



## **BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING AGENDA**

**Tuesday, April 21, 2026 at 7:00 PM**

**City Hall, 415 Broad Street, Montgomery-Watterson Boardroom**

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### **Board of Mayor and Aldermen**

Mayor Paul W. Montgomery, Presiding  
Vice Mayor Darrell Duncan  
Alderman Morris Baker  
Alderman Betsy Cooper

Alderman Colette George  
Alderman Gary Mayes  
Alderman James Phillips

### **Leadership Team**

Chris McCartt, City Manager  
Michael Borders, Assistant City Manager  
Bart Rowlett, City Attorney  
Travis Bishop, City Recorder  
Jerry DeBerry, Fire Chief  
Adrienne Batara, Public Relations Director

Ryan McReynolds, Deputy City Manager  
Jessica Harmon, Assistant City Manager  
Tyra Copas, Human Resources Director  
Jason Bellamy, Police Chief  
Floyd Bailey, Chief Information Officer

### **I. CALL TO ORDER**

### **II. PLEDGE OF ALLEGIANCE TO THE FLAG**

1. New Vision Youth

### **III. INVOCATION**

1. Johnnie Mae Swagerty

### **IV. ROLL CALL**

### **V. RECOGNITIONS AND PRESENTATIONS**

- [1.](#) Proclamation: Sexual Assault Awareness Month (Alderman Cooper)
- [2.](#) Proclamation: Volunteer Appreciation Week (Alderman Baker)
3. Dobyns-Bennett High School Wrestling Team (Vice Mayor Duncan)

## **VI. COMMENT**

Citizens may speak on agenda items and issue-oriented items. When you come to the podium, please state your name and address, and sign the register that is provided. You are encouraged to keep your comments non-personal in nature, and they should be limited to five minutes. A total of thirty minutes is allocated for public comment.

## **VII. APPROVAL OF MINUTES**

- [1.](#) April 6, 2026 - Work Session
- [2.](#) April 7, 2026 - Business Meeting

## **VIII. BUSINESS MATTERS REQUIRING FIRST READING AND/ OR PUBLIC HEARINGS**

- [1.](#) Consideration of a Budget Adjustment Ordinance for the General Fund, General Projects Fund, Cattails Project Fund, Cattails Fund and Bays Mountain Park Community Fund in FY26 (AF-127-2026) (Chris McCartt)
- [2.](#) Consideration of an Ordinance Amending the FY 2026 Budgets by Appropriating General Obligation Public Improvement Bond Series 2026A Proceeds (AF-124-2026) (Chris McCartt)

## **IX. BUSINESS MATTERS REQUIRING FINAL ADOPTION**

- [1.](#) Consideration of an Ordinance to Amend Zoning of Tax Map 076, a Portion of Parcel 006.50, Located along S. John B. Dennis Highway from the BC, Business Conference District to B-3, Highway-Oriented Business District (AF-88-2026) (Jessica McMurray)
- [2.](#) Consideration of an Ordinance to Amend Zoning of Tax Map 120, Parcel 003.20, Located along Fordtown Road from the R-3, Low Density Apartment District to M-1R, Light Manufacturing Restricted District (AF-86-2026) (Jessica McMurray)
- [3.](#) Consideration of an Ordinance to Amend Zoning of Tax Map 0461, Group A, Parcel 014.00, Located along Revere Street from the B-2, Central Business District to B-2E, Central Business Edge District (AF-87-2026) (Jessica McMurray)
- [4.](#) Consideration of an Ordinance to Amend Zoning of Tax Map 045E, Group C, Parcels 01.00, 00.26 and 00.27 Located along Fairview Avenue from the R-1C, Residential District to B-3, Highway-Oriented Business District (AF-96-2026) (Jessica McMurray)
- [5.](#) Consideration of a Budget Adjustment Ordinance for Various Funds in FY2026 (AF-85-2026) (Chris McCartt)

## **X. OTHER BUSINESS**

- 1.** Consideration of a Resolution Naming the Kingsport/Sullivan County Justice Center in Honor of Judge John S. McLellan (AF-72-2026) (Chris McCartt)
- 2.** Consideration of a Resolution Approving a Payment in Lieu of Tax Agreement between KHRA and the Grove at Poplardale, LP (AF-101-2026) (Chris McCartt)
- 3.** Consideration of a Resolution to Enter Into an Administrative Services Agreement with BCBST to Provide Administrative Services for the City's Self-Funded Health Insurance Plans (AF-89-2026) (Tyra Copas)
- 4.** Consideration of a Resolution Renewing the Award of the Bid for Unleaded Gasoline & Ultra-Low Sulfur Diesel (AF-105-2026) (Ryan McReynolds)
- 5.** Consideration of a Resolution Renewing the Award of the Bid for Propane & Propane Conversion Kits (AF-106-2026) (Ryan McReynolds)
- 6.** Consideration of a Resolution to Execute a Blanket Order to NAPA Auto Parts for Various Vehicle/Equipment Parts Utilizing Sourcewell Contract (AF-104-2026) (Ryan McReynolds)
- 7.** Consideration of a Resolution Authorizing the Mayor to Sign the Pepsi Amendment for the City of Kingsport, Kingsport Aquatic Center (AF-112-2026) (Michael Borders)
- 8.** Consideration of a Resolution to Award the Bid to Thomas Construction Co., Inc. for the Watauga St Improvements Phase 1 Project (AF-110-2026) (Ryan McReynolds)
- 9.** Consideration for Approval of Offer for Right-of-Ways and Easements for the Reedy Creek Trunk Sewer Replacement Project (Clinchfield to Gibson Mill) (AF-108-2026) (Ryan McReynolds)
- 10.** Consideration of a Resolution Authorizing the City Manager to Accept CASSE Bid for Wastewater Plant Valves (AF-109-2026) (Ryan McReynolds)
- 11.** Consideration of a Resolution Authorizing the Mayor to Enter into an Interlocal Agreement with the Town of Mount Carmel for the City of Kingsport to Provide Residential Automated Garbage Collection (AF-92-2026) (Ryan McReynolds)
- 12.** Consideration of a Resolution to Enter into an Agreement with CDM Smith to Provide Engineering Services for the Wastewater Treatment Plant Blower Replacement Project (AF-113-2026) (Ryan McReynolds)

- [13.](#) Consideration of a Resolution Authorizing the City Manager to Execute a Purchase Order for Band Uniforms for Dobyons-Bennett High School from Fred J. Miller Inc. (AF-115-2026) (David Frye)
- [14.](#) Consideration of a Resolution to Award the Request for Proposals for the Customized Benchmark Assessment Program for Kingsport City Schools (AF-111-2026) (David Frye)
- [15.](#) Consideration of a Resolution to Enter into an Agreement with TN Department of Transportation for Utilities Relocating Along State Industrial Access Serving Eastman Chemical Company (AF-51-2026) (Ryan McReynolds)
- [16.](#) Consideration of a Resolution to Award the Bid to Southern Constructors, Inc. for the Clinchfield Street Bridge Rehabilitation Project, and Authorize the Mayor to Sign All Applicable Documents (AF-128-2026) (Ryan McReynolds)
- [17.](#) Consideration of a Resolution to Approve an Amendment to the Agreement with Cain Rash West Architects for the Kingsport Public Library Project (AF-130-2026) (Michael T. Borders)

## **XI. CONSENT AGENDA**

All matters listed under the Consent Agenda are considered in the ordinary course of business by the Board of Mayor and Aldermen and will be enacted on by one motion by a roll call vote. However, if discussion of an item is desired by any member of the board, the item will be removed from the Consent Agenda and considered separately.

- [1.](#) Consideration of a Resolution Authorizing the Mayor to Execute Signature Authority Allowing the Chief of Police or His Designee to Electronically Complete All Necessary Documents as Required by the Department of Justice Bureau of Justice Assistance FY 2025 (AF-77-2026) (Chief Jason Bellamy)
- [2.](#) Consideration of a Resolution to Apply for and Receive the We Love Library Grant (AF-125-2026) (Michael T. Borders)
- [3.](#) Consideration of a Resolution Approving a Memorandum of Understanding with Branch House - Family Justice Center (AF-129-2026) (Chris McCartt)
- [4.](#) Consideration of a Resolution to Approve Right-of-Way Easement with Kingsport Power Company (AF-114-2026) (Ryan McReynolds)
- [5.](#) Consideration to Reappoint Lora Barnett and Joseph White to the Board of Zoning Appeals (AF-117-2026) (Mayor Montgomery)

- [6.](#) Consideration to Appoint Sheree Robinson and Josh McKinney and to Reappoint Scottie Burkhalter to the Community Development Advisory Committee (AF-118-2026) (Mayor Montgomery)
- [7.](#) Consideration to Reappoint Marvin Egan and Bob Prendergast to the Construction Board of Adjustments and Appeals (AF-119-2026) (Mayor Montgomery)
- [8.](#) Consideration to Reappoint Megan Allphin to the Demolition by Neglect Committee (AF-120-2026) (Mayor Montgomery)
- [9.](#) Consideration to Reappoint Terry Cox and Christie Gott to the Gateway Review Commission (AF-121-2026) (Mayor Montgomery)
- [10.](#) Consideration to Reappointment of Lindsey Nieuwland to the Historic Zoning Commission (AF-122-2026) (Mayor Montgomery)

## **XII. COMMUNICATIONS**

1. City Manager
2. Mayor and Board Members

## **XIII. ADJOURN**

# City of Kingsport

## Proclamation

**Whereas**, sexual assault is a pervasive violation of human rights that affects individuals of all genders, ages, races, and backgrounds, impacting survivors, families, and communities in profound ways; and,

**Whereas**, every 68 seconds, an individual in the United States experiences sexual violence, resulting in trauma that can have long-lasting effects on mental, emotional, and physical well-being; and,

**Whereas**, Sexual Assault Awareness Month serves as a critical period to raise public awareness, educate our communities on prevention strategies, and promote a culture of healthy, respectful relationships; and,

**Whereas**, local organizations, such as the Branch House Family Justice Center, provide essential advocacy, support, and resources for survivors throughout Sullivan County; and,

**Whereas**, Branch House Family Justice Center serves as a beacon of hope for survivors by offering comprehensive services under one roof, ensuring they receive the legal, medical, and emotional support they need to heal and seek justice; and,

**Whereas**, the eradication of sexual violence requires the collective vigilance of law enforcement, educators, healthcare providers, and all residents to actively promote consent, accountability, and unwavering support for survivors; and,

**Whereas**, the City of Kingsport stands in firm solidarity with survivors and remains committed to fostering an environment where safety and respect are prioritized for every citizen.

**Now, Therefore**, I, Paul W. Montgomery, Mayor of the City of Kingsport, and on behalf of the Board of Mayor and Aldermen of the City of Kingsport, do hereby proclaim April 2026 as

## Sexual Assault Awareness Month

in the City of Kingsport and call upon all residents to join in these efforts to prevent violence, champion the voices of survivors and work together to create a safer, more supportive community for all.

**In Witness Whereof**, I have hereunto set my hand and caused the Seal of the City of Kingsport, Tennessee, to be affixed this the 21<sup>st</sup> day of April, in the year of our Lord two thousand and twenty-six.

# City of Kingsport

## Proclamation

**Whereas**, in Kingsport thousands of individuals from all walks of life, all ages, and all parts of our community unselfishly donate their time to helping others by sharing knowledge, kindness, generosity, and compassion every day; and,

**Whereas**, organizations in Kingsport relying on volunteers include hospitals, schools, non-profits, churches, government groups, community centers, nursing homes, assisted living facilities, community groups, civic clubs, and neighborhoods; and,

**Whereas**, in Kingsport volunteers contribute thousands of hours per year which makes our community a better and a stronger force for good. Hours used in such activities as mentoring our children, feeding our hungry, comforting our lonely, beautifying our green spaces, improving our safety, and providing leadership and oversight for charitable organizations; and,

**Whereas**, by performing these acts of service, volunteers shape a community big enough and bold enough to accommodate the hopes of all our people; and,

**Whereas**, the giving of oneself in service to another empowers the giver as well as the recipient; and the strength of our community lies in the hearts and souls of each citizen.

**Whereas**, I, Paul W. Montgomery, Mayor of Kingsport, and on behalf of the Board of Mayor and Aldermen for the City of Kingsport do hereby proclaim April 19 through April 25, 2026 as

## Volunteer Appreciation Week

in Kingsport and do encourage my fellow citizens to join in celebrating these most outstanding individuals in our community who tirelessly volunteer and encourage those not currently serving in volunteer efforts to engage in our community and make a difference.

**In Witness Whereof**, I have hereunto set my hand and caused the Seal of the City of Kingsport, Tennessee, to be affixed this the 21<sup>st</sup> day of April, in the year of our Lord two thousand and twenty-six.

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Paul W. Montgomery, Mayor



## BOARD OF MAYOR AND ALDERMEN WORK SESSION MINUTES

Monday, April 06, 2026 at 4:30 PM

City Hall, 415 Broad Street, Montgomery - Watterson Boardroom

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### Board of Mayor and Aldermen

Mayor Paul W. Montgomery, Presiding

Vice Mayor Darrell Duncan

Alderman Morris Baker

Alderman Betsy Cooper

Alderman Colette George

Alderman Gary Mayes

Alderman James Phillips

I. **CALL TO ORDER** 4:30 pm by Mayor Paul Montgomery.

II. **ROLL CALL** by City Recorder Travis Bishop.

### III. **DISCUSSION ITEMS**

1. **City Healthcare Performance Update** - Jon Manful, Mark III / Gwen Johnson, Premise Health

Human Resource Director Tyra Copas introduced each representative, noting Gwen Johnson wasn't able to be here and Rebecca Meyer will be speaking on behalf of Premise Health and the wellness clinic. She also introduced Mike Wesley, the benefits manager for the city who works closely with both of these entities.

Jon Manful and Brad Easterly gave a presentation on employee healthcare benefits. Mr. Manful provided details regarding membership as well as medical and pharmacy claims for calendar year 2025, pointing out a relatively flat growth from 2024. Mr. Easterly provided an analysis of large claims and pharmaceutical cost drivers for the last two years. He also talked about the success of the weight loss program both with medication and health coaching only. Lastly Mr. Manful commented on renewal expectation for 2026-2027.

Rebecca Meyer presented information on the utilization of the clinic in 2025 regarding the previously listed benefits, focusing on the vision, mission and value of Premise Health. She noted engagement was strong and well aligned with the health center with 23% growth with employees and 5% growth with dependents. There was some discussion as she answered questions from the board.



**BOARD OF MAYOR AND ALDERMEN WORK SESSION MINUTES**

**Monday, April 6, 2026, at 4:30 PM**

**Kingsport City Hall, 415 Broad Street, Boardroom**

**2. Sullivan County Child Well Being Ranking - Dr. Hampton**

Dr. Hampton gave a presentation on this item, stating he was unfamiliar with this report until recently and provided further details on the elements within the report. He pointed out the metrics provided in the report is inclusive to three school systems in Sullivan County and does not indicate specific scores relative to Kingsport City Schools. He provided statistics highlighting how Kingsport compares in each category that is measured, those being Economic and Well Being, Education, Health, and finally Family and Community. There was considerable discussion.

**IV. REVIEW OF BUSINESS MEETING AGENDA**

City staff gave a summary for each item on the April 7, 2026 proposed agenda. No items were discussed at greater length or received specific questions or concerns.

**IX.1 Conduct a Public Hearing and Consideration of an Ordinance to Amend Zoning of Tax Map 076, Portion of Parcel 006.50, Located along S. John B. Dennis Highway from the BC, Business Conference District to B-3, Highway-Oriented Business District (AF-88-2026)**

City Planner Jessica McMurray stated this was requested by the owner to rezone this property from BC to B3, noting this change is compatible with surrounding development and aligns with the land use plan.

**IX.2 Conduct a Public Hearing and Consideration of an Ordinance to Amend Zoning of Tax Map 120, Parcel 003.20, Located along Fordtown Road from the R-3, Low Density Apartment District to M-1R, Light Manufacturing Restricted District (AF-86-2026)**

City Planner McMurray stated this was also requested by the owner to rezone this property from R3 to M1. She stated the change from residential to light industrial will not adversely affect nearby properties and is consistent with the zoning pattern that supports appropriate development in that area. Assistant City Manager Jessica Harmon confirmed it was originally M1R before and had been rezoned residential, but that project did not pan out.

**IX.3 Conduct a Public Hearing and Consideration of an Ordinance to Amend Zoning of Tax Map 046I, Group A, Parcel 014.00, Located along Revere Street from the B-2, Central Business District to B-2E, Central Business Edge District (AF-87-2026)**

City Planner McMurray stated this was also requested by the owner to rezone this property from B2 to B2E, noting it is still compatible with downtown permitting similar uses and is consistent with the land use plan. She confirmed the only difference is the new zone permits indoor climate controlled in existing buildings.

**BOARD OF MAYOR AND ALDERMEN WORK SESSION MINUTES**

**Monday, April 6, 2026, at 4:30 PM**

**Kingsport City Hall, 415 Broad Street, Boardroom**

**IX.4 Conduct a Public Hearing and Consideration of an Ordinance to Amend Zoning of Tax Map 045E, Group C, Parcels 01.00, 00.26 and 00.27 Located along Fairview Avenue from the R-1C, Residential District to B-3, Highway-Oriented Business District (AF-96-2026)** City Planner McMurray stated this was also requested by the owner to rezone this property from R1C to B3 and pointing out it is not appropriate or compatible with surrounding properties and is also inconsistent with the land use plan. She further stated the Planning Commission originally voted 7-0 to send a negative recommendation to the BMA. The property owner amended the plan and brought it back to the Planning Commission. The vote changed to 4-3 in favor of a positive recommendation. Vice-Mayor Duncan stated this is an established neighborhood and this rezoning would be a detriment to the neighbors. Alderman George pointed out the plan doesn't stay with the property so if it is sold then any business that is allowed in the new zone couldn't be stopped. She stated if it was an office designation it would be different but not the designation that allows for the highest level of business. Alderman Mayes stated the redesign of the entrance and egress from the property changed the vote for the planning commission. Considerable discussion ensued.

*NOTE: Vice Mayor Duncan left the meeting during this discussion at 6:05 p.m.*

**XII.8 Acceptance of the June 30, 2025 Annual Comprehensive Financial Report Filed with the State of Tennessee March 30, 2026 (AF-103-2026)** City Recorder Travis Bishop presented this item, noting the audit committee met on March 30 and voted to accept the report as presented by Brown Edwards. He stated the unmodified opinion is best that can be received, pointing out there were no material weaknesses, one significant deficiency and two compliance matters. Mr. Bishop mentioned significant changes in the past year that contributed to the delay in presenting the ACFR.

The City Manager commented on the budget ordinance that was deferred at the last meeting and would be considered on second reading, pointing out Petworks has met the requirements.

**V. ITEMS OF INTEREST**

**1. Projects Status Report**

**VI. ADJOURN**

Seeing no other business for consideration, Mayor Montgomery adjourned the meeting at 6:34 p.m.

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ANGELA MARSHALL  
Deputy City Recorder

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PAUL W. MONTGOMERY  
Mayor

Item VII.1.



## BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES

Tuesday, April 07, 2026 at 7:00 PM

City Hall, 415 Broad Street, Montgomery-Watterson Boardroom

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### Board of Mayor and Aldermen

Mayor Paul W. Montgomery, Presiding

Vice Mayor Darrell Duncan

Alderman Morris Baker

Alderman Betsy Cooper

Alderman Colette George

Alderman Gary Mayes

Alderman James Phillips (*arrived after roll call*)

### City Administration

Chris McCartt, City Manager

Bart Rowlett, City Attorney

Travis Bishop, City Recorder

Angie Marshall, City Clerk/Deputy City Recorder

**I. CALL TO ORDER** .7:00 pm by Mayor Paul Montgomery

**II. PLEDGE OF ALLEGIANCE TO THE FLAG** led by Deputy City Manager Ryan McReynolds.

**III. INVOCATION** led by Alderman Morris Baker.

**IV. ROLL CALL** by City Recorder Travis Bishop.

**V. RECOGNITIONS AND PRESENTATIONS**

**1. Proclamation: Donate Life Month** (Alderman Mayes)

**VI. COMMENT**

Mayor Montgomery invited citizens in attendance to speak.

