

THIS CONTRACT is entered into on this _____ day of _____, 2023,¹ by and between the **CITY OF MCKINNEY, TEXAS**, a municipal corporation located in Collin County, Texas, (hereinafter referred to as "CITY"), acting by and through its City Manager or his designee, and **Terracon Consultants, Inc.**, a Delaware Corporation, ("hereinafter referred to as "CONSULTANT") whose address is 8901 Carpenter Freeway, Suite 100, Dallas, TX 75427.

WITNESSETH:

WHEREAS, CITY desires to obtain professional services from CONSULTANT for Facility Condition Assessment Services; and

WHEREAS, CONSULTANT is an architectural and engineering firm qualified to provide such services and is willing to undertake the performance of such services for CITY in exchange for fees hereinafter specified; NOW, THEREFORE,

IN CONSIDERATION of the covenants and agreements hereinafter contained and subject to the terms and conditions hereinafter stated, the parties hereto do mutually agree as follows:

I.
Employment of Consultant

CONSULTANT will perform as an independent contractor all services under this Contract to the prevailing professional standards consistent with the level of care and skill ordinarily provided by competent members of the architectural and engineering professions, both public and private, currently practicing in the same or similar locality under the same or similar circumstances and professional license including but not limited to the exercise of reasonable, informed judgments and prompt, timely action considering the ordinary professional skill and care of a competent professional engineer or architect. If CONSULTANT is representing that it has special expertise in one or more areas to be utilized in this Contract, then CONSULTANT agrees to perform those special expertise services to the appropriate local, regional and national professional standards.

¹ If this date is omitted, the effective date shall be the date the Agreement is executed by the City.

II.
Scope of Services

CONSULTANT shall perform such services as are necessary to provide assessment services specifically including, but not necessarily limited to, the tasks enumerated more fully in Attachment "A" hereto entitled "Scope of Work" (hereafter referred to as the "Project"). Additionally, as a part of the Project, CITY may at times be utilizing CONSULTANT's Paragon software subscription, which shall be subject to the terms contained in Attachment "B" hereto entitled "Paragon Subscription and Service Agreement." Attachment "A" and Attachment "B" are hereby incorporated herein by reference and made a part hereof as if written word for word. However, in case of conflict in the language of Attachment "A" and/or Attachment "B" and this Contract, the terms and conditions of this Contract shall be final and binding upon both parties hereto.

III.
Payment for Services

Total payment for services described herein shall be a sum not to exceed **Two Hundred Ninety Two Thousand Seven Hundred Fifty Four and Zero/100^{ths} Dollars (\$292,754)** ("Total Payment Amount"). This Total Payment Amount includes CONSULTANT's "Reimbursable Expenses" as defined herein below.

CONSULTANT will bill CITY for the performance and delivery of the services described herein on a percent complete basis in accordance with Attachment "B" hereto entitled "Fees and Expenses" and will also bill CITY for the "Reimbursable Expenses" identified in Attachment "B"; provided however that this Contract shall control in the event of any conflict between the language in Attachment "B" and the language in this Contract. If additional services, trips or expenses are requested, CONSULTANT will not provide such additional services or trips or incur additional expenses until authorized by CITY in writing to proceed. The scope of services shall be strictly limited. CITY shall not be required to pay any amount in excess of the amount identified in the preceding paragraph unless CITY shall have approved in writing in advance (prior to the performance of additional work or expenditure of funds for additional trips or expenses) the payment of additional amounts.

CONSULTANT will be compensated for the following **reasonable and documented** "Reimbursable Expenses," if any, from the Total Payment Amount to the extent such expenses are directly related to CONSULTANT's performance of the Project provided the total amount of such Reimbursable Expenses together with the payment for all professional services to be performed hereunder does not exceed the Total Payment Amount: printing; photocopying; reproduction of drawings and specifications; postage; courier delivery services; long distance telephone calls; and, mileage at the allowable rate established by the Internal Revenue Service (collectively "Reimbursable Expenses"). Any expenses the CITY determines are not reasonable and directly related to CONSULTANT's performance of the Project, and/or which are not properly documented to the CITY, shall remain the sole responsibility of the CONSULTANT.

Any expenses that do not fit within any of the categories of Reimbursable Expenses or which expenses are unusual or cumulatively exceed the amount identified in Attachment "B" or the Total Payment Amount are considered "Extraordinary Expenses" and must be approved in advance by CITY in writing signed by the parties. If approved by CITY in writing in advance, such Extraordinary Expenses may be paid as incurred and billed to the CITY pursuant to this Contract over and above the Total Payment Amount identified in this provision. Any Extraordinary Expenses not approved in writing in advance by the CITY shall remain the sole responsibility of the CONSULTANT.

Each month CONSULTANT will submit to CITY an invoice supporting the percentage of work completed and reimbursable expenses incurred for which payment is sought. Each invoice shall also state the percentage of work completed on the Project through the end of the then submitted billing period, the total of the current invoice amount and a running total balance of the percentage of work completed and reimbursable expenses incurred for the Project to date.

Within thirty (30) days of receipt of each such monthly invoice CITY shall make monthly payments in the amount shown by CONSULTANT's approved monthly statements and other documentation submitted. Such payments shall be subject to the Texas Prompt Payment Act, Texas Government Code §§ 2251.001, *et seq.*

Nothing contained in this Contract shall require CITY to pay for any work that is unsatisfactory as determined by CITY or which is not submitted in compliance with the terms of this Contract, nor shall failure to withhold payment pursuant to the provisions of this section constitute a waiver of any right, at law or in equity, which CITY may have if CONSULTANT is in default, including the right to bring legal action for damages or for specific performance of this Contract. Waiver of any default under this Contract shall not be deemed a waiver of any subsequent default.

IV. Revisions of the Scope of Services

CITY reserves the right to revise or expand the scope of services after due approval by CITY as CITY may deem necessary, but in such event CITY shall pay CONSULTANT equitable compensation for such services. In any event, when CONSULTANT is directed to revise or expand the scope of services under this Section of the Contract, CONSULTANT shall provide CITY a written proposal for the entire costs involved in performing such additional services. Prior to CONSULTANT undertaking any revised or expanded services as directed by CITY under this Contract, CITY must authorize in writing the nature and scope of the services and accept the method and amount of compensation and the time involved in all phases of the Project.

It is expressly understood and agreed by CONSULTANT that any compensation not specified in Paragraph III herein above may require McKinney City Council approval and is subject to the current budget year limitations.

V.
Term

This Contract shall begin on the date first written above, and shall terminate when CITY has approved the Project as being final or otherwise terminates this Contract as provided herein.

VI.
Contract Termination Provision

This Contract may be terminated at any time by CITY for any cause by providing CONSULTANT thirty (30) days written notice of such termination. Upon receipt of such notice, CONSULTANT shall immediately terminate working on, placing orders or entering into contracts for supplies, assistance, facilities or materials in connection with this Contract and shall proceed to promptly cancel all existing contracts insofar as they are related to this Contract. CONSULTANT shall invoice CITY for all Services completed and shall be compensated in accordance with the terms of this Contract for all Services performed by CONSULTANT through the date such written notice of termination is received by CONSULTANT.

VII.
Ownership of Documents

All materials and documents prepared or assembled by CONSULTANT under this Contract shall become the sole property of CITY and shall be delivered to CITY without restriction on future use. CONSULTANT may retain copies of all drawings, specifications and all other pertinent information for the work in CONSULTANT's files. CONSULTANT shall have no liability for changes made to any materials or other documents by others subsequent to the completion of the Contract.

VIII.
Insurance Requirements

- A. Before commencing work, the CONSULTANT shall, at its own expense, procure, pay for and maintain the following insurance written by companies approved by the state of Texas and acceptable to the City of McKinney. The CONSULTANT shall furnish to the City of McKinney Procurement Services Manager certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates and compliance with all applicable required provisions. Certificates shall reference the project/contract number and be addressed as follows:

City of McKinney
c/o Procurement Services
P O Box 517
McKinney, TX 75070

1. Commercial General Liability insurance, including, but not limited to Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability, with minimum limits of \$1,000,000 per-occurrence and \$2,000,000 general aggregate. Coverage must be written on an occurrence form. The General Aggregate shall apply on a per project basis.
2. Workers' Compensation insurance with Texas statutory limits; and Employers' Liability coverage with minimum limits for bodily injury: a) by accident, \$500,000 each accident, b) by disease, \$500,000 per employee with a per policy aggregate of \$500,000.
3. Business Automobile Liability insurance covering owned, hired and non-owned vehicles, with a minimum combined single limit of \$1,000,000.
4. Professional Liability Insurance to provide coverage against any claim which the CONSULTANT becomes legally obligated to pay as damages arising out of the performance of professional services caused by error, omission or negligent act with minimum limits of \$1,000,000 each occurrence and \$2,000,000 aggregate.

NOTE: If the insurance is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than thirty-six (36) months following completion of the contract and acceptance by the City of McKinney.

- B. With reference to the foregoing required insurance, the CONSULTANT agrees to the following:
1. A waiver of subrogation in favor of City of McKinney, its officials, employees, and officers shall be contained in the Workers' Compensation insurance policy.
 2. The City of McKinney, its officials, employees and officers shall be covered as additional insureds on the Commercial General Liability and Business Automobile Liability policies. Nothing contained in Section XII of this Agreement shall be interpreted or applied as limiting, reducing, or eliminating any obligation or duty that CONSULTANT's insurance carrier may owe to CITY as an additional insured under the CONSULTANT's general liability insurance policies required by this Agreement to provide the CITY with a defense and/or indemnify the CITY for any claim or cause of action, whether one or more, regardless of the proportionate responsibility or liability of the CONSULTANT or the CITY. Neither shall anything contained in this Section VIII be interpreted or applied as providing or otherwise entitling either CONSULTANT, CONSULTANT's insurance carrier or any other party any

right or ability to recover over against CITY any amounts of money attributable to damages, costs, expenses and/or attorneys' fees based on or arising out of a finding of comparative or proportionate responsibility or liability as against the CITY it being understood and agreed that CITY in no way intends by this Agreement to waive its sovereign immunity regarding any claim, suit or cause of action.

3. Policies of insurance shall not be cancelled non-renewed, terminated, or materially changed unless and until thirty (30) days' notice has been given to City of McKinney.
- C. Insurance limits can be met with a combination of primary and excess/umbrella coverage.
 - D. All insurance shall be purchased from insurance companies that meet a financial rating of A-VI or better as assigned by A.M. Best Company or equivalent.
 - E. The CONSULTANT shall require any contractors, sub-contractors, and other persons doing business with or for the CONSULTANT related to the work to maintain at least the insurance as required, or their liability shall be covered by the CONSULTANT.

IX.

Right to Inspect Records

CONSULTANT agrees that CITY shall have access to and the right to examine any directly pertinent books, documents, papers and records of CONSULTANT involving transactions relating to this Contract. CONSULTANT agrees that CITY shall have access during normal working hours to all necessary CONSULTANT facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. CITY shall give CONSULTANT reasonable advance notice of intended audits.

CONSULTANT further agrees to include in subcontract(s), if any, a provision that any subcontractor or engineer agrees that CITY shall have access to and the right to examine any directly pertinent books, documents, papers and records of such engineer or sub-contractor involving transactions to the subcontract, and further, that CITY shall have access during normal working hours to all such engineer or sub-contractor facilities and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with the provisions of the paragraph. CITY shall give any such engineer or sub-contractor reasonable advance notice of intended audits.

X.
Successors and Assigns

CITY and CONSULTANT each bind themselves and their successors, executors, administrators and assigns to the other party to this contract and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Contract. Neither CITY nor CONSULTANT shall assign or transfer its interest herein without the prior written consent of the other.

XI.
CONSULTANT's Liability

Acceptance of the final plans by the CITY shall not constitute nor be deemed a release of the responsibility and liability of CONSULTANT, its employees, associates, agents or consultants for the accuracy and competency of their designs, working drawings, specifications or other documents and work; nor shall such acceptance be deemed an assumption of responsibility by CITY for any defect in the designs, working drawings, specifications or other documents and work prepared by said CONSULTANT, its employees, associates, agents or sub-consultants.

XII.
INDEMNIFICATION

CONSULTANT DOES HEREBY COVENANT AND CONTRACT TO WAIVE ANY AND ALL CLAIMS, RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS CITY COUNCIL, OFFICERS, EMPLOYEES AND AGENTS, IN BOTH THEIR PUBLIC AND PRIVATE CAPACITIES, FROM AND AGAINST ALL LIABILITY, CAUSES OF ACTION, CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LOSSES, PENALTIES OR SUITS, WHICH IN ANY WAY ARISE OUT OF, RELATE TO, OR RESULT FROM CONSULTANT'S PERFORMANCE UNDER THIS CONTRACT AND WHICH ARE CAUSED BY THE INTENTIONAL WRONGFUL ACTS OR NEGLIGENT ACTS OR OMISSIONS OF CONSULTANT, ITS SUBCONTRACTORS, ANY OFFICERS, AGENTS OR EMPLOYEES OF EITHER CONSULTANT OR ITS SUBCONTRACTORS, AND ANY OTHER THIRD PARTIES FOR WHOM OR WHICH CONSULTANT IS LEGALLY RESPONSIBLE (THE "INDEMNIFIED ITEMS") SUBJECT TO THE LIMITATIONS IN TEXAS LOCAL GOVERNMENT CODE § 271.904 AND TEXAS CIVIL PRACTICE AND REMEDIES CODE § 130.002(B).

BY WAY OF EXAMPLE, THE INDEMNIFIED ITEMS MAY INCLUDE PERSONAL INJURY AND DEATH CLAIMS AND PROPERTY DAMAGE CLAIMS, INCLUDING THOSE FOR LOSS OF USE OF PROPERTY, AS WELL AS INTELLECTUAL PROPERTY INFRINGEMENT OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER.

INDEMNIFIED ITEMS SHALL INCLUDE REASONABLE ATTORNEYS' FEES IN PROPORTION TO THE CONSULTANT'S LIABILITY AND COSTS, COURT COSTS, AND SETTLEMENT COSTS. INDEMNIFIED ITEMS SHALL ALSO INCLUDE ANY EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, INCURRED BY AN INDEMNIFIED INDIVIDUAL OR ENTITY IN ATTEMPTING TO ENFORCE THIS INDEMNITY.

In its sole discretion, the CITY shall have the right to approve counsel to be retained by CONSULTANT in fulfilling its obligation to defend and indemnify the CITY. CONSULTANT shall retain approved counsel for the CITY within seven (7) business days after receiving written notice from the CITY that it is invoking its right to indemnification under this Contract. If CONSULTANT does not retain counsel for the CITY within the required time, then the CITY shall have the right to retain counsel and the CONSULTANT shall pay these reasonable attorneys' fees in proportion to the CONSULTANT'S liability plus expenses. The CITY retains the right to provide and pay for any or all costs of defending indemnified items, but it shall not be required to take such action.

XIII. **Independent Contractor**

CONSULTANT's status shall be that of an Independent Contractor and not an agent, servant, employee or representative of CITY in the performance of this Contract. No term or provision of or act of CONSULTANT or CITY under this Contract shall be construed as changing that status. CONSULTANT will have exclusive control of and the exclusive right to control the details of the work performed hereunder, and shall be liable for the acts and omissions of its officers, agents, employees, contractors, subcontractors and engineers and the doctrine of respondeat superior shall not apply as between CITY and CONSULTANT, its officers, agents, employees, contractors, subcontractors and engineers, and nothing herein shall be construed as creating a partnership or joint enterprise between CITY and CONSULTANT.

XIV. **Default**

If at any time during the term of this Contract, CONSULTANT shall fail to commence the work in accordance with the provisions of this Contract or fail to diligently provide services in an efficient, timely and careful manner and in strict accordance with the provisions of this Contract or fail to use an adequate number or quality of personnel to complete the work or fail to perform any of its obligations under this Contract, then CITY shall have the right, if CONSULTANT shall not cure any such default after thirty (30) days written notice thereof, to terminate this Contract. Any such act by CITY shall not be deemed a waiver of any other right or remedy of CITY. If after exercising any such remedy due to CONSULTANT's nonperformance under this Contract, the cost to CITY to complete the work to be performed under this Contract is in excess of that part of the Contract sum which has not theretofore been paid to CONSULTANT hereunder,

CONSULTANT shall be liable for and shall reimburse CITY for such excess. CONSULTANT'S liability under this provision shall be limited to the total dollar amount of this Contract.

CITY's remedies for CONSULTANT's default or breach under this Contract shall be limited to one or more of the following remedies which may be exercised separately or in combination at CITY's sole exclusive choice:

- (a) Specific performance of the Contract;
- (b) Re-performance of this Contract at no extra charge to CITY; or,
- (c) Monetary damages in an amount not to exceed the greater of:
 - (1) The amount of any applicable insurance coverage CONSULTANT is required to purchase and maintain under this Contract plus any deductible amount to be paid by CONSULTANT in conjunction with said coverage regardless of whether CONSULTANT has actually purchased and maintained said coverage; or,
 - (2) The total dollar amount of this Contract.

The terms of Sections XII entitled Indemnification, and XVII entitled Confidential Information shall survive termination of this Contract.

XV. Changes

CITY may, from time to time, require changes in the scope of services to be performed under this Contract. Such changes as are mutually agreed upon by and between CITY and CONSULTANT shall be incorporated by written modification to this Contract.

XVI. Conflict of Interest

CONSULTANT covenants and agrees that CONSULTANT and its associates and employees will have no interest, and will acquire no interest, either direct or indirect, which will conflict in any manner with the performance of the services called for under this Contract. All activities, investigations and other efforts made by CONSULTANT pursuant to this Contract will be conducted by employees, associates or subcontractors of CONSULTANT.

In addition, to the extent that this Contract (a) must be approved by the CITY's governing body before it may be signed or (b) has a value of \$1,000,000, or more, CONSULTANT shall comply with the requirements of Texas Government Code §

2252.908 by completing and submitting Form 1295 to the Texas Ethics Commission (“Commission”) at the time CONSULTANT submits this signed Contract to CITY, and as follows:

Form 1295 Filing Process: The Commission has made available on its website a new filing application that must be used to file Form 1295. The CONSULTANT must use the application to enter the required information on Form 1295 and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the CONSULTANT must sign the printed copy of the form and complete the “unsworn declaration” which includes, among other things, the date of birth and address of the authorized representative signing the form. The completed Form 1295 with the certification of filing must be filed with the CITY.

The CITY must notify the Commission, using the Commission’s filing application, of the receipt of the filed Form 1295 with the certification of filing not later than the 30th day after the date the Contract binds all parties to the Contract. The Commission will post the completed Form 1295 to its website within seven business days after receiving notice from the CITY.

Form 1295 Availability: Certificate of Interested Parties Form is available from the Texas Ethics Commission website at the following address:

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

For questions regarding and assistance in filling out Form 1295, please contact the Texas Ethics Commission at 512-463-5800.

XVII. **Confidential Information**

CONSULTANT hereby acknowledges and agrees that its representatives may have access to or otherwise receive information during the furtherance of its obligations in accordance with this Contract, which is of a confidential, non-public or proprietary nature. CONSULTANT shall treat any such information received in full confidence and will not disclose or appropriate such Confidential Information for its own use or the use of any third party at any time during or subsequent to this Contract. As used herein, “Confidential Information” means all oral and written information concerning City of McKinney, its affiliates and subsidiaries, and all oral and written information concerning CITY or its activities, that is of a non-public, proprietary or confidential nature including, without limitation, information pertaining to customer lists, services, methods, processes and operating procedures, together with all analyses, compilation, studies or other documents, whether prepared by CONSULTANT or others, which contain or otherwise reflect such information. The term “Confidential Information” shall not include such materials that are or become generally available to the public other than as a result of

disclosure of CONSULTANT, or are required to be disclosed by a governmental authority.

