with your team to share findings and preliminary deliverables

BKD also will perform additional tests from these alternatives:

- ▲ Test key items – Some items within an account may be large enough by themselves to involve significant risk of material misstatement. These key items can be audited individually.
- ▲ Sampling – A detailed audit of representative individual items (a sample) selected from a population.
- ▲ Analytical procedures – Taking a closer look at a grouping of information by examining it as it relates to other accounts, historical trends or other measures.

Phase 4: Report & Communications Delivery

Our commitment to a smooth engagement also includes the timely delivery of our audit report. After completing our fieldwork, we generally deliver our audit report and other communications within four weeks.

Our Five-Phase Approach to Financial Statement Audits



We know a great deal of audit information often comes from third parties. Sometimes information from those parties is not received on time. To keep your report timely, we will keep you informed of the status of outstanding items.

Phase 5: Presentation to City Council

We are happy to make a formal presentation to your city council to discuss the results of the audit and answer their questions.

The Auditing Standards Board's Statement on Auditing Standards No. 114 (SAS 114), *The Auditor's Communication With Those Charged With Governance*, establishes standards and provides guidance on the auditor's communication with those charged with governance. In addition, if applicable, we will issue a SAS 115 report to management and those charged with governance. SAS 115, *Communicating Internal Control Related Matters Identified in an Audit*, requires we report any significant deficiencies or material weaknesses identified during the audit.

Timing & Your BKD Team

Overall, we plan to spend about three weeks in your offices, approximately one week for interim/planning and two weeks for final fieldwork at year-end. We will coordinate the scheduling of your audit with you to both accommodate your schedule and to allow for the timely completion of deliverables.

Your BKD team will include an experienced engagement supervisor and two or three staff members, who will be on site performing further audit procedures or getting the information we need to support our report.

Audit Under OMB Circular A-133 & *Government Auditing Standards*

If necessary during a given year, BKD has significant OMB Circular A-133 Single Audit experience. BKD performs hundreds of Single Audits annually focusing on two objectives: first, an audit of your financial statements and reporting on the Schedule of Expenditures of Federal Awards in accordance with *Government Auditing Standards*, and second, a compliance testing for federal awards expended during the fiscal year.

At least one-third of our not-for-profit and government clients receive federal funding. Our extensive experience with compliance testing in accordance with OMB Circular A-133 can help provide the City with a Single Audit performed properly and submitted timely.

Our OMB Circular A-133 Audit Approach

During our audit procedures of federal award programs, we do not simply look for findings to report. We look for opportunities to advise you of more efficient ways to comply with federal regulations to reduce the risks of sanctions or reduced funding. BKD has developed contacts at federal agencies and has been able to work cooperatively with these agencies to resolve or avoid issues for our clients.

Entities subject to OMB Circular A-133 and *Government Auditing Standards* will benefit from BKD's specially designed audit programs, checklists and database of federal audit programs.

Identification and testing of your federal programs will be performed primarily during interim fieldwork, which will typically be performed before your fiscal year-end. We have found this to be the most efficient manner in which to perform our audit services when the additional OMB Circular A-133 requirements are present.

Indicate the firm's agreement with respect to the scope of audit services, time period for engagement, and working papers. Any disagreement with these terms should be expressed here, as the City of Bedford plans to incorporate the RFP as proposed into the final contract by reference.

BKD understands the scope of audit services to include:

- ▲ An opinion on the fair presentation of the City's basic financial statements in conformity with GAAP for the years ending September 30, 2012, 2013 and 2014, with the option to be retained the subsequent two years
- ▲ Performance of certain limited procedures involving required supplementary information required by the GASB as mandated by generally accepted auditing standards
- ▲ Special assistance to help meet requirements of the GFOA Certificate of Achievement for Excellence in Financial Reporting program

Timing

Performing your professional services according to your timeline and providing timely drafts and reports are essential to your operations and among the expectations you have of your CPA and advisory firm. We will coordinate our efforts with the City to complete our fieldwork by December 23, provide drafts of deliverables by mid-January and present the final CAFR, management letter and required communications to city council by no later than its second meeting in February 2013.

Workpapers

BKD's policy is to retain all workpapers for audit engagements for seven years from the date of release of our audit report (subject to regulatory or contractual requirements). Workpapers for other types of engagements also are subject to standard retention periods based on a combination of firm policies and regulatory or contractual requirements.

All workpapers related to our engagement are the property of BKD. We may provide access to selected workpapers to our clients upon request. Such requests are evaluated on a case-by-case basis. We also may be required to make workpapers available through legal or administrative proceedings.

When we provide regulators access to our workpapers, access is typically provided at our local office. Since our workpapers are electronic, we normally provide office space and a dedicated laptop to the individual reviewing the workpapers.

9. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be requested from the City of Bedford.

While we do not anticipate any significant audit problems, we understand the importance of good channels of communication with key engagement team members to facilitate the discussion of any issues that may arise. Once we commence interim fieldwork, we would ask for management's participation in progress meetings to allow for early identification and rapid responsiveness so corrective actions, if necessary.

Should we identify specific audit, accounting or reporting issues during our engagement, our staff are instructed to immediately contact the partner or manager in charge of the audit so he or she may review the issues with your management. They then form an initial conclusion or plan of action. The concurring review partner will review the initial conclusion and express his or her opinion. Many times, this is the furthest the matter is required to go for approval. If the issue is not resolved, we consult with our local accounting and auditing director. For certain high-risk or technically complex matters, the firm also requires consultation and approval by our quality control personnel in our National Office.

10. Report Format

The proposal should include sample formats for required reports.

A sample of an auditor's report on financial statements, internal controls over financial reporting and compliance with A-133 requirements can be found in the Appendix.

v. Executed Copies of Forms

Appendix A: Proposer Guarantees

APPENDIX A

PROPOSER GUARANTEES

State of _____
County of _____

Kevin Kemp, CPA being first duly sworn disposed and says that:

- (1) He/She is the (owner, partner, officer, representative or agent) of BKD, LLP, the proposer that has submitted the attached proposal;
- (2) He/She is fully informed respecting the preparation and contents of the attached proposal and all the pertinent circumstances respecting such proposal;
- (3) Such proposal is genuine and is not a collusive or sham proposal;
- (4) Neither said proposer nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including the affiant, has in any way clouded, conspired, connived or agreed, directly or indirectly with any other proposer, firm or person to submit a collusive or sham proposal in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement, collusion, communication or conference with any other proposer, firm or person to fix the price or prices in the attached proposal or to fix any overhead, profit or cash element of the proposal price or the proposal price of any other proposer or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the Owner of any person interested in the proposed contract; and the price or prices quoted in the attached proposals are fair and proper.
- (5) All responsible parties will comply with Chapter 176 Local Government Code and complete the Conflict of Interest Questionnaire (CIQ).

Kevin Kemp
SIGNATURE

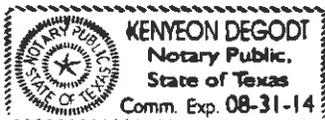
Kevin Kemp, CPA
PRINTED NAME

Subscribed and sworn to before me this 14th day of March, 2012.