Mark Bush and Clarence Pennington commented on a traffic speeding issue on Shadyside Drive.

Patty Teague provided photos regarding sidewalk and roadway decline in Sevier Terrace as well as commenting on traffic and parking issues there.

There being no one else coming forward, the mayor then closed the public comment section.

**VII. APPOINTMENTS** None.

**BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES**

Tuesday, April 7, 2026 at 7:00 PM

Kingsport City Hall, 415 Broad Street, Boardroom

**VIII. APPROVAL OF MINUTES** *(These items are considered under one motion.)*

Motion made by Alderman Cooper, Seconded by Vice Mayor Duncan.

Passed: All present voting "aye."

1. **March 16, 2026 - Work Session**
2. **March 17, 2026 - Business Meeting**

**IX. BUSINESS MATTERS REQUIRING FIRST READING AND/ OR PUBLIC HEARINGS**

1. **Conduct a Public Hearing and Consideration of an Ordinance to Amend Zoning of Tax Map 076, Portion of Parcel 006.50, Located along S. John B. Dennis Highway from the BC, Business Conference District to B-3, Highway-Oriented Business District (AF-88-2026) (Jessica McMurray)**

Public Hearing: No one came forward.

Motion made by Alderman George, Seconded by Alderman Baker.

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE A PORTION OF PROPERTY LOCATED ALONG SOUTH JOHN B. DENNIS HIGHWAY FROM THE BC, BUSINESS CONFERENCE DISTRICT TO B-3, HIGHWAY-ORIENTED BUSINESS DISTRICT IN THE 13TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed: All present voting "aye."

2. **Conduct a Public Hearing and Consideration of an Ordinance to Amend Zoning of Tax Map 120, Parcel 003.20, Located along Fordtown Road from the R-3, Low Density Apartment District to M-1R, Light Manufacturing Restricted District (AF-86-2026) (Jessica McMurray)**

Public Hearing: No one came forward.

Motion made by Vice Mayor Duncan, Seconded by Alderman George.

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG FORDTOWN ROAD FROM THE R-3, LOW DENISTY APARTMENT DISTRICT TO M-1R, LIGHT MANUFACTURING RESTRICTED DISTRICT IN THE 14TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed: All present voting "aye."

**BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES**

**Tuesday, April 7, 2026 at 7:00 PM**

**Kingsport City Hall, 415 Broad Street, Boardroom**

- 3. Conduct a Public Hearing and Consideration of an Ordinance to Amend Zoning of Tax Map 046I, Group A, Parcel 014.00, Located along Revere Street from the B-2, Central Business District to B-2E, Central Business Edge District (AF-87-2026) (Jessica McMurray)**

Public Hearing: No one came forward.

Motion made by Alderman Baker, Seconded by Alderman Phillips.

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG REVERE STREET FROM THE B-2, CENTRAL BUSINESS DISTRICT TO B-2E, CENTRAL BUSINESS EDGE DISTRICT IN THE 11TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed: All present voting "aye."

- 4. Conduct a Public Hearing and Consideration of an Ordinance to Amend Zoning of Tax Map 045E, Group C, Parcels 01.00, 00.26 and 00.27 Located along Fairview Avenue from the R-1C, Residential District to B-3, Highway-Oriented Business District (AF-96-2026) (Jessica McMurray)**

Public Hearing: Patty Teague spoke in opposition of this item and mentioned many residents in that area have concerns. Aaron Rose, owner of the property in question, provided details on the plans for development.

Motion made by Alderman Baker, Seconded by Alderman Phillips.

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG FAIRVIEW AVENUE FROM THE R-1C, RESIDENTIAL DISTRICT TO B-3, HIGHWAY-ORIENTED BUSINESS DISTRICT IN THE 11TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed with a roll call vote: Alderman Baker, Alderman Cooper, Alderman Mayes, Alderman Phillips

Voting Nay: Vice Mayor Duncan, Alderman George, Mayor Montgomery

- 5. Consideration of a Budget Adjustment Ordinance in FY26 (AF-85-2026) (Chris McCartt)**

Motion made by Alderman George, Seconded by Vice Mayor Duncan.

AN ORDINANCE OF THE CITY OF KINGSPORT, TENNESSEE AMENDING THE 2025-2026 FISCAL YEAR BUDGET

Passed: All present voting "aye."

BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES

Tuesday, April 7, 2026 at 7:00 PM

Kingsport City Hall, 415 Broad Street, Boardroom

X. BUSINESS MATTERS REQUIRING FINAL ADOPTION

1. **Consideration of a Budget Ordinance for General Fund FY26 (AF-41-2026) (Chris McCartt)**

Motion made by Vice Mayor Duncan, Seconded by Alderman Baker.

**ORDINANCE NO. 7247** AN ORDINANCE OF THE CITY OF KINGSPORT, TENNESSEE AMENDING THE 2025-2026 FISCAL YEAR BUDGET AMENDMENT

Passed on second reading with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman George, Alderman Mayes, Alderman Phillips, Mayor Montgomery

2. **Consideration of a Budget Adjustment Ordinance for Various Funds in FY2026 (AF-47-2026) (Chris McCartt)**

Motion made by Vice Mayor Duncan, Seconded by Alderman Phillips.

**ORDINANCE NO. 7248** AN ORDINANCE OF THE CITY OF KINGSPORT, TENNESSEE AMENDING THE 2025-2026 FISCAL YEAR BUDGET AMENDMENT

Passed on second reading with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman George, Alderman Mayes, Alderman Phillips, Mayor Montgomery

3. **Consideration of an Ordinance to Amend Zoning of Tax Map 120, Parcel 02.20, Located along Eastern Star Road from the M-1R, Light Manufacturing Restricted District to R-3, Low Density Apartment District (AF-50-2026) (Jessica McMurray)**

Motion made by Alderman Baker, Seconded by Alderman George.

**ORDINANCE NO. 7249** AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG EASTERN STAR ROAD FROM THE M-1R, LIGHT MANUFACTURING RESTRICTED DISTRICT TO R-3, LOW DENSITY APARTMENT DISTRICT IN THE 14TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman George, Alderman Mayes, Alderman Phillips, Mayor Montgomery

4. **Consideration of an Ordinance to Amend the FY 2026 General Purpose School Fund Budget (AF-56-2026) (David Frye)**

Motion made by Alderman Phillips, Seconded by Alderman Mayes.

**BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES**

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**ORDINANCE NO. 7250** AN ORDINANCE TO AMEND THE GENERAL PURPOSE SCHOOL FUND BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2026; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman George, Alderman Mayes, Alderman Phillips, Mayor Montgomery

**5. Consideration of an Ordinance to Amend the FY 2026 School General Purpose Fund Budget and the General Project Fund Budget (AF-63-2026) (David Frye)**

Motion made by Vice Mayor Duncan, Seconded by Alderman Mayes.

**ORDINANCE NO. 7251** AN ORDINANCE TO AMEND THE GENERAL PURPOSE SCHOOL FUND BUDGET AND THE GENERAL PROJECTS FUND BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2026; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman George, Alderman Mayes, Alderman Phillips, Mayor Montgomery

**XI. OTHER BUSINESS**

**1. Consideration of a Resolution Renewing the Contract for Concession Food Service Distributor for the Kingsport Aquatic Center to The H.T. Hackney Company (AF-60-2026) (Michael Borders)**

Motion made by Alderman George, Seconded by Alderman Cooper.

**RESOLUTION NO. 2026-193** A RESOLUTION AUTHORIZING THE RENEWAL OF THE KINGSFORT AQUATIC CENTER CONCESSION FOOD SERVICE DISTRIBUTOR PROPOSAL WITH H.T. HACKNEY COMPANY AND AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS FOR THE SAME

Passed: All present voting "aye."

**2. Consideration of a Resolution to Awarding the Bid for Mowing at Tanks, Pump Houses, & Lift Stations (AF-82-2026) (Ryan McReynolds)**

Motion made by Alderman Baker, Seconded by Vice Mayor Duncan.

**RESOLUTION NO. 2026-194** A RESOLUTION AWARDED THE PROPOSAL FOR MOWING AT TANKS, PUMP HOUSES AND LIFT STATIONS TO CHB SOLUTIONS AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

**BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES**

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**Kingsport City Hall, 415 Broad Street, Boardroom**

- 3. Consideration of a Resolution to Enter into an Agreement with LDA Engineering to Provide Engineering Services for Lakeside (SLS 325) & Lakecrest (SLS 323) Replacement (AF-78-2026) (Ryan McReynolds)**

Motion made by Alderman Mayes, Seconded by Alderman George.

**RESOLUTION NO. 2026-195** A RESOLUTION APPROVING AN AGREEMENT WITH LDA ENGINEERING FOR ENGINEERING SERVICES FOR THE REPLACEMENT OF THE LAKESIDE AND LAKECREST LIFT STATIONS AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

- 4. Consideration of a Resolution to Enter into an Agreement with Barge Design Solutions to Provide Bidding and Construction Services for the Reedy Creek Trunk Sewer Replacement Project (Lovedale to Clinchfield) (AF-79-2026) (Ryan McReynolds)**

Motion made by Alderman Mayes, Seconded by Alderman Baker.

**RESOLUTION NO. 2026-196** A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH BARGE DESIGN SOLUTIONS TO PROVIDE BIDDING AND CONSTRUCTION SERVICES FOR THE REEDY CREEK TRUNK SEWER REPLACEMENT-FINAL DESIGN AND AUTHORIZING THE MAYOR TO EXECUTE ANY OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

- 5. Consideration of a Resolution to Award the Bid to Traxon Construction, Inc. for the Washington Co Water Phase 2 Project (AF-81-2026) (Ryan McReynolds)**

Motion made by Vice Mayor Duncan, Seconded by Alderman Phillips.

**RESOLUTION NO. 2026-197** A RESOLUTION AWARDING THE BID FOR WASHINGTON COUNTY WATER PHASE 2 PROJECT TO TRAXON CONSTRUCTION, INC., AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."



**BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES**

**Tuesday, April 7, 2026 at 7:00 PM**

**Kingsport City Hall, 415 Broad Street, Boardroom**

- 6. Consideration of a Resolution to Renew an Agreement with Icon Environmental, LLC for Services at Kingsport's Construction & Demolition Landfill (AF-84-2026) (Ryan McReynolds)**

Motion made by Alderman Baker, Seconded by Alderman Phillips.

**RESOLUTION NO. 2026-198** A RESOLUTION RENEWING THE AWARD OF A CONTRACT FOR SELECTED SERVICES AT THE KINGSPORT CONSTRUCTION AND DEMOLITION LANDFILL WITH ICON ENVIRONMENTAL, LLC AND AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

Passed: All present voting "aye."

- 7. Consideration of a Resolution Extending the Agreement for Solid Waste Disposal with Eco-Safe Systems, LLC dba Waste Management and Authorizing the Mayor to Execute All Applicable Document (AF-93-2026) (Ryan McReynolds)**

Motion made by Alderman Phillips, Seconded by Vice Mayor Duncan.

**RESOLUTION NO. 2026-199** A RESOLUTION RENEWING AN AGREEMENT FOR SOLID WASTE AND SPECIAL WASTE DISPOSAL WITH ECO-SAFE SYSTEMS, LLC D/B/A WASTE MANAGEMENT AND AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

Passed: All present voting "aye."

- 8. Consideration of a Resolution to Award the Bid to Morgan Contracting, Inc. for the FY26 Sewer Lining Project (AF-80-2026) (Ryan McReynolds)**

Motion made by Alderman George, Seconded by Vice Mayor Duncan.

**RESOLUTION NO. 2026-200** A RESOLUTION AWARDDING THE BID FOR SEWER LINING PROJECT TO MORGAN CONTRACTING, INC. AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

- 9. Consideration of a Resolution to Award the Bid to JTB Construction for the FY25 Ridgefields Sewer Rehab (AF-58-2026) (Ryan McReynolds)**

**BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES**

**Tuesday, April 7, 2026 at 7:00 PM**

**Kingsport City Hall, 415 Broad Street, Boardroom**

Motion made by Vice Mayor Duncan, Seconded by Alderman George.

**RESOLUTION NO. 2026-201** A RESOLUTION AWARDING THE BID FOR FY25 RIDGEFIELDS SEWER REHABILITATION PROJECT TO JTB CONSTRUCTION AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

- 10. Consideration of a Resolution to Approve the Purchase of Senior Center Furniture to Complete the Administrative Offices and the Multi-Purpose Room Renovation (AF-75-2026) (Tyler Wicks)**

Motion made by Alderman Baker, Seconded by Alderman George.

**RESOLUTION NO. 2026-202** A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS TO WORKSPACE INTERIORS FOR FURNITURE AND FURNISHINGS AT THE KINGSPORT SENIOR CENTER UTILIZING OMNIA PARTNERS CONTRACTS # HON:R240117, AND #KI:R240109

Passed: All present voting "aye."

- 11. Consideration of a Resolution Approving a Supplemental Agreement to the Inter-Local Cooperation Agreement between the Emergency Communications District and City of Kingsport (AF-97-2026) (Bart Rowlett)**

Motion made by Alderman George, Seconded by Alderman Cooper.

**RESOLUTION NO. 2026-203** A RESOLUTION APPROVING A SUPPLEMENTAL AGREEMENT TO THE INTER-LOCAL COOPERATION AGREEMENT BETWEEN THE CITY AND THE EMERGENCY COMMUNICATIONS DISTRICT OF THE CITY OF KINGSPORT, TENNESSEE, AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

- 12. Consideration of a Resolution Authorizing Contract Amendment #2 with Raftelis Consulting for CIS Support (AF-90-2026) (Floyd Bailey)**

**BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES**

**Tuesday, April 7, 2026 at 7:00 PM**

**Kingsport City Hall, 415 Broad Street, Boardroom**

Motion made by Alderman George, Seconded by Alderman Phillips.

**RESOLUTION NO. 2026-204** A RESOLUTION APPROVING AN AGREEMENT WITH RAFTELIS FINANCIAL CONSULTANTS, LLC EXPANDING THE SCOPE OF SERVICES FOR CUSTOMER INFORMATION SOFTWARE IMPLEMENTATION MANAGEMENT SUPPORT CONTRACT AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

**13. Consideration of a Resolution to Change the Time of the April 20, 2026 Work Session to 3:30 PM (AF-102-2026) (Chris McCartt)**

Motion made by Vice Mayor Duncan, Seconded by Alderman Phillips.

**RESOLUTION NO. 2026-205** RESOLUTION CHANGING THE TIME OF THE APRIL 20, 2026, WORK SESSION, IN ACCORDANCE WITH ARTICLE III, SEC. 7 OF THE CHARTER OF THE CITY OF KINGSPORT, TENNESSEE

Passed: All present voting "aye."

**14. Consideration of a Resolution Awarding the Purchase of Various Equipment for the New Ladder Truck Utilizing H-GAC Buy (AF-48-2026) (Chief Jerry DeBerry)**

Motion made by Alderman Baker, Seconded by Alderman Cooper.

**RESOLUTION NO. 2026-206** A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER TO SIDDONS MARTIN EMERGENCY GROUP UTILIZING AN H-GAC COOPERATIVE PURCHASING AGREEMENT NO. EE11-24 FOR VARIOUS ITEMS FOR THE NEW LADDER TRUCK FOR THE KINGSPORT FIRE DEPARTMENT

Passed: All present voting "aye."

**XII. CONSENT AGENDA** *(These items are considered under one motion.)*

Motion made by Vice Mayor Duncan, Seconded by Alderman George.

Passed as presented with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman George, Alderman Mayes, Alderman Phillips, Mayor Montgomery

**1. Consideration of a Resolution to Apply and Accept a Grant from Enbridge (AF-95-2026) (Chief Jerry DeBerry)**

**BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES**

**Tuesday, April 7, 2026 at 7:00 PM**

**Kingsport City Hall, 415 Broad Street, Boardroom**

**RESOLUTION NO. 2026-207** A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A GRANT FROM ENBRIDGE FOR THE KINGSFORT FIRE DEPARTMENT

- 2. Consideration of a Resolution Authorizing the Mayor to Execute All Documents Necessary to Apply for and Receive a Grant from the Department of Justice, Bureau of Justice Assistance (AF-76-2026) (Chief Jason Bellamy)**

**RESOLUTION NO. 2026-208** A RESOLUTION APPROVING AN APPLICATION FOR AND RECEIPT OF A FISCAL YEAR 2025 GRANT FROM THE UNITED STATES DEPARTMENT OF JUSTICE/BUREAU OF JUSTICE ASSISTANCE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER FOR SUCH APPLICATION AND RECEIPT OF GRANT FUNDS

- 3. Consideration of a Resolution to Close the Steadman Cemetery Fund (AF-98-2026) (Travis Bishop)**

**RESOLUTION NO. 2026-209** A RESOLUTION CLOSING THE STEADMAN CEMETERY FUND AND PROVIDING FOR THE DISPOSITION OF REMAINING ASSETS AND LIABILITIES

- 4. Consideration of Resolution to Approve a Permit for a Carnival to Operate Temporarily at 4540 W. Stone Dr. (AF-94-2026) (Ken Weems)**

**RESOLUTION NO. 2026-210** A RESOLUTION APPROVING A PERMIT TO OPERATE A CARNIVAL

- 5. Consideration of a Resolution to Enter into a Lease Agreement with Suzuki Talent Education of Appalachia, Inc. (AF-99-2026) (Michael T. Borders)**

**RESOLUTION NO. 2026-211** A RESOLUTION APPROVING A LEASE AGREEMENT WITH SUZUKI TALENT EDUCATION OF APPALACHIA, INC. FOR SPACE AT THE RENAISSANCE CENTER AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

- 6. Consideration of a Resolution to Enter into a Lease Agreement with Symphony of the Mountains (AF-100-2026) (Michael T. Borders)**

**BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES**

**Tuesday, April 7, 2026 at 7:00 PM**

**Kingsport City Hall, 415 Broad Street, Boardroom**

**RESOLUTION NO. 2026-212** A RESOLUTION APPROVING A LEASE AGREEMENT WITH SYMPHONY OF THE MOUNTAINS FOR SPACE AT THE RENAISSANCE CENTER AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

- 7. Consideration of a Resolution to Ratify the Mayor’s Signature on a BlueCross Healthy Place Maintenance Fund Request Form (AF-107-2026) (Michael T. Borders)**

**RESOLUTION NO. 2026-213** A RESOLUTION TO RATIFY THE MAYOR’S SIGNATURE ON A BLUECROSS HEALTHY PLACE MAINTENANCE FUND REQUEST FORM FOR RIVERWALK PARK FENCING

- 8. Acceptance of the June 30, 2025 Annual Comprehensive Financial Report Filed with the State of Tennessee March 30, 2026 (AF-103-2026) (Travis Bishop)**

**XIII. COMMUNICATIONS**

- 1. City Manager**

- a. Debt Reports from TN Comptroller. Included are the Series 2026A and Series 2026B.**

Mr. McCartt noted the debt obligation to be spread over the minutes and expressed his appreciation for Raymond James, the City’s bond attorney as well as city staff.

He mentioned the item that approved the audit earlier on the recommendation of the audit committee, pointing out there will be a press release forthcoming. He stated the City received an unmodified clean opinion for the 27th year and a certificate of excellence in reporting for the 25th year.

The City Manager also invited everyone to a ribbon cutting on April 13 at 12:30 for the BlueCross BlueShield play place park and thanked Tyler Wicks for all the work he's done on this project. He also mentioned it was entirely funded by BCBS and would be a great addition to the city.

- 2. Mayor and Board Members**

Alderman Baker commented on the presentation given by Dr. Hampton to provide clarity and context to a recent report. He congratulated the new coach of DB basketball and stated his appreciation to his fellow aldermen for being able to have discussion. Alderman Phillips apologized for being late noting he was coaching soccer game. He said the Times News was doing great job getting the word out about what's going on in Kingsport, specifically regarding the recent articles about the IMAX theatre as well as the Dobyys Taylor warehouse project.

**BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES**

**Tuesday, April 7, 2026 at 7:00 PM**

**Kingsport City Hall, 415 Broad Street, Boardroom**

Alderman Mayes commented on the audit, making note of residential projects and the general fund reserve balance. He also stated he was grateful for the ability to have discussion. Mr. Mayes further stated his appreciation for the Sullivan County Sherriff's Office and commented on touring the new jail. Alderman Cooper also remarked on the necessity of the new jail. She mentioned the lineup had been released for the downtown concerts as well as Red, White & Boom and for Funfest and pointed out there was one more weekend for No Ordinary Man at Lamplight. Alderman George also relayed the audit committee had a good meeting and she felt good about the data that was given. She also stated the information distributed by the paper is beneficial as well. She confirmed the Bays Mountain controlled burn that was advertised has been moved to a later date because of the weather. Vice Mayor Duncan recognized Mr. Isaccs and Mr. Clifton in the audience who are running for alderman. He congratulated Travis Bishop and his team on the clean audit after several changes in staff over the past year. He also mentioned the new jail, pointing out that every high school student should have a tour. He stated Keep Kingsport Beautiful has their first clean up in Riverview on April the 18 and noted Arbor Day is also coming up April 24 at Borden Park. Mayor Montgomery expressed appreciation to the citizens who made comments earlier and pointed out the board is always available to have a conversation. Lastly, he reminded everyone on May 7 at 8am is mayor's prayer breakfast at Meadowview.

**XIV.ADJOURN**

Seeing no other business for consideration, Mayor Montgomery adjourned the meeting at 8:46 p.m.

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ANGELA MARSHALL  
Deputy City Recorder

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PAUL W. MONTGOMERY  
Mayor



**AGENDA ACTION FORM**

**Consideration of a Budget Adjustment Ordinance for Various Funds in FY2026**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-127-2026  
Work Session: April 20, 2026  
First Reading: April 21, 2026  
Final Adoption: May 5, 2026  
Staff Work By: Wilson  
Presentation By: McCartt

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**Strategic Focus Area: 1. Efficient & Responsive Government**

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**Recommendation:**

Approve the Budget Ordinance

**Executive Summary:**

If approved, the General Projects Fund will be amended by accepting Tennessee Department of Environment and Conservation funds in the amount of \$500,000 into the Brownfield Redevelopment Area Grant (Cement Hill) project (GP2603) to identify, investigate, remediate and encourage the redevelopment of brownfields and transferring \$260,000 from the Border Reg Rd Project (GP1228) to the State Industrial Access Project (GP2601), by transferring \$15,337 from General Park Improvements Project (GP2106) close project, \$89,056 from Bike Park & Lighting Project (GP2204), transferring \$63,691 from Bays Mountain Exhibits Project (GP2206), transferring \$215,263 from BMP Nature Center Project (GP2215), transferring \$159,178 from Parks ADA Project (NC2207), transferring \$370,337 from Leisure Services Projects (NC2331) close project, by accepting \$2,077,600 into BMP Nature Center Ph II (GP2609) and appropriating \$167,675 in expenses, by accepting \$795,000 in Bike Park Project (GP2610) , and accepting \$243,562 in BMP Otter Exhibit (GP2305).

The Cattails Project Fund be amended by transferring \$39,151 from Cattails Misc. Project (CG2401) to the Cattails Fund to capitalize the utility vehicle expense.

The Bays Mountain Park Community Fund will be amended by accepting \$100,000 and transferring \$395,000 in fund balance to Bays Mountain Fund.

**Attachments:**

- 1. Budget Ordinance

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

**AN ORDINANCE OF THE CITY OF KINGSPORT, TENNESSEE  
AMENDING THE 2025-2026 FISCAL YEAR BUDGET**

WHEREAS, the City adopted the fiscal year 2025-2026 budget by passage of Ordinance Number 7208; and

WHEREAS, pursuant to the Tennessee state constitution, Section 24 of Article II, no public money shall be expended except pursuant to appropriations made by law; and

WHEREAS, pursuant to the Municipal Budget Law of 1982, as found in the *Tennessee Code Annotated*, section 6-56-209, the Mayor and Board of Mayor and Aldermen have the authority to authorize the budget officer to transfer moneys from one appropriation to another within the same fund; and

WHEREAS, expenses and revenues are anticipated to vary from original budgeted amounts; and

BE IT ORDAINED BY THE CITY OF KINGSPORT, as follows:

SECTION I: Ordinance # 7208 is hereby amended increasing(decreasing) the fiscal year 2025-2026 budget as follows:

<b>General Fund: 110</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Expenses			
110-4804-481.70-35 To Gen Proj - Special Rev	6,006,931	5,477,416	(529,515)
110-4804-481.70-36 Capital Project Fund	820,928	1,350,443	529,515
<b>Total</b>	<b>\$ 6,827,859</b>	<b>\$ 6,827,859</b>	<b>\$ -</b>
Change in Project Fund Balance			\$ -



<b>General Projects-Special Revenue Fund: 311 General Park Improvements (GP2106)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
311-0000-391.01-00 From General Fund	116,814	101,477	(15,337)
<b>Total</b>	<b>\$ 116,814</b>	<b>\$ 101,477</b>	<b>\$ (15,337)</b>
Expenses			
311-0000-601.90-03 Capital Outlay	177,820	162,483	(15,337)
<b>Total</b>	<b>\$ 177,820</b>	<b>\$ 162,483</b>	<b>\$ (15,337)</b>
Change in Project Fund Balance			\$ -

<b>General Projects-Special Revenue Fund: 311 Bike Park &amp; Lighting (GP2204)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
311-0000-391.01-00 From General Fund	156,368	67,312	(89,056)
<b>Total</b>	<b>\$ 156,368</b>	<b>\$ 67,312</b>	<b>\$ (89,056)</b>
Expenses			
311-0000-601.90-03 Capital Outlay	1,577,927	1,488,871	(89,056)
<b>Total</b>	<b>\$ 1,577,927</b>	<b>\$ 1,488,871</b>	<b>\$ (89,056)</b>
Change in Project Fund Balance			\$ -

<b>General Projects-Special Revenue Fund: 311 Bays Mtn Exhibits (GP2206)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
311-0000-368.10-69 GO Bonds Series 2021	345,188	288,457	(56,731)
311-0000-391.62-00 Bays Mtn Park Comm Fund	3,375	6	(3,369)
311-0000-391.01-00 From General Fund	3,591	-	(3,591)
<b>Total</b>	<b>\$ 345,188</b>	<b>\$ 288,457</b>	<b>\$ (63,691)</b>
Expenses			
311-0000-601.90-03 Capital Outlay	376,916	313,225	(63,691)
<b>Total</b>	<b>\$ 376,916</b>	<b>\$ 313,225</b>	<b>\$ (63,691)</b>
Change in Project Fund Balance			\$ -

<b>General Projects-Special Revenue Fund: 311 BMP Nature Center (GP2215)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
311-0000-391.62-00 Bays Mtn Park Comm Fund	1,046,492	831,229	(215,263)
<b>Total</b>	<b>\$ 1,046,492</b>	<b>\$ 831,229</b>	<b>\$ (215,263)</b>
Expenses			
311-0000-601.90-03 Capital Outlay	1,046,526	831,263	(215,263)
<b>Total</b>	<b>\$ 1,046,526</b>	<b>\$ 831,263</b>	<b>\$ (215,263)</b>
Change in Project Fund Balance			\$ -

<b>General Projects-Special Revenue Fund: 111 Parks ADA (NC2207)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
111-0000-391.01-00 From General Fund	322,697	163,519	(159,178)
<b>Total</b>	<b>\$ 322,697</b>	<b>\$ 163,519</b>	<b>\$ (159,178)</b>
Expenses			
111-0000-601.20-22 Construction Contracts	326,194	167,016	(159,178)
<b>Total</b>	<b>\$ 326,194</b>	<b>\$ 167,016</b>	<b>\$ (159,178)</b>
Change in Project Fund Balance			\$ -

<b>General Projects-Special Revenue Fund: 111 Leisure Services Projects (NC2331)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
111-0000-391.01-00 From General Fund	378,337	8,000	(370,337)
<b>Total</b>	<b>\$ 378,337</b>	<b>\$ 8,000</b>	<b>\$ (370,337)</b>
Expenses			
111-0000-601.90-03 Capital Outlay	378,337	8,000	(370,337)
<b>Total</b>	<b>\$ 378,337</b>	<b>\$ 8,000</b>	<b>\$ (370,337)</b>
Change in Project Fund Balance			\$ -

<b>Bays Mountain Park Comm Fund: 612</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
612-0000-364.20-00 Contributions from Corporations	-	100,000	100,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>
Expenses			
612-4804-481.70-36 To Capital Projects Fund	-	495,000	495,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 495,000</b>	<b>\$ 495,000</b>
Change in Project Fund Balance			\$ (395,000)

<b>General Projects-Special Revenue Fund: 311 BMP Nature Center Ph II (GP2609)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
311-0000-332.49-00 TN State Parks Grant	-	1,038,800	1,038,800
311-0000-391.01-00 From General Fund	-	331,697	331,697
311-0000-368.10-69 GO Bonds Series 2021	-	56,731	56,731
311-0000-391.62-00 Bays Mtn Park Comm Fund	-	650,372	650,372
<b>Total</b>	<b>\$ -</b>	<b>\$ 2,077,600</b>	<b>\$ 2,077,600</b>
Expenses			
311-0000-601.90-03 Capital Outlay	-	2,077,600	2,077,600
<b>Total</b>	<b>\$ -</b>	<b>\$ 2,077,600</b>	<b>\$ 2,077,600</b>
Change in Project Fund Balance			\$ -

<b>General Projects-Special Revenue Fund: 311 Bike Park (GP2610)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
311-0000-332.49-00 TN State Parks Grant	-	397,500	397,500
311-0000-391.01-00 From General Fund	-	334,240	334,240
311-0000-391.62-00 Bays Mtn Park Comm Fund	-	63,260	63,260
<b>Total</b>	<b>\$ -</b>	<b>\$ 795,000</b>	<b>\$ 795,000</b>
Expenses			
311-0000-601.90-03 Capital Outlay	-	795,000	795,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 795,000</b>	<b>\$ 795,000</b>
Change in Project Fund Balance			\$ -

<b>General Projects-Special Revenue Fund: 311 BMP Otter Exhibit (GP2305)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
311-0000-332.49-00 TN State Parks Grant	1,000,000	1,272,000	272,000
311-0000-391.01-00 From General Fund	500,000	471,562	(28,438)
<b>Total</b>	<b>\$ 1,500,000</b>	<b>\$ 1,743,562</b>	<b>\$ 243,562</b>
Expenses			
311-0000-601.90-03 Capital Outlay	2,683,778	2,927,340	243,562
<b>Total</b>	<b>\$ 2,683,778</b>	<b>\$ 2,927,340</b>	<b>\$ 243,562</b>
Change in Project Fund Balance			\$ -

<b>General Projects-Special Revenue Fund: 311 Brownfield Cement Park Project (GP2603)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
311-0000-332.49-00 TN State Parks Grant	-	500,000	500,000
<b>Total</b>	<b>\$ -</b>	<b>\$500,000</b>	<b>500,000</b>
Expenses			
311-0000-601.20-23 Arch/Eng/ Landscaping Services	-	40,000	40,000
311-0000-601.20-20 Professional Services	-	460,000	460,000
<b>Total</b>	<b>\$ -</b>	<b>\$500,000</b>	<b>500,000</b>
Change in Project Fund Balance			\$ -

<b>Cattails Project Fund: 453</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
453-0000-391.58-00 From Cattails	585,686	546,535	39,151
<b>Total</b>	<b>\$ 585,686</b>	<b>\$ 546,535</b>	<b>\$ 39,151</b>
Expenses			
453-0000-601.90-04 Capital Outlay/ Equipment	554,350	515,199	39,151
<b>Total</b>	<b>\$ 554,350</b>	<b>\$ 515,199</b>	<b>\$ 39,151</b>
Change in Project Fund Balance			\$ -

<b>Cattails Golf Course Fund: 421</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Expenses			
421-5076-508.20-99 Contractual Services	125,000	164,151	39,151
421-6996-696.76-06 Transfers to Cattails Project Fund	554,350	515,199	(39,151)
<b>Total</b>	<b>\$ 554,350</b>	<b>\$ 515,199</b>	<b>\$ -</b>
Change in Project Fund Balance			\$ -

<b>General Projects-Special Revenue Fund: 311 Border Reg Rd Improv (GP1228)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
311-0000-332.10-15 Border Region Allocation	1,658,200	1,398,200	(260,000)
<b>Total</b>	<b>\$ 1,658,200</b>	<b>\$ 1,398,200</b>	<b>\$ (260,000)</b>
Expenses			
311-0000-601.90-03 Capital Outlay	1,659,030	1,399,030	(260,000)
<b>Total</b>	<b>\$ 1,659,030</b>	<b>\$ 1,399,030</b>	<b>\$ (260,000)</b>
Change in Project Fund Balance			\$ -

<b>General Projects-Special Revenue Fund: 311 State Industrial Access Rd (GP2601)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
311-0000-332.10-15 Border Region Allocation	-	260,000	260,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 260,000</b>	<b>\$ 260,000</b>
Expenses			
311-0000-601.90-03 Capital Outlay	-	260,000	260,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 260,000</b>	<b>\$ 260,000</b>
Change in Project Fund Balance			\$ -

SECTION II: That this Ordinance shall take effect from and after its date of passage, as the law directs, the welfare of the City of Kingsport, Tennessee requiring it.

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PAUL W. MONTGOMERY, Mayor

ATTEST:

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ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

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RODNEY B. ROWLETT III, City Attorney

PASSED ON 1ST READING:

PASSED ON 2ND READING:





**AGENDA ACTION FORM**

**Consideration of an Ordinance Amending the FY 2026 Budgets by Appropriating General Obligation Public Improvement Bond Series 2026A Proceeds**

To: Board of Mayor and Aldermen  
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-124-2026  
 Work Session: April 20, 2026  
 First Reading: April 21, 2026  
 Final Adoption: May 5, 2026  
 Staff Work By: Wilson/Bishop  
 Presentation By: McCartt

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**Strategic Focus Area: 2. Sustainable Infrastructure**

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**Recommendation:**

Approve the Ordinance

**Executive Summary:**

If approved, the General Project Fund, Sewer Funds, and Cattails Funds will be amended by accepting bonds proceeds to the following projects:

- Washington HVAC (GP2512): \$ 2,300,000
- Lynn Garden School (GP2507): \$ 2,600,000
- SIA Road (GP2601): \$ 750,000
- Senior Center Parking (GP2609): \$ 750,000
- Clinchfield Bridge (GP2604): \$ 1,378,530
- Watauga Street (GP2605): \$ 2,000,000
- White & Eastman (GP2606): \$ 650,000
- Jessee & Memorial (GP2607): \$ 750,000
- Other Bridge Projects (GP2608): \$ 1,780,862
- Pendragon (SW2607) \$ 1,000,000
- Watauga Sewer Improvements (SW2608) \$ 2,239,848
- CG2401 Golf Equipment \$ 550,000
- CG2601 Pump System Replacement \$ 1,069,924

**Attachments:**

1. Budget Ordinance

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

**AN ORDINANCE OF THE CITY OF KINGSPORT, TENNESSEE  
AMENDING THE 2025-2026 FISCAL YEAR BUDGET**

WHEREAS, the City adopted the fiscal year 2025-2026 budget by passage of Ordinance Number 7208, 7209, and 7210; and

WHEREAS, pursuant to the Tennessee state constitution, Section 24 of Article II, no public money shall be expended except pursuant to appropriations made by law; and

WHEREAS, pursuant to the Municipal Budget Law of 1982, as found in the *Tennessee Code Annotated*, section 6-56-209, the Mayor and Board of Mayor and Aldermen have the authority to authorize the budget officer to transfer moneys from one appropriation to another within the same fund; and

WHEREAS, on January 20, 2026, the Board of Mayor and Aldermen (the "Board") of the City of Kingsport, Sullivan and Hawkins Counties, Tennessee (the "Municipality"), adopted Resolution No. 2026-150 to issue General Obligation Public Improvement Bond Series 2026A not to exceed \$16,500,000, to Provide Funding for Certain Public Works Projects and to Fund the Incidental and Necessary Expenses Related Thereto" (the "Initial Resolution"), authorizing and directing, among other things, the issuance by the Municipality of its general obligation public improvement bonds for the purpose of financing a portion of the costs of certain public works projects, consisting of the acquisition of public art; acquisition, construction, improvement, renovation and equipping of public school facilities; construction, expansion and improvement of roads, streets, bridges, parking and infrastructure; improvement and equipping of the Municipality's convention center and golf course, including a new pump system and mowers for the golf course; construction, expansion, improvement and equipping of the Municipality's sewer system; acquisition of all property real and personal, appurtenant thereto or connected with such work; and to pay legal, fiscal, administrative, and engineering costs (collectively, the "Project"); to reimburse the Municipality for the costs of any of the above projects, to pay capitalized interest, and to pay costs incident to the issuance and sale of the Bonds;

WHEREAS, it is necessary and desirable to provide for the proper allocation, deposit, and disbursement of the Bond proceeds

BE IT ORDAINED BY THE CITY OF KINGSPORT, as follows:

SECTION I: Ordinances # 7208, 7209 and 7210 are hereby amended increasing the fiscal year 2025-2026 budget as follows:

General Project Fund: 311 Washington HVAC (GP2512)		FY 2026 Original Budget	FY 2026 Estimated	Proposed Amendment
Revenues				
	GO Bond Series 2026A	-	2,129,730	2,129,730
	Premium on Bond Sale	-	193,552	193,552
	<b>Total</b>	-	<b>2,323,282</b>	<b>2,323,282</b>
Expenses				
	Construction Contracts		2,300,000	2,300,000
	Bond Sale Expense	-	23,282	23,282
	<b>Total</b>	-	<b>2,323,282</b>	<b>2,323,282</b>
Change in Project Fund Balance				-
General Project Fund: 311 Lynn Garden School (GP2507)		FY 2026 Original Budget	FY 2026 Estimated	Proposed Amendment
Revenues				
	GO Bond Series 2026A	-	2,407,521	2,407,521
	Premium on Bond Sale	-	218,798	218,798
	<b>Total</b>	-	<b>2,626,319</b>	<b>2,626,319</b>
Expenses				
	Construction Contracts		2,600,000	2,600,000
	Bond Sale Expense	-	26,319	26,319
	<b>Total</b>	-	<b>2,626,319</b>	<b>2,626,319</b>
Change in Project Fund Balance				-
General Project Fund: 311 SIA Road (GP2601)		FY 2026 Original Budget	FY 2026 Estimated	Proposed Amendment
Revenues				
	GO Bond Series 2026A	-	694,477	694,477
	Premium on Bond Sale	-	63,115	63,115
	<b>Total</b>	-	<b>757,592</b>	<b>757,592</b>
Expenses				
	Construction Contracts		750,000	750,000
	Bond Sale Expense	-	7,592	7,592
	<b>Total</b>	-	<b>757,592</b>	<b>757,592</b>
Change in Project Fund Balance				-