XVIII.
Mailing Address

All notices and communications under this CONTRACT to be mailed to CITY shall be sent to the address of CITY's agent as follows, unless and until CONSULTANT is otherwise notified:

David Westover
City of McKinney
Post Office Box 517
McKinney, Texas 75069.

Notices and communications to be mailed or delivered to CONSULTANT shall be sent to the address of CONSULTANT as follows, unless and until CITY is otherwise notified:

Douglas R Baum
National Director
Terracon Consultants, Inc.
8901 John W Carpenter Freeway, Ste 100
Dallas, Texas 75247

Any notices and communications required to be given in writing by one party to the other shall be considered as having been given to the addressee on the date the notice or communication is posted, faxed or personally delivered by the sending party.

XIX.
Applicable Law

The CONTRACT is entered into subject to the McKinney City Charter and ordinances of CITY, as same may be amended from time to time, and is subject to and is to be construed, governed and enforced under all applicable State of Texas and federal laws. CONSULTANT will make any and all reports required per federal, state or local law including, but not limited to, proper reporting to the Internal Revenue Service, as required in accordance with CONSULTANT's income. Situs of this Contract is agreed to be Collin County, Texas, for all purposes, including performance and execution.

XX.
Severability

If any of the terms, provisions, covenants, conditions or any other part of this Contract are for any reason held to be invalid, void or unenforceable, the remainder of

the terms, provisions, covenants, conditions or any other part of this Contract shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

XXI.
Remedies

No right or remedy granted herein or reserved to the parties is exclusive of any other right or remedy herein by law or equity provided or permitted; but each shall be cumulative of every other right or remedy given hereunder. No covenant or condition of this Contract may be waived without written consent of the parties. Forbearance or indulgence by either party shall not constitute a waiver of any covenant or condition to be performed pursuant to this Contract.

XXII.
Entire Agreement

This Contract embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporaneous agreements between the parties relating to matters herein, and except as otherwise provided herein cannot be modified without written agreement of the parties.

XXIII.
Non-Waiver

It is further agreed that one (1) or more instances of forbearance by CITY in the exercise of its rights herein shall in no way constitute a waiver thereof.

XXIV.
Headings

The headings of this Contract are for the convenience of reference only and shall not affect any of the terms and conditions hereof in any manner.

XXV.
Venue

The parties to this Contract agree and covenant that this Contract will be enforceable in McKinney, Texas; and that if legal action is necessary to enforce this Contract, exclusive venue will lie in Collin County, Texas.

XXVI.
No Third Party Beneficiary

For purposes of this Contract, including its intended operation and effect, the parties (CITY and CONSULTANT) specifically agree and contract that: (1) the Contract only affects matters/disputes between the parties to this Contract, and is in no way

intended by the parties to benefit or otherwise affect any third person or entity notwithstanding the fact that such third person or entity may be in contractual relationship with CITY or CONSULTANT or both; and (2) the terms of this Contract are not intended to release, either by contract or operation of law, any third person or entity from obligations owing by them to either CITY or CONSULTANT.

XXVII.
Anti-Boycotting & Anti-Discrimination

In accordance with Chapter 2271, Texas Government Code, a Texas governmental entity may not enter into a contract with a company for the provision of goods or services unless the contract contains a written verification from the company that it:

- (1) does not boycott Israel; and
- (2) will not boycott Israel during the term of the contract.

Chapter 2271 does not apply to (1) a company that is a sole proprietorship; (2) a company that has fewer than ten (10) full-time employees; or (3) a contract that has a value of less than One Hundred Thousand Dollars (\$100,000.00). Unless the company is not subject to Chapter 2271 for the reasons stated herein, the signatory executing this contract on behalf of the company verifies by its signature on this Contract that the company does not boycott Israel and will not boycott Israel during the term of this contract.

In accordance with Senate Bill 13, 87th Leg., R.S., to be codified in Chapter 2274, Texas Government Code, a Texas governmental entity may not enter into a contract with a company for the provision of goods or services unless the contract contains a written verification from the company that it:

- (a) does not boycott energy companies; and
- (b) will not boycott energy companies during the term of the contract.

Chapter 2274 does not apply to (1) a company that has fewer than ten (10) full-time employees; and (2) a contract that has a value of less than One Hundred Thousand Dollars (\$100,000.00). Unless the company is not subject to Chapter 2274 for the reasons stated herein, the signatory executing this contract on behalf of the company verifies by its signature on this Contract that the company does not boycott energy companies and will not boycott energy companies during the term of this contract.

In accordance with Senate Bill 19, 87th Leg., R.S., to be codified in Chapter 2274, Texas Government Code, a Texas governmental entity may not enter into a contract with a company for the provision of goods or services unless the contract contains a written verification from the company that it:

(a) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and

(b) will not discriminate during the term of the contract against a firearm entity or firearm trade association.

Chapter 2274 does not apply to (1) a company that has fewer than ten (10) full-time employees; and (2) a contract that has a value of less than One Hundred Thousand Dollars (\$100,000.00). Unless the company is not subject to Chapter 2274 for the reasons stated herein, the signatory executing this contract on behalf of the company verifies by its signature on this Contract that the company does not discriminate against energy companies and will not boycott any firearm entity or firearm trade association and will not discriminate against any firearm entity or firearm trade association during the term of this contract. Notwithstanding the foregoing, such provision does not apply to a governmental entity that:

(a) contracts with a sole-source provider; or

(b) does not receive any bids from a company that is able to provide the required written verification.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have set their hands by their representatives duly authorized on the day and year first written above.

CITY OF MCKINNEY

By: _____
PAUL G. GRIMES
City Manager

Date Signed: _____

ATTEST:

EMPRESS DRANE
City Secretary

APPROVED AS TO FORM:

MARK S. HOUSER
City Attorney

Terracon Consultants, Inc., a Delaware Corporation

By: _____
Name: _____
Title: _____

Date Signed: _____

Attachment "A"

Scope of Work

City of McKinney

Facility Condition Assessment Services

Response to Request for Proposal

January 11, 2023

Terracon Proposal # PFA226200

TIPS Contract # 210602



8901 John W. Carpenter Freeway, Suite 100
Dallas, TX 75247
Phone: (214) 630-1010

Nationwide
Terracon.com

- Environmental
- Facilities
- Geotechnical
- Materials

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Appendices

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- Appendix B - Facility Elements Included in the Scope of Work
- Paragon Subscription and Service Agreement (Revised January 10, 2023)

1. Executive Summary

Terracon Consultants, Inc. (Terracon) appreciates the opportunity to submit this proposal for providing professional services to meet the City of McKinney's ("City") requirements for Facility Condition Assessment Services.

Terracon provides professional consulting services through our nationwide network of offices covering four related disciplines that include: Environmental, Facilities, Geotechnical and Materials. For more detailed information on all of Terracon's services please visit our web site at <http://www.terracon.com>. Work to conduct an FCA is provided by staff from our Facilities division. Terracon has a 100% commitment to the safety of its employees and professional relations. As such, Terracon will conduct our services in accordance with our incident and injury free® (IIF®) culture.

1.1. Primary Point of Contact

The mailing address, telephone number, and the name of the main point of contact for the consultant team is provided below.

Name: Michael Hull, P.E.
Address: 8901 John W. Carpenter Freeway, Suite 100 , Dallas, Texas 75247
Phone: Office: (214) 630-1010 Mobile: (918) 852-9363
Email: michael.hull@terracon.com

1.2. Facility Condition Assessment Experience and Qualifications

Terracon has long-recognized the challenges faced by building owners to manage their Facility Assets, and since 2001 has grown a consulting division within our firm that focuses entirely on facilities and their varied buildings systems - from curb to roof top and all systems in between. To date, we have assessed over one billion square feet of facility assets.

Our engineering, architectural and construction professionals are specialists and bring their backgrounds to focus on the on-going management of existing facility systems, namely the assessment, remedial planning/implementation, and on-going asset management. Over 90% of our business is focused on existing facilities.

FCAs are conducted for owners who desire an independent, "third-party" assessment of facility assets ranging from individual building systems to multi-site portfolios. As a Facilities Consulting and Engineering firm, Terracon routinely provides Condition Assessment services as part of our broader service line capabilities. We have performed thousands of condition assessments as well as associated services related to deficiency correction, facility renewal and strategic planning for the on-going maintenance and operation of facility assets.

An FCA includes the systematic inventory of building and site infrastructure components, determination of operational condition, documentation of observed deficiencies, and development of multi-year, prioritized forecasts of costs for maintenance, repair, and capital

renewal. We specifically inventory facility assets by its component parts, defining type, age, and quantity, and then quantify facility conditions in terms of cyclical renewal needs and non-cyclical repairs and restoration. Our deliverables classify, rank, and prioritize facility components with respect to deficient conditions and prioritize correction projects by severity, risk, cost, and anticipated lifecycle.

The financial plans we generate include forecasts of estimated capital investments required to address both cyclical renewal needs and non-cyclical repairs and restoration. These forecasts give facility owners the ability to compare multiple “what-if” funding strategies that helps them optimize their plans for asset preservation. Our work supports client development of long-term financial plans that protect the value of facility assets.

In addition to our typical FCA services, we also can generate preventive maintenance plans and schedules, conduct maintenance process reviews, recommend key performance indicators for measurement of improved performance, assist with the selection of maintenance management software, and provide recommendations for needed staffing skill sets and levels.

1.3. Advantages to Selecting the Terracon Team

We pride ourselves in exceeding our clients’ expectations through active partnering and collaboration to achieve desired goals. Terracon’s company mission benefits our clients by focusing on seven major areas of performance, each with a benefit to our clients, as outlined below.

- **History of FCA Work**

Conducting facility assessments since 2001. To date, we have assessed over one billion square feet of facility assets.

- **Demonstrated Technical Competence**

Our staff are not just Facility Assessors; they are specialists in the various facility systems. Our project teams include Licensed Professional Engineers, Licensed Architects, Field Engineers, and Registered Consultants, with support by experienced management staff, subject matter experts and IT professionals. Our on-staff specialists in MEP, Structural, Architecture and Building Envelope form the basis of that technical competence that is validated by our past project delivery success. This is a benefit to our clients in that we provide assessment findings that are accurate and reliable.

- **Management Experience**

Management personnel designated for the delivery team on this contract are all versed in Facility Condition Assessment and overall Facility Asset Management Programs. We have a detailed understanding of how to use the condition assessment data moving forward to actual planning and program implementation.

- **Ability to both Assess and Design Remedial Solutions for our Findings**

Our history of condition assessment experience is supported by actual remedial design and capital project implementation for our clients providing a unique understanding of asset management. This experience is leveraged to consult our clients to establish the most effective

operational practices for their situation. We use the identified facility condition and remaining service life to develop options for the owner to extend the service life, or replacement based on client requirements and ROI analyses. We offer true partnering collaboration with our clients; our facility asset management goals are in tune with theirs - long term performance at economically achievable unit cost.

■ **Real Word Experience**

We carry real-world experience in the multiple specializations required to understand a building and its operational requirements. Our expertise is based in diagnostics, design, and installation of these systems. We provide cost-effective recommendations and options to meet the project budget and client expectations. Our clients can be confident that our assessment findings will be informed by real project experience, enabling us to work together to achieve our Client's goals.

■ **Company Size**

Terracon has the bench strength resources and commitment to meet most any project schedule.

■ **100% Employee-owned Firm**

Terracon's success is derived from the dedication and commitment of our personnel. There is a strong sense of accountability within our staff and this professionalism is passed on to our clients.

1.4. Contracting

We understand you wish to contract for this work as a member of TIPS, based on Terracon's selection by TIPS as an authorized vendor to provide Facility Condition Assessment services to its members. Our work will be performed in accordance with the Professional Services Contract (PSC) provided by the City of McKinney, the terms of which will control in the event of any conflict with this proposal. To authorize us to proceed with the work as proposed, please send us a written Notice to Proceed, Purchase Order or Task Order that includes the City's TIPS member number and references Terracon's TIPS Contract Number, 210602.

1.5. Closing

We appreciate your request to work with Terracon and allowing us to help you support your facility asset management needs. As always, we are happy to answer any questions and assist you with any necessary training or additional services in Environmental, Geotechnical, Materials, or Facilities engineering. Please reach out to us should you require anything.

Sincerely,

Terracon Consultants, Inc.


William J. Faesenmeier
Senior Facilities Consultant
william.faesenmeier@terracon.com



Douglas R. Baum
National Director of Facility Assessments
doug.baum@terracon.com

2. Experience and Qualifications of Consultant/Team Members

2.1. Corporate Information

Company Name: Terracon Consultants, Inc. (Terracon)
 Type of Company: Corporation, incorporated 12/4/2003, State of Delaware
 Ownership: 100% employee owned
 Year Founded: 1965
 Years in Business: 57
 Current Employees: 5,000 +
 Years Providing Facility Condition Assessment Services: 21

Terracon provides engineering consulting services through each of its four major Divisions: **Environmental, Facilities, Geotechnical** and **Materials**. Terracon is a large national firm providing services for various clients throughout the country. Since the focus of this project is on Facility Condition Assessments (FCAs), we have limited the presentation of our capabilities to our Facilities Division only.

	Headquarters	Managing Office
Address:	10841 S. Ridgeview Road	8901 John W. Carpenter Freeway, Suite 100
City, State Zip:	Olathe, KS 66061	Dallas, TX 75247
Phone:	(800) 593-7777	(214) 630-1010
Fax:	(913) 599-0574	
Email Address:	corporate@terracon.com	

Over its history, Terracon has achieved significant expansion through both internal growth and acquisitions. Terracon currently provides services in all 50 states with more than 5,000 employees in 150 offices. Additionally, we partner with our U.S. clients to serve their international needs.

Over 200 staff are currently assigned to various offices within the Facilities Services Division. Over 100 Terracon staff members have previous management and/or field experience conducting data-driven, software supported Facility Condition Assessments in the past few years.



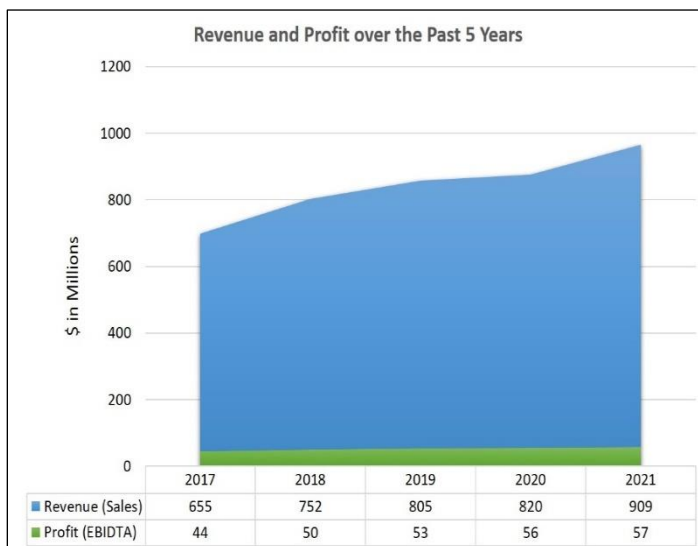
Figure 1 -Terracon Office Locations

We have a core team of senior professionals that are actively involved in the management of multi-site FCA projects. Staff includes professional engineers, registered architects, and information technology specialists.

2.2. Financial Information

Terracon provides services on thousands of projects each year. Company revenues in 2021 totaled \$909 million. Terracon is a stable firm that is growing both geographically and through the expansion of our services offered to our clients.

Neither Terracon or its parent company has ever filed for bankruptcy or any form of Reorganization under the Bankruptcy Code. Neither Terracon or its parent company has ever received any sanctions or is currently under investigation by any regulatory or governmental body.



2.3. Major FCAs Performed in the Past Five Years

Table 1 below lists major FCA projects undertaken by Terracon in the last five years. Projects are listed in chronological order by contract Start Date.

Client	Scope	Location	Sites	Bldgs	GSF	Start Date	End Date
Tarrant County	FCA	Fort Worth, TX	50	82	5,509,012	Sep-22	In Progress
Port Authority of San Antonio	Roof Assessment	San Antonio, TX	91	91	6,489,668	Sep-22	In Progress
National Academy of Sciences	FCA-Phase II	Washington, DC	2	2	771,430	Aug-22	Sep-22
Avista Corporation I	FCA-Phase II	Spokane, WA	6	7	342,000	Aug-22	Sept-22
City of Moorpark	FCA	Moorpark, CA	24	10	110,978	Jun-22	Sep-22
Port Authority of San Antonio	Pilot - Roof Assessment	San Antonio, TX	1	1	136,532	May-22	May-22
National Academy of Sciences	FCA-Phase I	Irvine, CA	1	1	45,570	Mar-22	May-22
City of South Bend	FCA	South Bend, Indiana	43	79	1,818,353	Feb-22	Aug-22

Response to RFP - Facility Condition Assessment Services

Client	Scope	Location	Sites	Bldgs	GSF	Start Date	End Date
Putnam City Schools	FCA	Oklahoma City, OK	29	35	2,955,708	Jan-22	Jul-22
American Electric Power Corporation	FCA-Phase III	29 Cities, 8 States	29	47	1,392,112	Sep-21	Jan-22
Foley Equipment Company	FCA	Kansas and Missouri	12	33	898,236	Aug-21	Jan-22
University Hospitals Authority and Trust	FCA-Phase II	Oklahoma City, OK	5	9	2,916,787	Jul-21	Dec-21
Town of Mount Pleasant	FCA	Charleston, SC	25	44	205,033	Jul-21	Dec-21
ERO Architects	FCA	Mercedes & Brownsville, TX	2	5	49,275	Mar-21	May-21
Ball Aerospace & Technologies	FCA	Boulder, CO	26	39	2,042,846	Mar-21	Jul-21
Sodexo Roth	Facility Component Inventory	Amtrak Stations, Various Cities, Nationwide	19	19	2,053,373	Aug-20	Dec-20
Beeville Development Authority	FCA	Beeville, TX	1	13	354,135	Mar-20	Oct-20
Knight-Swift Transportation	FCS Software Subscription + Training	Nationwide	65	65	2,508,103	Apr-20	Aug-20
Confidential Healthcare Client	FCA, Data Migration, Data Updates	Nationwide	1066	1400+	90 million+	Feb-20	In Progress
California Department of Fish and Wildlife	FCA + Enviro Health and Safety Studies	California, Statewide	233	2000+	6,826,682	Jan-20	In Progress
City of Augusta	Roof Assessment	Augusta, GA	74	74	991,289	Dec-19	Feb-20
White Earth Nation-Phase III	FCA	Minnesota, 5 Cities	7	17	119,467	Oct-19	Dec-19
Portland General Electric	FCA + Seismic Risk Assessment	Portland, OR	18	57	628,192	Nov-19	Jan-20
Elbert County	FCA + Space Management Plan	Elbert County, CO	5	7	92,068	Jul-19	Oct-19
American Electric Power Corporation	FCA-Phase II	139 Cities, 8 States	160	160	2,059,350	Jun-19	Dec-19
Forsyth County, North Carolina	FCA	Smith Airport, Winston-Salem, NC	1	8	626,431	Jun-19	Oct-19
University Hospitals Authority and Trust	FCA-Phase I	Oklahoma City, OK	4	8	1,391,909	Jul-19	Sep-19
University of California (sub to Parsons Corp)	FCA	Statewide, California	13	945	23,300,000	Dec-18	In Progress
BMW Manufacturing Co.	Roof Assessment	Spartanburg Plant, Greer, SC	1	44	8,906,902	Nov-18	Feb-19
White Earth Nation	FCA-Phase II	Minnesota, 8 Cities	30	38	393,895	Oct-18	Jan-18

Client	Scope	Location	Sites	Bldgs	GSF	Start Date	End Date
American Electric Power Corporation - Phase I	FCA	50 Cities, 11 States	149	149	7,043,623	Sep-18	Dec-18
United Community Action Partnership	FCA	Various Cities, Minnesota	42	42	114,900	Sep-18	Oct-18
San Antonio Housing Authority	FCA (HUD Housing)	San Antonio, TX	109	1,638	7,966,915	Aug-18	Dec-21
Immanuel Health System	Limited FCA (Services & Kitchen Equipment)	Omaha and Lincoln, NE	4	4	627,765	Jul-18	Aug-18
Georgetown County School District	Roof Assessment	Georgetown, SC	19	19	2,100,000	Jun-18	Oct-18
Horry-Georgetown Technical College	FCA, Asbestos Survey, Energy Audit	Conway, SC	1	3	114,366	Jun-18	Jul-18
City of San Rafael	FCA	San Rafael, CA	18	18	151,483	May-18	Jan-19
School District of Escambia County	Roof Assessment	Pensacola, FL	53	254	6,016,933	May-18	Oct-18
Morlin Asset Management, LP	FCA, Seismic Risk Assessment and ALTA Survey	Los Angeles Union Station, CA	1	2	161,000	Apr-18	Apr-19
City of Dallas, Water Utilities Department	Roof/HVAC Assessment	Dallas, Texas	275	275	1,500,000	Oct-17	Jun-18
Avista Corporation	FCA-Phase I	Oregon, Washington, Idaho	34	76	981,467	Aug-17	Dec-17
White Earth Nation	FCA-Phase I	Minnesota, 9 Cities	22	27	273,182	May-17	Sep-17

Table 1 - Facility Condition Assessment Projects, Last 5 Years

2.4. Technical Competence and Management Qualifications

Terracon’s demonstrated technical competence lies in two areas: (1) delivery of Facility Condition Assessments for high-level, complex, operationally sensitive, and occupied buildings. Additionally, (2) the management personnel designated for the delivery team on our projects are all versed in Facility Condition Assessment and overall Facility Asset Management Programs.