Kenyeon Degodi
NOTARY PUBLIC IN AND FOR

Dallas County, Texas

My commission expires: 8-31-14



Appendix B: Proposer Warranties

APPENDIX B

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Texas laws with respect to foreign (non-state of Texas) corporations.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Bedford.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: Kevin Kemp
Name (typed): Kevin Kemp, CPA

Title: Partner
Firm: BKD, LLP
Date: March 16, 2012

Appendix C: Conflict of Interest Questionnaire

APPENDIX C

CONFLICT OF INTEREST QUESTIONNAIRE For vendor or other person doing business with local governmental entity		FORM CIQ
This questionnaire is being filed in accordance with Chapter 176 of the Local Government Code by a person doing business with the governmental entity. By law this questionnaire must be filed with the records administrator of the local government not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.	OFFICERS-ONLY	
	Date Received:	
1 Name of person doing business with local governmental entity N/A		
2 <input type="checkbox"/> 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 September 1 of the year for which an activity described in Section 178.008(a), Local Government Code, is pending and not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)		
3 Describe each affiliation or business relationship with an employee or contractor of the local governmental entity who makes recommendations to a local government officer of the local governmental entity with respect to expenditure of money. N/A		
4 Describe each affiliation or business relationship with a person who is a local government officer and who appoints or employs a local government officer of the local governmental entity that is the subject of this questionnaire. N/A		

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor or other person doing business with local governmental entity

FORM CIQ

Page 2

5) Name of local government officer with whom filer has affiliation or business relationship. (Complete this section only if the answer to A, B, C or D is YES.)

This section, items 5 including subparts A, B, C & D, must be completed for each officer with whom the filer has affiliation or business relationship. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income from the filer of the questionnaire?

Yes No

B. Is the filer of the questionnaire receiving or likely to receive taxable income from or at the direction of the local government officer named in this section AND the taxable income is not from the local governmental entity?

Yes No

C. Is the filer of this questionnaire affiliated with a corporation or other business entity that the local government officer serves as an officer or director, or has an ownership of 10 percent or more?

Yes No

6) Describe each affiliation or business relationship:

N/A

7) Describe any other affiliation or business relationship that might cause a conflict of interest:

N/A

8)

N/A

Signature of person doing business with the governmental entity

Date

Appendix

AICPA Peer Review Letter



American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

December 12, 2011

Neal Spencer, CPA
BKD, LLP
910 E Saint Louis St Ste 400
Springfield, MO 65806-2570

Dear Mr. Spencer:

It is my pleasure to notify you that on December 8, 2011, the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is November 30, 2014. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report has a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

A handwritten signature in cursive script that reads "Betty Jo Charles".

Betty Jo Charles
Chair—National Peer Review Committee

Firm Number: 10002800

Review Number: 322773

*Administered by the
National Peer Review Committee*

T: 919.402.4502 | F: 919.402.4876 | aicpa.org

BKD Peer Review Report



System Review Report

To the Partners of BKD, LLP
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BKD, LLP (the Firm) applicable to non-SEC issuers in effect for the year ended May 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*; audits of employee benefit plans, audits of carrying broker dealers and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice applicable to non-SEC issuers of BKD, LLP in effect for the year ended May 31, 2011, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. BKD, LLP has received a peer review rating of *pass*.

Clifton Gunderson LLP

August 17, 2011

10700 Research Dr., Suite 200
Milwaukee, Wisconsin 53226
tel 414.476.1880
fax 414 476 7286

www.cliftonepa.com



Sample Reports

Independent Accountants' Report on Financial Statements and Supplementary Information

Governing Body
Example Government
Client town, State

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Example Government as of and for the year ended June 30, 20XX which collectively comprise Example Government's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Example Government's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Example Government as of June 30, 20XX, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated _____, _____, on our consideration of Example Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary and pension information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Example Government's basic financial statements. The accompanying supplementary

information listed in the table of contents, including the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards

Governing Body
Example Government
Client town, State

We have audited the financial statements of Example Government as of and for the year ended June 30, 20XX and have issued our report thereon dated _____, _____. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Government's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Government's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Government's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Government's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the governing body, management and others within the Government and is not intended to be and should not be used by anyone other than these specified parties.

Independent Accountants' Report on Compliance with Requirements That Could Have a Direct and
Material Effect on Each
Major Program and on Internal Control Over Compliance in Accordance with
OMB Circular A-133

Governing Body
Example Government
Client town, State

Compliance

We have audited the compliance of Example Government with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 20XX. The Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Government's management. Our responsibility is to express an opinion on the compliance of Example Government based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Government's compliance with those requirements.

In our opinion, Example Government complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 20XX. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items ___-___, ___-___ and ___-___.

Internal Control Over Compliance

The management of Example Government is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Government's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Government's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a

deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Government's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Government's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the governing body, management, others within the Government, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Municipality Expertise

Depth of Knowledge & Experience

Municipalities nationwide depend on BKD as their CPA and advisory firm of choice. With approximately 180 advisors in BKD National Not-for-Profit & Government Group, we have the experience and commitment you require as you look for help determining the most effective way to deliver services and meet fiduciary and regulatory requirements.



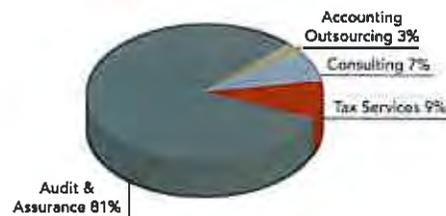
Our Clients & Services

Geographically spread throughout the U.S., our significant client base reflects the diversity of governmental entities, both in size and type of organization. The following graphs demonstrate the clients we serve and the services we provide.

BKD National Not-for-Profit & Government Clients



BKD Not-for-Profit & Government Services



Essential Communication of Issues & Trends

BKD Insights and BKD Alerts, webinars and podcasts provide industry-specific information to keep you informed of important changes in regulations and accounting and tax methods and provide complimentary training opportunities, which may be eligible for continuing professional education credits on a variety of topics that are important to you. We encourage you to discover the wide array of resources available to not-for-profit and government organizations on our website, bkd.com.

Specialized Skills & Expertise

Our advisors offer specialized skills and expertise necessary to help you achieve your objectives. Our advisors include:

- ▲ Auditors and internal auditors
- ▲ OMB Circular A-133 audit professionals
- ▲ Human resources and fringe benefit advisors
- ▲ Internal controls and risk assessment advisors
- ▲ Employee benefit plan professionals
- ▲ Finance advisors
- ▲ Litigation and support professionals
- ▲ Forensic advisors
- ▲ Information technology professionals

Our Commitment to Government

Our commitment to the industry accounting profession expands to involvement on national industry committees, such as the GASB and AICPA.

Andy Richards, senior manager in our Little Rock office, was recently named to the GASB's Comprehensive Implementation Guide Advisory Committee. The 11-member committee advises the GASB board on its Comprehensive Implementation Guide, which helps financial statement preparers apply a number of GASB pronouncements. Andy also was involved with the governmental accounting standards-setting process as a Practice Fellow with the GASB in Norwalk, Connecticut. He is a member of the AICPA State & Local Government Expert Panel, which identifies state and local government financial reporting and auditing issues and works to achieve resolutions benefiting the public interest.

Jim Brown, retired BKD partner, was selected January 12, 2012, to the seven-member GASB. He will serve a five-year term on the board commencing on July 1, 2012. In this capacity, Jim will help develop and improve the financial accounting and reporting standards used by state and local governments across the country. He has specialized in government accounting and auditing for nearly 40 years and served as a BKD partner for more than 25 years before retiring in May 2011. He was responsible for quality control and training for BKD's government and not-for-profit practice and acted as the firm's principal contact with GASB.

Since retirement, he has been serving as a continuing education instructor for the AICPA. He also has been a member of AICPA's Auditing Standards Board and Board of Examiners.