<b>General Project Fund: 311</b>		<b>FY 2026</b>	<b>FY 2026</b>	<b>Proposed</b>
<b>Senior Center Parking (GP2609)</b>		<b>Original Budget</b>	<b>Estimated</b>	<b>Amendment</b>
Revenues				
	GO Bond Series 2026A	-	694,477	694,477
	Premium on Bond Sale	-	63,115	63,115
	<b>Total</b>	<b>-</b>	<b>757,592</b>	<b>757,592</b>
Expenses				
	Construction Contracts		750,000	750,000
	Bond Sale Expense	-	7,592	7,592
	<b>Total</b>	<b>-</b>	<b>757,592</b>	<b>757,592</b>
Change in Project Fund Balance				-
<b>General Project Fund: 311</b>		<b>FY 2026</b>	<b>FY 2026</b>	<b>Proposed</b>
<b>Clinchfield Bridge (GP2604)</b>		<b>Original Budget</b>	<b>Estimated</b>	<b>Amendment</b>
Revenues				
	GO Bond Series 2026A	-	1,276,476	1,276,476
	Premium on Bond Sale	-	116,008	116,008
	<b>Total</b>	<b>-</b>	<b>1,392,484</b>	<b>1,392,484</b>
Expenses				
	Construction Contracts		1,378,530	1,378,530
	Bond Sale Expense	-	13,954	13,954
	<b>Total</b>	<b>-</b>	<b>1,392,484</b>	<b>1,392,484</b>
Change in Project Fund Balance				-
<b>General Project Fund: 311</b>		<b>FY 2026</b>	<b>FY 2026</b>	<b>Proposed</b>
<b>Watauga Street (GP2605)</b>		<b>Original Budget</b>	<b>Estimated</b>	<b>Amendment</b>
Revenues				
	GO Bond Series 2026A	-	1,851,939	1,851,939
	Premium on Bond Sale	-	168,306	168,306
	<b>Total</b>	<b>-</b>	<b>2,020,245</b>	<b>2,020,245</b>
Expenses				
	Construction Contracts		2,000,000	2,000,000
	Bond Sale Expense	-	20,245	20,245
	<b>Total</b>	<b>-</b>	<b>2,020,245</b>	<b>2,020,245</b>
Change in Project Fund Balance				-

<b>General Project Fund: 311 White &amp; Eastman (GP2606)</b>		<b>FY 2026 Original Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
Revenues				
	GO Bond Series 2026A	-	601,880	601,880
	Premium on Bond Sale	-	54,700	54,700
	<b>Total</b>	<b>-</b>	<b>656,580</b>	<b>656,580</b>
Expenses				
	Construction Contracts		650,000	650,000
	Bond Sale Expense	-	6,580	6,580
	<b>Total</b>	<b>-</b>	<b>656,580</b>	<b>656,580</b>
Change in Project Fund Balance				-
<b>General Project Fund: 311 Jessee &amp; Memorial (GP2607)</b>		<b>FY 2026 Original Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
Revenues				
	GO Bond Series 2026A	-	694,477	694,477
	Premium on Bond Sale	-	63,115	63,115
	<b>Total</b>	<b>-</b>	<b>757,592</b>	<b>757,592</b>
Expenses				
	Construction Contracts		750,000	750,000
	Bond Sale Expense	-	7,592	7,592
	<b>Total</b>	<b>-</b>	<b>757,592</b>	<b>757,592</b>
Change in Project Fund Balance				-
<b>General Project Fund: 311 Other Bridge Projects (GP2608)</b>		<b>FY 2026 Original Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
Revenues				
	GO Bond Series 2026A	-	1,649,023	1,649,023
	Premium on Bond Sale	-	149,866	149,866
	<b>Total</b>	<b>-</b>	<b>1,798,889</b>	<b>1,798,889</b>
Expenses				
	Construction Contracts		1,780,862	1,780,862
	Bond Sale Expense	-	18,027	18,027
	<b>Total</b>	<b>-</b>	<b>1,798,889</b>	<b>1,798,889</b>
Change in Project Fund Balance				-

<b>Sewer Fund: 412</b>		<b>FY 2026 Original Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
Revenues				
	GO Bond Series 2026A	-	3,239,848	3,239,848
	<b>Total</b>	<b>-</b>	<b>3,239,848</b>	<b>3,239,848</b>
Expenses				
	Bond Series 2026A Transfer	-	3,239,848	3,239,848
	<b>Total</b>	<b>-</b>	<b>3,239,848</b>	<b>3,239,848</b>
Change in Project Fund Balance				-
<b>Sewer Project Fund: 452 Pendragon (SW2607)</b>		<b>FY 2026 Original Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
Revenues				
	GO Bond Series 2026A	-	1,000,000	1,000,000
	<b>Total</b>	<b>-</b>	<b>1,000,000</b>	<b>1,000,000</b>
Expenses				
	Improvements	-	1,000,000	1,000,000
	<b>Total</b>	<b>-</b>	<b>1,000,000</b>	<b>1,000,000</b>
Change in Project Fund Balance				-
<b>Sewer Project Fund: 452 Wataugua Sewer Improvements (SW2608)</b>		<b>FY 2026 Original Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
Revenues				
	GO Bond Series 2026A	-	2,239,848	2,239,848
	<b>Total</b>	<b>-</b>	<b>2,239,848</b>	<b>2,239,848</b>
Expenses				
	Bond Series 2026A Transfer	-	2,239,848	2,239,848
	<b>Total</b>	<b>-</b>	<b>2,239,848</b>	<b>2,239,848</b>
Change in Project Fund Balance				-

<b>Cattails Golf Fund: 421</b>		<b>FY 2026 Original Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
Revenues				
	GO Bond Series 2026A	-	1,619,924	1,619,924
	<b>Total</b>	<b>-</b>	<b>1,619,924</b>	<b>1,619,924</b>
Expenses				
	Bond Series 2026A Transfer	-	1,619,924	1,619,924
	<b>Total</b>	<b>-</b>	<b>1,619,924</b>	<b>1,619,924</b>
Change in Project Fund Balance				-
<b>Cattails Golf Fund: 453 CG2401 Golf Equipment (Renamed)</b>		<b>FY 2026 Original Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
Revenues				
	GO Bond Series 2026A	-	550,000	550,000
	<b>Total</b>	<b>-</b>	<b>550,000</b>	<b>550,000</b>
Expenses				
	Capital Outlay/Equipment	-	550,000	550,000
	<b>Total</b>	<b>-</b>	<b>550,000</b>	<b>550,000</b>
Change in Project Fund Balance				-
<b>Cattails Golf Fund: 453 CG2601 Pump System Replacement</b>		<b>FY 2026 Original Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
Revenues				
	GO Bond Series 2026A	-	1,069,924	1,069,924
	<b>Total</b>	<b>-</b>	<b>1,069,924</b>	<b>1,069,924</b>
Expenses				
	Capital Outlay/Improvements	-	1,069,924	1,069,924
	<b>Total</b>	<b>-</b>	<b>1,069,924</b>	<b>1,069,924</b>
Change in Project Fund Balance				-

SECTION II: That this Ordinance shall take effect from and after its date of passage, as the law directs, the welfare of the City of Kingsport, Tennessee requiring it.

\_\_\_\_\_  
PAUL W. MONTGOMERY, Mayor

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT III, City Attorney

PASSED ON 1ST READING:  
PASSED ON 2ND READING:





AGENDA ACTION FORM

**Consideration of an Ordinance to Amend Zoning of Tax Map 076, a Portion of Parcel 006.50, Located along S. John B. Dennis Highway from the BC, Business Conference District to B-3, Highway-Oriented Business District**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-88-2026  
Work Session: April 6, 2026  
First Reading: April 7, 2026  
Final Adoption: April 21, 2026  
Staff Work By: J. McMurray  
Presentation By: Jessica McMurray

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**Strategic Focus Area: 5. Thriving Local Economy**

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**Recommendation:**  
Approve Ordinance

**Executive Summary:**

If approved, this owner-initiated request would **rezone approximately 12.71 acres along S. John B. Dennis Highway** from the **BC, Business Conference District to the B-3, Highway Oriented Business District.**

During their March 2026 regular meeting, the Kingsport Regional Planning Commission **voted to send a positive recommendation** to the Board of Mayor and Aldermen by a vote of 7-0.

The proposed rezoning to B-3 is compatible with surrounding highway-oriented commercial development and will not adversely affect nearby properties. It aligns with the 2030 Future Land Use Plan, eliminates split zoning and supports commercial development consistent with the area’s existing pattern.

Supporting documentation, including standards of review and potential uses within the B-3 zone, is provided in the supplementary information.

**No opposition was received to this item.**

The notice of public hearing was published on March 16, 2026.

**Attachments:**

- 1. Zoning Ordinance

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE A PORTION OF PROPERTY LOCATED ALONG SOUTH JOHN B. DENNIS HIGHWAY FROM THE BC, BUSINESS CONFERENCE DISTRICT TO B-3, HIGHWAY-ORIENTED BUSINESS DISTRICT IN THE 13TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, AS FOLLOWS:

SECTION I. That the zoning code, text, and map, be and the same is hereby further amended to rezone a portion of property located along South John B. Dennis Highway from the BC, Business Conference District to B-3, Highway-Oriented Business District in the 13th Civil District of Sullivan County; said area to be rezoned being further and more particularly described as follows:

BEGINNING ON AN IRON ROD LOCATED ON THE EASTERLY RIGHT-OF-WAY LINE OF OLD WILCOX DRIVE, COMMON CORNER WITH NOW OR FORMERLY KAY CASSELL PROPERTY (DEED BOOK 3230, PAGE 1146), SAID POINT LOCATED 70 FEET FROM THE CENTER LINE OF SAID DRIVE; THENCE LEAVING SAID DRIVE AND ALONG SAID CASSELL PROPERTY THE FOLLOWING SEVEN (7) CALLS: N57°29'20"E, 83.74 FEET TO AN IRON ROD; THENCE N50°14'21"E, 270.97 FEET TO AN IRON ROD; THENCE S89°48'53"E, 75.73 FEET TO AN IRON ROD; THENCE N13°25'01"E, 192.57 FEET TO AN IRON ROD; THENCE N88°06'59"E, 175.98 FEET TO AN IRON ROD; THENCE S65°22'24"E, 153.88 FEET TO AN IRON ROD; THENCE N42°52'08"E, 211.43 FEET TO A POINT, SAID POINT BEING ON THE COMMON ZONING LINE BETWEEN B-3 AND BC, MORE OR LESS; THENCE LEAVING SAID CASSELL PROPERTY BY A NEW LINE ALONG SAID ZONING LINE, MORE OR LESS, S14°57'17"E, 750.20 FEET TO A CONCRETE HIGHWAY MONUMENT LOCATED ON THE NORTHERLY RIGHT-OF-WAY LINE OF JOHN B. DENNIS HIGHWAY; THENCE LEAVING SAID ZONING LINE AND ALONG SAID RIGHT-OF-WAY LINE N25°31'17"W, 30.34 FEET TO A CONCRETE HIGHWAY MONUMENT; THENCE S64°54'14"W, 190.47 FEET TO AN IRON ROD, CORNER TO NOW OR FORMERLY ANNA JO MESLER, ETAL PROPERTY; THENCE LEAVING SAID RIGHT-OF-WAY AND ALONG SAID MESLER PROPERTY S89°52'20"W, 675.46 FEET TO AN AXLE; THENCE N89°03'48"W, 185.66 FEET TO AN IRON ROD ON THE EASTERLY RIGHT-OF-WAY LINE OF OLD WILCOX DRIVE, SAID POINT LOCATED 100 FEET FROM THE CENTER LINE OF SAID DRIVE; THENCE ALONG SAID RIGHT-OF-WAY LINE BY A CURVE TO THE LEFT HAVING A RADIUS OF 2010.01 FEET, A DELTA ANGLE OF 04°37'53", AN ARC LENGTH OF 162.47 FEET, A CHORD BEARING OF N06°30'29", AND A CHORD LENGTH OF 162.43 FEET TO A CONCRETE HIGHWAY MONUMENT; THENCE

N87°05'45"W, 30.00 FEET TO AN IRON ROD, SAID POINT LOCATED 70 FEET FROM THE CENTER LINE; THENCE N02°54'15"E, 111.91 FEET TO THE POINT OF BEGINNING, CONTAINING 12.71 ACRES, MORE OR 2 LESS, AND BEING PART OF THE DONNA PIERCE PROPERTY, AS DESCRIBED IN DEED BOOK 3222, PAGE 1721, REGISTER OF DEEDS OFFICE FOR SULLIVAN COUNTY, TENNESSEE.

SECTION II. Any person violating any provisions of this ordinance shall be guilty of an offense and upon conviction shall pay a penalty of FIFTY DOLLARS (\$50.00) for each offense. Each occurrence shall constitute a separate offense.

SECTION III. That this ordinance shall take effect from and after the date of its passage and publication, as the law directs, the public welfare of the City of Kingsport, Tennessee requiring it.

\_\_\_\_\_  
PAUL W. MONTGOMERY  
Mayor

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL  
Deputy City Recorder

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III  
City Attorney

PASSED ON 1ST READING \_\_\_\_\_  
PASSED ON 2ND READING \_\_\_\_\_



AGENDA ACTION FORM

**Consideration of an Ordinance to Amend Zoning of Tax Map 120, Parcel 003.20, Located along Fordtown Road from the R-3, Low Density Apartment District to M-1R, Light Manufacturing Restricted District**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-86-2026  
Work Session: April 6, 2026  
First Reading: April 7, 2026  
Final Adoption: April 21, 2026  
Staff Work By: J. McMurray  
Presentation By: Jessica McMurray

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**Strategic Focus Area: 5. Thriving Local Economy**

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**Recommendation:**  
Approve Ordinance

**Executive Summary:**

If approved, this owner-initiated request would **rezone approximately 15.67 acres along Fordtown Road from the R-3, Low Density Apartment District to the M-1R, Light Manufacturing Restricted District.**

During their March 2026 regular meeting, the Kingsport Regional Planning Commission **voted to send a positive recommendation** to the Board of Mayor and Aldermen by a vote of 7-0.

The proposed rezoning to M-1R is compatible with the surrounding commercial and business development pattern and is not expected to adversely affect nearby properties. It creates a consistent zoning pattern that supports appropriate development in the area.

Supporting documentation, including standards of review and potential uses within the M-1R zone, is provided in the supplementary information.

**No opposition was received to this item.**

The notice of public hearing was published on March 16, 2026.

**Attachments:**

- 1. Zoning Ordinance

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG FORDTOWN ROAD FROM THE R-3, LOW DENISTY APARTMENT DISTRICT TO M-1R, LIGHT MANUFACTURING RESTRICTED DISTRICT IN THE 14TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, AS FOLLOWS:

SECTION I. That the zoning code, text, and map, be and the same is hereby further amended to rezone a portion of property located along Fordtown Road from the R-3, Low Density Apartment District to M-1R, Light Manufacturing Restricted District in the 14th Civil District of Sullivan County; said area to be rezoned being further and more particularly described as follows:

BEGINNING AT A NEW IRON PIN ON THE EASTERLY RIGHT OF WAY LINE OF EASTERN STAR ROAD, CORNER TO PROPERTY OF BRECKENRIDGE VILLAGE, LLC (TAX MAP 120, PARCEL 27.30); THENCE WITH THE EASTERLY RIGHT OF WAY LINE OF EASTERN STAR ROAD FOUR CALLS: N 26°47' E, 133.52' TO AN NEW IRON PIN; N 18°25' E, 53.61' TO A HIGHWAY MONUMENT; N 18°25' E, 204.27' TO AN NEW IRON PIN AND WITH A CURVE TO THE LEFT WITH AN ARC LENGTH OF 192.92' AND A RADIUS OF 476.63 TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF FORDTOWN ROAD; THENCE WITH THE SOUTHERLY RIGHT OF WAY LINE OF FORDTOWN ROAD N 61°34' E, 634.42' TO AN OLD IRON PIN, CORNER TO PROPERTY OF TAYLOR PROPERTIES #2, L.P. (TAX MAP 120, PARCEL 3.30); THENCE WITH TAYLOR PROPERTIES #2, L.P. (TAX MAP 120, PARCEL 3.30) S 28°33' E, 669.69' TO AN OLD IRON PIN, CORNER TO PROPERTY OF BRECKENRIDGE VILLAGE, LLC (TAX MAP 120, PARCEL 27.30); THENCE WITH BRECKENRIDGE VILLAGE, LLC (TAX MAP 120, PARCEL 27.30) FIVE CALLS: S 42°04' W, 818.39' TO AN NEW IRON PIN; N 52°03' W, 159.74' TO AN NEW IRON PIN; N 29°27' W, 161.89' TO AN NEW IRON PIN; N 42°05' W, 103.84' TO AN NEW IRON PIN; AND N 83°56' W, 220.11' TO THE POINT OF BEGINNING, CONTAINING 15.67 ACRES.

SECTION II. Any person violating any provisions of this ordinance shall be guilty of an offense and upon conviction shall pay a penalty of FIFTY DOLLARS (\$50.00) for each offense. Each occurrence shall constitute a separate offense.

SECTION III. That this ordinance shall take effect from and after the date of its passage and publication, as the law directs, the public welfare of the City of Kingsport, Tennessee requiring it.

PAUL W. MONTGOMERY  
Mayor

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL  
Deputy City Recorder

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III  
City Attorney

PASSED ON 1ST READING \_\_\_\_\_  
PASSED ON 2ND READING \_\_\_\_\_



**AGENDA ACTION FORM**

**Consideration of an Ordinance to Amend Zoning of Tax Map 046I, Group A, Parcel 014.00, Located along Revere Street from the B-2, Central Business District to B-2E, Central Business Edge District**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-87-2026  
Work Session: April 6, 2026  
First Reading: April 7, 2026  
Final Adoption: April 21, 2026  
Staff Work By: J. McMurray  
Presentation By: Jessica McMurray

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**Strategic Focus Area: 5. Thriving Local Economy**

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**Recommendation:**  
Approve Ordinance

**Executive Summary:**

If approved, this owner-initiated request would **rezone approximately .33 acres along Revere Street from the B-2, Central Business District to the B-2E, Central Business Edge District.**

During their March 2026 regular meeting, the Kingsport Regional Planning Commission **voted to send a positive recommendation** to the Board of Mayor and Aldermen by a vote of 7-0.

The proposed rezoning to B-2E is compatible with surrounding downtown commercial uses and is not expected to negatively impact nearby properties, as it largely permits the same uses as the existing B-2 district. The request is also consistent with the 2030 Future Land Use Plan.

Supporting documentation, including standards of review and potential uses within the B-2E zone, is provided in the supplementary information.

**No opposition was received to this item.**

The notice of public hearing was published on March 16, 2026.

**Attachments:**

- 1. Notice of Public Hearing
- 2. Zoning Ordinance
- 3. Supplementary Information
- 4. Staff Report

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG REVERE STREET FROM THE B-2, CENTRAL BUSINESS DISTRICT TO B-2E, CENTRAL BUSINESS EDGE DISTRICT IN THE 11TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, AS FOLLOWS:

SECTION I. That the zoning code, text, and map, be and the same is hereby further amended to rezone a portion of property located along Revere Street from the B-2, Central Business District to B-2E, Central Business Edge District in the 11th Civil District of Sullivan County; said area to be rezoned being further and more particularly described as follows:

BEGINNING AT A POINT, SAID POINT BEING AT THE INTERSECTION OF REVERE STREET AND PRESS STREET (FORMERLY REEDY STREET). THENCE ALONG THE NORTHEASTERLY SIDELINE OF PRESS STREET A DISTANCE OF 75.00 FEET TO A POINT, SAID POINT A CORNER TO LOT 44, BLOCK 28, CITY OF KINGSPORT (PLAT BOOK 5, PAGE 203). THENCE LEAVING SAID SIDELINE ALONG LOT 44 BY AN INTERIOR ANGLE TO THE LEFT OF 90° 00' A DISTANCE OF 194.20 FEET TO A POINT, SAID POINT BEING A CORNER TO LOT 44 AND 45 AND LOCATED ON THE SOUTHWESTERLY SIDELINE OF A 25 FOOT ALLEY. THENCE ALONG SAID ALLEY BY AN INTERIOR ANGLE OF 75° 15' TO THE LEFT A DISTANCE OF 77.55 FEET TO A POINT, SAID POINT LOCATED ON THE NORTHWESTERLY SIDELINE OF REVERE STREET. THENCE ALONG SAID SIDELINE BY AN INTERIOR ANGLE OF 104° 45' TO THE LEFT A DISTANCE OF 174.46 FEET TO THE POINT OF BEGINNING, SAID PARCEL BEING KNOWN AS LOTS 45, 46 AND 47, BLOCK 28, CITY OF KINGSPORT.

SECTION II. Any person violating any provisions of this ordinance shall be guilty of an offense and upon conviction shall pay a penalty of FIFTY DOLLARS (\$50.00) for each offense. Each occurrence shall constitute a separate offense.

SECTION III. That this ordinance shall take effect from and after the date of its passage and publication, as the law directs, the public welfare of the City of Kingsport, Tennessee requiring it.