Few can compare to the specialized technical competence and the detailed understanding of how to use the condition assessment data moving forward to actual planning and program implementation. Our condition assessment experience is supported by actual remedial design and capital project implementation for our clients providing a unique understanding of asset management.

Terracon’s technical competence and management qualifications are readily demonstrated by our on-going service relationships with higher education, municipal government, and healthcare clients. Many of these relationships span multiple projects and multiple years. These types of relationships only occur when you constantly deliver both technically and

performance-wise, doing what is needed to deliver desired results in a timely and cost-effective manner.

Meetings will be facilitated to ensure our Team develops common goals, establishes clear roles and responsibilities, and solidifies expectations about how to work together to achieve the project goals. Cutting-edge technology will enable the Team's communications and decision making. Virtual meetings will ensure steady progress. Team Leaders will monitor performance to address unforeseen issues are addressed.

2.5. Key Staff Assigned to the Project

Terracon will designate key resources to be available to ensure responsive service. We will make available the staff resources required to deliver within the schedule constraints and scope requirements of this contract.

Listed below are summary outlines describing the key staff we plan to assign to this project. The information describes their current position in the firm, their educational background, and years of work experience. It includes relevant professional registrations and certifications, relevant experience, and their proposed role on the project.

Project Management and Support

Michael J. Hull, P.E.

Company Position: Group Manager, Senior Project Manager

Education: Bachelor of Science, Civil Engineering, Oklahoma State University, 2010

Years' Experience: 11

Registrations/Certifications: Professional Engineer, Texas Board of Professional Engineers #124942

Relevant Experience: Facility condition assessments, property condition assessments, investigations, engineering, environmental and project management services. Building performance diagnostics and system condition assessments.

Proposed Project Role: Project Manager

Richard Timm II, P.E.

Company Position: Senior Engineer

Education: M.S. Civil Engineering, Oklahoma State University, 1997; B.S. Civil Engineering, Texas A&M University, 1992

Years' Experience: 30

Registrations: Professional Engineer, Texas No. 82978; Certified BUILDER™ Inspector; Project Management Professional, No. 1318155; LEED Accredited Professional; Certified Facility Manager

Relevant Experience: Facility condition assessments, property condition assessments, forensic engineering consulting services, building component and system failure

investigations, pavement failure assessments, capital improvement and project planning, and operations and maintenance consulting.

Proposed Project Role: Authorized Project Reviewer (APR)

William Faesenmeier

Company Position: Senior Facilities Consultant

Education: Bachelor of Environmental Design, 1983, Miami University, Ohio

Years' Experience: 39

Relevant Experience: Roof Asset Management, Facility condition assessments, property condition assessments, owner representation, construction reviews, construction monitoring, asbestos and lead-based paint consulting, and Asset Management software design.

Proposed Project Role: Data Manager, Data Analyst, Software Trainer

David Schultz

Company Position: Senior Facilities Consultant

Education: Master of Science, Organizational Development, 2014, University of San Francisco; Bachelor of Science, Facilities Management, 2007, Brigham Young University

Years' Experience: 13

Registrations/Certifications: Educational Facilities Professional - EFP (APPA)

Relevant Experience: Facility condition assessments, property condition assessments, owner representation, managed in-house and outsourced facility maintenance departments, general contractor, developed preventative maintenance plans, and established performance standards for measuring and selecting Computerized Maintenance Management Systems (CMMS).

Proposed Project Role: Data QC Lead

Johanna Barber

Company Position: Senior Project Engineer

Education: Bachelor of Science, Civil Engineering, 2009; Master of Science, Civil-Structural Engineering, 2010; Florida Institute of Technology (FIT) Melbourne FL

Years' Experience: 10

Registrations/Certifications: Professional Engineer, Texas, No.124602, 2016; Professional Engineer, Florida, No. 77573, 2014

Relevant Experience: Facility condition assessments, property condition assessments, field investigations, analysis, evaluations, and recommendations for repairs and restoration. Design and assessment of structural steel, cast-in-place concrete, pre-cast concrete, masonry, and wood structures. Structural-mechanical engineering experience in the offshore oil & gas industry

Proposed Project Role: Data QC

Field Assessment Staff

Terracon has over 100 staff members that have previous experience conducting FCAs in the past five years. Field data collection is typically performed by teams of individuals. Staff are selected for projects based on their specialized experience in major building systems (structure, exterior envelope, interiors, mechanical, electrical, plumbing, fire protection, and site development) availability, and their geographic proximity to the project sites.

The list of Field Assessment Staff below includes the individuals we anticipate assigning to this project. In certain cases, we have included multiple staff assigned to the same building systems. Due to the size of the portfolio, and the anticipated duration of the field assessment work, one or more field assessors may be added to the Team to allow for planned vacations or competing project assignments that may impact selected assessors assigned to the project. Based on the geographic spread of the facility locations, Terracon may elect to assign multiple teams to assess smaller facilities in separate locations at the same time.

Saeed Foroughi

Company Position: Senior Facilities Professional

Education: Richland College, Richardson, Texas, 1988; Austin Community College, Austin, Texas, 1991; Graduate of Capitol City Trade and Technical School, Certified, 1992

Years' Experience: 29

Registrations/Certifications: American Society of Mechanical Engineers (ASME), American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE)

Relevant Experience: Facility condition assessments, property condition assessments, MEP systems design, field construction administration, MEP construction observations, MEP assessments, commissioning, retro-commissioning

Proposed Project Role: Field Assessor, MEP Systems

Erik Gonzalez, P.E., CEM

Company Position: Senior Engineer

Education: Bachelor of Science, Engineering (Mechanical Emphasis), Texas Christian University, Fort Worth, Texas, 2003

Years' Experience: 18

Registrations/Certifications: Professional Engineer: Texas, No. 111426 (Mechanical); New Mexico, No. 26329 (Mechanical); Certified Energy Manager, Association of Energy Engineers No. 14479; Commercial Energy Inspector/Plans Examiner w/ASHRAE 90.1, International Code Council No. 9269324

Relevant Experience: Facility condition assessments, property condition assessments, design, energy audits, energy conservation code inspections, energy modeling, MEP forensics, commissioning, and retro-commissioning

Proposed Project Role: Field Assessor, HVAC and Plumbing Systems

Anthony Stufflebean

Company Position: Field Facilities Professional

Education: Bachelor of the Arts, History, University of North Texas, Denton, Texas, 2014

Years' Experience: 8

Certifications: Thermal/Infrared Thermography, Electrical/Mechanical Specific, Level I
Certificate Number - 210209-1

Relevant Experience: Facility condition assessments, property condition assessments, drafting, surveying, design of building automation systems, HVAC systems, and lighting systems. Commissioning and test & balancing on federal locations and universities.

Proposed Project Role: Field Assessor, Building Envelope and Structure

TK Jordan

Company Position: Field Facilities Professional

Education: Bachelor of Science in Mechanical Engineering Technology (BSMET), University of North Carolina at Charlotte, 2019

Years' Experience: 3

Relevant Experience: Facility condition assessments, property condition assessments.

Proposed Project Role: Field Assessor, HVAC and Plumbing Systems

Adam Renfro

Company Position: Field Facilities Professional

Education: Bachelor of Civil Engineer, Florida Institute of Technology at Melbourne, 2012

Years' Experience: 4

Relevant Experience: Facility condition assessments, property condition assessments.

Proposed Project Role: Field Assessor, Building Structural and Envelope Systems

2.6. Current Workload and Availability of the Terracon Team

Terracon's staff and resources provide maximum flexibility to meet our clients' scheduling needs. The nature of our work requires us to typically provide services on an expedited basis. Our typical backlog is made up of many short duration assignments and therefore our workload varies on a weekly basis. Furthermore, long-term contracts are of indefinite quantity making workload dependent upon individual work orders, and difficult to predict.

The Terracon Team has the flexibility, ability, and capacity to conduct all the services required and to meet the scheduling requirements for this project. Our team has the capacity to perform this work based on actual and projected workload. If additional work is procured during this period, we are committed to increasing staff levels to service all assigned projects. We have made the same commitment on similar contracts with other clients and have never failed to cover the projects assigned to us. The Terracon Team is 100% committed to providing all assignments under this contract in a prompt (timely) and cost-efficient manner.

2.7. Experience with Life-Cycle Cost and Value Engineering

Terracon routinely provides life-cycle cost estimates as part of facility condition assessment projects. Estimates are based on design life standards from sources such as BOMA, HUD, Fannie Mae, Freddy Mac, the Department of Energy, ASHRAE, and other cost estimating resources such as RS Means, CostLab, and the DOD. Estimated remaining service life (RSL) is calculated based on standard physical and operation ratings, converted to percentages of the estimated service life (ESL) for each building component.

Value engineering services work at Terracon includes quality assurance, peer review, and commissioning services that allows Terracon's testing, forensic, and design services to help guide client through quality and value engineering to avoid or correct problems associated with poorly designed or poorly constructed building systems. Our understanding of building sciences allows Terracon to consult with architects, engineers, developers, and construction managers on topics that affect life cycle cost and value engineering.

Terracon has an extensive library of construction and renovation costs available to our staff to assist with all phases of construction cost estimates. Terracon has provided thousands of reports to clients to affect value added recommendations for geotechnical, environmental, structural, roofing, building envelope, mechanical, electrical, plumbing, energy, ADA, and aquatic systems.

2.8. Software Tools Specifically Supporting FCAs

Terracon's experience in data collection and asset management includes a working history with numerous software tools. We have developed custom solutions using standard Microsoft software such as Excel, Access, Sequel Server, and SharePoint, and are trained in the use of more specialized products like Paragon, Vertex, eComet, Roof Pro, Roofer, Paver, and Builder SMS. We have also prepared custom field data collection tools for facility condition assessment using Device Magic, FastField and Fieldwire. Each was selected on the various factors including portfolio size, budget, client manpower resources, IT requirements, future use plans, etc.

If the Owner's Scope of Work does not dictate a selected software product, we will utilize Paragon, together with its field data collection application called Paragon Data Collector (DC) to store, analyze and report data collected as part of the Facility Condition Assessment (FCA). Together, these products provide time saving functional features for field data collection, data management, analysis, and forecasting based on facilities management industry standard metrics and advanced engineering concepts. We utilize Paragon to increase efficiencies in the field and to enhance our client deliverables.

Our assessment findings can be delivered in non-proprietary spreadsheet and text formats, or we can transfer use of our software to our clients for their in-house use to manage inventory changes, corrective work, and to update annual spending plans. The technology we employ provides time saving functional features for field data collection, data management, analysis,

and forecasting based on facilities management industry standard metrics and advanced engineering concepts.

We have direct experience in exporting data from our FCA software to various third-party Computerized Maintenance Management Systems (CMMS). All data stored in the Paragon database can be exported to various report outputs in Excel file format. Most modern CMMS systems include have data import features as part of the application interface, and data can be easily formatted from Paragon to meet data import requirements.

3. Understanding of Project Scope

Terracon understands that the City of McKinney seeks to contract with a firm to provide a comprehensive, professional Facility Conditions Assessment (FCA) and other related services for identified Citywide facilities. The size of the project involves approximately 66 buildings and structures at 36 different sites. The reported building area is 1,221,261 square feet of floor area.

3.1. Project Goals and Objectives

The goal of most FCA projects is to provide the real estate Owner with an understanding of the current conditions of critical building systems in the facilities and sites included in the Project Scope of Work, and to identify and quantify facility conditions in terms of cyclical renewal needs and non-cyclical repairs and replacements. The information obtained during the assessment is used to develop a multi-year analysis and planning budget for preventative maintenance, deferred maintenance deficiencies and capital renewal replacement projects that protect the value of the Owner's facility assets.

The objectives of the work are as follows:

- 1.) Develop a comprehensive picture of physical conditions and the functional performance of buildings.
- 2.) Analyze the results of data collection and observations, and
- 3.) Provide reporting and present findings.

This data collection and analyses is intended to inform decision-making for long-term capital investments and maintenance planning. We are confident that our approach to the project will meet the stated project goals and objectives.

3.2. Specific Scope of Work Requirements

Based on our correspondence to date, we understand the City is requesting Terracon to provide the following services:

1. Facility Condition Assessment
 - a. Identify and document current conditions of listed City-owned structures (Appendix A)

- b. Identify the current replacement value of each building
 - c. Document the inventory of building components in each facility, rate their physical and operating condition, and determine their current replacement values (CRV)
 - d. Document deficiencies of inventoried building elements that require either repairs or replacements in the near term
 - e. Provide cost estimates for repairs, replacement, and/or reconstruction work for Work Item deficiencies at each of these facilities.
 - f. Forecast future facility renewal/replacement costs for each inventoried building element when it reaches the end of its Useful Service Life.
 - g. The data collected and the analysis it that data shall be input by Consultant into a capital asset management software program to be provided by Consultant.
 - h. Generate a Capital Improvement Plan that includes cost forecasts over a 10-year study period. Forecasts should include costs for 1) corrective actions for observed deficiencies, 2) capital renewal /replacements as components reach end of useful service life, and 3) costs of recommended, ongoing maintenance activities addressing estimated inflationary costs over this period of time.
 - i. At the end of the project, provide the City with access to the FCA software used during the project. This will allow the City to easily track progress of corrective actions carried out and account for new deficiencies observed over time. This will provide the City a foundation for the City's ability to easily integrate these recommended efforts into annual updates to their Capital Improvement Plan.
2. In addition to the FCA project, the City has requested scope of work information for optional, additional services. These services may be considered by the City for performance during or after completion of the FCA project. These additional services include:
- Software Training
 - ADA Survey (Checklist)
 - Energy Audit
 - Retro Commissioning
 - Preventative Maintenance Plan Development

Information describing the scopes of work for Software Training and ADA Surveys are included as scope options in this proposal document. Information describing potential scopes of work for Energy Audits, Retro Commissioning and Preventative Maintenance Plan Development is provided under separate cover.

3.3. Project Approach

Terracon will furnish the personnel, services, equipment, materials, and other necessary resources to conduct Facilities Condition Assessments of specified facility elements at facilities owned and maintained by the City. The FCA will be conducted based on visual, non-

destructive inspection techniques, interviews of persons knowledgeable regarding the construction and maintenance history of the facilities, and review of existing building data and maintenance history.

Assessments will be performed in general conformance with ASTM E 2018-15, *Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process*. FCA's are primarily directed at noting construction defects; components which appear to exhibit less than expected useful service life or which have been poorly maintained. Repairs and replacements are prioritized based on collectively established criteria incorporating the client's specific needs. We generate multi-year financial forecasts giving facility Owners an optimized approach to planning their asset preservation.

We plan to use a software program called **Paragon** together with its field data collection application called **Paragon Data Collector** (DC) to store, analyze and report data collected as part of the FCA. Together, these products provide time saving functional features for field data collection, data management, analysis, and forecasting based on facilities management industry standard metrics and advanced engineering concepts.

3.4. Facilities and Site Assets Included in the Scope of Work

The facilities included in the scope of work are based on information provided by the City. A detailed listing of the facilities included in the FCA Scope of Work is attached as **Appendix A** to this proposal.

3.5. Building Systems Included in the Scope of Work

Our typical inventory of facility components is based on the definitions of building elements as categorized by the *ASTM E1557-Standard Classification for Building Elements and Related Sitework-UNIFORMAT II* structure. The classification serves as a consistent reference for analysis, evaluation, and monitoring during the feasibility, planning, and design stages of buildings. The inventory will be documented mostly at UNIFORMAT II levels 4 and 5, which provides a greater level of detail than the Level 2 Group Elements listed below.

The on-site assessment will be performed using both component-level and system-level inspection methods. Selected sub-elements and components will be grouped as assemblies for inventory and assessment purposes. The inventory will be limited to elements, sub-elements and components that are visible to our assessors without destructive access, unless specifically excluded from the scope as outlined in the table below.

The building components and subcomponents included in the scope of work are listed below.

Building Elements

- | | |
|--|--|
| <input checked="" type="checkbox"/> A10-Foundations | <input checked="" type="checkbox"/> B20-Exterior Enclosure |
| <input type="checkbox"/> A20-Basement Construction (incl. in A10) | <input checked="" type="checkbox"/> B30-Roofing |
| <input type="checkbox"/> B10-Superstructure | <input checked="" type="checkbox"/> C10-Interior Construction |

- | | |
|--|--|
| <input type="checkbox"/> C20-Stair Construction | <input checked="" type="checkbox"/> D50-Electrical |
| <input checked="" type="checkbox"/> C30-Interior Finishes | <input checked="" type="checkbox"/> E10-Equipment (Limited) |
| <input type="checkbox"/> D10-Conveying | <input type="checkbox"/> E20-Furnishings |
| <input checked="" type="checkbox"/> D20-Plumbing | <input type="checkbox"/> F10-Special Construction |
| <input checked="" type="checkbox"/> D30-HVAC | <input type="checkbox"/> F20-Selective Building Demolition |
| <input checked="" type="checkbox"/> D40-Fire Protection | |

Site Elements

- G10-Site Preparation**
- G20-Site Improvements**
- G30-Site Civil/Mechanical Utilities**
- G40-Site Electrical Utilities**
- G90-Other Site Construction**

A detailed listing of the elements to be included in the inventory and Work Item condition assessments in each UNIFORMAT Group is attached as **Appendix B** to this proposal.