BKD advisors also actively serve as participants, exhibitors, speakers and sponsors in local, regional and national associations for government organizations, including:

- ▲ American Public Power Association (APPA)
- ▲ Association of Government Accountants (AGA)
- ▲ Government Finance Officers Association (GFOA)
- ▲ National League of Cities (NLC)
- ▲ Rural Electrification Administration (REA)

Inside Public Accounting Report



INSIDE Public Accounting
2011 IPA 100 FIRMS BY REGION
GREAT PLAINS REGION

RANKINGS		FIRM NAME	HEADQUARTERS	FY 10-11
REGIONAL	100			NET REVENUE
1	10	BKD LLP	Springfield, Mo.	\$390,684,000
2	19	LarsonAllen LLP	Minneapolis	\$227,002,000
3	24	Eide Bailly LLP	Fargo, N.D.	\$151,397,012
4	38	Weaver	Fort Worth, Texas	\$85,414,681
5	46	RobinBrown LLP	St. Louis	\$81,715,000
6	80	Lurie Beskof Lapidus & Company	Minneapolis	\$34,200,000
7	87	Honkamp Krueger & Co. PC	Dubuque, Iowa	\$32,139,270
8	88	Whitley Peeri LLP	Fort Worth, Texas	\$32,067,688
9	94	Kennedy and Coe LLC	Salina, Kan.	\$30,463,288

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INSIDE PUBLIC ACCOUNTING
THE 2011 IPA 100
RANKED BY U.S. NET REVENUE

RANK		FIRM / HEADQUARTERS	MP / CEO	OFFICES	FYE	NET REVENUE
11	10					
5	5	RSM McGladrey Inc. and McGladrey & Pullen LLP ² / Minneapolis	C. E. Andrews Joe Adams	85	4/11	\$1,370,424,000
6	6	Grant Thornton LLP / Chicago	Stephen Chipman	50	12/10	\$1,055,696,000
7	7	CBIZ & Mayer Hoffman McCann PC ³ / Cleveland / Leawood, Kan.	Dave Sibils Bill Hancock	150 / 37	12/10	\$590,600,000
8	8	BDO USA LLP / Chicago	Jack Weisbaum	40	6/11	\$572,000,000
9	9	Crowe Horwath LLP / Oak Brook, Ill.	Charles M. Allen	29	3/11	\$498,379,000
10	10	BKD LLP / Springfield, Mo.	Neal D. Spencer	29	5/11	\$390,684,000
11	11	Moss Adams LLP / Seattle	Rick Andersson	18	12/10	\$316,000,000
12	12	Plante & Moran PLLC / Southfield, Mich.	Gordon E. Krater	18	6/11	\$304,000,000
13	20/33	Dixon Hughes Goodman LLP ⁴ / High Point, N.C.	Ken Hughes	31	5/11	\$284,480,000
14	13	Clifton Gunderson LLP / Milwaukee	Krista M. McMasters	43	5/11	\$254,652,060

¹RSM McGladrey Inc. and McGladrey & Pullen have an alternative practice structure. ²CBIZ and Mayer Hoffman McCann PC have an alternative practice structure. ³None reflects merger of Dixon Hughes (No. 20 / 10) and Goodman & Co. (No. 33 / 10).

Source: INSIDE Public Accounting / www.insidepublicaccounting.com

August 2011
Volume 25, Number 8

BKD PRIDE Values



experience



Our Values

What's important to you? A commitment to excellence? Independence and objectivity? A broad skill set? Exceeding expectations? At BKD, these are all essential. That's why every day you can see our partners and employees "living the PRIDE." These values – passion, respect, integrity, discipline and excellence – are the hallmarks of BKD and guide us as we provide solutions for your business and financial needs. Experience what BKD PRIDE values can mean for you.

P

PASSION

- Passion for service to others
- Passion for making tomorrow better than today

Experience how our dedication and enthusiasm for making tomorrow better than today can help you make informed decisions to improve business and financial outcomes.

R

RESPECT

- Respect for the differences that make our team strong
- Respect for our legacy and the benefits of change

Experience how our respect for diversity can provide a variety of skills and talents to meet your needs. Respecting the lessons of our legacy and yours, we can help you capitalize on the opportunities change inevitably offers.

I

INTEGRITY

- Integrity to do the right thing
- Integrity to be objective and independent

Experience how our integrity and objectivity can help you make smart business decisions. You want an advisor to tell you what you need to know, not just what you want to hear.

D

DISCIPLINE

- Discipline in process and innovation
- Discipline to balance professional and personal commitments

Experience how our well-established protocols and low-risk approaches can help resolve issues and advance your goals.

E

EXCELLENCE

- Excellence in skills and competencies
- Excellence in our quest to be the best

Experience how our ambition and knowledge, commitment to lifelong learning and drive to improve technical and analytical skills can work to consistently surpass your expectations.



experience **BKD**^{LLP}
CPAs & Advisors

Sealed Dollar Cost Bid

Proposal for
Professional Auditing Services 2012-0213

March 16, 2012

City of Bedford, Texas

BKD, LLP
14241 Dallas Parkway
Suite 1100
Dallas, TX 75254
Phone: 972.702.8262
Kevin Kemp, CPA

C. Sealed Dollar Cost Bid:

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses stated separately.

The City of Bedford will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

a. Name of Firm

BKD, LLP

b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the City of Bedford.

As partner of the firm, Kevin Kemp is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the City of Bedford.

c. A Total All-Inclusive Maximum Price for the fiscal year ending September 30, 2012, 2013, 2014, 2015 and 2016 engagement. (Appendix E) Include price for the preparation of the CAFR, typing and printing the camera ready master copy of the CAFR and the required fifteen (15) copies, as well as the electronic (PDF file) version of entire document.

APPENDIX E

FIVE YEAR MAXIMUM PRICE SUMMARY

2012	\$53,600
2013	\$55,310
2014	\$56,920
2015	\$58,600
2016	\$60,350

COMMENTS:

2. Rates by Partner, Specialist, Supervisory & Staff Level & Hours Anticipated for Each

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment, that supports the total all-inclusive maximum price. The cost of special services described in Section II E of this request for proposal should be disclosed as separate components of the total all-inclusive maximum price (See Appendix D).

APPENDIX D

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 9/30/2012 FINANCIAL STATEMENTS

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	30	\$350	\$220	\$ 6,600
Managers	40	\$250	\$180	\$ 7,200
Supervisory Staff	120	\$175	\$135	\$16,200
Staff	200	\$140	\$100	\$20,000
Other (specify): Clerical	30	\$ 90	\$ 70	\$ 2,100
Subtotal				\$52,100
Out-of-Pocket expenses:				
Meals and Lodging				\$ 0
Transportation				\$ 0
Other (specify):				\$ 1,500
Total All-Inclusive Maximum price for 9/30/2012 audit				\$ 53,600

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as gross deduction from the total All-Inclusive Maximum Price.

APPENDIX D-1

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE 9/30/2013 FINANCIAL STATEMENTS

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	<u>30</u>	<u>\$ 360</u>	<u>\$ 227</u>	<u>\$ 6,810</u>
Managers	<u>40</u>	<u>\$ 255</u>	<u>\$ 185</u>	<u>\$ 7,400</u>
Supervisory Staff	<u>120</u>	<u>\$ 180</u>	<u>\$ 140</u>	<u>\$ 16,800</u>
Staff	<u>200</u>	<u>\$ 145</u>	<u>\$ 103</u>	<u>\$ 20,600</u>
Other (specify):	<u>30</u>	<u>\$ 90</u>	<u>\$ 70</u>	<u>\$ 2,100</u>
 Subtotal				 <u>\$ 53,710</u>
 Out-of-Pocket expenses:				
Meals and Lodging				<u>\$ 0</u>
Transportation				<u>\$ 0</u>
Other (specify):				<u>\$ 1,600</u>
 Total All-Inclusive Maximum price for 9/30/2013 audit				 <u>\$ 55,310</u>

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as gross deduction from the total All-Inclusive Maximum Price.