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PAUL W. MONTGOMERY  
Mayor

ATTEST:

*Item IX3.*



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ANGELA MARSHALL  
Deputy City Recorder

APPROVED AS TO FORM:

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RODNEY B. ROWLETT, III  
City Attorney

PASSED ON 1ST READING \_\_\_\_\_  
PASSED ON 2ND READING \_\_\_\_\_



AGENDA ACTION FORM

**Consideration of an Ordinance to Amend Zoning of Tax Map 045E, Group C, Parcels 01.00, 00.26 and 00.27 Located along Fairview Avenue from the R-1C, Residential District to B-3, Highway-Oriented Business District**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-96-2026  
Work Session: April 6, 2026  
First Reading: April 7, 2026  
Final Adoption: April 21, 2026  
Staff Work By: Jessica McMurray  
Presentation By: Jessica McMurray

**Strategic Focus Area: 5. Thriving Local Economy**

**Recommendation:**  
Approve Ordinance

**Executive Summary:**

If approved, this owner-initiated request would **rezone approximately .45 acres along Fairview Avenue from the R-1C, Residential District to the B-3, Highway-Oriented Business District.**

Previously, the owner requested the property be rezoned from R1-C to B-3. At its **September 2025** regular meeting, the Kingsport Regional Planning Commission **voted to send a negative recommendation** to the Board of Mayor and Aldermen by a vote of 7-0. This was at least in part based on staff’s recommendation that the B-3 district permits uses which are highly incompatible with abutting single-family residential uses and that the requested B-3 zone does not conform to the 2030 Future Land Use Plan.

In **January 2026**, the **applicant submitted a revised development plan** with added landscaping commitments and restricted access on Fairview Avenue and requested reconsideration of the rezoning. During their **February 2026** regular meeting, the **Commission determined the revisions were substantial** and voted 7–0 to rehear the request.

During their **March 2026** regular meeting, the Commission **voted to send a positive recommendation** to the Board of Mayor and Aldermen by a vote of 4-3. **One public comment was received** at the March 2026 meeting. The resident expressed concerns about the types of businesses that could locate on the property, the potential for increased traffic on Fairview Avenue, and the possible impact to nearby property values.

Supporting documentation, including standards of review and potential uses within the B-3 zone, is provided in the supplementary information. The notice of public hearing was published on March 16, 2026.

**Attachments:**

- 1. Zoning Ordinance

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG FAIRVIEW AVENUE FROM THE R-1C, RESIDENTIAL DISTRICT TO B-3, HIGHWAY-ORIENTED BUSINESS DISTRICT IN THE 11TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, AS FOLLOWS:

SECTION I. That the zoning code, text, and map, be and the same is hereby further amended to rezone property located along Fairview Avenue from the R-1C, Residential District to B-3, Highway-Oriented Business District in the 11th Civil District of Sullivan County; said area to be rezoned being further and more particularly described as follows:

BEGINNING AT A 1/2" IRON ROD (OLD), SAID IRON ROD BEING LOCATED IN THE EASTERLY SIDELINE OF FAIRVIEW AVENUE AND A CORNER TO LOT 4, BLOCK 9, WEST VIEW PARK ADDITION (P.B. A, PG. 23A). THENCE WITH SAID SIDELINE OF FAIRVIEW AVENUE NORTH 23°22'07" WEST, A DISTANCE OF 111.18 FEET TO A 1/2" IRON ROD (OLD). THENCE WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET, AN ARC LENGTH OF 41.25 FEET, AND A CHORD OF NORTH 23°58'49" EAST, A DISTANCE OF 36.73 FEET TO A 1/2" IRON ROD (OLD). SAID IRON ROD BEING LOCATED IN THE SOUTHERLY SIDELINE OF HIGHWAY 11-W. THENCE WITH SAID SIDELINE OF 11-W, NORTH 71°18'09" EAST, A DISTANCE OF 123.57 FEET TO A 1/2" IRON ROD (OLD). THENCE LEAVING SAID SIDELINE OF 11-W AND WITH THE WESTERLY SIDE OF A 15 FOOT ALLEY, SOUTH 23°13'15" EAST, A DISTANCE OF 126.23 FEET TO A 3/8" IRON ROD (OLD). SAID ROD BEING A CORNER FOR LOT 4. THENCE LEAVING THE 15 FOOT ALLEY AND WITH THE LINE OF LOT 4, SOUTH 66°43'00" WEST, A DISTANCE OF 149.85 FEET TO THE POINT OF BEGINNING. SAID PARCEL CONTAINS 0.452 ACRES, MORE OR LESS, AND IS KNOWN AS LOTS 5 & 6, AND PART OF LOT 7, BLOCK 9, WEST VIEW PARK ADDITION.

SECTION II. That this ordinance shall take effect from and after the date of its passage and publication, as the law directs, the public welfare of the City of Kingsport, Tennessee requiring it.

\_\_\_\_\_  
PAUL W. MONTGOMERY  
Mayor

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL  
Deputy City Recorder

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III  
City Attorney

PASSED ON 1ST READING \_\_\_\_\_  
PASSED ON 2ND READING \_\_\_\_\_



## AGENDA ACTION FORM

### **Consideration of a Budget Adjustment Ordinance for Various Funds in FY2026**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-85-2026  
Work Session: April 6, 2026  
First Reading: April 7, 2026

Final Adoption: **April 21, 2026**  
Staff Work By: Wilson  
Presentation By: McCartt

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#### **Strategic Focus Area: 1. Efficient & Responsive Government**

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#### **Recommendation:**

Approve the Budget Ordinance

#### **Executive Summary:**

The General Fund is being amended by accepting a \$15,000 grant from the First Tennessee Development District Apprenticeship program for Police Training.

The General Projects Fund is being amended by transferring \$84,244 from the GP2007 Public Works – Parks ADA project to GP2603 ROW Vacatings project. Close GP2007

The General Projects – Special Revenue Fund be amended by appropriating \$24,627 from the Senior Center Advisory Board Fund to the Senior Center TDDA Grant Project (NC2607).

The Water Project Fund is being amended by transferring \$61,379 bond funding from the AMI Meter Purchase project to the Water Valve Replacement project and \$61,379 ARP funding from the Water Valve Replacement project to the AMI Meter Purchase project as ARP funding should have been moved rather than bond funding for the Huntington Hills Pump Station Replacement project, by appropriating fund balance in the amount of \$404,234 for additional expenses related to the Customer Service System project, accepting \$622,751 from Washington County for the Washington County Kincheloe project, by transferring \$23,194 from WA2305 Colonial View Pump Station project, \$37,318 from WA2402 Plant Facility Improvements projects, \$54,791 from WA2500 WA Pump Stations project, \$8,502 from WA2503 Hydro Excavator project, \$361,839 from WA2603 Meter Replacements project to WA2302 Facility Improvements project in the amount of \$5,030, WA2400 Waterline Improvements project in the amount of \$183,574, and WA2500 Waterline Improvements project in the amount of \$297,039. Closes WA2305, WA2402, WA2500, WA2503, WA2302, WA2400, and WA2500.

The Sanitary Sewer Project Fund is being amended by transferring \$29,165 from SW2207 W Kpt Sewer Evaluation project, \$259,000 from SW2412 Collection System Upgrades project, \$130,208 from SW2409 Collection System Upgrades (bonds) project, \$42,104 from SW2501 Sewer Improvements project, \$8,515 from SW2504 Hydro Excavator Truck project to SW2401 Sewer Line Improvements project in the amount of \$24,658, to SW2500 SW Lift Stations project in the amount of \$33,034, and to SW2604 Collection System Upgrades project in the amount of \$411,299. Closes SW2207, SW2501, SW2504, SW2401, and SW2500.

The Senior Center Advisory Board Fund be amended by appropriating \$24,627 from fund balance to the Gen Proj-Special Revenue Fund line (616-4804-481.70-35).

**Attachments:**

1. Budget Ordinance

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

**AN ORDINANCE OF THE CITY OF KINGSPORT, TENNESSEE  
AMENDING THE 2025-2026 FISCAL YEAR BUDGET**

WHEREAS, the City adopted the fiscal year 2025-2026 budget by passage of Ordinance Number 7208; and

WHEREAS, pursuant to the Tennessee state constitution, Section 24 of Article II, no public money shall be expended except pursuant to appropriations made by law; and

WHEREAS, pursuant to the Municipal Budget Law of 1982, as found in the *Tennessee Code Annotated*, section 6-56-209, the Mayor and Board of Mayor and Aldermen have the authority to authorize the budget officer to transfer moneys from one appropriation to another within the same fund; and

WHEREAS, expenses and revenues are anticipated to vary from original budgeted amounts; and

BE IT ORDAINED BY THE CITY OF KINGSPORT, as follows:

SECTION I: Ordinance # 7208 is hereby amended increasing(decreasing) the fiscal year 2025-2026 budget as follows:

General Fund	Original FY 2026 Budget	FY 2026 Estimated	Proposed Amendment
<b>Appropriations:</b>			
Revenues			
110-0000-332.69-10 FTDD Apprenticeship	-	15,000	15,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>
Expenses			
110-3003-441.20-41 Registration Fees/Tuition	50,000	65,000	15,000
<b>Total</b>	<b>\$ 50,000</b>	<b>\$ 65,000</b>	<b>\$ 15,000</b>
Change in Fund Balance			\$ -

<b>General Projects-Special Revenue Fund: 111 Senior Center TDDA Grant (NC2607)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
111-0000-332.69-00 MISC OTHER STATE REVENUE	50,000	50,000	-
111-0000-391.65-00 FROM SR CIT AD BRD FUND	-	24,627	24,627
<b>Total</b>	<b>\$ 50,000</b>	<b>\$ 74,627</b>	<b>\$ 24,627</b>
Expenses			
111-0000-601.90-04 CAPITAL OUTLAY / EQUIPMENT	50,000	74,627	24,627
<b>Total</b>	<b>\$ 50,000</b>	<b>\$ 74,627</b>	<b>\$ 24,627</b>
Change in Project Fund Balance			\$ -

<b>General Projects-Special Revenue Fund: 311 ROW Vacatings (GP2603)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
311-0000-368.10-56 GO Bonds Series 2018A	-	288	288
311-0000-368.10-66 Series 2019 GO Improvement	-	79,773	79,773
311-0000-391.01-00 From General Fund	-	4,183	4,183
<b>Total</b>	<b>\$ -</b>	<b>\$ 84,244</b>	<b>\$ 84,244</b>
Expenses			
311-0000-601.20-20 Professional/ Consultant Services	-	84,244	84,244
<b>Total</b>	<b>\$ -</b>	<b>\$ 84,244</b>	<b>\$ 84,244</b>
Change in Project Fund Balance			\$ -



<b>General Projects-Special Revenue Fund: 311 Public Works - Parks ADA (GP2007)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
311-0000-368.10-56 GO Bonds Series 2018A	288	-	(288)
311-0000-368.10-66 Series 2019 GO Improvement	278,180	198,407	(79,773)
311-0000-391.01-00 From General Fund	4,183	-	(4,183)
<b>Total</b>	<b>\$ 4,183</b>	<b>\$ 198,407</b>	<b>\$ (84,244)</b>
Expenses			
311-0000-601.90-03 CAPITAL OUTLAY / IMPROVEMENTS	304,470	220,226	(84,244)
<b>Total</b>	<b>\$ 304,470</b>	<b>\$ 220,226</b>	<b>\$ (84,244)</b>
Change in Project Fund Balance			\$ -

<b>General Projects-Special Revenue Fund: 311 ROW Vacatings (GP2603)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
311-0000-368.10-56 GO Bonds Series 2018A	-	288	288
311-0000-368.10-66 Series 2019 GO Improvement	-	79,773	79,773
311-0000-391.01-00 From General Fund	-	4,183	4,183
<b>Total</b>	<b>\$ -</b>	<b>\$ 84,244</b>	<b>\$ 84,244</b>
Expenses			
311-0000-601.20-20 Professional/ Consultant Services	-	84,244	84,244
<b>Total</b>	<b>\$ -</b>	<b>\$ 84,244</b>	<b>\$ 84,244</b>
Change in Project Fund Balance			\$ -

<b>Fund 451: Water Project Fund AMI Meter Purchase (WA2306)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
451-0000-391.05-72 GO Bonds Series 2023	61,379	-	(61,379)
451-0000-337.16-23 American Rescue Plan	2,491,007	2,552,386	61,379
<b>Total</b>	<b>\$ 2,552,386</b>	<b>\$ 2,552,386</b>	<b>\$ -</b>
Expenses			
	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Change in Project Fund Balance			\$ -

<b>Fund 451: Water Project Fund Valve Loc &amp; Assessment (WA2307)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
451-0000-391.05-72 GO Bonds Series 2023	38,621	100,000	61,379
451-0000-337.16-23 American Rescue Plan	719,992	658,613	(61,379)
<b>Total</b>	<b>\$ 758,613</b>	<b>\$ 758,613</b>	<b>\$ -</b>
Expenses			
	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Change in Project Fund Balance			\$ -

<b>Fund 451: Water Project Fund Customer Service System (WA2607)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
451-0000-391.45-00 From Water Fund	-	404,234	404,234
451-0000-368.09-48 Capital Outlay Note 2024	2,000,000	2,000,000	-
<b>Total</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 404,234</b>
Expenses			
451-0000-605.90-03 Improvements	2,000,000	2,404,234	404,234
<b>Total</b>	<b>\$ 2,000,000</b>	<b>\$ 2,404,234</b>	<b>\$ 404,234</b>
Change in Project Fund Balance			\$ -

<b>Fund 451: Water Project Fund Washington County Kincheloe (WA2609)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
451-0000-333.77-00 Washington County Revenue	-	622,151	622,151
<b>Total</b>	<b>\$ -</b>	<b>\$ 622,151</b>	<b>\$ 622,151</b>
Expenses			
451-0000-605.20-23 Engineering	-	549,566	549,566
451-0000-605.90-03 Improvements	-	72,585	72,585
<b>Total</b>	<b>\$ -</b>	<b>\$ 622,151</b>	<b>\$ 622,151</b>
Change in Project Fund Balance			\$ -

<b>Fund 451: Water Project Fund</b>	<b>Original</b>	<b>FY 2026</b>	<b>Proposed</b>
<b>Colonial view Pump Station (WA2305)</b>	<b>FY 2026 Budget</b>	<b>Estimated</b>	<b>Amendment</b>
<b>Appropriations:</b>			
Revenues			
451-0000-391.45-00 Operating Transfers	357,000	333,806	(23,194)
<b>Total</b>	<b>\$ 357,000</b>	<b>\$ 333,806</b>	<b>\$ (23,194)</b>
Expenses			
451-0000-605.90-03 Improvements	357,000	333,806	(23,194)
<b>Total</b>	<b>\$ 357,000</b>	<b>\$ 333,806</b>	<b>\$ (23,194)</b>
Change in Project Fund Balance			\$ -

<b>Fund 451: Water Project Fund</b>	<b>Original</b>	<b>FY 2026</b>	<b>Proposed</b>
<b>Plant Facility Improvements (WA2402)</b>	<b>FY 2026 Budget</b>	<b>Estimated</b>	<b>Amendment</b>
<b>Appropriations:</b>			
Revenues			
451-0000-391.45-00 Operating Transfers	108,518	71,200	(37,318)
<b>Total</b>	<b>\$ 108,518</b>	<b>\$ 71,200</b>	<b>\$ (37,318)</b>
Expenses			
451-0000-605.90-03 Improvements	208,518	171,200	(37,318)
<b>Total</b>	<b>\$ 208,518</b>	<b>\$ 171,200</b>	<b>\$ (37,318)</b>
Change in Project Fund Balance			\$ -

<b>Fund 451: Water Project Fund WA Pump Stations (WA2500)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
451-0000-391.45-00 Operating Transfers	207,996	153,205	(54,791)
<b>Total</b>	<b>\$ 207,996</b>	<b>\$ 153,205</b>	<b>\$ (54,791)</b>
Expenses			
451-0000-605.90-19 Pump Stations	207,996	153,205	(54,791)
<b>Total</b>	<b>\$ 207,996</b>	<b>\$ 153,205</b>	<b>\$ (54,791)</b>
Change in Project Fund Balance			\$ -

<b>Fund 451: Water Project Fund Hydro Excavator (WA2503)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
451-0000-391.45-00 Operating Transfers	126,301	117,799	(8,502)
<b>Total</b>	<b>\$ 126,301</b>	<b>\$ 117,799</b>	<b>\$ (8,502)</b>
Expenses			
451-0000-605.90-03 Improvements	126,301	117,799	(8,502)
<b>Total</b>	<b>\$ 126,301</b>	<b>\$ 117,799</b>	<b>\$ (8,502)</b>
Change in Project Fund Balance			\$ -

<b>Fund 451: Water Project Fund Meter Replacements (WA2603)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
451-0000-391.45-00 Operating Transfers	500,000	138,161	(361,839)
<b>Total</b>	<b>\$ 500,000</b>	<b>\$ 138,161</b>	<b>\$ (361,839)</b>
Expenses			
451-0000-605.90-03 Improvements	500,000	138,161	(361,839)
<b>Total</b>	<b>\$ 500,000</b>	<b>\$ 138,161</b>	<b>\$ (361,839)</b>
Change in Project Fund Balance			\$ -

<b>Fund 451: Water Project Fund Facility Improvements (WA2302)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
451-0000-391.45-00 Operating Transfers	230,000	235,030	5,030
<b>Total</b>	<b>\$ 230,000</b>	<b>\$ 235,030</b>	<b>\$ 5,030</b>
Expenses			
451-0000-605.90-03 Improvements	220,500	225,530	5,030
<b>Total</b>	<b>\$ 220,500</b>	<b>\$ 225,530</b>	<b>\$ 5,030</b>
Change in Project Fund Balance			\$ -

<b>Fund 451: Water Project Fund Waterline Improvements (WA2400)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
451-0000-391.45-00 Operating Transfers	850,000	1,034,574	184,574
<b>Total</b>	<b>\$ 850,000</b>	<b>\$ 1,034,574</b>	<b>\$ 184,574</b>
Expenses			
451-0000-605.90-23 New Meters	131,014	152,245	21,231
451-0000-605.90-24 Replacement Meters	150,000	164,291	14,291
451-0000-605.90-25 Replacement Dist. Lines	525,000	674,052	149,052
<b>Total</b>	<b>\$ 806,014</b>	<b>\$ 990,588</b>	<b>\$ 184,574</b>
Change in Project Fund Balance			\$ -

<b>Fund 451: Water Project Fund Water Line Improvement (WA2501)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
451-0000-391.45-00 Operating Transfers	875,000	1,172,039	297,039
<b>Total</b>	<b>\$ 875,000</b>	<b>\$ 1,172,039</b>	<b>\$ 297,039</b>
Expenses			
451-0000-605.90-23 New Meters	100,000	129,556	29,556
451-0000-605.90-24 Replacement Meters	227,343	228,940	1,597
451-0000-605.90-25 Replacement Dist. Lines	500,000	765,886	265,886
<b>Total</b>	<b>\$ 827,343</b>	<b>\$ 1,124,382</b>	<b>\$ 297,039</b>
Change in Project Fund Balance			\$ -

<b>Fund 452: Sewer Project Fund Sewer Evaluation (SW2207)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
452-0000-391.42-00 From Sewer Fund	363,000	338,789	(24,211)
452-0000-391.05-69 GO Bond Series 2021	123,296	118,336	(4,960)
<b>Total</b>	<b>\$ 486,296</b>	<b>\$ 457,125</b>	<b>\$ (29,171)</b>
Expenses			
452-0000-606.20-23 Arch//Eng/Landscaping	486,296	457,125	(29,171)
<b>Total</b>	<b>\$ 486,296</b>	<b>\$ 457,125</b>	<b>\$ (29,171)</b>
Change in Project Fund Balance			\$ -

<b>Fund 452: Sewer Project Fund FY25 Ridgefield's Sewer Rehab (SW2412)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
452-0000-391.42-00 From Sewer Fund	1,000,000	741,000	(259,000)
<b>Total</b>	<b>\$ 1,000,000</b>	<b>\$ 741,000</b>	<b>\$ (259,000)</b>
Expenses			
452-0000-606.20-23 Arch//Eng/Landscaping	100,000	91,000	(9,000)
452-0000-606.90-03 Improvements	900,000	650,000	(250,000)
<b>Total</b>	<b>\$ 1,000,000</b>	<b>\$ 741,000</b>	<b>\$ (259,000)</b>
Change in Project Fund Balance			\$ -