Note that selected inventory elements will be excluded from the Scope of Work as described herein based on their hidden construction or low replacement value. Various line items within the UNIFORMAT II catalog are combined as assemblies, and the detailed components which comprise these assemblies are also excluded from the inventory scope.

3.6. Proposed Scope of Work

Terracon will carry out the tasks listed below in performing the FCA work. More detailed discussion of each task follows, grouped by project Phase.

- Listen to our client to clearly understand their requirements. We always seek Owner involvement and engagement in the launch phase so that we can truly align and begin the partnering relationship based on full understanding of Client requirements and needs.
- Review building plans and site plans provided to us for each property included in the Work Scope prior to our on-site assessment.
- Review information provided to us on past, current and/or planned Capital projects and maintenance activities.
- Interview the facilities maintenance supervisor, and/or building engineers knowledgeable regarding the construction and maintenance history of each facility to document current deficiencies already identified by City staff.
- Create a narrative summary describing the major construction features and building systems that comprise each facility.
- Take digital photographs to document existing field conditions.
- Develop an inventory of building components for each facility.

- Perform a non-destructive visual inspection of each facility to identify component-level deficiencies and life-cycle conditions.
- Rate the existing condition of inventoried components to calculate an estimated Remaining Service Life.
- Create Work Items that document observed deficiencies, and that represent the backlog of deferred maintenance at each facility.
- Calculate the costs for component repairs and replacements included in each Work Item based on existing problems and suggested solutions.
- Calculate a Facility Condition Index (FCI) for each building and for individual building systems that comprise each building based on Plant Replacement Values (or Detailed Replacement Values) and Work Item costs.
- Develop cost estimates for deferred maintenance, preventive maintenance, and life cycle costs based on the assessment data.
- Provide report deliverables describing the component inventory, Work Items, and multi-year forecasts for preventative maintenance, capital repair and capital renewal (replacement) costs based on site observations and condition-based remaining useful service life of inventoried components.

Terracon's ability to successfully complete this scope of work is based on our understanding of facility management challenges. We consistently bring value to our clients based on our: 1) knowledge of systems issues and the ability to assess and correct issues found and 2) ability to apply financial planning awareness to our technical decisions which supports our Clients' decision-making needs. The work tasks outlined above are grouped into major Phases of work, as listed below.

- 1.) Phase I - Project Planning
- 2.) Phase II - FCA Field Assessment and Data Collection
- 3.) Phase III - Analysis of Facility Condition Assessment Data
- 4.) Phase IV - Facility Condition Assessment Reporting

3.7. Phase 1 - Project Planning

Preparation is the most critical task for the successful completion of any project. Upon receipt of a contract award and/or Notice to Proceed, our project Team's senior management will begin to conduct the tasks listed below.

3.7.1. Develop and Deliver Kick-Off Meeting Questionnaire

Terracon will provide the City with a Questionnaire and asks that it provide its responses to the questions prior to conducting the Kick-Off Teleconference. We will use the Questionnaire as an agenda for the Kick-Off Teleconference. We will review and confirm the responses to the Questionnaire and respond to open issues or other questions.

3.7.2. Conduct Project Kick-Off Teleconference

Our Project Manager will work with the City's primary point of contact for this project and schedule a Project Kick-Off Teleconference. This meeting is meant to include key project staff from both organizations. The purpose of the meeting is to initiate planning activities and alignment of the project's goals with Terracon's proposed Scope of Work. During this meeting, we will reiterate our proposed scope, clarify issues, remove potential obstacles, and validate the end goals and deliverables we plan to provide. During the meeting, we will identify the City staff responsible for arranging site and building access during the assessment project.

We plan to conduct the Kick-Off meeting via web-based teleconference a few weeks in advance of our proposed mobilization to begin on-site data collection. We will rely on Client point of contact to invite appropriate members of its project team to attend the meeting. Project Kick-Off meetings typically run about an hour.

3.7.3. Obtain and Review Historical Documentation

We request that the City provide us with readily available and pertinent background information describing the construction and maintenance history of the facilities included in the Scope of Work, including information regarding hazardous materials. We ask that data available in electronic format be provided to us soon after the Kick-Off meeting and before we mobilize to the first site.

To minimize delays while on site, we ask that documentation that is only available in hard copy be made available for our review immediately after our mobilization to the site. For hard copy documentation, especially building plans, we ask that the City assemble the documentation and provide temporary workspace for our assessors to review the data. We request to retain such documents until the completion of the project or have copies of relevant documents made available for our use.

Information obtained during the document review will be used as best supports our work and may be recorded in Paragon prior to initiating the site assessments.

3.7.4. Establish Facility Hierarchy

Data stored in Paragon will be organized for analysis and reporting purposes based on its association to a hierarchical list of facility assets. The most common methods of grouping the assets are based on geographic location (regions, states, cities, campuses, sites, etc.), organizational groups (business sectors, divisions, areas, offices, departments etc.) or functional use types (facility type, vacant and occupied facilities, owned or leased facilities, buildings versus land, etc.). The top tier of the hierarchy is typically established as the Owner or Operator of the facilities.

We will confer with the City's Project Manager to determine the asset hierarchy that best supports their plans to manage and report data. The resultant hierarchy will be used to populate the location hierarchy we establish in Paragon.

3.7.5. Review and Confirm System Configuration Settings

We will review the default settings in critical Paragon System Configuration tables and gain concurrence that the default settings are either acceptable for use or need to be changed to match Client-specific requirements. Special attention should be paid to the tables that define budget categories and accounts, direct condition rating values, direct cost burden factors, preventative maintenance settings, and priority ratings.

3.7.6. Background Data Review and Pre-Survey Data Population

Information describing each facility name, number, location, size, and year of construction will be drawn from information provided to us by the City. We will review the background data provided to us for reasonableness and accuracy and may choose to pre-populate our software with this data prior to going to the field. Facility "asset" information will be populated in Paragon and downloaded to field data collection tablets prior to the start of the on-site data collection activity. Information describing component inventory records or Work Items previously defined by the client may be uploaded into Paragon prior to beginning our field data collection.

3.7.7. Scheduling

We will develop an initial draft of our preliminary field assessment schedule for discussion during the Kick-Off Meeting. Following the Kick-Off Meeting, we will update the preliminary schedule so that it meets both the project performance requirements and the City's constraints.

3.7.8. Pre-Survey Staff Calibration

Prior to mobilizing to the site, we will convene a meeting of our On-Site Project Team(s) to calibrate each assessor on the specific scope requirements of the project. We will review standard field data collection procedures, special data collection fields, and project specific requirements for inventory collection per UNIFORMAT II levels.

3.7.9. Support to be Provided by Client

Projects of this size are most successful when the Consultant and the Client enter into a partnering agreement in support of the project's goals and objectives. As a partner, the City can reduce non-productive field time, and enhance data collection accuracy by providing support to Terracon during the project. The areas where we anticipate support from the City are listed below.

- Assignment of Project Manager
- Provide information requested on the Kick-Off Meeting Questionnaire
- Attendance at Kick Off Meeting
- Advance Notification of Site Visits
- Facility Escorts and Access
- Assistance in Scheduling On-Site Interviews
- Providing Background Data for Review
- Review of Data in System Configuration Tables
- Provide Budget Scenarios for Analysis

We assume that the City will appoint a Project Manager to represent their interests for this project. Responsibilities will include project organization, and assistance in scheduling all

meetings required under the Contract. the City's Project Manager will participate in status teleconferences during field work, and will assist Terracon obtain identification badges, vehicle passes and/or site access permits. The Project Manager will be responsible to arrange for access within any secured building areas. Other requirements may include arranging for any Contractual provisions for the City to furnish materials, equipment and/or labor; review and approval of submittals and deliverables; and review and approval of Terracon invoices.

3.8. Phase 2 - FCA Field Assessment and Data Collection

3.8.1. Conduct On-Site Interviews of Client Personnel

As is often the case, specific information regarding individual sites and facilities can be obtained from interviews with a facility manager, building engineer and/or lead maintenance personnel who may have knowledge about the property. Prior to beginning our building walk-throughs as part of the FCA, we will interview City staff who are (1) on-site, and (2) have knowledge regarding each building's construction background and the recent history of facility repair and maintenance activities at each site. We request that the name, telephone number and e-mail address of our primary site contacts be provided to us prior to our visit to each site. Information that is beneficial to our inventory and assessment work may include:

- Equipment lists and nomenclature
- Major repair, replacement or retrofit project data
- Reports of previous, recent facility investigations
- Recent costs for component replacements
- Current facility system problems or concerns,
- Current year planned facility projects
- Facility system warranty information
- As-built construction drawings

We will document background data provided and use it as appropriate while conducting our assessments. We will assume the data provided to us is accurate without third party verification unless our visual observations conflict with the background data provided.

3.8.2. Documenting Facility Data

We will record data describing the general construction of each facility, either from background information provided to us or from field observations. The data will include descriptive narratives, database field entries, and photos.

We will document a narrative Asset Summary and Asset History for each facility included in the assessment and include one or more photos of exterior building elevations. We will record data describing the predominant type of construction, number of stories, year built, and construction/addition history (if known).

Based on interviews of City staff, we will assess and identify whether each of the buildings are serving their original intended role or if they have evolved to another use, and if they are under or over-utilized in their current capacity. We will summarize our findings regarding the ability

of each building to serve current needs, including its ability to accommodate any applicable employees housed in each facility in a functional manner, and analyze if the building is meeting the overall needs of that City department.

We will use this data stored in Paragon to prepare our report deliverables. The FCA report will contain an asset report for each facility assessed. The asset report page will contain the date each facility was assessed. The facility information will include the facility address, facility analysis category (FAC) code, year built, asset size, facility replacement value, and the facility condition index (FCI) calculated for each facility.

3.8.3. Documenting Inventory

Our assessors plan to walk through each of the accessible spaces in each building included in the Scope of Work to make visual observations and to record the inventory of elements, sub-elements and components that make up each building. Each assessor will record his/her observations describing the inventory and condition of the facility components. Data will be recorded in the field using Paragon DC installed on iPads.

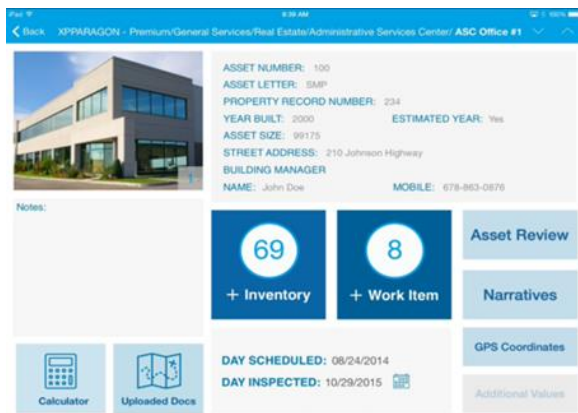


Figure 2 - Tablet Data Collection Screen

Data will be organized and reported using the UNIFORMAT II coding methodology in general accordance with *ASTM E1557-Standard Classification for Building Elements and Related Sitework-UNIFORMAT II*. To collect and record our inventory information, the construction of each building will be broken down into its various components (Level 5), organized within sub-elements (Level 4), individual elements (Level 3), group elements (Level 2) and major group elements (Level 1).

The on-site assessment will be performed using both component-level and system-level inspection methods. In a standard FCA, we typically generate most of the facility inventory at Level 5. Where deemed appropriate, and at our discretion, some inventory may be collected at Levels 4 or 3.

For each component or sub-element, we will record data describing its size or quantity (count, area, a length, and/or a height; whichever measurement is most appropriate for each system) and its year of installation (age). Inventory may be grouped by Section, where appropriate, based on differences of physical, operational and age characteristics. A current replacement value and estimated design life is linked to each component and stored in the Paragon Cost Catalog. This provides the information necessary to forecast component renewals by replacement of each building component into the future.

Photos will be taken of inventory items where it improves our ability to document make, material, finish, size, configuration, or location of the item.

3.8.4. Condition Assessment

The condition of each inventoried component will be assessed and documented after it is inventoried using our Direct Condition Rating (DCR) method, based on standard rating definitions (see **Figure 3**). The ratings will be used (along with other data) to forecast the Remaining Service Life of each inventoried component used in capital renewal forecasting.

In addition to the rating selected, Paragon automatically records the date of the assessment and the individual who performed it. Where appropriate, we will record notes specific to the condition rating. Once the record is saved, the software will display the numerical index linked to the condition rating that is used in calculation of Remaining Service Life as a factor of the original design life of the component.

Direct Condition Rating Definitions		
Rating	SRM Needs	Rating Definition
Green (+)	Sustainment consisting of possible preventative maintenance (where applicable).	Entire component section or component section sample is free of observable or known distresses. Component section is less than one year old.
Green	Sustainment consisting of possible preventative maintenance (where applicable) and minor repairs (corrective maintenance) to possibly few or some subcomponents.	No component section or sample serviceability or reliability reduction. Some, but not all, minor (non-critical) subcomponents may suffer from slight degradation. Component section greater than one year old.
Green (+)		Slight or no serviceability or reliability reduction overall to the component section or sample. Some, but not all, minor (non-critical) subcomponents may suffer from minor degradation or degradation of more than one major (critical) subcomponent may suffer from slight degradation.
Yellow (+)	Sustainment or restoration to any of the following: Minor repairs to several subcomponents; significant repair, rehabilitation, or replacement of one or more subcomponents, but not enough to encompass the component section as a whole; or combinations thereof.	Component-section or sample serviceability or reliability is degraded but adequate. A very few major (critical) subcomponents may suffer from moderate deterioration with perhaps a few minor (non-critical) subcomponents suffering from severe deterioration.
Yellow		Component section or sample serviceability or reliability is definitely impaired. Some, but not a majority, of major (critical) subcomponents may suffer from moderate deterioration with perhaps many minor (non-critical) subcomponents suffering from severe deterioration.
Yellow (-)		Component section or sample has significant serviceability or reliability loss. Most subcomponents may suffer from moderate degradation or a few major (critical) subcomponents may suffer from severe degradation.
Red (+)		Significant serviceability or reliability reduction in component section or sample. A majority of subcomponents are severely degraded and others may have varying degrees of degradation.
Red	Sustainment or restoration required consisting of major repair, rehabilitation or replacement to the component section as a whole.	Severe serviceability or reliability reduction in component section or sample such that it is barely able to perform. Most subcomponents are severely degraded.
Red (-)		Overall component section degradation is total. Few, if any, subcomponents are salvageable. Complete loss of component section or sample serviceability.

Figure 3 - DCR Definitions

3.8.5. Components Beyond Service Life

In addition to the standard ratings shown in Figure 4, Terracon will assign separate ratings for building components that are determined to be beyond their Estimated Service Life (ESL), often called their Design Life. These ratings are encoded with the prefix of BSL, to indicate the component is beyond its service life based on age. BSL rating indexes are 50% of the standard Direct Rating Index of the same level.

3.8.6. Components Abandoned in Place

Another rating will be added to the lookup table for Direct Rating Indices, called Abandoned-in-Place, Non-Functional. This rating, abbreviated as AIP-NF, is used to document the condition of components that assessors learn in the field have been abandoned for use, have not been working for some time, and are not planned for repair or replacement. The Direct Rating Index for a component rated AIP-NF is zero (0), which sets the Estimated Remaining Service Life to zero years.

3.8.7. Age-Based Ratings

For inventoried components that (1) cannot be seen without destructive access methods and (2) no information describing the condition of the component has been provided by either client background data or by interviews with escorts, the component will be rated as AB-RSL. This stands for Age-Based Remaining Service Life. Components rated as AB-RSL will have an estimated RSL calculated as the Estimated Service Life minus the chronological age of the component. The Rating Risk priority will be automatically set by the software based on age calculations.

This rating is typically applied to inventory components that cannot be visually observed. An example would include Branch Wiring, or Domestic Water Distribution Piping. If the component is known to be past its Service Life, the assessor may defer from using the AB-RSL rating since such a rating would drive the requirement for complete replacement of the component, which may not be warranted.

3.8.8. Documentation of Work Items

As we observe and document our inventory and condition assessment findings, we will record data describing observed deficiencies. These are called "Work Items." Work Items will be evaluated in the field for potential repair or replacement.

For each Work Item, we will assign a Work Item Name, and describe the Distress Type and Work Category. Data for Distress Type will be selected from the list of Deficiency Categories stored in the Paragon system Configuration tables.

We will prepare a narrative Problem Statement and Solution Statement for each deficiency describing the nature of the deficiency and our proposed method to mitigate the problem. We will describe potential code issues if they are observed on any Work Item. Work Items are linked to Budget Categories and Budget Accounts. Our assessors will assign a Priority Rating and Impact Type to each deficiency. These priority ratings will be assigned in a consistent manner across all facilities and are based on the knowledge and experience of the assessor. Priority ratings are evaluated based on the ability to operate each building component in a safe manner and the anticipated potential for failure of systems or components.

We will take digital photographs and link them to each Work Item we record in the field. Selected photos will be used in development of report deliverables. Our clients value these photos as they are useful in "selling" the need for a repair project while establishing a snapshot-in-time record of an identified deficiency that can be used later to determine if a known condition may have worsened.

Any observation of "immediate" life/safety concerns will be brought to the attention of the on-site client representative and the Client's Project Manager. Deficiencies with a cost to remediate less than \$3,000 will be considered as Maintenance items and will not be included as Work Items.

3.8.9. Field Data Uploads and Data Quality Control

Data collected in the field will be uploaded at the end of each day from our field data collection tablets to the FCA application software housed in the Web. Built-in quality control checks are run from within the field data collection software to ensure data integrity and quality prior to uploading data to the Web application.

3.8.10. Identifying and Resolving Data Collection Issues

Terracon's Methodology and Processes for providing FCA services, like all our services, are centered on one of our Core Values - QUALITY.

As field data uploads are completed for each building, and prior to data analysis, a Data Quality Control Specialist will review data stored in Paragon for reasonableness, thoroughness, adherence to scope requirements and for consistent use of standard terminology. Like the mobile application, Paragon also includes several automated data queries that are used as quality control checks to highlight data anomalies and potential errors. The work performed by Data QC Specialists serves to identify inventory oversights, and questions regarding material quantity, age, and condition.

Should questions arise, we will interview the assessors who performed the work for clarification of data issues. We make extensive use of our field assessors field notes and photographs to ensure data quality. If data issues are identified, spreadsheets listing potential issues are provided to the field assessors for review and update.

3.8.11. Facility Access and Limitations for On-Site Data Collection

Roof Access

We will walk over low-sloped roofs and steep sloped roofs with a pitch of 3/12 or less. Roofs with a pitch greater than 3/12 will be observed from the ground, adjacent buildings, or man-lifts if provided. We will rely on the City to provide ladders or man-lifts to gain access to rooftop areas where internal access or fixed ladders are not provided.