APPENDIX D-2

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE 9/30/2014 FINANCIAL STATEMENTS

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	<u>30</u>	<u>\$ 365</u>	<u>\$ 230</u>	<u>\$ 6,900</u>
Managers	<u>40</u>	<u>\$ 260</u>	<u>\$ 188</u>	<u>\$ 7,520</u>
Supervisory Staff	<u>120</u>	<u>\$ 185</u>	<u>\$ 145</u>	<u>\$ 17,400</u>
Staff	<u>200</u>	<u>\$ 150</u>	<u>\$ 106</u>	<u>\$ 21,200</u>
Other (specify):	<u>30</u>	<u>\$ 95</u>	<u>\$ 75</u>	<u>\$ 2,250</u>
Subtotal				<u>\$ 55,270</u>
Out-of-Pocket expenses:				
Meals and Lodging				<u>\$ 0</u>
Transportation				<u>\$ 0</u>
Other (specify):				<u>\$ 1,650</u>
Total All-Inclusive Maximum price for 9/30/2014 audit				<u>\$ 56,920</u>

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as gross deduction from the total All-Inclusive Maximum Price.

APPENDIX D-3

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE 9/30/2015 FINANCIAL STATEMENTS

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	<u>30</u>	<u>\$375</u>	<u>\$235</u>	<u>\$ 7,050</u>
Managers	<u>40</u>	<u>\$270</u>	<u>\$190</u>	<u>\$ 7,600</u>
Supervisory Staff	<u>120</u>	<u>\$190</u>	<u>\$150</u>	<u>\$18,000</u>
Staff	<u>200</u>	<u>\$150</u>	<u>\$110</u>	<u>\$22,000</u>
Other (specify):	<u>30</u>	<u>\$ 95</u>	<u>\$ 75</u>	<u>\$ 2,250</u>
 Subtotal				 <u>\$56,900</u>
 Out-of-Pocket expenses:				
Meals and Lodging				<u>\$ 0</u>
Transportation				<u>\$ 0</u>
Other (specify):				<u>\$ 1,700</u>
 Total All-Inclusive Maximum price for 9/30/2015 audit				 <u>\$ 58,600</u>

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as gross deduction from the total All-Inclusive Maximum Price.

APPENDIX D-4

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE 9/30/2016 FINANCIAL STATEMENTS

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	<u>30</u>	<u>\$ 380</u>	<u>\$ 240</u>	<u>\$ 7,200</u>
Managers	<u>40</u>	<u>\$ 275</u>	<u>\$ 195</u>	<u>\$ 7,800</u>
Supervisory Staff	<u>120</u>	<u>\$ 190</u>	<u>\$ 155</u>	<u>\$ 18,600</u>
Staff	<u>200</u>	<u>\$ 155</u>	<u>\$ 113</u>	<u>\$ 22,600</u>
Other (specify):	<u>30</u>	<u>\$ 100</u>	<u>\$ 80</u>	<u>\$ 2,400</u>
 Subtotal				 <u>\$ 58,600</u>
 Out-of-Pocket expenses:				
Meals and Lodging				<u>\$ 0</u>
Transportation				<u>\$ 0</u>
Other (specify):				<u>\$ 1,750</u>
 Total All-Inclusive Maximum price for 9/30/2016 audit				 <u>\$ 60,350</u>

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as gross deduction from the total All-Inclusive Maximum Price.

3. Out-Of-Pocket Expenses Included in the Total All-inclusive Maximum Price & Reimbursement Rates

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by the City of Bedford for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented on the second page of the sealed dollar cost bid. All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

In addition, a statement must be included in the sealed dollar cost bid stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing City of Bedford rates for its employees.

BKD will accept reimbursement for travel, lodging and subsistence at the prevailing City of Bedford rates for its employees.

4. Rates for Additional Professional Services

If it should become necessary for City of Bedford to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between City of Bedford and the firm. Any such additional work agreed to between City of Bedford and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

BKD understands that additional work to supplement the services requested or to perform additional work as a result of specific recommendations included in any report issued on this engagement agreed to between the City and BKD shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

5. Manner of Payment

Progress payments will be made on invoices for no less than one month of professional services rendered.

Our pricing for this engagement and our fee structure is based upon the expectation that our invoices will be paid promptly. We will issue monthly progress billings during the course of our engagement, and payment of our invoices is due upon receipt. Interest will be charged on any unpaid balance after 45 days at the rate of 10 percent per annum.

Our acceptance of this engagement is subject to completion of our normal client acceptance procedures. Upon acceptance, the actual terms of our engagement will be documented in a separate letter to be signed by you and us. All information contained within this proposal is proprietary and confidential. © 2012



Council Agenda Background

PRESENTER: Clifford Blackwell, Director of Admin Services

DATE: 05/08/12

Council Mission Area: Demonstrate excellent customer service in an efficient manner.

ITEM:

Consider a resolution authorizing the City Manager to renew a two-year agreement with Valley View Consulting, L.L.C., to provide Investment Advisory Services.

City Attorney Review: No

City Manager Review: _____

DISCUSSION:

In May 2010, the City Council approved a two-year contract extension for investment advisory services from Valley View Consulting, L.L.C. The current contract extension expires on May 17, 2012. In addition, the Public Funds Investment Act (PFIA) requires the governing body to reaffirm any contract for investment advisory services at least every two years.

The Valley View Consulting contract includes the following provisions:

- Assist the City of Bedford in cash flow projection analysis.
- Suggest appropriate investment strategies to achieve the City's objectives.
- Advise on market conditions and economic data.
- Analyze the risk/return of all possible investment strategies.
- Assist in the selection, purchase and sale of investments on behalf of the City of Bedford.
- Assist with the creation of investment reports.
- Annually review and revise the Investment Policy, the list of broker/dealers, and the eligible training organizations.
- Assist in the preparation and selection of the bank depository request for proposals.

There are no reported changes from the current contract.

The advisory services and expertise provided by Valley View Consulting will allow the City to continue developing and implementing a sound investment strategy that maximizes earnings while maintaining the City's Investment Policy objectives of safety and liquidity.

The annual fee associated with these services has been calculated at a rate of 0.08% (.0008) of the investment portfolio's average quarter ending book value. One-fourth of the annual fee is due and payable at the end of each quarter. Therefore, if the quarter ending book value for the City of Bedford's investment portfolio equals 15,000,000 dollars, the fee paid at the end of the quarter would be \$3,000 ($\$15,000,000 \times 0.0008 / 4$). If the portfolio value remains at \$15,000,000 for the entire year, the total amount paid would equal \$12,000. The City has budgeted \$16,050 in the current operating budget to pay for investment advisory services. This fee amount is usually offset by investment earnings.

On April 19, 2012, the Investment Committee met to discuss the two-year renewal of the contract with Valley View Consulting, L.L.C. and has recommended it go before the City Council for approval.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to renew a two-year agreement with Valley View Consulting, L.L.C., to provide investment Advisory Services.

FISCAL IMPACT:

Incremental investment earnings will more than offset the rate of 0.08%

ATTACHMENTS:

Resolution
Investment Advisory Service agreement

RESOLUTION NO. 12-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO RENEW A TWO-YEAR AGREEMENT WITH VALLEY VIEW CONSULTING, L.L.C., TO PROVIDE INVESTMENT ADVISORY SERVICES.