<b>Fund 452: Sewer Project Fund Collection System Upgrades (SW2409)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
452-0000-391.05-69 Series 2021 GO Bonds	685,618	555,410	(130,208)
<b>Total</b>	<b>\$ 685,618</b>	<b>\$ 555,410</b>	<b>\$ (130,208)</b>
Expenses			
452-0000-606.20-23 Arch//Eng/Landscaping	100,000	99,944	(56)
452-0000-606.90-03 Improvements	900,000	769,848	(130,152)
<b>Total</b>	<b>\$ 1,000,000</b>	<b>\$ 869,792</b>	<b>\$ (130,208)</b>
Change in Project Fund Balance			\$ -

<b>Fund 452: Sewer Project Fund Sewer Line Improvements (SW2501)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
452-0000-391.42-00 From Sewer Fund	270,000	227,896	(42,104)
<b>Total</b>	<b>\$ 270,000</b>	<b>\$ 227,896</b>	<b>\$ (42,104)</b>
Expenses			
452-0000-606.90-28 Sewer Improvements	215,000	172,896	(42,104)
<b>Total</b>	<b>\$ 215,000</b>	<b>\$ 172,896</b>	<b>\$ (42,104)</b>
Change in Project Fund Balance			\$ -

<b>Fund 452: Sewer Project Fund Hydro Excavator Truck (SW2504)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
452-0000-391.42-00 From Sewer Fund	8,515	-	(8,515)
<b>Total</b>	<b>\$ 8,515</b>	<b>\$ -</b>	<b>\$ (8,515)</b>
Expenses			
452-0000-606.90-03 Improvements	8,515	-	(8,515)
<b>Total</b>	<b>\$ 8,515</b>	<b>\$ -</b>	<b>\$ (8,515)</b>
Change in Project Fund Balance			\$ -

<b>Fund 452: Sewer Project Fund Sewer Line Improvements (SW2401)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
452-0000-391.42-00 From Sewer Fund	265,000	289,659	24,659
<b>Total</b>	<b>\$ 265,000</b>	<b>\$ 289,659</b>	<b>\$ 24,659</b>
Expenses			
452-0000-606.90-28 Sewer Improvements	215,000	239,659	24,659
<b>Total</b>	<b>\$ 215,000</b>	<b>\$ 239,659</b>	<b>\$ 24,659</b>
Change in Project Fund Balance			\$ -

<b>Fund 452: Sewer Project Fund Lift Stations (SW2500)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
452-0000-391.42-00 From Sewer Fund	375,000	408,034	33,034
<b>Total</b>	<b>\$ 375,000</b>	<b>\$ 408,034</b>	<b>\$ 33,034</b>
Expenses			
452-0000-606.90-19 Pump Stations	375,000	408,034	33,034
<b>Total</b>	<b>\$ 375,000</b>	<b>\$ 408,034</b>	<b>\$ 33,034</b>
Change in Project Fund Balance			\$ -

<b>Fund 452: Sewer Project Fund FY26 Sewer Lining (SW2604)</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
452-0000-391.05-69 Series 2021 GO Bonds	-	135,168	135,168
452-0000-391.42-00 From Sewer Fund	1,000,000	1,276,137	276,137
<b>Total</b>	<b>\$ 1,000,000</b>	<b>\$ 1,411,305</b>	<b>\$ 411,305</b>
Expenses			
452-0000-606.20-23 Arch//Eng/Landscaping	-	160,000	160,000
452-0000-606.90-03 Improvements	1,000,000	1,251,305	251,305
<b>Total</b>	<b>\$ 1,000,000</b>	<b>\$ 1,411,305</b>	<b>\$ 411,305</b>
Change in Project Fund Balance			\$ -

<b>Fund 411: Water Fund</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
411-0000-392.01-00 Fund Balance Appropriations	134,009	538,243	404,234
<b>Total</b>	<b>\$ 134,009</b>	<b>\$ 538,243</b>	<b>\$ 404,234</b>
Expenses			
411-6996-696.76-01 To Water Project Fund	3,126,301	3,530,535	404,234
<b>Total</b>	<b>\$ 3,126,301</b>	<b>\$ 3,530,535</b>	<b>\$ 404,234</b>
Change in Project Fund Balance			\$ -

<b>Fund 616: Senior Citizens Advisory Board</b>	<b>Original FY 2026 Budget</b>	<b>FY 2026 Estimated</b>	<b>Proposed Amendment</b>
<b>Appropriations:</b>			
Revenues			
616-0000-392.01-00 Fund Balance Appropriations	117,461	142,088	24,627
<b>Total</b>	<b>\$ 117,461</b>	<b>\$ 142,088</b>	<b>\$ 24,627</b>
Expenses			
616-4804-481.70-35 To Gen Proj- Special Revenue	116,061	140,688	24,627
<b>Total</b>	<b>\$ 116,061</b>	<b>\$ 140,688</b>	<b>\$ 24,627</b>
Change in Project Fund Balance			\$ -

SECTION II: That this Ordinance shall take effect from and after its date of passage, as the law directs, the welfare of the City of Kingsport, Tennessee requiring it.

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PAUL W. MONTGOMERY, Mayor

ATTEST:

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ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

---

RODNEY B. ROWLETT III, City Attorney

PASSED ON 1ST READING:

PASSED ON 2ND READING:



**AGENDA ACTION FORM**

**Consideration of a Resolution Naming the Courthouse Located in the Kingsport/Sullivan County Justice Center in Honor of Judge John S. McLellan III**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF- 72-2026  
Work Session: 4/20/2026  
First Reading: NA  
Final Adoption: 4/21/2026  
Staff Work By: Committee  
Presentation By: Chris McCartt

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**Strategic Focus Area: 1. Efficient & Responsive Government**

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**Recommendation:**

Approve the Resolution

**Executive Summary:**

A recommendation has been made to name the courthouse located within the Kingsport/Sullivan County Justice Center in honor of Judge John S. McLellan III. Per the City of Kingsport Naming Policy, adopted on April 18, 2023 (AF:99-2023), the Board of Mayor and Aldermen (BMA), at their discretion, can consider recommendations for the naming of public buildings, infrastructure, and facilities from various sources as listed under section IV. Process. A rendering of the proposed signage for the renovated facility along with supporting documentation can be found within the attached supplemental information.

This recommendation comes at the request of the Kingsport Bar Association, Sullivan County Judges, and citizens of Kingsport/Sullivan County. The Sullivan County Commission voted unanimously in favor of the item as presented in AF -72-2026 during their April 16, 2026 meeting.

**Attachments:**

- 1. Resolution
- 2. Naming Policy
- 3. Supplemental Information

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING THE NAMING OF THE COURTHOUSE LOCATED IN THE KINGSPORT/SULLIVAN COUNTY JUSTICE CENTER IN HONOR OF JUDGE JOHN S. MCLELLAN, III

WHEREAS, The Honorable Judge John S. McLellan III was an influential attorney and judge through his distinguished career; and

WHEREAS, a Kingsport native and 1964 graduate of Dobyys – Bennett High School, Judge McLellan began practicing law in Kingsport in 1971; and

WHEREAS, while still in private practice, Judge McLellan served as county attorney for Sullivan County from 1984 to 1994 during which time the partnership between the City of Kingsport and Sullivan County was forged for the original construction of the Justice Center; and

WHEREAS, in 1994 Governor Ned Ray McWherter appointed Judge McLellan to the bench as Judge of Division I of the 2<sup>nd</sup> Judicial District Circuit Court, where he served the citizens of Sullivan County for 30 years; and

WHEREAS, Judge McLellan was a well respected jurist who served with distinction throughout his career and acknowledged for such by his peers when in 2004 he was elected president of the Tennessee Judicial Conference; and

WHEREAS, in recognition of Judge McLellan’s decades long service to his profession and the citizens of Sullivan County; the Kingsport Bar Association, various community leaders, and citizens have requested the courthouse located in the Kingsport/Sullivan County Justice Center in honor of Judge John S. McLellan, III; and

WHEREAS, on April 18, 2023, by Resolution No.: 2023-219, the board approved a naming policy for public buildings, infrastructure, and facilities; and

WHEREAS, pursuant to the Policy for the Naming of Public Buildings, Infrastructure, and Facilities, the board may consider the Names of local significance, Individuals or organizations that have made significant documented contributions to the city or the community at large, and Individuals from the City of Kingsport who distinguished themselves in lifetime service or career over an extended number of years bringing pride, local, regional, state-wide or national recognition to themselves and the City of Kingsport; and

WHEREAS, upon consideration of the factors specified in the naming policy, it is deemed advisable to name the courthouse located in the Kingsport/Sullivan County Justice Center in honor of Judge John S. McLellan, III; and

WHEREAS, it is further deemed advisable and in the best interest of the city for the board to exercise its discretion in considering the naming of the Justice Center outside of the period for consideration set forth in Section IV.) 2.) of the policy.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That based upon the findings set forth above, which are incorporated herein by reference, the board hereby approves naming the courthouse located in the Kingsport/Sullivan County Justice Center in honor of Judge John S. McLellan, III.

SECTION II. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort, and prosperity of the citizens of the city.

SECTION III. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21<sup>st</sup> day of April, 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY



## RESOLUTION NO. 2023-219

### A RESOLUTION ADOPTING A POLICY FOR THE NAMING OF PUBLIC BUILDINGS, INFRASTRUCTURE, PROMINENT PUBLIC SPACES AND FACILITIES

WHEREAS, at various times the board on its own initiative desires to name public buildings, infrastructure, prominent public spaces, and facilities or receives requests to consider naming the same from citizens, community groups, businesses or others; and

WHEREAS, historically the board has given consideration to the naming of such city owned property on a case-by-case basis; and

WHEREAS, the board desires to adopt a policy to guide its consideration of the naming of public buildings, infrastructure, prominent public spaces, and facilities.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the board hereby adopts for the City of Kingsport a public building, infrastructure & facility naming policy as set forth herein:

#### CITY OF CITY OF KINGSPORT, TENNESSEE PUBLIC BUILDING, INFRASTRUCTURE, & FACILITY NAMING POLICY

- I. Purpose: This document outlines the policy of the City of Kingsport Board of Mayor and Aldermen with respect to the naming of public buildings, infrastructure, prominent public spaces, and facilities owned by the City of Kingsport;
- II. Authorization: Except as otherwise provided herein, the authority to name or rename all municipally owned public buildings, infrastructure, prominent public spaces and facilities ultimately rests with the City of Kingsport Board of Mayor and Aldermen. Any naming or renaming shall require adoption of a formal Resolution by the Board of Mayor and Aldermen authorizing such designation;
- III. Qualifying Name: In order to qualify for consideration, proposed names must relate to one or more of the following categories:
  - a. Geographic location to facility;
  - b. An outstanding feature;
  - c. Historic site, event or individual;
  - d. Names of local significance;
  - e. Names of individuals or organizations that have made a substantial contribution in service or substantial financial contribution for acquisition/development/construction;
  - f. Individuals recognized nationally or internationally as having made a significant contribution to the humanities, arts, science, or government;
  - g. Individuals or organizations that have made significant documented contributions to the city or the community at large;
  - h. Individuals from the City of Kingsport who distinguished themselves in lifetime service or career over an extended number of years bringing

pride, local, regional, state-wide or national recognition to themselves and City of Kingsport.

IV. Process:

1. In General: At its discretion, the City of Kingsport Board of Mayor and Aldermen may formally solicit and/or consider recommendations for the naming of public buildings, infrastructure, and facilities from:

- a. City of Kingsport citizens;
- b. Civic organizations or groups
- c. Residents and businesses that are situated near, beside, or across from the public building, infrastructure or facility considered for naming;
- d. Established boards and commissions of City of Kingsport including but not limited to the City of Kingsport Parks & Recreation Advisory Board and the City of Kingsport Regional Planning Commission;
  - e. City staff;
- f. Other committees or groups that have an interest in public building, infrastructure, or facility;
- g. Other entities or groups that the City of Kingsport Board of Mayor and Aldermen may consider or designate;

2. Consideration of the naming of public buildings, infrastructure, prominent public spaces, and facilities shall be considered no more than twice annually, which shall be presented to the Board during the first and third quarters of the calendar year, though the City Manager shall determine the specific meeting at which the recommendation shall be presented. However, the Board shall retain the discretion to give consideration to naming public buildings, infrastructure, prominent public spaces, and facilities at such other times as the Board deems advisable.

V. Naming of School Buildings and Facilities: Shall be the responsibility of the Kingsport Board of Education through whatever process is deemed suitable to the Board of Education.

VI. Sale of Naming Rights: The board may at times be asked to consider sponsorship of municipally owned public buildings, infrastructure, prominent public spaces and facilities which would include the sale of naming rights to third parties. Staff shall report to the board on the feasibility and advisability of the sale of naming rights giving consideration to the importance of the municipally owned public buildings, infrastructure, prominent public spaces and facilities to be sponsored, whether bond or grant money has been or will be used to fund construction, renovation or improvement of the same, the third party desiring to sponsor the same, the consideration offered, duration of the naming right acquired, and other factors the board deems pertinent. If a sale of naming rights is deemed advisable the board shall enter into a contractual agreement for the sale of the naming rights which sets forth the necessary terms and conditions. However, in no event shall any naming right have an indefinite or perpetual duration.

VII. Renaming: A request to rename public buildings, infrastructure, prominent public space, or facilities will be considered only under specific conditions and will be strictly evaluated to ensure that any change in name would not diminish the original name justification or discount the value of the original name;

Consideration may be entertained if any of the following apply:

- a. The name of an existing building, infrastructure, or facility from an earlier time no longer has relevance, significance or has been tarnished or diminished;
- b. The proposed renaming of a building, infrastructure or facility has a cross-section of community support based on the documented contributions the individual or organization has made specifically to the city, community, department, school or program;
- c. The overall process for renaming beyond what has been outlined in this section shall follow sections I-VI of this policy;

VIII. Removal of Name: The City of Kingsport Board of Mayor and Aldermen reserves the right to remove a name associated with any public building, infrastructure, prominent

public space, and facility owned by the City of Kingsport at any time if in the best interests of the City.

IX. Policy Amendment: The City of Kingsport Board of Mayor and Aldermen may, in its discretion, establish or amend the process or procedure for the naming of public buildings, infrastructure, or facilities of the City of City of Kingsport.

SECTION II. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort, and prosperity of the citizens of the city.

SECTION III. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 18th day of April, 2023.

Patrick W. Shull  
PATRICK W. SHULL, Mayor

ATTEST:

Angela Marshall  
ANGELA MARSHALL  
Deputy City Recorder

APPROVED AS TO FORM:

Rodney B. Rowlett, III  
RODNEY B. ROWLETT, III, City Attorney

**SULLIVAN COUNTY**  
**Board of County Commissioners**  
**246th Annual Session**

Item 10  
Resolution No. 2026-04-10

To the Honorable Richard S. Venable, Sullivan County Mayor, and the Board of Sullivan County Commissioners meeting in Regular Session this 16<sup>th</sup> day of April 2026.

**A RESOLUTION TO NAME THE NEW SULLIVAN COUNTY COURTHOUSE IN HONOR OF THE HONORABLE JOHN SIDNEY MCLELLAN III**

WHEREAS, The Honorable John Sidney McLellan III grew up in Kingsport, Tennessee, graduating from Dobyns-Bennett High School in 1964, and went on to attend the University of Tennessee, where he earned a Bachelor of Science in Business Administration in 1968, followed by a Doctor of Jurisprudence from the University of Tennessee College of Law in 1970; and

WHEREAS, Judge McLellan joined the Kingsport Bar Association in 1971 and practiced law in both federal and state courts for twenty-four years as a general practitioner, demonstrating a steadfast commitment to the legal profession and the citizens he served; and

WHEREAS, his dedication to public service was evident through his tenure as Sullivan County Attorney from 1984 through 1994, as well as his service as City Attorney for the Town of Mt. Carmel and as Judge of the Kingsport City Juvenile Court; and

WHEREAS, in 1994, Governor Ned Ray McWherter appointed Judge McLellan as Judge of Division I of the 2nd Judicial District Circuit Court of the State of Tennessee, where he served with distinction for thirty years; and

WHEREAS, throughout his judicial career, Judge McLellan was known for his fairness, integrity, wisdom, and unwavering dedication to justice, earning the respect of litigants, attorneys, and fellow jurists alike, and was repeatedly reelected—often without opposition—reflecting the confidence placed in him by the citizens of this district; and

WHEREAS, Judge McLellan has been an active member of numerous legal and professional organizations, including the American Judicature Society, the American Trial Lawyers Association, and as a Fellow of the Tennessee Bar Association, and has further contributed to his alma mater through service on the Board of Governors of the University of Tennessee National Alumni Association; and

WHEREAS, Judge McLellan's life of service has been supported and strengthened by his wife, Wanda G. McLellan, née Gulley, and their marriage of sixty years has been marked by deep devotion, enduring partnership, and a shared commitment to family and community; and

**CONTINUED**

WHEREAS, through his decades of service on the bench, Judge McLellan has shaped the administration of justice in this region, mentored generations of attorneys, and impacted countless families and individuals, leaving a lasting legacy that will endure well beyond his tenure; and

WHEREAS, it is fitting and proper that Sullivan County recognize individuals whose service has brought honor and distinction to the judiciary and to the community as a whole;

NOW, THEREFORE, BE IT RESOLVED by the Sullivan County Commission that the new Sullivan County Courthouse section of the Kingsport Justice Center shall be named the "John Sidney McLellan III Courthouse" in honor of his lifetime of service, his enduring contributions to the administration of justice, and his profound impact on Sullivan County and the State of Tennessee; and

BE IT FURTHER RESOLVED that appropriate signage be erected and all official references to the new courthouse reflect this designation; and

BE IT FURTHER RESOLVED that a copy of this Resolution be presented to Judge McLellan and his family as a token of the County's appreciation and gratitude for his exemplary service.

This resolution shall take effect from and after its passage. All resolutions in conflict herewith be and the same rescinded insofar as such conflict exists.

**WAIVER OF RULES REQUESTED**

Duly adopted this \_\_\_\_\_ day of \_\_\_\_\_ 2026.

Reviewed by Chairman: \_\_\_\_\_  
John T. Gardner, Chairman, Sullivan County Commission.

ATTEST: \_\_\_\_\_  
Teresa Jacobs, County Clerk

Delivered to the Sullivan County Mayor or his secretary this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at or about the following time \_\_\_\_\_ by the following method: \_\_\_\_\_.

\_\_\_\_\_  
Teresa Jacobs, County Clerk.

**ACTION BY MAYOR**

Reviewed and ACCEPTED by Mayor, Sullivan County: \_\_\_\_\_  
Mayor, Sullivan County

Reviewed and VETOED by Mayor, Sullivan County: \_\_\_\_\_  
Mayor, Sullivan County

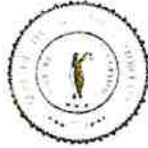
**CONTINUED**

Delivered to the Chairman of the Sullivan County Commission or his designee this the \_\_\_\_\_  
day of \_\_\_\_\_, 20\_\_\_\_ at or about the following time \_\_\_\_\_ by  
the following method:

\_\_\_\_\_

\_\_\_\_\_  
Mayor, Sullivan County

**Sponsor: Commissioner Joe McMurray**  
**Cosponsors: Commissioner Sam Jones; Commissioner Travis Ward; Commissioner Zane Vanover; Commissioner Jessica Means; Commissioner John Gardner; Commissioner Gary Stidham.**



**CIRCUIT COURT**

STATE OF TENNESSEE  
SECOND JUDICIAL DISTRICT

S. CURTIS ROSE  
CIRCUIT JUDGE

OLD CITY HALL BUILDING  
225 W. CENTER STREET  
KINGSPORT, TN 37680  
OFF. (423) 224-1728  
FAX (423) 224-2040

April 15, 2026

Mayor Richard S. Venable  
All Sullivan County Commissioners

Dear Mayor and Commissioners:

Please accept this letter of support from the Judges of the Second Judicial District for the naming of all court related operations at the Kingsport Justice Center. All of the undersigned are in support of naming the courthouse, which is located on the second floor of the Justice Center, the Hon. John S. McLellan, III Courthouse.