Crawl Spaces and Attics

We do not intend to crawl through attics or crawl spaces, or into storage tanks as these may be defined as confined spaces.

Electrical Panels and Energized Equipment

We do not intend to remove cover plates from electrical panels or de-energize existing equipment. The removal of electrical panel plates would require that the panels be de-energized as a safety precaution. Should the City desire that front plates be removed from electrical panels, we can arrange for such services for additional fees.

3.9. Phase 3 - Analysis of Facility Condition Assessment Data

3.9.1. FCA Work Item Cost Estimating

Once the component inventory is documented and assessed, Work Items have been created, and the data has been reviewed, we will create cost estimates for remedial actions based on documented problem and solution statements. We intend to use in-house cost databases developed by Terracon. Costs in these databases include common repair and replacement unit costs derived from industry standard data sources, such as *RSMMeans Online*, years of facility assessment cost estimating, contractor estimates and corporate research.

Cost estimates will be generated at a "preliminary planning" level of detail and should be considered as order of magnitude estimates (+/- 25%) for potential work without design or bid

estimates, and with no information regarding the method of execution, time of year to conduct the work or schedule to complete the work. Estimates we enter will reflect direct costs for material and labor.

Soft-cost markup factors for inflation, geography, contractor overhead and profit, and owner’s design fees, supervision, and contingencies will be applied to the direct costs from settings stored in Paragon to generate fully burdened cost estimates. By storing the soft cost mark-ups separately from the raw costs, a Client can modify cost estimates in the future should local conditions change.

3.9.2. FCA Requirements Analysis

Following completion of the field data collection, data review, and Work Item cost estimating, we will analyze the data and prepare reports to meet the Scope of Work requirements for deliverables. For this project, we plan to generate a Requirements Analysis forecast over a ten (10) year study period.

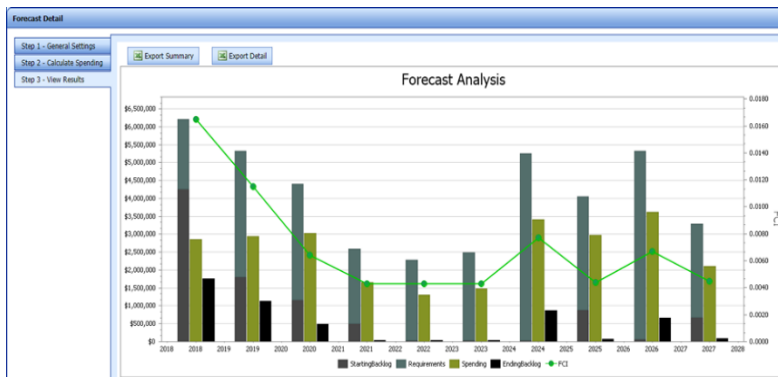


Figure 6 - Sample Graph of Ten-Year Analysis Forecast

We will calculate current and future year costs for (1) deferred maintenance reduction, (2) annual preventative maintenance plus (3) replacement costs for components that reach the end of their estimated service life during the term of an analysis period.

Requirements analysis does not consider funding that may be available over the analysis period, but rather, focuses only on costs for repairs, replacements, maintenance, or other defined Work Items in the year it is first recommended for remedial action.

3.10. Phase 4 - Facility Condition Assessment Reporting

3.10.1. FCA Reporting and Project Deliverables

We will submit a report summarizing the FCA and our findings at the end of the project. The report will be provided in electronic file format. We will utilize the data stored in Paragon, as well as the results of various data analyses we will run using the software to prepare our report deliverables. Our reports will include a narrative overview of our work, plus data attachments extracted from Paragon and stored in either in .xls (Excel), .pdf (Adobe) or .doc (Word) file formats.

We will prepare a draft report to be reviewed by the City. Following their review of the draft report, we will make any modifications that may be necessary and issue a Final Report. Our report will include the following sections and attachments:

Executive Summary:

The Executive Summary will be a narrative describing the overall scope of the work, type of assessment, and our evaluation of the overall condition and estimated costs for preventative maintenance and capital renewals at end of service life over the analysis study period. We will include summary and detail spreadsheet data and graphs depicting any requirements, budgets and forecasts generated as part of the data analysis.

Report Body:

The Report Body will be a narrative that describes the project background and the goals and objectives met during the work. It will include discussion of the scope of work carried out for the project, including the facilities included in the scope and their hierarchical organization. A section on Project Execution will describe the means and methods used to complete the project. Discussion will be included on the Project Kick Off and background data review. The on-site facility assessment will list Terracon staff who conducted the work and describe our interviews of County staff.

The Report Body will describe our documentation of facility inventory and our field condition assessment rating methods. We will describe the data analyses run as a part of the project and define any qualifications or exclusions from the survey.

The Inventory and Condition Assessment Findings section of the report summarizes the size of the real estate portfolio included in the project. It will describe the methodology used to calculate Plant Replacement Values for each facility in the scope. It will summarize the number of facility and site components included in the inventory and describe its Detailed Replacement Value. It will summarize the number of Work Items and Work Packages generated during the assessment. The report will define the methodology used to calculate Facility Condition Indexes (FCI) for each facility and summarize the portfolio by building FCI ranges. This section of the report will also describe the factors used to calculate preventative maintenance requirements and include discussion of the impact of Preventative Maintenance on remaining service life forecasts and recapitalization costs.

The last section of the Report Body includes discussion of various analyses run on the stored data, including Requirements Analysis, Budgets, and Forecasts.

Data Reports:

The Report Body will include a section that describes the Report Data Backup included with the report. The Data Reports are grouped together as Appendices to the report, and include data extracted from Paragon that describes our findings in detail. The sections of the Data Reports we plan to provide include the following.

- **Appendix A - Facilities List**
Includes the final list of facilities included in the Scope of Work.
- **Appendix B - Facilities List ranked by Facility Condition Index (FCI)**
List of facilities ranked by FCI, high to low. Includes facility size, Detailed Replacement Value and Current Backlog Impacting FCI.
- **Appendix C - Asset Summary and History**
Describes each asset sorted in order based on Location hierarchy selection. One Asset per page. Provides overall summary of the Asset and its condition. Includes Asset photograph, FCI, and narratives for Asset Summary.
- **Appendix D - Inventory Summary**
Organized by asset with page breaks after each asset. Provides a listing of all inventory items in each asset in a hierarchical structure based on UNIFORMAT II Classification format. Provides data for each component included in the inventory, including Year Installed, Estimated Service Life, Condition Rating, Remaining Service Life, Quantity and Current Replacement Value.
- **Appendix E - Work Item Summary**
Includes a summary of each of the Work Items generated during the project, grouped by building.
- **Appendix F - Work Item Detail Reports**
Organized by Work Item ID; one Work Item per page.
- **Appendix G - Inventory Recapitalization List**
Includes a summary list of components scheduled for replacement during the study period. Data is grouped by forecasted year of replacement, and then by facility.
- **Appendix H - Facility Asset Management Glossary of Terms**
Includes definitions of various terms used throughout the Facility Asset management industry.

Photo images will be included in many of the various reports included in the Data section of the deliverable.

3.10.2. Transfer of Software Subscription

In addition to our narrative report of findings, we plan to transfer a subscription to the Paragon software to the City. The software will be loaded with the data collected during the FCA, plus all report data we generate in .pdf or Excel spreadsheet formats. The software will be made available for use until the one-year anniversary of the start of the contract. The City may decide to extend the software subscription for additional years on each anniversary date of the contract for this project, for additional fees.

4. Project Schedule

Terracon is committed to providing accurate, high quality, and timely services and products. The success we have achieved on previous contracts like this one is the result of our detailed, highly structured approach to estimating labor requirements and controlling workflow. We will develop a management plan specific to the project and will monitor it routinely to ensure

resources are efficiently allocated, costs are controlled, and progress is maintained. Clients are kept abreast of scheduled plans through routine communications and progress reports. If problems arise, the Client will be informed as quickly as practical, and follow-ups will be provided as necessary.

4.1. FCA Schedule

If selected for this project, we understand that the work is to be performed between January and May of 2023.

We assume a contract for this work can be executed by January 2, 2023. Following contract execution, we typically utilize the first 30 days of a project for a Project Kick-Off meeting and project planning. We utilize this time to gather background documentation from the Client for review before site mobilizations. We would like to complete the Project Planning phase of this project by February 13, 2023, so we can mobilize to the field to begin data collection in mid February.

Our preliminary schedule assumes we will deploy one, 4 person team to conduct the field data collection portion of the FCA. We plan to move from site to site, based on geographical proximity.

We plan to schedule field data collection in multiple mobilizations. Each mobilization will run for two weeks in the field followed by one week in the office to complete our Work Item cost estimating, data quality checks and data updates. Based on each assessor's assignment of building or site systems, our work in field data collection may run at a different pace for each assessor.

We estimate that field data collection should be completed in no more than 30 working days on site. This should be completed on or about April 7, 2023.

We are estimating that the post assessment data QC, data updates, cost estimating and data analysis for the FCA can be completed within 3 weeks of completing the on-site data collection. Our draft report of findings can be completed within 1 week after completing the data QC updates. With this said, a draft report of findings for should be made available on or before May 5, 2023.

Our schedule assumes 2 weeks for the City review of the Draft Report. We plan to make necessary report revisions based on City comments within one week and deliver our Final Report on or before May 26, 2023. A Gantt chart representation of the schedule to complete the FCA project is shown below.

Tasks	Work Days	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21
		2-Jan	9-Jan	16-Jan	23-Jan	30-Jan	6-Feb	13-Feb	20-Feb	27-Feb	6-Mar	13-Mar	20-Mar	27-Mar	3-Apr	10-Apr	17-Apr	24-Apr	1-May	8-May	15-May	22-May
Contract Execution	2-Jan	█																				
Kick-Off Conference Call	1		█																			
Pre-Assessment Project Planning	20			█	█	█	█	█														
Field Data Collection	30							█	█	█	█	█	█	█	█	█						
Cost Estimating & Data Updates	15																					
Data QC Review	25																					
Data Analysis	5																					
Report Prep (Draft)	5																					
Client Review of Draft Report	10																					
Report Prep (Final)	4																					
Final Report Delivery	1																					

This schedule assumes timely feedback from the City to provide background documentation to Terracon to review in advance of our site visits. We assume that we will have unencumbered access to each of the facilities in the Scope of Work without significant delays. We will develop a management plan specific to the project and monitor it routinely to ensure resources are efficiently allocated, costs are controlled, and progress is maintained. The City will be kept abreast of schedule updates and changes as necessary. If problems arise, the City’s Project Manager will be informed as quickly as practical.

4.2. Understanding Schedule Limitations

Based on our history, and our detailed knowledge of what to expect in the field, we can forecast project schedules accurately. Unless unforeseen conditions are encountered on site (more buildings than originally anticipated, delays in gaining site access, etc.) we have a better than average chance of completing our work on schedule. Should field productivity slip, or unforeseen conditions present themselves during the project, our Project Managers have the option to supplement our field teams with additional resources to help bring a project back on schedule.

5. Proposed Compensation

We plan to charge our fees for the project on a fixed fee, lump sum basis. All labor costs, materials, travel expenses, and profit are included in this fee. The base fixed fee price for this work is \$293,734. The base fixed fee price has been discounted ten percent (10%) in accordance with The Interlocal Purchasing System (TIPS) requirements and the Fixed Fee Price for this work is **\$264,361**. Any additional services requested beyond the baseline Scope of Work will be negotiated with the City. Our proposal is valid for a period of 90 days.

A detailed breakdown of our fee estimate is included below. This breakdown illustrates the level of effort and allocation of costs by major project tasks included in our fee total.

Project Tasks	Labor Hours	Labor	Subs	Travel	Software	Total	% of Total
Project Management	66	\$ 11,134	\$ -	\$ -		\$ 11,134	3.8%
Pre Assessment Planning	20	\$ 3,795	\$ -	\$ -		\$ 3,795	1.3%
Assessment	992	\$ 136,413	\$ -	\$ 18,861	\$ 30,813	\$ 186,086	63.4%
Cost Estimating	129	\$ 18,143	\$ -	\$ -		\$ 18,143	6.2%
Data Quality Control	385	\$ 65,997	\$ -	\$ -		\$ 65,997	22.5%
Deliverables	42	\$ 8,580	\$ -	\$ -		\$ 8,580	2.9%
Totals:	1,634	244,061	-	18,861	30,813	293,734	100%
					Discount	29,373	
					Base Fee	\$ 264,361	

Figure 4-Project Fee Details (before TIPS adjustment)

We will invoice the City monthly for our labor effort and expenses incurred in the prior month, determined as the percent complete for each task included in our fee.

Our fee estimate is based on the number and size of buildings included in the scope, and our approach to completing the project. Should the number or size of the facilities vary substantially (more than 10%) from the number and size of the facilities we have based our fees on, we reserve the right to modify our fees by contract Change Order.

Additional fees may be charged if our field activities are delayed, postponed, or otherwise effected in anyway by the client or other parties. Additional fees may be charged for revisions, requested by client, to any final report after submittal.

Our Fixed Fee Price shown above includes the transfer of a software subscription to the City of McKinney to use Paragon to store, analyze and report data on a continuing basis. The software can be accessed by as many of your staff as you desire. The subscription term runs for a period of one year from the anniversary date of the contract award for this project and may be renewed on an annual basis.

Client’s use of the software is authorized based on the Terms and Conditions of the Paragon Subscription and Service Agreement (Revised January 10, 2023), a copy of which is attached to this proposal.

5.1. Optional Services

In the table below, check the “Yes” box for each Scope Option to authorize Additional Services. Please insert the total Authorized Amount in the space provided. Note that all additional proposed fees are based on acceptance of the Base FCA fee. If none of the boxes are checked, Terracon assumes that none of the Scope Options are authorized.

Optional Services	Authorized Yes/No*	Lump Sum Fee
Scope Option #1 – Limited ADA Compliance Assessment (10% TIPS discount).	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$8,208
Scope Option #2 – Start-Up Software Training (following Client acceptance of Report Deliverables)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$2,250
Scope Option #3 – FCA Software Annual Subscription Renewal (Based on 1,300,000 SF limitation. Due one year after contract date)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$6,163
Scope Option #4 – Energy Benchmarking (includes associated reporting and 10% TIPS discount).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$19,980
Scope Option #5 – ASHRAE Level I or II Energy Audit Includes utility analysis, site visit, documentation review, systems assessment, ECM identification, engineering analysis, and final report (including 10% TIPS/TAPS discount).		
Option #5.1: ASHRAE Level I Energy Audit and Report as described	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$55,896
OR		
Option #5.2: ASHRAE Level II Energy Audit and Report as described, analysis performed with spreadsheet calculations	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$112,697
Lump Sum Total for Optional Services	Authorized Amount*	\$ 28,393.00

5.1.1. Scope Option #1 - Limited ADA Compliance Assessment

As an optional additional service to the baseline FCA, and for additional fees, we can document non-conformances we identify related to the accessibility of public areas of the buildings as defined by the American with Disabilities Act of 1990 (ADA) and subsequent revisions. We will observe the public areas of each building to determine whether general conformance with applicable requirements has been met.

The scope is limited to the determination of general compliance with the physical attributes of the property and is not considered to be a full survey. No measurements will be collected as part of this limited ADA assessment.

Our evaluation will be limited to the items addressed in the Uniform Abbreviated Screening Checklist for the 2010 ADA per ASTM E2018-15 format. Observed non-conformance with the

specific disability guidelines will be noted as Work Items within the FCA software. Our evaluation will not include testing of decibel levels of fire alarms, measuring tolerances, light level recording, or other disruptive tests.

5.1.2. Scope Option #2 - Software Start-Up Training

As an extra service offered as a contract option, Terracon can train Client staff to enter/update/analyze data and run/export an array of reports from the FCA software. Training is recommended for both field maintenance staff, cost estimators, planners, and management staff. From introductory training to field training on conducting FCAs, to management training on data analysis and budget preparation, we can tailor training to meet Client’s requirements. The topics we cover in our start-up training session are listed below.

Topic	Applicability		
	General	Tablet	Web App
Introduction/Overview of the Software	X		
Log In and System Configuration			X
Data Uploads			X
User Assignment and Security Roles			X
Location Hierarchy			X
Facility Assets			X
Inventory		X	X
Condition Assessment		X	X
Work Items		X	X
Work Item Cost Estimating			X
Work Packaging			X
Analysis - Requirements			X
Analysis - Budgets			X
Analysis - Forecasting			X
Reporting			X

Figure 5 -Start-up Training Session Topics

Costs for start-up and on-going training are based on the duration of training and number of trainers involved and are calculated using current hourly billing rates plus materials.

Due to travel restrictions imposed by the Covid-19 pandemic, we propose to conduct training via on-line virtual meetings and product demonstrations conducted over the Web. When provided remotely, training is often broken up into multiple one to two-hour meetings over the course of multiple days that are sensitive to our Client’s work schedules. For this engagement, we propose to provide 8 hours of start-up training to Client staff.

5.1.3. Scope Option #3 - Software Subscription Renewal

On each annual anniversary of the Contract Award date, the City has an option to renew the subscription to use Paragon for an additional year. This subscription includes continued

hosting of the application, software maintenance, Telephone Support and Upgrade Releases of the software as they are made available.

Should the City add new buildings to the database, an additional usage fee will be charged based on the increased square footage size of the new buildings. The total fee charged for the initial usage of the software, plus any costs for square footage additions, becomes the basis of the annual subscription renewal fee.

Should the City decide not to renew the subscription to the software after year one, we would need written notice of your intent not to renew at least 60 days before the renewal date. If the subscription is not renewed, the City may export all data from the software and retain for its use.

5.1.4. Scope Option #4 - Energy Benchmarking

Terracon will provide facility consulting services as requested for energy benchmarking the following buildings:

FACILITIES	ADDRESS	SQFT
AG-Power (Public Works North)	3501 N Central Expressway	65,478
APEX - McKinney Aquatic and Fitness Center	3003 Alma Road	81,416
Fire Station #1	301 N. McDonald St.	19,462
Fire Station #2	2001 Community Ave.	5,334
Fire Station #3	4269 W. Eldorado Pkwy.	4,890
Fire Station #4	1401 Industrial Blvd.	6,970
Fire Station #5	6600 W. Virginia Pkwy.	11,400
Fire Station #6	1890 Market Place Dr.	13,128
Fire Station #7	861 S. Independence Pkwy.	14,986
Fire Station #9	4900 Summit View	15,600
Fire Station #10	1150 Olympic Crossing	15,800
Fire Station #11	6260 Rundell Way	15,950
FSC Bldg A (Streets)	1550 S. College St. Bldg A	28,900
FSC Bldg B (Water)	1550 S. College St. Bldg B	8,795
FSC Bldg C (Fleet)	1550 S. College St. Bldg C	9,000
FSC Bldg D (Purchasing & Env Services)	1550 S. College St. Bldg D	6,500
Library II-J&J Gay	6861 W. Eldorado Pkwy.	35,654
Library I-R&H Hall	101 E. Hunt St.	33,000
MPAC (Historical Courthouse)	111 N. Tennessee St.	23,020
Old Settler's Park & Rec Center	1201 E. Louisiana St.	31,466
Old Settler's Pool	1201 E. Louisiana St.	3,415
Public Safety Bldg (Police & Fire)	2200 Taylor-Burk Dr.	83,388
Public Safety Support Bldg (Police & Fire)	2750 Community Ave	27,000
Redbud Pump Station	3601 Redbud Blvd	12,501
Senior Recreation Center	1400 S. College St.	22,000
Senior Recreation Pool	1400 S. College St.	6,969
University (380) Pump Station	7560 W. University Dr.	6,078
	Total:	608,100

Energy benchmarking will include utility usage indices for electricity and natural gas, an EnergySTAR benchmarking score, and a score comparison with other similar buildings.