WHEREAS, the City desires to continue its investment program to enhance earnings on available funds, consistent with the City's Investment Policy and the Public Funds Investment Act; and,

WHEREAS, Valley View Consulting L.L.C., has demonstrated the ability to offer the services required to assist the City in developing and implementing a comprehensive investment strategy that will enhance the City's ability to optimize the return on its investment portfolio.

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

SECTION 1. That the City Manager is authorized to renew a two-year agreement with Valley View Consulting, L.L.C., to provide investment advisory services.

PASSED AND APPROVED this 8th day of May 2012, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

**AGREEMENT
BY AND BETWEEN
THE CITY OF BEDFORD, TEXAS
AND
VALLEY VIEW CONSULTING, L.L.C.**

It is understood and agreed that the City of Bedford (the *Investor*) will have from time to time money available for investment (*Investable Funds*) and Valley View Consulting, L.L.C. (*Advisor*) has been requested to provide professional services to the Investor with respect to the Investable Funds. This agreement (the *Agreement*) constitutes the understanding of the parties with regard to the subject matter hereof.

1. This Agreement shall apply to any and all Investable Funds of the Investor from time to time during the period in which this Agreement shall be effective.
2. The Advisor agrees to provide its professional services to direct and coordinate all programs of investing as may be considered and authorized by the Investor.
3. The Advisor agrees to perform the following duties:
 - a. Assist the Investor in developing cash flow projections,
 - b. Suggest appropriate investment strategies to achieve the Investor's objectives,
 - c. Advise the Investor on market conditions, general information and economic data,
 - d. Analyze risk/return relationships between various investment alternatives,
 - e. Attend occasional meetings as requested by the Investor,
 - f. Assist in the selection, purchase, and sale of investments. The Advisor shall not have discretionary investment authority over the Investable Funds and the Investor shall make all decisions regarding purchase and sale of investments. The eligible investment securities are listed in the Investor's Investment Policy,
 - g. Advise on the investment of bond funds as to provide the best possible rate of return to the Investor in a manner which is consistent with the proceedings of the Investor authorizing the investment of the bond funds or applicable federal rules and regulations,
 - h. Assist the Investor in creating investment reports in compliance with State legislation and the Investor's Investment Policy, and
 - i. Assist the Investor in performing a primary bank request for proposal in compliance with State legislation and the Investor's policy.

4. The Investor agrees to:

- a. Compensate the Advisor for any and all services rendered and expenses incurred as set forth in Appendix A attached hereto,
- b. Provide the Advisor with the schedule of estimated cash flow requirements related to the Investable Funds, and will promptly notify the Advisor as to any changes in such estimated cash flow projections,
- c. Allow the Advisor to rely upon all information regarding schedules, investment policies and strategies, restrictions, or other information regarding the Investable Funds as provided to it by the Investor and that the Advisor shall have no responsibility to verify, through audit or investigation, the accuracy or completeness of such information,
- d. Recognize that there is no assurance that recommended investments will be available or that such will be able to be purchased or sold at the price recommended by the Advisor, and
- e. Not require the Advisor to place any order on behalf of the Investor that is inconsistent with any recommendation given by the Advisor or the policies and regulations pertaining to the Investor.

5. In providing the investment services in this Agreement, it is agreed that the Advisor shall have no liability or responsibility for any loss or penalty resulting from any investment made or not made in accordance with the provisions of this Agreement, except that the Advisor shall be liable for its own gross negligence or willful misconduct; nor shall the Advisor be responsible for any loss incurred by reason of any act or omission of any broker, selected with reasonable care by the Advisor and approved by the Investor, or of the Investor's custodian. Furthermore, the Advisor shall not be liable for any investment made which causes the interest on the Investor's obligations to become included in the gross income of the owners thereof.

6. The fee due to the Advisor in providing services pursuant to this Agreement shall be calculated in accordance with Appendix A attached hereto, and shall become due and payable as specified. Any and all expenses for which the Advisor is entitled to reimbursement in accordance with Appendix A attached hereto shall become due and payable at the end of each calendar quarter in which such expenses are incurred.

7. This Agreement shall become effective at the date of acceptance by the Investor as set out herein below and remain in effect for two (2) years, with the option of the Investor to extend this Agreement in additional two year increments. Provided, however, the Investor or Advisor may terminate this Agreement upon thirty (30) days written notice to the other party. In the event of such termination, it is understood and agreed that only the amounts due to the Advisor for services provided and expenses incurred to and including the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement. In the event this Agreement is terminated, all investments and/or funds held by the Advisor shall be returned to the Investor as soon as practicable. In addition, the parties hereto agree that upon termination of this Agreement the Advisor shall have no continuing

obligation to the Investor regarding the investment of funds or performing any other services contemplated herein.

8. The Advisor reserves the right to offer and perform these and other services for various other clients. The Investor agrees that the Advisor may give advice and take action with respect to any of its other clients, which may differ from advice given to the Investor. The Investor agrees to coordinate with and avoid undue demands upon the Advisor to prevent conflicts with the performance of the Advisor towards its other clients.

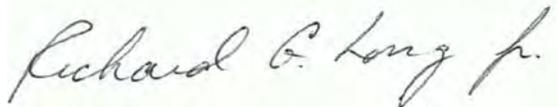
9. The Advisor shall not assign this Agreement without the express written consent of the Investor.

10. By initialing the appropriate line, Investor acknowledges that:

- 1) _____ Investor was provided a written copy of Part II of Form ADV not less than 48 hours prior to entering into this written contract, or
- 2) _____ Investor received a written copy of Part II of Form ADV at the time of entering into this contract and has the right to terminate this contract without penalty within five business days after entering into this contract.
- 3) X Investor is renewing an expiring contract and has received in the past, and offered annually, a written copy of Part II of Form ADV.

This Agreement is submitted in duplicate originals. When accepted by the Investor, it, together with Appendix A attached hereto, will constitute the entire Agreement between the Investor and Advisor for the purposes and the consideration herein specified. Acceptance will be indicated on both copies and the return of one executed copy to Advisor.

Respectfully submitted,



Richard G. Long, Jr.
Manager, Valley View Consulting, L.L.C.

This agreement is hereby agreed to and executed on behalf of the City of Bedford, Texas.

By _____

City of Bedford

Date: _____

APPENDIX A

FEE SCHEDULE AND EXPENSE ITEMS

In consideration for the services rendered by Advisor in connection with the investment of the Investable Funds for the Investor, it is understood and agreed that its fee will be as follows:

An annual fee equal to .08% (.0008) of the investment portfolio's average month end book value, average quarter end book value, or the equivalent thereof. Said fee shall be due and payable at the end of each investment quarter.

For example:

First quarter of the fiscal year (October, November and December) service period would be billable January 1, based on the following calculation:

Average Quarter End Balance * .0008 / 4

Said fee includes all costs of services related to this Agreement, and all travel and business expenses related to attending regularly scheduled quarterly meetings. With pre-trip Investor approval, the Advisor may also request reimbursement for special meeting or event travel and business expenses. The obligation of the Advisor to pay expenses shall not include any costs incident to litigation, mandamus action, test case or other similar legal actions.

Any other fees retained by the Advisor shall be disclosed to the Investor.



Council Agenda Background

PRESENTER: Maria Redburn, Library Manager

DATE: 05/08/12

Council Mission Area: Demonstrate excellent customer service in an efficient manner.

ITEM:

Consider a resolution authorizing the City Manager to enter into agreements with Tech Logic for a Full Service Program Agreement, Self Checkout Software License Renewal and Extended Hardware Warranty in the amount of \$37,228.