As you know, Judge McLellan passed away in February and shortly thereafter, we began an endeavor to appropriately honor the legacy of Judge McLellan who spent over half his life in public service. From his time as county attorney to his 30 years of service on the bench, naming the courthouse after Judge McLellan is a fitting and appropriate honor.

This matter came before the Kingsport Bar Association and they unanimously agreed and therefore voted for Resolution in support of the naming of the courthouse.

We wanted to make you all aware of this support before the next Sullivan County Commission meeting. It is the Judges hope that this Commission finds this letter with favor and will pass a resolution in support of the naming the courthouse after Judge McLellan.

Sincerely,

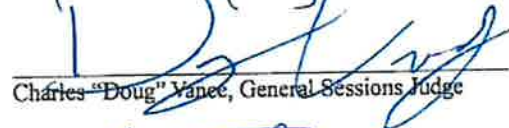
  
S. Curtis Rose, Presiding Judge, Circuit Part I

  
Katie Priester, Chancellor

  
James F. Goodwin, Criminal Court Judge

  
William K. Rogers, Circuit Part II

  
Teresa A. Nelson, General Sessions Judge

  
Charles "Doug" Vance, General Sessions Judge

  
Mark H. Toohey, General Sessions Judge

  
Ray Conkin, General Sessions Judge







Option 3



### AGENDA ACTION FORM

#### **Consideration of a Resolution Approving a Payment in Lieu of Tax Program Between KHRA and The Grove at Poplardale, LP**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-101-2026                      Final Adoption: April 21, 2026  
Work Session: April 20, 2026                  Staff Work By: Bart Rowlett  
First Reading: N/A                                  Presentation By: Chris McCartt

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**Strategic Focus Area: 6. Strong & Vibrant Neighborhoods**

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**Recommendation:**

Approve the resolution.

**Executive Summary:**

The accompanying resolution approves a Payment in Lieu of Tax (PILOT) program between KHRA and the Grove at Poplardale, LP

KHRA owns property within the city for which it desires to enter into a long-term ground lease for the redevelopment of the property at the former Lee Apartments site. The Grove at Poplardale, LP (the Grove) is the entity which will develop the project. In furtherance of the development, the Grove will seek an award of tax credits from the Tennessee Housing Development Agency.

In addition, approval of a PILOT will further facilitate redevelopment of the property which has been vacant for several years.

This action is similar in nature to the action taken by the Board of Mayor and Aldermen in 2016 for Myrtle Street Redevelopment, LLC and Riverview Place, L.P. which have redeveloped other public housing units in Kingsport.

**Attachments:**

- 1. Resolution

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING A PAYMENT IN LIEU OF TAXES  
PROGRAM FOR THE KINGSPORT HOUSING &  
REDEVELOPMENT AUTHORITY

WHEREAS, the Kingsport Housing & Redevelopment Authority ("KHRA") is authorized by *Tennessee Code Annotated § 13-20-104* et seq.; as amended (the "ACT"), among other things, to establish a payment in lieu of ad valorem taxes program ("PILOT program") for lessees operating Low-income housing tax credit ("LIHTC") property as defined by section 42 of the Internal Revenue Code of 1986, as amended; and

WHEREAS, KHRA, so that it may continue its public benefit purposes of providing safe, decent, and affordable housing for low and moderate income families within the City of Kingsport, wishes to provide PILOT programs restricted exclusively for projects developed through the assistance of LIHTCs; and

WHEREAS, The Grove at Poplardale, LP, intends to seek an award of LIHTCs to develop and operate qualified multi-family housing for low- and moderate-income families on property owned by KHRA; and

WHEREAS, pursuant to authorization under the Act, property owned by KHRA is exempt from all property taxation; and

WHEREAS, in order to facilitate development, redevelopment, or operation of LIHTC properties, KHRA shall enter into a lease agreement with The Grove at Poplardale, LP for property owned by KHRA, which The Grove at Poplardale, LP will develop and operate as LIHTC property or properties; and

WHEREAS, The Grove at Poplardale, LP has requested KHRA to enter into a PILOT Agreement by which it will make payments in lieu of ad valorem taxes and its leasehold on KHRA Property shall not be assessed ad valorem property taxes; and

WHEREAS, KHRA and The Grove at Poplardale, LP are willing to enter the PILOT Agreement as generally set forth herein; and

WHEREAS, the City of Kingsport finds and declares that the PILOT program and the PILOT Agreement as generally set forth herein are in furtherance of KHRA's public purposes set forth in the Act.

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF KINGSPORT as follows:

SECTION I. That, upon the finding of the City of Kingsport that accepting payments in lieu of taxes is in furtherance of Kingsport Housing & Redevelopment Authority's public purpose, the Kingsport Housing & Redevelopment Authority is hereby authorized to negotiate and enter agreements to accept payments in lieu of taxes from its lessees who develop and maintain qualified multi-family residential facilities for low and moderate income persons.

SECTION II. That as required by *Tennessee Code Annotated* § 13-20-104(F)(2) the City of Kingsport hereby approves the PILOT Agreement between Kingsport Housing & Redevelopment Authority and The Grove at Poplardale, LP said agreement being generally as follows:

PAYMENT IN LIEU OF TAX AGREEMENT

THIS AGREEMENT (the "Agreement") is made and entered into as of the \_\_\_ day of \_\_\_\_, 2026 (the "effective date") by and between the KINGSFORT HOUSING & REDEVELOPMENT AUTHORITY, a Tennessee public non-profit corporation ("KHRA") and THE GROVE AT POPLARDALE, LP ("Lessee").

RECITALS

- A. KHRA owns certain properties located in the City of Kingsport, which is more particularly described on Exhibit A (the "Development Properties"). Under the Tennessee Constitution and statutes, the Development Properties is exempt from ad valorem property taxation.
- B. Lessee intends enter a long-term Ground Lease to lease the Development Properties.
- C. Lessee intends to redevelop and operate on the Development Properties low-income housing developments with financing, in part, through low-income housing tax credits administered by the Tennessee Housing Development Agency.
- D. Lessee will seek an award of low income housing tax credits from the Tennessee Housing Development Agency to redevelop and operate the Development Properties as LIHTC properties.
- E. KHRA is authorized by TENN. CODE ANN. § 13-20-104 to enter agreements for payments in lieu of ad valorem taxes ("PILOT") with lessees operating low-income housing tax credit ("LIHTC") property.
- F. By approving Resolution No. \_\_\_\_\_, a copy of which is Exhibit B, the City of Kingsport delegated to KHRA the authority to negotiate and accept PILOTs from its lessees, and approved the form of this Agreement upon its finding that the Agreement and payments described herein are in furtherance of KHRA's public purpose.

NOW THEREFORE, in consideration of the recited premises, the mutual covenants contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Lease Agreement. KHRA and Lessee will enter into a Ground Lease for the Development Properties.

Section 2. Appointment of Agent. KHRA hereby appoints Lessee as its agent to act for and on behalf of KHRA to exercise those powers conferred on it by Tenn. Code Ann. § 13-20-104 with respect to the redevelopment and operation of multi-family residential facilities for low and moderate-income persons on the Development Properties, except that Lessee shall not bind KHRA to any debts, liabilities or costs.

Section 3. Payments in Lieu of Taxes. Lessee shall make annual payments in lieu of taxes ("Annual Payments") to Kingsport Housing & Redevelopment Authority as follows:

- a. Amount. Annual Payments shall be ten percent (10%) of the aggregate Shelter Rent collected by Lessee for the Project during the preceding year. Shelter Rent is defined as the total of all rents actually collected from all tenants of the Project for dwelling rents and non-dwelling rents (excluding all other income of Development Properties), less the cost to Lessee of all dwelling and non-dwelling utilities.
- b. Time of Payment. Each Annual Payment is due and payable on the last day on which ad valorem taxes are payable to the City of Kingsport for each respective tax year. Any Annual Payments payable with respect to any partial tax year shall be pro rated based upon the number of days in which partial year to which this Agreement applies.
- c. Payments Reduced by Taxes Assessed. The Annual Payments described herein are intended to be in lieu of all ad valorem taxes on all real and personal property of any nature which are or may be levied by the City of Kingsport, Sullivan County, or any other political subdivision of the State with respect to the Project, work-in-progress in regard to the construction and development of the Project during the term of this Agreement, and taxes on the leasehold estate created under the Ground Lease. Therefore the amount of the Annual Payments will be reduced by the amount of any ad valorem taxes or other taxes on real or personal property of any nature levied by the City of Kingsport, Sullivan County, or any other political subdivision, or the State with respect to the Development Properties which Lessee is or may be required to pay during the term of this Agreement.

Section 4. Annual Report to State Board of Equalization. Before October 1 of each year, Lessee shall file with the State Board of Equalization a report that complies with TENN. CODE ANN. § 13-20-104(f)(1)(3), as amended, with a copy of such report to KHRA.

Section 5. Term. The term of this Agreement shall commence on the effective date of this Agreement and shall end on the last day of the fifteenth (15th) year after any Project is placed in service, as defined by Section 42 of the Internal Revenue Code, or at such time the Lessee's interest in the Development Properties terminates, whichever is longer.

Section 6. Choice of Law. This Agreement shall be governed by the laws of the State of Tennessee.

Section 7. Amendments. This Agreement shall be amended only by a written instrument executed by the parties hereto or their successors and assigns. This Agreement may not be materially amended without prior written approval of KHRA. Notwithstanding the foregoing, KHRA and Lessee hereby consent to any amendment to this Agreement required by a change in applicable law or regulation, and no further consent shall be required for such amendment to become effective.

Section 8. Notices. All notices, certificates, demands, requests, consents, approvals and other similar instruments under this Lease shall be in writing, and shall be deemed to have been properly given and received if sent by United States certified or registered mail, postage prepaid to the business addresses of each of the respective parties, or at such other address as the parties may designate by written notice.

Section 9. Severability. If any provision of this Agreement shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

Section 10. Headings. The headings in this Agreement are for convenience of reference only and shall not define or limit the provisions thereof.

Section 11. Binding Effect. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 12. Expenses on Default. In the event that KHRA shall be required to engage legal counsel for the enforcement of any of the terms of this Agreement, whether or not such employment involves prosecuting or defending an action in court or other legal services required to secure compliance on the part of Lessee, Lessee shall be responsible for and shall promptly pay to KHRA its reasonable attorneys' fees and any other expenses incurred by KHRA as a result of such default.

Section 13. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Acknowledgements and Exhibits are deleted for inclusion in this resolution]

SECTION III. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

SECTION IV. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April, 2026.

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PAUL W. MONTGOMERY, MAYOR

ATTEST:

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ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

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RODNEY B. ROWLETT, III, CITY ATTORNEY

# Subject Property

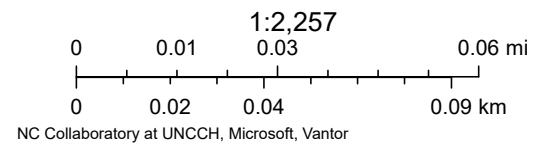


4/17/2026, 3:36:43 PM

Sullivan County Parcels Jan 2023 Streets

- Parcels
- Urban Growth Boundary
- Major Arterial
- Minor Arterial
- Collector Street

- Local Street
  - Private Street
  - Kpt 911 Address
- Item X2.





**AGENDA ACTION FORM**

**Consideration of a Resolution to Enter into an Administrative Services Agreement with BCBST to Provide Administrative Services for the City’s Self-Funded Health Insurance Plans**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-89-2026  
Work Session: April 20, 2026  
First Reading: N/A  
Final Adoption: April 21, 2026  
Staff Work By: Michael Wessely  
Presentation By: Tyra Copas

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**Strategic Focus Area: 1. Efficient & Responsive Government**

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**Recommendation:**  
Approve the Resolution

**Executive Summary:**  
If approved the City will enter into a 1-year agreement with BCBST to administer the City’s self-funded health insurance plans at a cost of \$39.41 per member, per month (\$339k annually).

The City of Kingsport currently utilizes BCBST to provide administrative services for its self-funded health insurance plans. These services include the processing of medical and Rx claims along with the establishment of prior authorization criteria to help mitigate costs to the City.

The agreement with BCBST is for one-year, with no increase in the per member, per month amount from the 2025 plan year.

Funding is budgeted in FY26 and FY27.

- Attachments:**  
1. Resolution  
2. 2026 BCBST ASA Final

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—



RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING RENEWAL OF AN ADMINISTRATIVE SERVICES AGREEMENT WITH BLUECROSS BLUESHIELD OF TENNESSEE, INC.; AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

WHEREAS, the city currently uses BlueCross/BlueShield of Tennessee, Inc. as the third-party administrator for the city's self-funded health insurance program; and

WHEREAS, staff recommends renewing the Administrative Services Agreement with BlueCross/BlueShield of Tennessee, Inc. (BCBST) for a period of one (1) year with a cost of \$39.41 per member, per month, which is no increase from the 2025 plan year; and

WHEREAS, the services provided include the processing of medical and prescription claims along with the establishment of prior authorization criteria to help mitigate costs to the city.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Administrative Services Agreement with BlueCross/BlueShield of Tennessee, Inc. is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, Administrative Services Agreement with BlueCross/BlueShield of Tennessee, Inc., to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution, said agreement being as follows:

**ADMINISTRATIVE SERVICES AGREEMENT  
BETWEEN  
BLUECROSS BLUESHIELD OF TENNESSEE, INC.  
AND  
CITY OF KINGSFORT, TN**

This Administrative Services Agreement (the "Agreement"), is by and between City of Kingsport, TN ("Employer") and BlueCross BlueShield of Tennessee, Inc. ("BlueCross"), and is effective as stated in Section 3.1 of this Agreement. Employer and BlueCross may be individually referred to in this Agreement as a "Party" and are collectively referred to in this Agreement as the "Parties".

**WHEREAS**, Employer has established a self-funded Employee Welfare Benefit Plan; however, Employer represents that this Employee Welfare Benefit Plan ("Plan") is not subject to ERISA;

**WHEREAS**, BlueCross offers to sponsors of self-funded employee welfare benefit plans certain administrative and related services in connection with such sponsors' administration of their plans; and

**WHEREAS**, Employer seeks for BlueCross to provide, and BlueCross agrees to provide, administrative services to and on behalf of Employer and the Plan as set forth in this Agreement.

**NOW THEREFORE**, in consideration of the promises, covenants, representations, and warranties set forth herein, and other consideration, the sufficiency of which is hereby acknowledged, the Parties each hereby agree as follows:

**ARTICLE I – RESPONSIBILITIES OF THE PARTIES**

1.1. BlueCross. BlueCross shall provide administrative claims payment services in accordance with the terms of the Benefit Documents, shall perform other services as set forth in this Agreement,

and shall perform other duties specifically assumed by BlueCross pursuant to this Agreement. BlueCross does not assume any financial risk or obligation with respect to Approved Claims or the Plan. BlueCross shall perform its services and duties in accordance with the terms of this Agreement and applicable law and will administer the benefits in accordance with BlueCross's customary administrative standards and practices and generally accepted standards applicable to claims administration, including other licensees of the Association. To the extent Employer or the Plan engages a third-party Employer Service Vendor to administer certain benefits under the Plan, Employer hereby acknowledges and agrees that (i) BlueCross, BlueCross' Affiliates, and their subcontractors or assigns shall have no responsibility for any act, error, or omission of such Employer Service Vendor or with respect to the performance of such Employer Service Vendor and (ii) to the extent permitted under the Tennessee Governmental Tort Liability Act (GTLA), Tenn. Code Ann. § 29-20-101 *et seq.*, Employer shall remain fully responsible and liable for the acts or omissions of all Employer Service Vendors.

1.2. Employer. Employer shall perform the obligations set forth in this Agreement, including maintaining the Plan in accordance with applicable law, providing information to BlueCross regarding the Plan and Members necessary to administer the Plan, and timely funding and payment of Approved Claims and ASFs.

1.3. Benefit Documents. Employer shall provide BlueCross with a current, detailed, accurate copy of the Benefits Documents, which are attached hereto as Exhibit A ("Benefit Documents"). Employer shall notify BlueCross of any changes Employer intends to make to the terms and/or conditions of the Benefit Documents or the Plan. Notification shall be made sufficiently in advance of any such changes so as to permit BlueCross reasonable time to review and/or implement such changes. It is Employer's obligation to ensure all Benefit Documents, whether or not produced by BlueCross, meet the requirements of applicable laws. Employer agrees that all Association-mandated language shall be included in its Benefit Documents. BlueCross shall not be responsible for administering any Benefit Document that has not been reviewed and accepted by BlueCross. Until Employer has approved changes to the Benefits Documents, BlueCross will administer the quoted benefits according to the descriptions contained in Employer's Benefits Documents last accepted by BlueCross.

1.4. Stop Loss Coverage. Employer has entered into a stop loss arrangement with a stop loss vendor. BlueCross's duties with regard to this stop loss arrangement are set forth in Exhibit C.

1.5. Fiduciary Responsibility. Employer is solely responsible for the fiduciary responsibilities of administering its Plan and maintaining adequate funding to support the Plan, determining eligibility under the Plan, and preparing and providing its covered employees with copies of Benefit Documents. Although Employer's Plan is not subject to ERISA, Employer acknowledges that BlueCross is acting in a ministerial capacity and is not the "Administrator," the "Claims Fiduciary," nor the "Named Fiduciary" of Employer's Plan, as those terms are defined in ERISA. The "Plan Administrator" of the Plan, as that term is defined in ERISA, is Employer.

1.6. Claims Funding. Employer shall timely pay to BlueCross the invoiced amount for Approved Claims. BlueCross shall notify Employer weekly of the estimated amounts necessary to fund payment of the Approved Claims. Employer shall then appropriately fund the Approved Claims in accordance with this Agreement. Nothing in this Agreement shall obligate or shall be deemed to obligate BlueCross to use its funds to satisfy any of Employer's obligations pursuant to this Agreement or Plan benefits. Employer's assets and amounts contributed by Members, if applicable, are the only source(s) of funding and payment of Approved Claims or any other benefit provided under the Plan.

1.7. Administrative Services Fees ("ASF(s)"). Employer shall timely pay ASFs in accordance with the Agreement. The initial ASF shall be due and payable on the Effective Date of this Agreement.

## **ARTICLE II – CONFIDENTIALITY**

2.1. Confidential Information.

2.1.1. Notwithstanding anything in this Agreement to the contrary, the parties acknowledge that Employer is subject to the Tennessee Open Records Act, set out in Tenn Code Ann. § 10-7-503 *et seq.*, and any documents, materials, or attachments/exhibits, including the Agreement and the information contained in the Agreement, in any format, including but not limited to, paper, electronic, or virtual, are public records pursuant to the Tennessee Open Records Act, are not confidential, and are subject to disclosure in whole or in part to any citizen of Tennessee, without regard to any provision contained in the Agreement declaring information confidential. Records not otherwise made confidential by Tennessee law are public records. To the extent permitted under TORA, The Parties acknowledge that this Agreement and Confidential Information shall be treated as confidential, proprietary and trade secret information. Employer further acknowledges and agrees that BlueCross Confidential Information relating to provider identifiable information, payment rates and discounts, fee schedules, allowed amounts, policies and procedures and/or all other information in which

BlueCross has proprietary interest, is proprietary and a valuable trade secret of BlueCross and that any disclosure or unauthorized use thereof will cause irreparable harm and loss to BlueCross. Notwithstanding the foregoing, BlueCross agrees to provide to Employer information reasonably requested by Employer in BlueCross' possession to the extent required for Employer to meet its disclosure obligations with respect to the Plan under applicable law.

2.1.2. The Parties agree that any Protected Health Information that is commingled with Confidential Information disclosed under this Agreement shall be subject to the Business Associate Agreement between the Parties.

2.2. Uses and Disclosures of Confidential Information. Neither Party shall use or disclose the Confidential Information of the other Party, except as permitted herein.