5.1.5. Scope Option #5 - ASHRAE Level I or II Energy Audit

Terracon will provide ASHRAE Level I or II Energy Audits comprised of the following process steps at the above referenced site as defined by ASHRAE's Procedures for Commercial Building Energy Audits 2nd Edition.

Process	ASHRAE Level I	ASHRAE Level II
Conduct a preliminary energy use analysis - Terracon requests that the CLIENT provide any as-built floor plans and 12-months of energy utility records for the referenced locations. We will determine the	X	X

existing energy use intensity (EUI) and energy cost intensity (ECI) of the site.		
Conduct walk-through survey - includes a preassessment interview and a site visit to gain an understanding of building energy use, occupancy, operation, and occupant behavior.	X	X
Identify low-cost/no-cost recommendations.	X	X
Identify capital improvements.	X	X
Review mechanical, electrical, plumbing, and building envelope design and condition and O&M practices.		X
Analyze capital measures (savings and costs, including interactions).		X
Meet with owner/operators to review recommendations.		X

Terracon shall provide ASHRAE Level I or II Energy Audit Report that will:

Report	ASHRAE Level I	ASHRAE Level II
Estimate Savings from Utility Change Rate.	X	X
Compare EUI and ECI to EUIs and ECIs of Similar Sites.	X	X
Summarize Utility Consumption and Cost Data.	X	X
Estimate Savings if EUI were to meet target.	X	X
Estimate low-cost/no-cost savings.		X
Calculate detailed energy end-use breakdown - this will utilize spreadsheet calculations account for energy consumption by specific end uses (e.g., lighting, space heating, space cooling, fans, process loads). Estimates will be compared to the historical utility bills. This model will become the energy baseline from which energy savings measures will be calculated.		X
Estimate capital project costs and savings. Include analysis of utility rebate programs if applicable and available.		X
Document description of considered measures.		X
Perform financial analysis of recommended energy conservation measures (ECMs).		X

5.2. Methods and Processes to Ensure Budget Conformance

Our ability to deliver projects on time and within budget begins during the review of the RFP. We extract the detailed tasks that are included in the Scope of Work, and make sure that each line item is included in the Work Breakdown Structure that is included in our Fee Estimate spreadsheet. Each line item is assigned to one or more labor resources included on the

project, and the time and the effort associated with the task is included in development of the fee total and schedule duration.

The time spent in field data collection, data review and Work Item cost estimating is directly related to the size and number of facilities included in the scope, and the UNIFORMAT II building components that are to be inventoried and assessed. We have analyzed over five years of data from our FCA software database to build spreadsheet tools that help us estimate the number of inventory and Work Items we can expect to record in the field based on building size and type. We know how long it takes (on average) to record a data record for inventory and Work Items, and to generate a cost estimate. We estimate time for assessors to move between buildings, between sites, and to mobilize to and from a site each day. Based on these estimates, we can calculate a man-hour total to complete the field work and office data processing of a given project. After time is added for project mobilization and de-mobilization, we can generate a man-day schedule to complete the work.

5.3. Additional Services Available

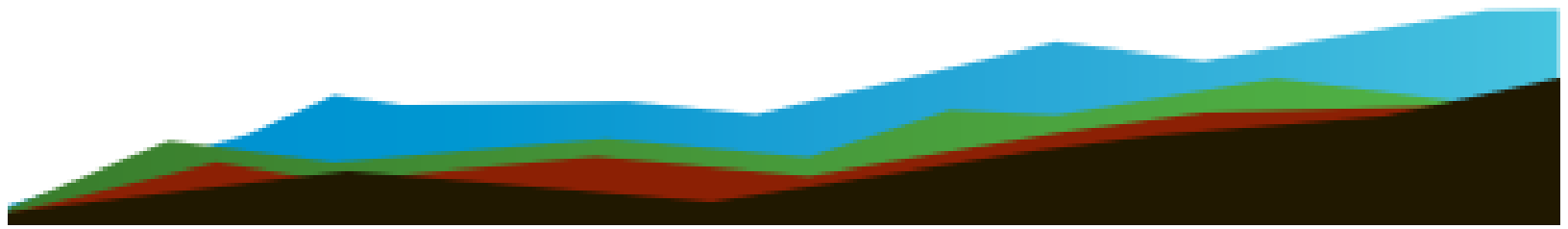
The City has expressed interest in two additional services that Terracon can provide as options to this baseline proposal. Descriptions of the scopes of work for these additional services are described in a separate document, which is attached. Fees for these services are dependent upon the number and size of the facilities to be included, and specific options within each scope. Terracon is happy to engage the City in additional discussions if they wish to investigate these additional services at this time.

Additional Services	Current Interest Yes/No*	Fee
Additional Services Option #1 – Retro Commissioning (see attached document for scope descriptions)	<input type="checkbox"/> Yes <input type="checkbox"/> No	To Be Determined
Additional Services Option #2 – Project Management Plan Development (see attached document for scope descriptions)	<input type="checkbox"/> Yes <input type="checkbox"/> No	To Be Determined



Appendix A

Facilities Included in the Scope of Work



**Appendix A - City of McKinney Facility List
(revised 12/12/2022)**

Sites	FAC ID	Building Name	Street Address	City	Building Area (SF)
1	1	AG-Power (Public Works North)	3501 N Central Expressway	McKinney	65,478
2	2	APEX - McKinney Aquatic and Fitness Center	3003 Alma Road	McKinney	81,416
3	3	Barney & Me	1203 E. Louisiana St.	McKinney	3,800
4	4	Carey Cox (Parks Admin Offices)	1611 N. Stonebridge Dr.	McKinney	5422
5	5	Chestnut Parking Garage	202 N. Chestnut	McKinney	129,025
5	6	Town Lake	2001 S. Central Expwy.	McKinney	22,000
6	7	Fire Station #1	301 N. McDonald St.	McKinney	19,462
7	8	Fire Station #2	2001 Community Ave.	McKinney	5,334
8	9	Fire Station #3	4269 W. Eldorado Pkwy.	McKinney	4,890
9	10	Fire Station #4	1401 Industrial Blvd.	McKinney	6970
10	11	Fire Station #5	6600 W. Virginia Pkwy.	McKinney	11,400
11	12	Fire Station #6	1890 Market Place Dr.	McKinney	13,128
12	13	Fire Station #7	861 S. Independence Pkwy.	McKinney	14,986
13	14	Fire Station #9	4900 Summit View	McKinney	15,600
14	15	Fire Station #10	1150 Olympic Crossing	McKinney	15,800
15	16	Fire Station #11	6260 Rundell Way	McKinney	15,950
16	17	FSC Bldg A (Streets)	1550 S. College St. Bldg A	McKinney	28,900
16	18	FSC Bldg B (Water)	1550 S. College St. Bldg B	McKinney	8,795
16	19	FSC Bldg C (Fleet)	1550 S. College St. Bldg C	McKinney	9,000
16	20	FSC Bldg D (Purchasing & Env Services)	1550 S. College St. Bldg D	McKinney	6,500
17	21	Gabe Nesbitt Baseball Concession 3-Plex	7001 W Eldorado Pkwy	McKinney	2,400
18	22	Gabe Nesbitt Softball Concession 5-Plex	3205 Alma Rd	McKinney	2,800
19	23	Library II-J&J Gay	6861 W. Eldorado Pkwy.	McKinney	35,654
20	24	Library I-R&H Hall	101 E. Hunt St.	McKinney	33,000
21	25	MPAC (Historical Courthouse)	111 N. Tennessee St.	McKinney	23,020
22	26	Municipal Courts	130 S. Chestnut St.	McKinney	16,631
23	27	Mouzon Ballfield Concession	1307 E Greenville Rd	McKinney	1,800
24	28	Oak Hollow Golf Course-Club House	3005 N. McDonald St.	McKinney	7,000
25	29	Oak Hollow Golf Course-Maint Bldg	3005 N. McDonald St.	McKinney	4,500
26	30	Old Settler's Park & Rec Center	1201 E. Louisiana St.	McKinney	31,466
26	31	Old Settler's Pool	1201 E. Louisiana St.	McKinney	3,415
27	32	Police Gun Range	506 Interchange Way	McKinney	2,000
28	33	Police Store Front	120 S. Kentucky St.	McKinney	500
29	34	Public Safety Bldg (Police & Fire)	2200 Taylor-Burk Dr.	McKinney	83,388
30	35	Public Safety Support Bldg (Police & Fire)	2750 Community Ave	McKinney	27,000
31	36	Redbud Pump Station	3601 Redbud Blvd	McKinney	12,501
32	37	Senior Recreation Center	1400 S. College St.	McKinney	22,000
32	38	Senior Recreation Pool	1400 S. College St.	McKinney	6,969
33	39	Tennis Complex	3253 Alma Rd.	McKinney	3,586
34	40	Towne Lake Rec Area Concession	1401 Wilson Creek Pkwy	McKinney	2,000
34	41	Wilson Creek Softball Complex Concession	1401 Wilson Creek Pkwy.	McKinney	2,400
35	42	University (380) Pump Station	7560 W. University Dr.	McKinney	6,078
36	43	Airport (MCK National Kutter Terminal/FBO)	1500 Industrial Blvd.	McKinney	29,000
36	44	Air Traffic Control Tower	1505 Industrial Blvd.	McKinney	12,500
36	45	Corp 3 Offices	1476 Industrial Blvd.	McKinney	22,464
36	46	Corp 3 Hangar	1476 Industrial Blvd.	McKinney	18,570
36	47	Corp 3 Shop	1476 Industrial Blvd.	McKinney	15,000

**Appendix A - City of McKinney Facility List
(revised 12/12/2022)**

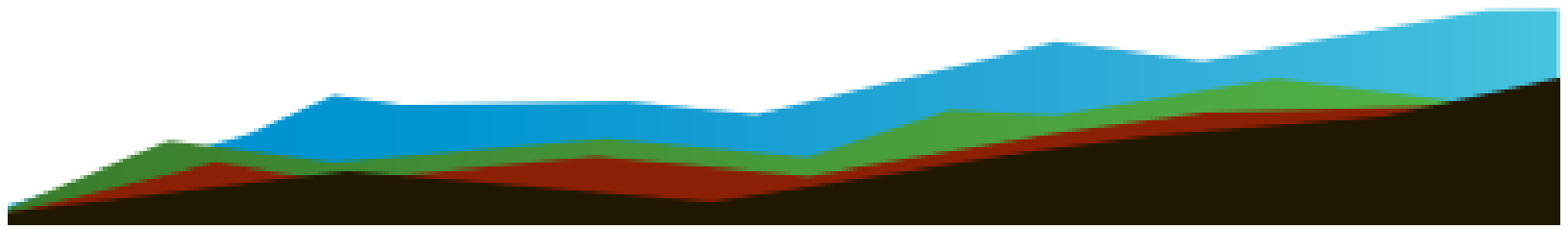
Sites	FAC ID	Building Name	Street Address	City	Building Area (SF)
36	48	Corp 5	1500 Industrial Blvd. (Bldg 01)	McKinney	15,000
36	49	Corp 6	1500 Industrial Blvd. (Bldg 03)	McKinney	34,875
36	50	T-Hangars 318 - 336	1500 Industrial Blvd. (Bldg 04)	McKinney	21,000
36	51	T-Hangars 201 - 220	1500 Industrial Blvd. (Bldg 05)	McKinney	38,395
36	52	T-Hangars 301 - 317	1500 Industrial Blvd. (Bldg 06)	McKinney	21,000
36	53	T-Hangars 221 - 240	1500 Industrial Blvd. (Bldg 07)	McKinney	17,500
36	54	Hangars 401 - 405	1500 Industrial Blvd. (Bldg 08)	McKinney	1,500
36	55	Airport Maintenance Office Hangars 401 & 402	1500 Industrial Blvd. (Bldg 08)	McKinney	21,000
36	56	T-Hangars 241 - 260	1500 Industrial Blvd. (Bldg 09)	McKinney	1,840
36	57	Radke Hangar	1500 Industrial Blvd. (Bldg 13)	McKinney	13,160
36	58	Corp 4	1500 Industrial Blvd. (Bldg 15)	McKinney	11,600
36	59	Corp 8	1500 Industrial Blvd. (Bldg 17)	McKinney	15,000
36	60	Corp 2 Hangar	1389 Wattley Way	McKinney	7,800
36	61	Corp 2 Offices	1389 Wattley Way	McKinney	675
36	62	Corp 2 Storage	1389 Wattley Way	McKinney	21,250
36	63	Corp 1 Hangar	1401 Wattley Way	McKinney	7,500
36	64	Corp 1 Offices	1401 Wattley Way	McKinney	4000
36	65	Corp 1 Shop	1401 Wattley Way	McKinney	4,200
36	66	Corp 9	1469 Wattley Way	McKinney	52468

Total Building Area (GSF) 1,221,261



Appendix B

Facility and Site Elements Included in the Scope of Work



Appendix B Facility and Site Elements Included in the Scope of Work

Uniformat Level 2	In Scope?	Inventory Level	Sub-systems Included, Inventory Methods and Exclusions
A10: Foundations	Yes	Square Footage Modeled Assemblies	Standard and special foundations, including slab on grade. Inventory Methods: Inventoried as an assembly that includes footings, piles, walls, waterproofing, and perimeter draining. Inventory quantity based on floor plate square footage. Structural testing and specialists are excluded from the scope of work.
A20: Basement Construction	Yes	Square Footage Modeled Assemblies	Basement walls and floors. Inventory Methods: Included as part of A10 - Foundations. Inventory quantity based on floor plate square footage and number of floors below grade. Structural testing and specialists are excluded from the scope of work.
B10: Superstructure	No	N/A	Raised floor and roof structure. Inventory Methods: Inventoried as an assembly that includes columns, beams, structural decking, and deck material. Inventory quantity based on floor plate square footage and number of floors above grade, plus roof area. Structural testing and specialists are excluded from the scope of work.
B20: Exterior Closure	Yes	Uniformat Levels 4 & 5	Exterior walls, louvers and screens, sun control devices, balcony walls and railings, soffits, screen walls, exterior coatings, windows, storefronts, curtain walls, exterior glazing, solid doors, glazed doors, revolving doors, overhead and roll-up doors, hangar doors, blast resistant doors, and gates.
B30: Roofing	Yes	Uniformat Levels 4 & 5	Roof coverings, gutters & downspouts, and roof openings. Inventory Methods: Flashings and expansion joints included in roof covering assemblies and inventoried as part of square foot roof area.
C10: Interior Construction	Yes	Square Footage Modeled Assemblies	Interior fixed partitions, demountable partitions, retractable partitions, guardrails and screens, interior windows, interior doors, gates, doors, toilet partitions, toilet and bath accessories, lockers, fire extinguisher cabinets, cabinets and countertops, raised access flooring, and casework. Inventory Methods: Interior partitions inventoried as an assembly that includes framing, gypsum drywall sheathing, and paint finish based on square footage of floor area. Plumbing fixtures and bathroom accessories may be inventoried as assemblies, based on bathroom size and count. Cabinets and countertops may be inventoried as assemblies based on linear footage. Exclusions: Excludes the separate inventory of joint sealants, interior door hardware (included as part of door assembly), individual toilet accessories, marker boards, tack boards, chalkboards, shelving, firestopping, and sprayed fireproofing. Excludes the designation of selected doors as fire-rated doors.
C20: Stairs	No	N/A	Stair construction and finishes
C30: Interior Finishes	Yes	Square Footage Modeled Assemblies	Wall, floor, and ceiling finishes. Inventory Methods: Interior finishes will be inventoried based on modeled assemblies. We will generate one inventory record each for floors, walls, and ceiling finishes, based on the overall facility square footage.

Uniformat Level 2	In Scope?	Inventory Level	Sub-systems Included, Inventory Methods and Exclusions
			Average replacement costs and useful service life data is calculated from building models that include different finish materials by percentage of the total building area.
D10: Conveying Systems	No	N/A	Passenger and freight elevators, lifts, escalators, moving walks, and other conveying systems such as pneumatic tube systems, conveyors, linen and trash chutes, turntables, and overhead cranes and hoists. Inventory Methods: Elevators are quantified by each, and their capacity and cost is based on the type and number of stops.
D20: Plumbing	Yes	Uniformat Levels 4 & 5	Plumbing fixtures, emergency fixtures, domestic water distribution piping and valves, domestic water equipment (hot water heaters, water treatment plants, water softeners, filters, distillers, pumps directly associated with domestic water supply; and tanks for the potable hot or cold water system). Includes sanitary waste piping and fittings, sanitary waste equipment (waste treatment equipment, sluice gates, incinerators, pumps for sewage injection; and holding tanks for the domestic water system), rainwater drainage piping, fittings and roof drains, rainwater draining pumps, and other specialty plumbing systems such as medical gas and vacuum fittings, acid waste systems, interceptors, pool piping and equipment, and non-breathing compressed air systems and equipment, and other special plumbing systems, such as interior fountains. Inventory Methods: Hidden systems such as distribution piping, wastewater piping and rainwater piping will be inventoried based on a square foot model while condition of these hidden systems will be based on interviews and limited assessment of observable sections and components. Plumbing fixtures may be grouped by number and size of bathrooms. Exclusions: Individual valves and hose bibbs, hydrants, insulation, floor drains, vent piping.
D30: HVAC	Yes	Uniformat Levels 4 & 5	Energy supply (oil, gas, steam, hot water, solar, wind); heat generating systems (boilers, furnaces, fuel-fired unit heaters, piping, auxiliary systems); cooling generating systems (chilled water systems, direct expansion systems); distribution systems (air, exhaust ventilation, steam, hot water, chilled water, air handling units, other distribution systems); terminal and package units (ventilators, heaters, fan coil units, fin tube radiation, electric heating, package units); controls and instrumentation (HVAC controls, pneumatic controls, electronic controls, instrument air compressors, gas purging systems); other specialty HVAC systems (humidity control devices, dust and fume collectors, air curtains, air purifiers); and refrigeration systems. Inventory Methods: Hidden systems such as hydronic/refrigerant piping and ductwork will be inventoried based on square foot models while condition of these hidden systems will be based on interviews and limited assessment of observable sections and components. VAV and other above ceiling systems will be assessed from limited sampling of in-place components on each floor. Exclusions: Equipment and piping thermal insulation.
D40: Fire Protection	Yes	Uniformat Levels 4 & 5	Sprinklers, standpipes, sprinkler water supply equipment (tanks, pumps) and other fire protection systems. Inventory Methods: Hidden systems such as distribution piping and heads will be inventoried based on square footage models. Condition

Uniformat Level 2	In Scope?	Inventory Level	Sub-systems Included, Inventory Methods and Exclusions
			of hidden systems will be based on interviews and limited assessment of observable sections and components. Exclusions: Portable fire extinguishers.
D50: Electrical	Yes	Square Footage Modeled Assemblies and Uniformat Levels 4 & 5	Electrical service and distribution (primary transformers, secondary transformers, main switchgear, interior distribution transformers, branch circuit panels, motor control centers); interior lighting and branch wiring; fire alarm systems and security systems; emergency generators, UPS, emergency lighting and power systems, lightning protection systems, energy management control systems. Inventory Methods: Branch wiring and associated light switches and outlets, as well as light fixture systems will be inventoried based on square footage models. Condition of hidden systems will be based on interviews and limited assessment of observable sections and components. Exclusions: Telecommunications systems, nurse call systems, public address systems, intercom systems, clock and program systems, television systems,
E10: Equipment	Limited	Uniformat Levels 4 & 5	Vehicular equipment (parking control equipment, loading dock equipment, warehouse equipment, vehicle lifts, vehicle exhaust removal systems) Exclusions: Commercial equipment, institutional equipment, maintenance equipment, food service equipment.
E20: Furnishings	No	N/A	Exclusions: Fixed and movable furnishings
F10: Special Construction	No	N/A	Exclusions: Special structures, integrated construction, special construction systems, special facilities, special controls, and instrumentation
G10 – Site Preparation	No	N/A	Exclusions: Site clearing, site demolition and relocations, site earthwork, and hazardous waste remediation.
G20: Site Improvements	No	N/A	Client-owned roadway and parking lot paved surfaces (flexible and rigid paving), curbs and gutters, guardrails and barriers, pavement markings and signage, loading docks and truck parking rigid paving, pedestrian paving surfaces, stairs, ramps, fences, gates, terrace and perimeter walls, retaining walls, flagpoles, fountains, swimming pools, dumpster containment. Exclusions: Any subgrade and buried systems or components. Exterior furnishings, site signage, playing fields, dugouts, backstops, bleachers, landscaping, planters and irrigation systems.
G30: Site Civil/ Mechanical Utilities	No	N/A	Potable water above-ground storage tanks, fire protection above-ground water storage tanks, pumping stations, packaged water treatment plants. Sanitary sewer lift stations and pumping stations, packaged sanitary sewer treatment plants. Storm sewer lift stations. Overhead hot water systems, overhead steam systems, pumping stations. Overhead cooling systems, pumping stations, on-site cooling towers. Above-ground liquid fuel distribution piping, aviation fuel distribution piping system, liquid fuel dispensing equipment, liquid fuel storage tanks. Above-ground gas distribution piping (Natural and Propane), gas storage tanks, above ground storage tanks, other gas distribution.