City Attorney Review: Yes

City Manager Review: _____

DISCUSSION:

On November 10, 2009, the City Council approved a contract with Tech Logic to design, construct and install a state of the art, staff-efficient RFID-based self-checkout, automated materials handling sorter and conveyance system for the new Bedford Public Library. After a year of operation, the warranty for the system has expired. On September 14, 2010, City Council approved the City Budget which contained a supplemental request in the amount of \$28,000 for a Full Service Agreement with Tech Logic. City Council also approved a supplemental request in the amount of \$10,000 for Software License Renewal and Self Checkout Hardware Warranty Extension.

Due to the expiration of the warranty, it is now the responsibility of the City of Bedford to maintain the automated materials handling sorter and conveyance system. Tech Logic's Full Service Maintenance Program includes:

- Four preventative maintenance visits
- Labor associated with service calls
- Guarantees an onsite service call within 24 hours should one be required
- Failure of major system components
- All software updates, patches, and routine trouble shooting
- Licensing for the AST software
- 10% discount on all parts
- Shipping and handling on normal wear parts

The Full Service Agreement does not cover:

- Normal wear parts such as bearings, belts, chains, sprockets, batteries etc.
- Weekly maintenance of the automated materials handling sorter such as photo eyes
- Monthly washing of belts
- Monthly check and greasing of bearings
- Library staff perform all required care not covered by Full Service Agreement

The Full Service Agreement is \$28,000. Tech Logic has contracted with BankTec Hardware Services to respond to all service calls in the Dallas/Fort Worth Area. During the warranty period, Tech Logic has had BankTec on site eleven times to do maintenance and resolve issues with belts and bearings. Tech Logic provided telephone support on 38 separate occasions. Tech Logic has an exclusivity clause in the BankTec contract which prevents them from working on our system should we decide not to do the Full Service Agreement. If the City of Bedford elects to not do the Full Service Agreement, the City will be responsible for all materials and labor costs which are \$200/hour with a three hour minimum. All service calls would be scheduled, but there would be no 24 hour minimum guaranteed response time.

In addition to the warranty for automated materials handling system, a renewal of the Tech Logic software licenses is required in order to continue to receive software support, technical support, and upgrades. Tech Logic guarantees a two hour response time on all issues during normal business hours. Tech Logic will install all software upgrades. Tech Logic will also provide support for remote installation assistance, usage, product compatibility, interoperability, diagnostic information and defect inquiries about eligible software products. The Library has ten licenses, which need to be renewed for a total of \$4,000.

The final warranty applies to the extended hardware for the ten antennas and three security gate pedestals. Six of the antennas are connected to the self-checkout stations. The additional four antennas are used by staff to program RFID security tags, process holds and check-in materials. Failure of the antennas would reduce customer service levels for the public since 100% of the checkout is done at the self-checkout stations. There are no antennas located at the public service desks. The security gate pedestals sound an alarm when a patron does not checkout an item. Telephone support is included during business hours. Under the Extended Warranty Agreement, Tech Logic will repair or replace any defective hardware or part. A guaranteed 24-hour service response from the time of the report is also included. The Extended Hardware Warranty Agreement is \$5,228.

The total cost for the Full Service Agreement, Software License Renewal and Extended Hardware Warranty is \$37,228. All three agreements have been reviewed and approved by the City Attorney.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into agreements with Tech Logic for the Full Service Program Agreement, Self Checkout Software License Renewal and Extended Hardware Warranty in the amount of \$37,228.

FISCAL IMPACT:

\$37,228 from the General Fund

ATTACHMENTS:

Resolution
Full Service Agreement
Software License Renewal Agreement
Extended Warranty Agreement

RESOLUTION NO. 12-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AGREEMENTS WITH TECH LOGIC FOR A FULL SERVICE PROGRAM AGREEMENT, SELF CHECKOUT SOFTWARE LICENSE RENEWAL AND EXTENDED HARDWARE WARRANTY IN THE AMOUNT OF \$37,228.

WHEREAS, the City Council of the City of Bedford approved the purchase of an RFID-based self-checkout , automated materials handling sorter and conveyance system; and,

WHEREAS, the automated materials handling sorter and conveyance system is critical to the operation of the Bedford Public Library; and,

WHEREAS, the software required to operate the self-checkout and automated requires an annual renewal; and,

WHEREAS, the antennas provide the ability for patrons to checkout; and,

WHEREAS, the security gates prevent theft of Library materials; and,

WHEREAS, the City of Bedford staff recommends that the City Council approve a Full Service Maintenance Agreement, Software License Agreement and an Extended Warranty Agreement with Tech Logic.

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

SECTION 1. That the City Council does hereby authorize the City Manager to enter into a contract in the amount of \$28,000 with Tech Logic for the Full Service Maintenance Agreement

SECTION 2. That the City Council does hereby authorize the City Manager to enter into a contract in the amount of \$4,000 with Tech Logic for the CircIT Software License Agreement.

SECTION 3. That the City Council does hereby authorize the City Manager to enter into a contract in the amount of \$5,228 with Tech Logic for the Self Checkout Extended Warranty Agreement.

SECTION 4. That this resolution shall take effect from and after the date of passage.

PASSED AND APPROVED this 8th day of May 2012, by a vote of _ ayes, _ nays and _ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

RESOLUTION NO. 12-

APPROVED AS TO FORM:

Stan Lowry, City Attorney

TECH LOGIC FULL SERVICE MAINTENANCE PROGRAM

TERMS AND CONDITIONS

Library: Bedford Public Library, Bedford, TX Effective Date: _____

This Full Service Program is entered into this ____ day of _____, 2012, by and between Tech Logic Corporation (“Tech Logic”) and the Bedford Public Library, Bedford, TX. The term of this program begins on ___/___/2012 and runs through ___/___/2013 at which time it will enter the automatic renewal phase as described herein.

Tech Logic offers an annual (12 month) renewable full service program for new Tech Logic AMH systems, which begins on the first day after expiration of warranty coverage on all Tech Logic System components and software.

This program is defined as:

- All mechanical labor and software support¹.
- Normal wear “consumable” parts are not included². These parts are offered at a ten (10) percent discount from the current Tech Logic price list.
- (4) Preventative maintenance visits are included.
- Each preventative maintenance visit consists of one eight (8) hour day at the Library.
- Additional labor hours are billable at \$200 per hour over the eight (8) included in the preventative maintenance visit.
- The price of this program is (\$28,000) for 2012-2013.
- The price of this service program is subject to change for subsequent annual service periods.³

TERMS AND CONDITIONS

The following terms and conditions shall be applicable:

- Parts: OEM or reasonable alternative parts are guaranteed available during the service period.
- Telephone Support: Service includes unlimited telephone support with a response from the right expert within two hours excluding company holidays defined as New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, the Friday after Thanksgiving and Christmas Day. Holidays falling on Saturday will be observed on the Friday before. Holidays falling on Sunday will be observed the Monday after.
- Service Support: Includes response within 24 hours. Library will notify Tech Logic of any Mechanical or Software issue via telephone. Tech Logic will attempt to correct the issue via telephone support and remote proxy. Should Library and Tech Logic agree that an onsite visit is required, Tech Logic shall provide the Library with an action plan including the anticipated on-site time for the technician. Upon receiving authorization from the Library, Tech Logic or its partnered national service provider will proceed with

the site visit. Preventative maintenance visits are provided by our partnered service provider.