Uniformat Level 2	In Scope?	Inventory Level	Sub-systems Included, Inventory Methods and Exclusions
			<p>Exclusions: Any subgrade or buried systems, piping or components. Well systems, manholes, cleanouts, septic tanks, drain fields, stormwater culverts and headwalls, trenchboxes.</p>
G40: Site Electrical Utilities	No	N/A	<p>Transformers; switches, exterior lighting fixtures and controls, special security lighting systems, other area lighting, fire alarm system, TV cameras and monitors.</p> <p>Exclusions: Any subgrade or buried systems, piping or components. Substations. Controls and devices; overhead electric conductors; towers, poles, crossarms and insulators; underground electric conductors; ductbanks, manholes, handholes and raceways; grounding systems; and metering. Telecommunications systems and sound systems. Cable TV system (CATV). Cables and wiring, duct banks, manholes, and handholes, towers, poles, and stands, grounding systems, sacrificial anodes, induced current conductors, and components used in conjunction with cathodic protection.</p>
G90: Other Site Construction	No	N/A	<p>Vehicular bridges, service and pedestrian tunnels.</p> <p>Excluded: Railroad spurs, snow melting equipment.</p>

Attachment "B"

Paragon Subscription and Service Agreement

Terms and Conditions

This Agreement governs the Customer's use of its Paragon subscription and the rights and obligations of the parties. This Agreement shall also govern free trial subscriptions.

1. DEFINITIONS

1.1 "Supplier" means Stantec GS Inc.

1.2 "Authorized Distributer" means an entity which has entered into a Stantec A&E Partner Agreement and is thus authorized to sell Paragon subscriptions to its clients or use Paragon in the performance of services for its clients.

1.3 "Customer" means any legal entity that has indicated its acceptance of this Agreement by checking the acceptance box required for access to Paragon or by accepting an Order Form from Supplier or an Authorized Distributor that referenced this Agreement.

1.4 "Agreement" means this Paragon Subscription and Service Agreement and attached Attachment 1.

1.5 "Order Form" means an ordering document specifying the Commencement Date, Term, Fees, and Services to be provided hereunder that is entered into between Customer and Supplier or an Authorized Distributor including any addenda and supplements thereto.

1.6 "Commencement Date" means the date when access to the software commences, and software maintenance and support services are made available to Customer as indicated on the Order Form.

1.7 "Term" means the duration of the subscription, and this Agreement, as specified in the Order form.

1.8 "Fees" means the fees paid by Customer for the Services, Software Maintenance, and Software Support, as defined by this Agreement, and as specified in the Order Form.

1.9 "Services" means the software products and services that are ordered by Customer under a free trial or an Order Form and made available online by Supplier, including associated offline components, as described in the Documentation. "Services" exclude Content and Non-Stantec Applications.

1.10 "Purchased Services" means Services that Customer purchased under an Order Form, as distinguished from those provided pursuant to a free trial.

1.11 "Beta Services" means services that are not generally available to Customers.

1.12 "Documentation" means Supplier's online user guides, documentation, and help and training materials, as updated from time to time, accessible via our website or login to the applicable Service.

1.13 "User" means an individual who is authorized by Customer to use a Service, for whom Customer has ordered the Service, and to whom has been supplied a user identification and password. Users may include, for example, Customer's employees, consultants, contractors, and agents, and third parties with which Customer transacts business.

1.14 "Customer Data" means electronic data and information submitted by or for Customer to the Purchased Services or collected and processed by or for Customer using the Purchased Services.

1.15 "Content" means information obtained by Supplier from content licensors or publicly available sources and provided to Customer pursuant to an Order Form, as more fully described in the Documentation.

1.16 "Malicious Code" means code, files, scripts, agents, or programs intended to do harm, including, for example, viruses, worms, time bombs and Trojan horses.

1.17 "Software Maintenance" means any update, release, revision, enhancement, or new release of software program files or documentation or third-party software provided by Supplier and designed to correct an error or improve the Software.

1.18 "Software Problem" is defined as a defect in Stantec software code which (1) prohibits Customer from entering, viewing, running reports, or exporting data in a manner consistent with the Software Documentation or (2) which results in a mathematical calculation error, or (3) which results in the display of a program error message.

1.19 "Software Support" means the support services provided by the designated support POC regarding general instruction on the use and operation of the Software.

1.20 "Primary Support POC" means the company the Customer purchased the subscription from. It could be Supplier or an Authorized Distributor.

1.20 "Website" means Supplier's website at www.paragoncapm.com.

2. FREE TRIAL

2.1 If Customer registers for a free trial, Supplier will make one or more Services available on a trial basis free of charge until the earlier of (a) the end of the free trial period, or (b) the start date of any Purchased Service subscriptions ordered by Customer. Additional trial terms and conditions may appear on the trial registration web page. Any such additional terms and conditions are incorporated into this Agreement by reference and are legally binding.

2.2 ANY CUSTOMER DATA ENTERED INTO THE SERVICES, AND ANY CUSTOMIZATIONS MADE TO THE SERVICES BY OR FOR CUSTOMER, DURING ITS FREE TRIAL WILL BE PERMANENTLY LOST UNLESS CUSTOMER PURCHASES A SUBSCRIPTION TO THE SAME SERVICES AS THOSE COVERED BY THE TRIAL, PURCHASE UPGRADED SERVICES, OR EXPORT SUCH DATA, BEFORE THE END OF THE TRIAL PERIOD. CUSTOMER CANNOT TRANSFER DATA ENTERED OR CUSTOMIZATIONS MADE DURING THE FREE TRIAL TO A SERVICE THAT WOULD BE A DOWNGRADE FROM THAT COVERED BY THE TRIAL; THEREFORE, IF CUSTOMER PURCHASES A SERVICE THAT WOULD BE A DOWNGRADE FROM THAT COVERED BY THE TRIAL, THEY MUST EXPORT THEIR DATA BEFORE THE END OF THE TRIAL PERIOD OR THE DATA WILL BE PERMANENTLY LOST.

2.3 NOTWITHSTANDING SECTION 8 BELOW (REPRESENTATIONS, WARRANTIES, EXCLUSIVE REMEDIES AND DISCLAIMERS), DURING THE FREE TRIAL THE SERVICES ARE PROVIDED "AS-IS" WITHOUT ANY WARRANTY.

2.4 Prospective Customers should review the User Guide during the trial period so that they become familiar with the features and functions of the Services before they make a purchase.

2.5 Supplier may disclose anonymous data about the use of the Services by US and Canada-based Customers or Free Trial users ("Usage Statistics") to our service providers for the purpose of helping us improve the Services. Any such disclosures of Usage Statistics to our service providers will not include Customer's identity.

3. SUPPLIER'S RESPONSIBILITIES.

See Exhibit 1, "Statement of Services for Paragon Maintenance and Support."

4. USE OF SERVICES AND CONTENT

4.1 Subscriptions. Unless otherwise provided in the applicable Order Form, (a) Services and Content are purchased as subscriptions, (b) subscriptions may be added during a subscription term at the same pricing as the underlying subscription pricing, prorated for the portion of that subscription term remaining at the time the subscriptions are added, and (c) any added subscriptions will terminate on the same date as the underlying subscriptions. Customer may not access the Services if it is a direct competitor of Supplier, except with Supplier's prior written consent. In addition, Customer may not access the Services for purposes of monitoring their availability, performance, or functionality, or for any other benchmarking or competitive purposes.

4.2 Usage Limits. Services and Content are subject to usage limits, including, for example, the quantities specified in the Order Form. Unless otherwise specified, (a) a quantity in an Order Form refers to total square footage and/or linear footage of assets to be entered/managed with the Service, and the Service or Content may not be accessed to enter/manage more than the specified combined quantity, (b) a User identification may be reassigned to a new individual replacing one who no longer requires ongoing use of the Service or Content, (c) the Service or Content may not be accessed to enter/manage assets other than for the Customer named on the Order Form, even if within the allowable specified capacity limits. If Customer exceeds a contractual usage limit, Supplier may work with Customer to seek to reduce its usage so that it conforms to that limit. If, Customer is unable or unwilling to abide by a contractual usage limit, Customer will execute an Order Form for additional quantities of the applicable Services or Content promptly upon Supplier or Authorized Distributor request, and/or pay any invoice for excess usage in accordance with Section 5.2 (Invoicing and Payment).

4.3 Customer's Responsibilities. Customer will (a) be responsible for Users' compliance with this Agreement, (b) be responsible for the accuracy, quality and legality of Customer Data and the means by which it acquired Customer Data, (c) use commercially reasonable efforts to prevent unauthorized access to or use of Services and Content, and notify Supplier promptly of any such unauthorized access or use, (d) use Services and Content only in accordance with the Documentation and applicable laws and government regulations.

Customer will not (a) make any Service or Content available to, or use any Service or Content for the benefit of, anyone other than Customer as specified on an Order Form, (b) sell, resell, license, sublicense, distribute, rent or lease any Service or Content, or include any Service or Content in a service bureau or outsourcing offering to

anyone other than as specified on an Order Form, (c) use a Service to store or transmit infringing, libelous, or otherwise unlawful or tortious material, or to store or transmit material in violation of third-party privacy rights, (d) use a Service to store or transmit Malicious Code, (e) interfere with or disrupt the integrity or performance of any Service or third-party data contained therein, (f) attempt to gain unauthorized access to any Service or Content or its related systems or networks, (g) permit direct or indirect access to or use of any Service or Content in a way that circumvents a contractual usage limit, (h) copy a Service or any part, feature, function or user interface thereof, (i) copy Content except as permitted herein or in an Order Form or the Documentation, (j) frame or mirror any part of any Service or Content, or (k) access any Service or Content in order to build a competitive product or service, or (l) reverse engineer any Service (to the extent such restriction is permitted by law).

4.4 Removal of Content. If Supplier is required by a licensor to remove Content or receive information that Content provided to Customer may violate applicable law or third-party rights, Supplier may so notify Customer and in such event, Customer will promptly remove such Content from Customer systems. If Customer does not take the required action in accordance with the above, Supplier may disable the applicable Content and/or Service until the potential violation is resolved.

5. FEES AND PAYMENT FOR PURCHASED SERVICES

5.1 Fees. Except as otherwise specified herein or in an Order Form, (i) fees are based on Services and Content purchased and not actual usage, (ii) payment obligations are non-cancelable and fees paid are non-refundable, and (iii) quantities purchased cannot be decreased during the relevant subscription term.

5.2 Invoicing and Payment. Customer will provide Supplier (or to Authorized Distributor if purchased from one) with a valid purchase order or alternative purchasing document. Supplier will invoice Customer in advance in accordance with the relevant Order Form. Unless otherwise stated in the Order Form, invoiced charges are due 30 days from the invoice date. Customer is responsible for providing complete and accurate billing and contact information to Supplier and notifying it of any changes to such information.

5.3 Overdue Charges. If any invoiced amount is not received by Supplier by the due date, then without limiting its rights or remedies, (a) those charges may accrue late interest at the rate of 1% of the outstanding balance per month, or the maximum rate permitted by law, whichever is lower, and/or (b) We may condition future subscription renewals and Order Forms on payment terms shorter than those specified in Section 5.2 (Invoicing and Payment).

5.4 Suspension of Service and Acceleration. If any amount owing by Customer under this Agreement for is 30 or more days overdue, Supplier may, without limiting its other rights and remedies, accelerate Customer's unpaid fee obligations under such agreements so that all such obligations become immediately due and payable, and suspend the Services until such amounts are paid in full. Supplier or Authorized Distributor will give Customer at least 7 days' prior notice that its account is overdue, in accordance with Section 12.3 (Manner of Giving Notice), before suspending services to Customer.

5.5 Payment Disputes. Supplier will not exercise its rights under Section 5.3 (Overdue Charges) or 5.4 (Suspension of Service and Acceleration) above if Customer disputes the applicable charges reasonably and in good faith and are cooperating diligently to resolve the dispute.

5.6 Taxes. Fees do not include any taxes, levies, duties, or similar governmental assessments of any nature, including, for example, value-added, sales, use or withholding taxes, assessable by any jurisdiction whatsoever (collectively, "Taxes"). Customer is responsible for paying all Taxes associated with its purchases hereunder. If Supplier or Authorized Distributor has the legal obligation to pay or collect Taxes for which Customer is responsible under this Section 5.6, Customer will be provided an invoice to pay that amount unless Customer provides a valid tax exemption certificate authorized by the appropriate taxing authority.

5.7 Future Functionality. Customer agrees that its purchases hereunder are not contingent on the delivery of any future functionality or features, or dependent on any oral or written public comments made by Supplier or an Authorized Distributor regarding future functionality or features.

6. PROPRIETARY RIGHTS AND LICENSES

6.1 Reservation of Rights. Subject to the limited rights expressly granted hereunder, Supplier reserves all of its right, title, and interest in and to the Services and Content, including all of its related intellectual property rights. No rights are granted to Customer hereunder other than as expressly set forth herein.

6.2 License by Supplier to Use Content. Supplier grants to Customer a worldwide, limited-term license, under its applicable intellectual property rights and licenses, to use Content pursuant to Order Forms, subject to those Order Forms, this Agreement, and the Documentation.

6.3 License by Customer to Host its Data and Applications. Customer grants Supplier and Authorized Distributor a worldwide, limited-term license to host, copy, transmit and display Customer Data, solely as required for Supplier to provide the Services in accordance with this Agreement. Subject to the limited licenses granted herein, Supplier acquires no right, title or interest from Customer or its licensors under this Agreement in or to Customer Data.

6.4 License by Customer to Use Feedback. Customer grants to Supplier and Authorized Distributor a worldwide, perpetual, irrevocable, royalty-free license to use and incorporate into the Services any suggestion, enhancement request, recommendation, correction or other feedback provided by Customer or Users relating to the operation of the Services.

6.5 USA Federal Government End Use Provisions. Supplier and Authorized Distributors provide the Services, including related software and technology, for ultimate federal government end use solely in accordance with the following: Government technical data and software rights related to the Services include only those rights customarily provided to the public as defined in this Agreement. This customary commercial license is provided in accordance with FAR 12.211 (Technical Data) and FAR 12.212 (Software) and, for Department of Defense transactions, DFAR 252.227-7015 (Technical Data – Commercial Items) and DFAR 227.7202-3 (Rights in Commercial Computer Software or Computer Software Documentation). If a government agency has a need for rights not granted under these terms, it must negotiate with Us to determine if there are acceptable terms for granting those rights, and a mutually acceptable written addendum specifically granting those rights must be included in any applicable agreement.

7. CONFIDENTIALITY

7.1 Definition of Confidential Information. "Confidential Information" means all information disclosed by a party ("Disclosing Party") to the other party ("Receiving Party"), whether orally or in writing, that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure. Customer's Confidential Information includes Customer Data; Supplier's Confidential Information includes the Services and Content; and Confidential Information of each party includes the terms and conditions of this Agreement and all Order Forms (including pricing), as well as business and marketing plans, technology and technical information, product plans and designs, and business processes disclosed by such party. However, Confidential Information does not include any information that (i) is or becomes generally known to the public without breach of any obligation owed to the Disclosing Party, (ii) was known to the Receiving Party prior to its disclosure by the Disclosing Party without breach of any obligation owed to the Disclosing Party, (iii) is received from a third party without breach of any obligation owed to the Disclosing Party, or (iv) was independently developed by the Receiving Party.

7.2 Protection of Confidential Information. The Receiving Party will use the same degree of care that it uses to protect the confidentiality of its own confidential information of like kind (but not less than reasonable care) (i) not to use any Confidential Information of the Disclosing Party for any purpose outside the scope of this Agreement, and (ii) except as otherwise authorized by the Disclosing Party in writing, to limit access to Confidential Information of the Disclosing Party to those of its and its Affiliates' employees and contractors who need that access for purposes consistent with this Agreement and who have signed confidentiality agreements with the Receiving Party containing protections no less stringent than those herein. Neither party will disclose the terms of this Agreement or any Order Form to any third party other than its Affiliates, legal counsel, and accountants without the other party's prior written consent, provided that a party that makes any such disclosure to its Affiliate, legal counsel or accountants will remain responsible for such Affiliate's, legal counsel's or accountant's compliance with this Section.

7.3 Compelled Disclosure. The Receiving Party may disclose Confidential Information of the Disclosing Party to the extent compelled by law to do so, provided the Receiving Party gives the Disclosing Party prior notice of the compelled disclosure (to the extent legally permitted) and reasonable assistance, at the Disclosing Party's cost, if the Disclosing Party wishes to contest the disclosure. If the Receiving Party is compelled by law to disclose the Disclosing Party's Confidential Information as part of a civil proceeding to which the Disclosing Party is a party, and the Disclosing Party is not contesting the disclosure, the Disclosing Party will reimburse the Receiving Party for its reasonable cost of compiling and providing secure access to that Confidential Information.

8. REPRESENTATIONS, WARRANTIES, EXCLUSIVE REMEDIES AND DISCLAIMERS

8.1 Representations. Each party represents that it has validly entered into this Agreement and has the legal power to do so.