- Shipping: Shipping charges shall only be incurred when ordering replacement wear items.
- Exclusions: Any damage to the automated sorter or its components caused by the misuse, neglect, or unauthorized repair and maintenance of the equipment, is specifically not covered.
- Routine Weekly Maintenance not included: Routine weekly maintenance as described in the original maintenance documentation provided at the time of sale shall continue to be the responsibility of Library.
- Finance Charge: Delinquent payments shall incur a finance charge of 1.5% per month, with service being suspended until the account is cleared.
- Notices: The notice must be in writing and sent by postage prepaid first-class mail, receipted courier service, or electronic mail to the address which appears below each party's signature below or to such other address as any party shall specify by notice in writing to the other party and
- Term: This service program commences on the Effective Date and, subject to this program, continues from year to year in automatic renewal to be invoiced yearly at anniversary date. Either Party may give written notice to the other not less than thirty (30) business days before the annual anniversary of the Effective Date of this service program should renewal be declined.
- Compliance with Laws, Codes, Licensing, and Other Standards: Library shall timely advise Tech Logic of any State and/or Local statutes, rules, codes, licensing, regulations, and other standards which may affect this service program and work performed hereunder; and Library shall pay for, and solely bear, all costs of compliance associated therewith.
- Liability: Tech Logic shall not be liable for special, indirect, incidental, consequential damages to the sortation system that arises from negligence of the Library or its patrons.
- Assignment: This service program and all rights and obligations hereunder shall not be assignable by Library except with the prior written consent of Tech Logic. A change in control shall be deemed an assignment subject to this subsection. This service program shall be binding upon each party's permitted successors and assigns.
- Modification: Any modification or alteration of this service program shall be effective only upon written agreement of the parties thereupon.
- Complete Terms and Conditions: This service program subscription constitutes the entire agreement between the parties with regard to the subject matter hereof. No other representations, understandings or agreements have been made or relied upon in the making of this Service Agreement other than those specifically set forth herein. The parties herein acknowledge that they have read the terms and conditions, understand it and agree to be bound by its terms, and further agree that it is the complete and exclusive statement of the agreement between the parties.
- Force Majeure: Neither party shall be liable to the other party for any failure to perform any of its obligations (except payment obligations) under this program during any period in which such performance is delayed by circumstances beyond its reasonable control including, but not limited to, fire, flood, war, embargo, strike, riot or the intervention of any governmental authority (a "Force Majeure"). In such event, however, the delayed

party must promptly provide the other party with written notice of the Force Majeure. The delayed party's time for performance will be excused for the duration of the Force Majeure, but if the Force Majeure events lasts longer than thirty (30) days, the other party may immediately terminate the applicable program by giving written notice to the delayed party.

¹ All mechanical labor is included except for routine maintenance. All software updates, patches, routine trouble shooting is included.

² Normal wear parts include the following:

AST Systems

- Bearings
- Belts
- Chains
- Elastic Drive Bands
- Phenolic Rollers
- Sprockets

I.A Bins

- Batteries
- Brakes
- Brake Cables
- Cables
- Chains
- Sprockets

³ Price of the service program shall not exceed an increase of 10% on an annualized basis.

These terms and conditions are agreed upon by the parties signed below:

Tech Logic Corporation

Library

By: James R. Nelson

By: _____

Title: Chief Operating Officer

Title: _____

Date: 4/27/2012

Date: _____

Address: 1818 Buerkle Road
White Bear Lake, MN 55110

Address: _____

CircIT Software License Agreement

Contract Date: __/__/2012

This SOFTWARE SUPPORT AGREEMENT is made this __ day of _____, 2012, by and between Tech Logic Corporation (“Tech Logic”) and the Bedford Public Library (“Library”).

1. SERVICE AND DURATION

Access to Online Self-Help Support Services: All Tech Logic customers who purchase a CircIT software license will have access to the online self-help services available at www.Tech-Logic.com. The services available within our customer portal include basic assistance for software fixes, marketing information, training information, software documentation, planned enhancement and fix information, the ability to submit and view online help tickets, and access to the software support manual.

Remote Technical Support: Contact Tech Logic for specific, task-oriented questions regarding the operation of currently supported software products. This also entitles you to telephone and/or electronic access to Tech Logic’s customer portal and technical product specialists. Types of support available include remote installation assistance, usage, product compatibility, interoperability, diagnostic information, and defect inquiries about eligible software products.

Software Maintenance: Software maintenance includes remote problem analysis and assistance during normal business hours, voice access support for code-related problems, and support for routine installation and usage questions. Access to our web-based customer portal for enhanced electronic support features. This is available only on the licenses covered and the software versions that are currently supported by Tech Logic.

Enhancements: Software enhancements are not included in the software support license. Software enhancements will be purchased at an additional cost. The cost will be determined by the amount of labor and product(s) necessary to complete the request.

Upgrades: Upgrades to software will be announced by Tech Logic. Software version upgrades are included and will be scheduled with the customer at a mutually agreed upon date and time during operating hours of Tech Logic. Should special circumstances require scheduling outside of operating hours, services will be quoted and approved by customer prior to scheduling. Upgrades are done via remote session with the customer. Should the customer request onsite upgrade assistance, Tech Logic will provide a quote for labor, travel and lodging to be approved by the customer prior to execution.

Software License Coverage: All copies/licenses of the software, regardless of how the copies were obtained, must be renewed annually. You are entitled to software support only on the licenses covered.

Response Time: Response time objective of two hours during prime shift for voice and electronic problem submissions. Response time for critical/emergency problems during off-shift hours is based on support availability.

2. PRICING

\$2,000 /per seat first year

\$400/per seat subsequent renewal years*

Fees are due and shall be paid by Library at time of purchase of this Software Support Agreement and upon any subsequent purchase date anniversaries. *Prices are subject to change for subsequent annual periods.

3. TERMS AND CONDITIONS

The following terms and conditions shall be applicable to this Software Support Agreement:

Support: Telephone and/ or email support are available from 8:00 AM-5:00 PM Central time, Mon.-Fri. excluding company holidays defined as New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, the Friday after Thanksgiving and Christmas Day. Holidays falling on Saturday will be observed on the Friday before. Holidays falling on Sunday will be observed the Monday after. Contact methods are 1-866-880-9981 or email at customer@tech-logic.com. Submissions for assistance may also be made through the secure customer portal using our support inquiry system.

Licensing: You are entitled to software support only on the licenses covered by this software support agreement.

Renewal: All copies of the Tech Logic software, including those on servers, workstations, and terminals must be licensed in order to receive software support on those copies. Tech Logic reserves the right to refuse software support on unlicensed or unsupported copies of the Tech Logic software.

Exclusions: Any damage to the software or its components caused by misuse, a malicious virus, unauthorized changes in the software, or unsupported operating systems is specifically not covered under this Software Support Agreement.

Finance Charge: Delinquent payments shall incur a finance charge of 1.5% per month, with service being suspended until the account is cleared.

Liability: Tech Logic shall not be liable for special, indirect, incidental or consequential damages, whether arising from contract or negligence.

Assignment: This CircIT Software License Agreement and all rights and obligations hereunder shall not be assignable by Library except with the prior written consent of Tech Logic. A change in control shall be deemed an assignment subject to this subsection.

Modification: Any modification or alteration of this CircIT Software License Agreement shall be effective only upon written agreement of the parties thereupon.

Complete Agreement: This CircIT Software License Agreement constitutes the entire agreement between the parties with regard to the subject matter hereof. No other representations, understandings, or agreements have been made or relied upon in the making of this Software Service Agreement other than those specifically set forth herein. The parties herein acknowledge that they have read this Software Service Agreement, understand it and agree to be bound by its terms, and further agree that it is the complete and exclusive statement of the agreement between the parties.

TECH LOGIC CORPORATION
(**"Tech Logic"**)

By: James R. Nelson
James Nelson
Chief Operating Officer

Date: 4/27/2012

LIBRARY

By: _____

Date: _____

SCO Hardware Extended Warranty Agreement

Effective Date: _____

For the

Bedford Public Library, Bedford, Texas

ARTICLE 1 – NEW SCO SYSTEM

Tech Logic offers an annual (12 month) Extended Warranty Agreement for Tech Logic's Self Checkout Hardware Systems and/or single components thereof.

COVERAGE:

- Tech Logic will, at its option, repair or replace any defective hardware or part thereof.
- All parts are covered by this Agreement as listed in Article 2, subject to the terms and conditions herein except as excluded by Article 3.
- This Warranty Agreement will include service and support as defined in Article 3.
- Payment of invoice(s) shall be due and paid by Library within thirty (30) calendar days thereof. Failure to make such payment by the due date(s) shall void this Warranty Agreement.

ARTICLE 2 – PRICING

- The price of this Extended Warranty Agreement is (\$5,227.50)
- The Extended Warranty Agreement includes the following components; ten (10) RFID antennas and three (3) gate pedestals.
- The price of this Extended Warranty Agreement is subject to change for subsequent annual service periods.

ARTICLE 3 – TERMS AND CONDITIONS

The following terms and conditions shall be applicable to Article 1 herein:

Parts: Repairs and replacements will be made with new or remanufactured Tech Logic authorized parts of like kind and quality during the Agreement period. Expendable and/or consumable items or parts included with the equipment are not covered under this agreement.

Telephone Support: Service includes unlimited telephone support between the hours of 8:00 AM-5:00 PM Central time, Mon.-Fri. excluding company holidays defined as New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, the Friday after Thanksgiving and Christmas Day. Holidays falling on Saturday will be observed on the Friday before. Holidays falling on Sunday will be observed the Monday after. The toll free telephone number for support is 1-866-800-9981.

Service Support: Includes response within 24 hours from Tech Logic. Library will notify Tech Logic of any hardware issue via telephone, email to customercare@tech-logic.com or via support request through the customer secure portal. Tech Logic will attempt to correct the issue via telephone support and remote proxy. Should Library and Tech Logic agree that an onsite service visit is required, Tech Logic shall provide the Library with an action plan including the anticipated travel and on-site time expected to correct the issue as well as a quote for travel expenses and labor for such service call. Upon receiving authorization from the Library, Tech Logic will proceed with the service site visit.

Product Service Procedures: If a defect should appear during the extended warranty period, Library should promptly contact Tech Logic Customer Service. Customer Service will advise Library to return the equipment or propose a schedule for repair. If applicable, a return merchandise authorization (RMA) will be assigned and Library shall return the defective equipment, freight and insurance prepaid, in the original shipping container to, Tech Logic, 1818 Buerkle Road, White Bear Lake, MN 55110 or to other designated service location. All returned merchandise must include the RMA number. Tech Logic shall not be responsible for any loss or damage incurred in shipping. If a defect is covered by this limited warranty, the repaired or replaced equipment will be returned to the Library at Tech Logic's cost. Requests for expedited return will be considered and difference between normal delivery charge and expedited return pricing will be the responsibility of the Library.

Access: Tech Logic will inform the Library of any access to the system via remote proxy prior to the access. Tech Logic will inform the Library of the reason for accessing the system.

Shipping: Shipping charges will be incurred by Library when ordering replacement items under this Agreement.

Exclusions: Any damage to the System or its components caused by the misuse, neglect, or unauthorized repair and maintenance of the equipment, is specifically not covered under this SCO Warranty Agreement.

Routine Weekly Maintenance not included: Routine weekly maintenance as described in the original maintenance documentation provided at the time of sale shall continue to be the responsibility of Library.

Finance Charge: Delinquent payments shall incur a finance charge of 1.5% per month, with service being suspended until the account is cleared.

Compliance with Laws, Codes, Licensing, and Other Standards: Library shall timely advise Tech Logic of any State and/or Local statutes, rules, codes, licensing, regulations, and other standards which may affect this Service Agreement and work performed hereunder; and Library shall pay for, and solely bear, all costs of compliance associated therewith.

Liability: Tech Logic shall not be liable for special, indirect, incidental or consequential damages, whether arising from contract or negligence.

Assignment: This SCO Warranty Agreement and all rights and obligations hereunder shall not be assignable by Library except with the prior written consent of Tech Logic. A change in control shall be deemed an assignment subject to this subsection. This Warranty Agreement shall be binding upon each party's permitted successors and assigns.

Modification: Any modification or alteration of this Extended Warranty Agreement shall be effective only upon written agreement of the parties thereupon.

Notices: To give notice under this Agreement, the Notice must be in writing and sent by postage prepaid first-class mail, receipted courier service, or electronic mail to the address which appears below each party's signature below or to such other address as any party shall specify.

Term: This Extended Warranty Agreement commences on the Effective Date and, subject to this Warranty Agreement, continues from year to year in automatic renewal to be invoiced yearly at anniversary date. Either Party may give written Notice to the other not less than thirty (30) business days before the annual anniversary of the Effective Date of this Warranty Agreement for renewal be declined.

Complete Agreement: This SCO Warranty Agreement constitutes the entire agreement between the parties with regard to the subject matter hereof. No other representations, understandings or agreements have been made or relied upon in the making of this SCO Warranty Agreement other than those specifically set forth herein. The parties herein acknowledge that they have read this SCO Warranty Agreement, understand it and agree to be bound by its terms, and further agree that it is the complete and exclusive statement of the agreement between the parties.

Force Majeure. Neither party shall be liable to the other party for any failure to perform any of its obligations (except payment obligations) under this Agreement during any period in which such performance is delayed by circumstances beyond its reasonable control including, but not limited to, fire, flood, war, embargo, strike, riot or the intervention of any governmental authority (a "Force Majeure"). In such event, however, the delayed party must promptly provide the other party with written notice of the Force Majeure. The delayed party's time for performance will be excused for the duration of the Force Majeure, but if the Force Majeure events lasts longer than thirty (30) days, the other party may immediately terminate the applicable Agreement by giving written notice to the delayed party.

Tech Logic Corporation

Library

By: James R. Wilson

By: _____

Title: Chief Operating Officer

Title: _____

Date: 4/27/2012

Date: _____

Address: 1818 Buerkle Road
White Bear Lake, MN 55110

Address: _____



Council Agenda Background

PRESENTER: See below

DATE: 05/08/12

Councilmember Reports

ITEM:

- Mayor Story – State of the City
- Councilman Savage – Tenure Comments

City Manager Review: _____

DISCUSSION:

Mayor Story and Councilman Savage requested these items be placed on the agenda.

ATTACHMENTS:

Letters of Request

From: [Story, Jim](#)
To: [Wells, Michael](#)
Cc: [Griffith, Beverly](#)
Subject: Agenda Item
Date: Tuesday, May 01, 2012 8:22:50 AM

Please place the following on the council agenda for May 8, 2012:

Mayor's comments concerning the state of the city.

Jim Story

PS: If Stan thinks this is too general, let me know.

From: [Roy Savage](#)
To: [Wells, Michael](#)
Subject: agenda
Date: Sunday, April 29, 2012 9:22:23 AM

Michael please place an item on the May 8th Council agenda for:

Tenure Comments.

Thanks

Roy Savage
Council Pl 2
Bedford City Council