8.2 Warranties. Supplier warrants that (a) this Agreement, the Order Forms and the Documentation accurately describe the applicable administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of Customer Data, (b) Supplier will not materially decrease the overall security of the Purchased Services during a subscription term, (c) the Purchased Services will perform materially in accordance with the applicable Documentation, (d) Supplier will not materially decrease the functionality of the Purchased Services during a subscription term, and (e) the Purchased Services and Content will not introduce Malicious Code into Customer's systems. For any breach of an above warranty, Customer's exclusive remedies are those described in Sections 11.3 (Termination) and 11.4 (Refund or Payment upon Termination).

8.3 Disclaimers. EXCEPT AS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY MAKES ANY WARRANTY OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW. CONTENT AND BETA SERVICES ARE PROVIDED "AS IS," EXCLUSIVE OF ANY WARRANTY WHATSOEVER. EACH PARTY DISCLAIMS ALL LIABILITY AND INDEMNIFICATION OBLIGATIONS FOR ANY HARM OR DAMAGES CAUSED BY ANY THIRD-PARTY HOSTING PROVIDERS.

9. INDEMNIFICATION FOR INTELLECTUAL PROPERTY CLAIMS

9.1 Indemnification by Supplier. Supplier agrees to indemnify and hold harmless Customer against any claim, demand, suit or proceeding made or brought against it by a third party alleging that the use of a Purchased Service in accordance with this Agreement infringes or misappropriates such third party's intellectual property rights ("Claim"), including any damages, attorney fees and costs of defense.

Upon receipt of notice of a Claim, Supplier may, in its discretion, and at no cost to Customer (i) modify the Service so that it no longer infringes or misappropriates, without breaching Supplier's warranties under Section 8.2 (Our Warranties), (ii) obtain a license for Customer's continued use of that Service in accordance with this Agreement, or (iii) terminate Customer's subscriptions for that Service upon 30 days' written notice and refund Customer any prepaid fees covering the remainder of the term of the terminated subscriptions. The above defense and indemnification obligations do not apply to the extent a Claim arises from Customer Content or Customer's breach of this Agreement.

9.2 Indemnification by Customer. To the extent permitted by law, Customer agrees to indemnify and hold harmless Supplier and Authorized Distributor against any claim, demand, suit or proceeding made or brought against an indemnified party by a third party alleging that Customer Data, or its use of any Service or Content in breach of this Agreement, infringes or misappropriates such third party's intellectual property rights or violates applicable law (a "Claim Against Us"), including any damages, attorney fees and costs of defense.

9.3 Exclusive Remedy. This Section 9 states the indemnifying party's sole liability to, and the indemnified party's exclusive remedy against, the other party for any type of claim described in this Section.

10. LIMITATION OF LIABILITY

10.1 Limitation of Liability. NEITHER PARTY'S LIABILITY WITH RESPECT TO ANY SINGLE INCIDENT ARISING OUT OF OR RELATED TO THIS AGREEMENT WILL EXCEED THE AMOUNT PAID BY CUSTOMER HEREUNDER IN THE 12 MONTHS PRECEDING THE INCIDENT, PROVIDED THAT IN NO EVENT WILL EITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT EXCEED THE TOTAL AMOUNT PAID BY CUSTOMER HEREUNDER. THE ABOVE LIMITATIONS WILL APPLY WHETHER AN ACTION IS IN CONTRACT OR TORT AND REGARDLESS OF THE THEORY OF LIABILITY. HOWEVER, THE ABOVE LIMITATIONS WILL NOT LIMIT CUSTOMER'S PAYMENT OBLIGATIONS UNDER SECTION 5 (FEES AND PAYMENT FOR PURCHASED SERVICES).

10.2 Exclusion of Consequential and Related Damages. IN NO EVENT WILL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY LOST PROFITS, REVENUES OR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, COVER OR PUNITIVE DAMAGES, WHETHER AN ACTION IS IN CONTRACT OR TORT AND REGARDLESS OF THE THEORY OF LIABILITY, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING DISCLAIMER WILL NOT APPLY TO THE EXTENT PROHIBITED BY LAW.

11. TERM AND TERMINATION

11.1 Term of Agreement. This Agreement commences on the date Customer first accepts it and continues until all subscriptions hereunder have expired or have been terminated.

11.2 Term of Purchased Subscriptions. The term of each subscription shall be as specified in the applicable Order Form. Except as otherwise specified in an Order Form, subscriptions will automatically renew for additional periods equal to the expiring subscription term or one year (whichever is shorter), unless either party gives the other notice of non-renewal at least 30 days before the end of the relevant subscription term. The per-unit pricing during any automatic renewal term will be the same as that during the immediately prior term unless Supplier or Authorized Distributor have given Customer written notice of a pricing increase at least 60 days before the end of that prior term, in which case the pricing increase will be effective upon renewal and thereafter. Any such pricing increase will not exceed 10% of the pricing for the applicable Purchased Service or Content in the immediately prior subscription term unless the pricing in the prior term was designated in the relevant Order Form as promotional or one-time.

11.3 Termination. A party may terminate this Agreement for cause (i) upon 30 days written notice to the other party of a material breach if such breach remains uncured at the expiration of such period, or (ii) if the other party becomes the subject of a petition in bankruptcy or any other proceeding relating to insolvency, receivership, liquidation or assignment for the benefit of creditors.

11.4 Refund or Payment upon Termination. If this Agreement is terminated by Customer in accordance with Section 11.3 (Termination), Supplier or Authorized Distributor will refund Customer any prepaid fees covering the remainder of the term of all Order Forms after the effective date of termination. If this Agreement is terminated by Supplier or Authorized Distributor in accordance with Section 11.3, Customer will pay any unpaid fees covering the remainder of the term of all Order Forms. In no event will termination relieve Customer of its obligation to pay any fees payable to Supplier or Authorized Distributor for the period prior to the effective date of termination.

11.5 Customer Data Portability and Deletion. Upon request by Customer made within 30 days after the effective date of termination or expiration of this Agreement, Supplier will make the Customer Data available to it for export or download as provided in the Documentation. After that 30-day period, Supplier will have no obligation to maintain or provide Customer Data and will thereafter delete or destroy all copies of Customer Data in its systems or otherwise in Supplier's possession or control as provided in the Documentation, unless legally prohibited.

11.6 Surviving Provisions. Sections 5 (Fees and Payment for Purchased Services), 6 (Proprietary Rights and Licenses), 7 (Confidentiality), 8.3 (Disclaimers), 9 (Indemnification for Intellectual Property Claims), 10 (Limitation of Liability), 11.4 (Refund or Payment upon Termination), 11.5 (Portability and Deletion of Your Data), 12 (Notices, Governing Law and Jurisdiction) and 13 (General Provisions) will survive any termination or expiration of this Agreement.

12. NOTICES, GOVERNING LAW AND JURISDICITON

12.1 General. This Agreement is subject to the laws of the State of Texas, United States of America, and to the exclusive jurisdiction of the courts of that country or state. This clause is without prejudice to Our rights to bring proceedings in any other jurisdiction where Customer are incorporated or have assets to enforce any ruling made by the relevant courts.

12.2 Notices. Any notices required or permitted to be given hereunder shall be delivered by personal delivery, express courier, or recorded delivery, postage prepaid, return receipt requested, to a party's address set forth in the Order Form, or if to Supplier at our address 2496 Old Ivy Road Suite 300, Charlottesville, VA 22903 USA. A notice shall be deemed effective when actually delivered. Either party may change its address for purposes of this Agreement by written notice given in accordance herewith.

12.3 Manner of Giving Notice. Except as otherwise specified in this Agreement, all notices, permissions and approvals hereunder shall be in writing and shall be deemed to have been given upon: (i) personal delivery, (ii) the second business day after mailing, (iii) the second business day after sending by confirmed facsimile, or (iv) the first business day after sending by email (provided email shall not be sufficient for notices of termination or an indemnifiable claim). Billing-related notices to Customer shall be addressed to the relevant billing contact designated by Customer. All other notices to Customer shall be addressed to the relevant Services system administrator designated by Customer.

12.4 Agreement to Governing Law and Jurisdiction. Each party agrees to the applicable governing law above without regard to choice of law or conflicts of law rules, and to the exclusive jurisdiction of the applicable courts above.

13. GENERAL PROVISIONS

13.1 Export Compliance. The Services, Content, other technology Supplier makes available, and derivatives thereof may be subject to export laws and regulations of the United States and other jurisdictions. Each party represents that it is not named on any U.S. government denied-party list. Customer shall not permit Users to access or use any Service or Content in a U.S.-embargoed country or in violation of any U.S. export law or regulation.

13.2 Anti-Corruption. Customer agrees that it has not received or been offered any illegal or improper bribe, kickback, payment, gift, or thing of value from any of Supplier's employees or agents in connection with this Agreement. Reasonable gifts and entertainment provided in the ordinary course of business do not violate the above restriction. If Customer learns of any violation of the above restriction, it will use reasonable efforts to promptly notify Supplier's Legal Department.

13.3 Entire Agreement and Order of Precedence. This Agreement is the entire agreement between Customer, Supplier and Authorized Distributor, if applicable, regarding Customer's use of Services and Content and supersedes all prior and contemporaneous agreements, proposals, or representations, written or oral, concerning this subject matter. No modification, amendment, or waiver of any provision of this Agreement will be effective unless in writing and signed by the party against whom the modification, amendment or waiver is to be asserted. The parties agree that terms and conditions included in Customer's Order Form (except the subject matter terms such as price, services, and subscription term) are void as the parties intend the terms of this Agreement to govern. In the event of any conflict or inconsistency among the following documents, the order of precedence shall be: (1) the applicable Order Form, (2) this Agreement, and (3) the Documentation.

13.4 Assignment. Neither party may assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the other party's prior written consent (not to be unreasonably withheld); provided, however, either party may assign this Agreement in its entirety (including all Order Forms), without the other party's consent to its Affiliate or in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of its assets. Notwithstanding the foregoing, if a party is acquired by, sells substantially all of its assets to, or undergoes a change of control in favor of, a direct competitor of the other party, then such other party may terminate this Agreement upon written notice. In the event of such a termination, we will refund to Customer any prepaid fees covering the remainder of the term of all subscriptions. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties, their respective successors and permitted assigns.

13.5 Relationship of the Parties. The parties are independent contractors. This Agreement does not create a partnership, franchise, joint venture, agency, and fiduciary or employment relationship between the parties.

13.6 Third-Party Beneficiaries. Content licensors shall have the benefit of Supplier's rights and protections hereunder with respect to the applicable Content. There are no other third-party beneficiaries under this Agreement.

13.7 Waiver. No failure or delay by either party in exercising any right under this Agreement will constitute a waiver of that right.

13.8 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, the provision will be deemed null and void, and the remaining provisions of this Agreement will remain in effect.

13.9 Attorney Fees. The prevailing party in any dispute shall be entitled to reimbursement of its reasonable attorney's fees and costs by the other party.

13.10 Non-Solicitation. Neither party shall knowingly solicit, recruit, hire or otherwise employ or retain the employees of the other working under this Agreement during the term of this Agreement and for one (1) year following the termination or expiration of this Agreement without the prior written consent of the other party.

However, notwithstanding the above, this Paragraph shall not restrict the right of either party to solicit or recruit generally in the media, and shall not prohibit either party from hiring, without prior written consent, the other party's employee who answers any advertisement or who otherwise voluntarily applies for hire without having been personally solicited by the hiring party.

For a breach of this Article the hiring party shall pay to the other party an amount equal to three times the base annual salary of the recruited employee at the time of their departure.

Attachment 1

Statement of Services for Paragon Maintenance and Support

The Software Maintenance and Software Support Services (the "Maintenance Services") will be provided to Users, via an Authorized Distributor, if purchased from one, or directly by Supplier when the Paragon subscription is purchased from Supplier directly. Customer will be provided with its Primary Support POC for any training, questions or need for technical support. Supplier will provide escalation support to Authorized Distributor Primary Support POCs for any issues that Customer presents that the Authorized Distributor is not able to handle. Supplier will address such issues and communicate with and through the Primary Support POC. Supplier is not responsible for communicating directly with Customers engaged by an Authorized Distributor.

1. Provision of Purchased Services. Supplier or Authorized Distributor will (a) make the Services and Content available to Customer pursuant to this Agreement and the applicable Order Forms, (b) provide standard support for the Purchased Services at no additional charge, and/or upgraded support if purchased, and (c) use commercially reasonable efforts to make the online Purchased Services available 24 hours a day, 7 days a week, except for: (i) planned downtime (of which Supplier shall give at least 8 hours electronic notice and which shall schedule to the extent practicable during the weekend hours between 6:00 p.m. Friday and 3:00 a.m. Monday Eastern time), and (ii) any unavailability caused by circumstances beyond Supplier's reasonable control, including, for example, an act of God, act of government, flood, fire, earthquake, civil unrest, act of terror, strike or other labor problem (other than one involving Our employees), Internet service provider failure or delay, or denial of service attack.

2. Protection of Customer Data. Supplier will maintain administrative, physical, and technical safeguards for protection of the security, confidentiality, and integrity of Customer Data, as described in the Documentation. Those safeguards will include, but will not be limited to, measures for preventing access, use, modification, or disclosure of Customer Data by Supplier personnel except (a) to provide the Purchased Services and prevent or address service or technical problems, (b) as compelled by law in accordance with Section 7.3 (Compelled Disclosure) below, or (c) as Customer expressly permits in writing.

3. Beta Services. From time to time, Supplier may invite Customer to try Beta Services at no charge. Customer may accept or decline any such trial in its sole discretion. Beta Services will be clearly designated as beta, pilot, limited release, developer preview, non-production, evaluation or by a description of similar import. Beta Services are for evaluation purposes and not for production use, are not considered "Services" under this Agreement, are not supported, and may be subject to additional terms. Unless otherwise stated, any Beta Services trial period will expire upon the earlier of one year from the trial start date or the date that a version of the Beta Services becomes generally available. Supplier may discontinue Beta Services at any time in its sole discretion and may never make them generally available. Supplier will have no liability for any harm or damage arising out of or in connection with a Beta Service.

4. Telephone Assistance. Users may contact the Primary Support POC by telephone to ask questions or seek advice relating to the use of the Services. Support calls are answered in the order in which they are received. If a technical support representative is not available to accept the call immediately, the call will be returned in as timely a manner as possible. The Primary Support POC will use commercially reasonable efforts to assist the User in using the Services, and in identifying and providing a workaround, if possible, for Software Problems found in Software. Telephone assistance shall be available Monday through Friday, from the hours of 8:00 a.m. to 5:00 p.m., eastern time zone, excluding US federal holidays ("Normal Maintenance Hours").

5. Corrections. Supplier shall develop and provide corrections, changes, or workarounds ("Corrections") for any defects, errors, or malfunctions in the Services, including, but not limited to, any nonconformities with the Software Documentation, (collectively, "Defects"), on a timely basis, given the nature and scope of the Defect. Corrections will be made available to Customer, from time to time, at no additional charge, whenever such Corrections are produced and commercially released by Supplier to Customers with valid, current Paragon Subscription and Service Agreements. Corrections shall mean revisions to programming code related to the Services only, which are developed by Supplier. Corrections shall not include any software revisions or enhancements of operating systems software, or other third-party software products not specifically developed by Supplier. Supplier makes no promises as to the scope, contents, or frequency of release of any Corrections. Customer shall implement all Corrections that do not materially alter or diminish the functionality of the Services as described in the applicable Documentation. Customer's failure to do so within 90 days after receipt of notice from Supplier regarding the availability of such Corrections shall eliminate Supplier's obligation to provide Maintenance Services until such Corrections are implemented.

6. Upgrade Releases. Supplier shall provide Customer any upgrade releases ("Upgrade Releases") to the Services. Upgrade Releases shall mean changes to the Services that provide additional features or functionality, expanding the capabilities of the Services, or that so significantly expand a function as to be considered a new

function, and all new Versions and Releases of the Services, which Supplier makes generally available to our Customers; provided, however, that if any such Version or Release contains significant new or improved functionalities, Supplier retains the right to make such Version or Release available to Customers only upon the payment of additional license or subscription fees, or upon such other terms, as Supplier requires of its Customers generally therefor. "Versions" shall be designated by a change in the digits to the left of the decimal point, and "Releases" shall be designated by a change in the digits to the right of the decimal point.

7. Documentation Revisions. Supplier will provide Customer with any revisions to the existing Documentation developed or necessary to reflect all Corrections, Upgrade Releases, Versions or Releases for the Services. All computer programs delivered pursuant to the Maintenance Services shall be considered "Licensed Software" and subject to all the terms and conditions of this Agreement. The Primary Support POC shall at all times provide Maintenance Services for at least the current and one (1) previous Release of the Services; provided, that the obligation to maintain a previous Release will terminate 120 days after the current Release was made available to the Customer.

8. Problem Classifications. The Primary Support POC shall respond to and use reasonable commercial efforts to resolve problems in accordance with the severity levels indicated below. The Customer will provide a good faith estimate of the severity level with its notification to the Primary Support POC. After initial review of the problem, Primary Support POC may modify the severity level first reported by Customer if appropriate.

8.1 Severity 1 Problem. Causes data corruption or system crash or Customer's Users cannot make effective use of the Services.

8.2 Severity 2 Problem. Feature does not work as documented; no reasonable work around exists, and Customer has a critical need of the feature.

8.3 Severity 3 Problem. Feature doesn't work as documented, but a reasonable work around exists, or Customer can wait for the next release for a fix.

8.4 Severity 4 Problem. Enhancement request.

9. Maintenance Standards. The Primary Support POC will use its best commercially reasonable efforts to meet the response times and resolution targets set forth in this Section provided that maintenance calls are received, or bug tickets are sent via email within Normal Maintenance Hours.

9.1 Severity 1 Response. Initial response by the Primary Support POC to notification of a Severity 1 Problem will be provided within two hours of receipt. Severity 1 Problems will be handled on a priority basis. Primary Support POC will use reasonable efforts to provide a fix, work around, or to patch Severity 1 issues within twenty-four (24) hours after the issue is reproduced and confirmed as an issue.

9.2 Severity 2 Response. The Primary Support POC will make an initial response to notification of a Severity 2 Problem within four hours of receipt. Primary Support POC will make reasonable efforts to provide a fix or work around for Severity 2 issues within three (3) business days.

9.3 Severity 3 Response. The Primary Support POC will make an initial response to notification of a Severity 3 Problem within twenty-four (24) hours of receipt. Primary Support POC will make reasonable efforts to identify a resolution to Severity 3 issues within thirty (30) days and to incorporate Severity 3 fixes in the next upcoming release of the product.

9.4 Severity 4 Response. The Primary Support POC will make an initial response to notification of a Severity 4 issue within twenty-four (24) hours of receipt. Severity 4 issues will be dealt with on a case-by-case basis.

10. Limitations on Support Services. The following are not supported under this Agreement:

10.1 Client's improper installation or use of the Services.

10.2 Misuse, abuse or negligent use, repair, or alteration or any use which does not conform to the specific or general instructions of Stantec or to the provisions of the documentation for the Services.

10.3 Any modification or attempted modification of the Services by Customer or any third party.

10.4 Causes external to the Stantec Software or if the Services has been subjected to an extreme power surge or electromagnetic field, whether or not through the fault of Customer.

10.5 Customer's failure or refusal to implement software corrections provided by the Primary Support POC and/or Supplier.

10.6 Supplier reserves the right to charge for unusual or excessive telephone, shipping, handling, media or user manual expenses in connection with the Maintenance Services provided hereunder. In all cases, Supplier shall notify Customer of these costs in advance.