2.2.1. BlueCross's Release or Disclosure. BlueCross may disclose Employer's Confidential Information to providers within BlueCross's networks, to BlueCross's affiliates and other licensees of the Association, and BlueCross's Representatives who: (A) need to know such Employer Confidential Information for performance of responsibilities related to the Plan and/or this Agreement; and (B) are under a duty or obligation of confidentiality at least as restrictive as those set forth in this Agreement. BlueCross may also disclose Employer's Confidential Information pursuant to a valid subpoena, administrative order or court order.

2.2.2. Employer's Release or Disclosure of Confidential Information. Employer shall use BlueCross Confidential Information solely for the purpose of administering Employer's Plan. Employer shall not disclose BlueCross's Confidential Information to a third party, including an Employer Service Vendor, unless the parties enter into an executed information sharing agreement with the third party pursuant to this Section 2.2.2. BlueCross may disclose Confidential Information of Employer to an Employer Service Vendor for Plan administration as directed by Employer, provided, however that (A) BlueCross, Employer and such Employer Service Vendor first must enter into an information sharing agreement approved by BlueCross authorizing BlueCross to disclose Confidential Information to such Employer Service Vendor, (B) any such disclosure shall be subject to the requirements of applicable laws and regulations and their implementing guidance, the policies and procedures of the Association, this Agreement, and such fully-executed information sharing agreement, and (C) the Parties acknowledge and agree that, notwithstanding the foregoing, BlueCross is under no obligation to release BlueCross Confidential Information at any time. Any information sharing agreement adopted pursuant to this section shall include:

2.2.2.1. Written authorization by Employer to release the Confidential Information to the Employer Service Vendor and a statement that Employer has entered into a business associate agreement with such Employer Service Vendor as required by HIPAA;

2.2.2.2. A statement that the Employer Service Vendor must have such information in order to perform their job as it relates to the administration of the Plan;

2.2.2.3. Protections for the Confidential Information;

2.2.2.4. Prohibitions against use of the data to obtain trade secrets, confidential business information, personally identifiable information, or otherwise use in a competitive manner against BlueCross or other licensees of the Association;

2.2.2.5. A statement by the Employer and Employer Service Vendor that the disclosure of the Confidential Information is limited to the minimum necessary to fulfill the purpose for which it will be disclosed;

2.2.2.6. A detailed description of the intended use (and any impermissible uses) of the Confidential Information;

2.2.2.7. A statement that the Confidential Information will not be resold or otherwise commercialized by Employer Service Vendor or any other person;

2.2.2.8. The right for BlueCross to confirm, through an audit, that the Confidential Information is not being used or disclosed in an impermissible manner;

2.2.2.9. A statement that the Confidential Information will be returned or securely destroyed by the Employer Service Vendor when it is no longer needed for the purpose for which it was disclosed;

2.2.2.10. A statement that the Employer Service Vendor will notify BlueCross when the Employer Service Vendor's ownership changes;

2.2.2.11. A statement that the Employer Service Vendor will defend or settle and/or hold harmless and indemnify BlueCross, as well as its officers and employees, from all claims, losses, or suits resulting from the Employer Service Vendor's breach of the information sharing agreement or its unauthorized use or disclosure of Confidential Information;

2.2.2.12. A statement that the Employer Service Vendor will comply with all laws, rules and regulations applicable to the sharing of information that includes Confidential Information contemplated under the information sharing agreement and that failure to comply with such laws shall be considered a material breach of such agreement; and

2.2.2.13. Any other requirement BlueCross deems necessary based on the intended use of the Confidential Information.

2.2.3. Right of Refusal. BlueCross reserves the right to refuse to release: (A) Confidential Information if BlueCross determines, in its sole discretion, that such release has the potential to damage BlueCross, including its reputation or competitive position in the market, or (B) any information BlueCross reasonably believes it cannot divulge due to applicable state or federal laws, Association provisions, applicable privileges or judicial or administrative orders. In no instance shall Employer itself, nor shall Employer allow a third party to, use or disclose BlueCross's Confidential Information: (A) to be aggregated with information of other third parties; (B) for the commercial purposes of any person; or (C) to compete directly or indirectly against BlueCross.

2.3. Rights in Data. The Parties agree that BlueCross owns claim or payment data (including any Confidential Information) recorded for or otherwise integrated into BlueCross's data, BlueCross claims processing or other systems, or BlueCross Confidential Information.

2.4. Legally Compelled. Employer may disclose Confidential Information if legally compelled by a valid judicial or administrative order; provided however, that Employer shall make every attempt to keep BlueCross's Confidential Information confidential, shall only disclose the minimum information necessary to comply with the order, shall provide written notice to BlueCross immediately upon making the determination that BlueCross's Confidential Information must be disclosed and shall only disclose the information after BlueCross has been notified and has the opportunity to consent to or challenge such disclosure.

2.5. Protected Health Information. The Parties have entered into a Business Associate Agreement, the terms of which control the use and disclosure of Protected Health Information, as defined by HIPAA.

2.6. Survival. This Article 2 shall survive termination of the Agreement.

### **ARTICLE III – TERM AND TERMINATION**

3.1. Term. This Agreement becomes effective at 12:01 A.M. Eastern Time on January 1, 2026 (the "Effective Date") and shall remain in effect until the earliest of the following:

3.1.1. Until December 31, 2026, unless Employer and BlueCross agree in a writing executed by both Parties to extend the term prior to December 31, 2026;

3.1.2. After the Initial Term of the Agreement, either Party may terminate the Agreement by giving the other Party no less than sixty (60) days advance written notice of the terminating Party's intent to terminate the Agreement as of the date specified in such notice.

3.1.3. Any other date mutually agreed upon by the Parties; or

3.1.4. The occurrence of any of the events specified in Section 3.2.

3.2. Termination by BlueCross. Notwithstanding the provisions of Section 3.1 above, this Agreement shall terminate upon the occurrence of any of the following events, as determined by BlueCross. Such termination shall be effective as of the date identified by BlueCross in its notice of termination to the Employer, and the Parties acknowledge that the termination may be retroactively effective.

3.2.1. Employer's failure to timely provide adequate funds, as set forth in Exhibit B, as necessary for the payment of Approved Claims;

3.2.2. Employer's failure to pay any ASFs, late payment penalty or other amounts as set forth in Exhibit B or otherwise due to BlueCross under this Agreement;

3.2.3. Employer ceases to maintain the Plan;

3.2.4. At any time BlueCross reasonably believes that Employer does not have the financial ability to adequately and timely fund claims, and Employer has failed to provide adequate assurances of such ability to BlueCross; or

3.2.5. At any time Employer fails to comply with applicable law or otherwise materially breaches this Agreement.

3.3. Termination for Invalid Use of BlueCross Confidential Information. If Employer uses or discloses BlueCross's Confidential Information in any manner not authorized by this Agreement, such disclosure shall constitute a material breach that is not subject to cure or correction, and BlueCross may terminate the Agreement immediately pursuant to Section 3.6.3.

3.4. BlueCross's Right to Reinstate. BlueCross has the sole discretion to decide whether to reinstate this Agreement if it was terminated pursuant to Subsections 3.2 or 3.3. If BlueCross elects to reinstate this Agreement, Employer shall pay any amounts due and owing under the Agreement prior to its termination plus a reinstatement fee, which shall be twenty-five thousand dollars (\$25,000.00).

3.5. Termination by Employer. Employer may terminate this Agreement upon giving BlueCross not less than thirty (30) days advance written notice if the following occurs:

3.5.1. BlueCross has been declared insolvent by the State of Tennessee, and its assets and obligations have been turned over to a receiver appointed by the State.

3.6. Material Breach.

3.6.1. A material breach is the failure by one Party (the "Breaching Party") to perform or carry out a material function or duty required by the terms of this Agreement, where the failure to perform that function or duty seriously impairs the ability to perform of the other Party (the "Non-breaching Party").

3.6.2. If the Non-breaching Party determines that a material breach has occurred, it must provide the Breaching Party with written notice and no less than thirty (30) days to cure the breach. If the breach is not cured during such cure period, the Non-breaching Party may terminate the Agreement effective as of the date set forth in the notice.

3.6.3. If the Non-breaching Party determines that the breach is not capable of being cured, the Non-breaching Party may immediately terminate the Agreement upon notice to the Breaching Party, effective as of the date set forth in such notice.

3.6.4. If either Party disputes a claimed material breach or that a material breach has been cured or corrected, such Party may immediately request dispute resolution, pursuant to the terms of Article IV of this Agreement.

3.7. Effect of Termination. The terms and conditions set forth herein shall be of no further force or effect upon termination of the Agreement, except as follows:

3.7.1. The Parties' rights and obligations intended to survive termination of this Agreement shall continue in effect notwithstanding its termination.

3.7.2. Termination of this Agreement, except as provided to the contrary herein, shall not affect the rights, obligations and liabilities of the Parties arising prior to termination.

3.7.3. The termination of this Agreement does not excuse Employer from paying to BlueCross any and all fees, amounts, reimbursements or claim payments accrued through the date of termination. If termination occurs retroactively, any and all fees, amounts, reimbursements or funding of Approved Claims accrued through the date of termination of the Agreement, including any Run-Out Period, shall be payable to BlueCross by Employer no later than ten (10) days after notice of termination is provided by BlueCross.

3.8. Administration After Termination. Provided that Employer has timely paid all outstanding amounts needed to fund Approved Claim and ASFs as of the date the Agreement is terminated and the Agreement has not been terminated by BlueCross pursuant to Sections 3.2, 3.2 or 3.6 of the Agreement, BlueCross, in its sole discretion which shall not be unreasonably withheld, may agree to process Run-Out Claims on behalf of Employer's Plan. The administration of the processing of Run-Out Claims by BlueCross following termination of this Agreement will be subject to the terms of this Agreement, as well as Employer's current and continued timely and sufficient funding of claims payments. Employer acknowledges that there is a separate and distinct administrative fee for BlueCross providing administrative services to pay Run Out Claims, which is set forth in Exhibit B. Any services performed by BlueCross on Employer's behalf after termination of the Agreement will cease no later than 18 months after termination of this Agreement ("Process Conclusion Date").

3.9. Final Settlement. BlueCross will complete a final calculation that reconciles any and all claims payments, fund transfers, recoveries received, and other monies potentially due under the Agreement up to the Process Conclusion Date to determine the amount necessary to finalize both Parties' obligations under this Agreement (the "Final Settlement Amount"). BlueCross will send Employer an agreement memorializing the final obligations of the Parties under the Agreement (hereinafter, the "Final Settlement Agreement") approximately two (2) years after termination of this Agreement. Employer will have thirty (30) days from the date of the letter attached to the Final Settlement Agreement to dispute any of the calculations in the Final Settlement Agreement. If Employer has not disputed the Final Settlement Agreement, or returned a signed Final Settlement Agreement to BlueCross within the provided time period, Employer shall be deemed to have approved and executed the Final Settlement Agreement and BlueCross reserves the right to reduce the Final Settlement Amount to take into account the final amount due BlueCross under the Agreement. Any amounts recovered beyond the Final Settlement shall be retained by BlueCross as reasonable compensation for Services under this Agreement.

#### **ARTICLE IV – DISPUTE RESOLUTION**

4.1. Arbitration. Notwithstanding any other provision in the Agreement to the contrary, arbitration is not permitted and if a dispute arises between the parties concerning any aspect of the Agreement the parties shall endeavor to resolve claims, disputes and other matters in question between them by mediation which shall be administered in accordance with Rule 31 of the Tennessee Rules of the Supreme Court, unless the parties mutually agree otherwise. If the dispute is not resolved any party may resort to resolution of the dispute by litigation in the state or federal courts for Kingsport, Sullivan County, Tennessee. The parties waive their right to a jury trial.

#### **ARTICLE V – LIABILITY AND INDEMNIFICATION**

5.1. BlueCross Indemnification to Employer.

5.1.1. BlueCross neither insures nor underwrites any of Employer's obligations or liabilities under the Plan and shall have no obligations to Employer related thereto. BlueCross is responsible solely for its acts and for the acts of its subcontractors and employees acting within the scope of their duties under this Agreement. BlueCross is not responsible for any acts or omissions of Employer or its agents or any third parties, including Employer Service Vendors, associated with or contracted by Employer.

5.1.2. BlueCross shall indemnify, defend and hold harmless Employer, its directors, officers and employees against any and all third party Losses arising out of or in connection with BlueCross's gross negligence or willful misconduct in the performance of its obligations under the Agreement, provided, however, that BlueCross shall have no obligation to indemnify and hold harmless under this section if the cause of such Losses was the result of (i) the fault, criminal conduct or fraudulent acts of Employer or any of its directors, officers, employees or agents; (ii) direction given by Employer or its directors, officers, employees or agents in the design or administration of the Plan; (iii) Employer's breach of its fiduciary duties; or (iv) Employer's violation of laws.

5.1.3. BlueCross's liability to Employer for Losses pursuant to this Agreement shall be limited to the value of the ASFs received by BlueCross under the Agreement prior to the occurrence of the act, action, or failure to act that forms the basis of BlueCross's liability.

5.1.4. Notwithstanding the foregoing, BlueCross's duty to indemnify for Losses and hold Employer harmless pursuant to Subsection 5.1.2 shall not extend to Losses arising out of or in connection with acts or omissions of (i) any Network Providers that provide services to Members, or (ii) any act, error, or omission of any Employer Service Vendor, or any services such Employer Service Vendor provide(s) to the Employer and/or Plan.

## 5.2. Employer Indemnification of BlueCross.

5.2.1. Employer. Employer is responsible for making eligibility and benefit determinations in connection with the Plan, timely funding and paying all fees and claims for Covered Services and paying any other expenses related to or arising in connection with the Plan. The Parties acknowledge that a governmental entity, as the same is defined in the Tennessee Code Annotated Section 29-20-102, may be protected by the limitation of liability imposed by the Tennessee Governmental Tort Liability Act, as defined in Tennessee Code Annotated Section 29-20-101 et seq.

5.2.2. To the extent Employer directs BlueCross to administer prescription drug benefits with a traditional pricing model, Employer shall indemnify and hold BlueCross harmless to the greatest extent permitted under law for any and all Losses resulting from or arising out of or in connection Employer's direction to adopt traditional PBM pricing and BlueCross's administration of traditional PBM pricing. The foregoing indemnification and hold harmless obligation shall be in addition to, and not in lieu of, any other indemnification provided by Employer to BlueCross under the Agreement and without regard to any limitation of liability under this Agreement. Further, Employer understands, agrees and acknowledges that (i) BlueCross may decline to provide services in connection with the traditional PBM pricing at any time upon notice to Employer; and (ii) BlueCross assumes no liability for any action taken pursuant to the Employer's direction, the Traditional PBM Pricing, or the Agreement.

5.3. Limitation on Liability. In no event will the measure of Losses payable by either Party to the other include, nor will either Party be liable to the other for, any consequential, indirect, incidental, exemplary, special or punitive damages (including, but not limited to, damages due to business interruption, trading losses, competitive advantage or goodwill) arising from or related to this Agreement, whether or not foreseeable, and regardless of the cause of such damages even if the Party has been advised of the possibility of such damages in advance.

## 5.4. Legal Actions.

5.4.1. Legal Actions Brought Against BlueCross. If a third party claim is asserted against BlueCross (but not Employer) that is based upon actions taken under this Agreement or the Plan, and litigation, arbitration and/or other legal proceeding ("Action") is commenced against BlueCross:

5.4.1.1. BlueCross will provide written notice to Employer as soon as practicable, but in no event more than one hundred twenty (120) days after BlueCross determines that the Action involves a Member or the Plan. Additionally, BlueCross will provide Employer with information with respect to the status of such Action upon Employer's reasonable request. BlueCross shall select and retain counsel as it deems appropriate in connection with such Action with respect to the interests of BlueCross.

5.4.1.2. Employer will provide BlueCross with reasonable cooperation in the defense of such Action, provided however, that BlueCross reserves the right to select its own counsel and otherwise be involved in the Action.

5.4.1.3. Employer shall remain liable for the full amount of any benefits paid under the Plan as a result of such Action, in addition to all costs of legal fees, penalties, interest and other expenses recovered by a Member or provider in connection with the Action. In no event will BlueCross be liable

for any amount of benefits paid to a Member or provider under the Plan as a result of any Action, or any legal fees or costs recovered by a Member or provider in connection therewith.

5.4.2. Legal Actions Brought Against Employer. If an Action is brought against Employer (and not BlueCross):

5.4.2.1. Employer will select and retain counsel and will assume liability for the payment of legal fees, costs and disbursements in connection with such Action.

5.4.2.2. BlueCross will provide Employer with reasonable cooperation in the defense of such Action, provided however that BlueCross reserves its right to select its own counsel and otherwise be involved in the Action as necessary to protect BlueCross's interests.

5.4.2.3. Employer shall be liable for the full amount of any benefits Losses paid under the Plan as a result of such Action, as well as any legal fees, penalties, interest and costs recovered by a Member or provider in connection therewith. In no event will BlueCross be liable for any amount of benefits paid to a Member or provider under the Plan as a result of such Action, or any legal fees or costs recovered by a Member or provider in connection therewith.

#### **ARTICLE VI – MISCELLANEOUS PROVISIONS**

6.1. Acceptance by Payment of Fees. BlueCross expects that Employer will demonstrate its acceptance of the terms of this Agreement by executing this Agreement in a reasonable period of time after receiving it from BlueCross. In the event that Employer has not executed the Agreement by the Effective Date, this Agreement will be considered accepted by and binding upon both Parties if and when Employer makes a payment to BlueCross in order to receive the services described in this Agreement.

6.2. Amendment. This Agreement may be modified, amended, renewed or extended only upon mutual written agreement.

6.3. Assignment. This Agreement may be assigned to a subsidiary or affiliate of Employer upon ninety (90) days prior written notice to, and with the express written consent of, BlueCross. BlueCross shall not unreasonably withhold its consent to any such assignment by Employer.

6.4. Binding Effect of Agreement. The Agreement shall be binding upon and inure to the benefit of the Parties, their officers, directors, employees, successors, and assigns unless otherwise set forth herein or agreed to by the Parties hereto.

6.5. Impossibility of Performance. If an act or omission by a third party, including governmental entities, Network Providers or vendors, renders the performance of this Agreement illegal, impossible or impractical, the affected Party shall notify the other of the nature of that act or omission (the "Adverse Event.") The Parties shall meet and, in good faith, attempt to negotiate a modification to this Agreement that minimizes the Adverse Event. Notwithstanding any other provision of this Agreement, if the Parties fail to reach a negotiated modification concerning the Adverse Event, then the affected Party may immediately terminate this Agreement upon giving written notice to the other Party.

6.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and such counterparts shall constitute one and the same instrument.

6.7. Entire Agreement. This Agreement, including the exhibits and any attachments hereto, all of which are incorporated herein by reference, contains the entire agreement between BlueCross and Employer with respect to the specific subject matter hereof. Any prior agreements, promises, negotiations or representations, either verbal or written, relating to the subject matter of this Agreement and not expressly set forth in this Agreement are of no force and effect. The exhibits and attachments to this Agreement include the following:

- 6.7.1. Exhibit A – Benefit Documents
- 6.7.2. Exhibit B – Administrative Services Fees
- 6.7.3. Exhibit C – Duties of and Services Provided by BlueCross
- 6.7.4. Exhibit D – Medical Management Services Provided by BlueCross
- 6.7.5. Exhibit E – Duties of Employer
- 6.7.6. Exhibit F – Automated Clearinghouse (ACH) Authorization Agreement
- 6.7.7. Exhibit G – Inter-Plan Arrangements
- 6.7.8. Exhibit H – COBRA Administration Provided by Employer or a Third Party
- 6.7.9. Exhibit I – Health and Wellness Services
- 6.7.10. Exhibit J – Reserved
- 6.7.11. Exhibit K – Reserved
- 6.7.12. Exhibit L – Reserved
- 6.7.13. Exhibit M – Online Enrollment Specifications through BlueCross Secured Website
- 6.7.14. Exhibit N – Grievance Services
- 6.7.15. Exhibit O – Reserved
- 6.7.16. Exhibit P – Pharmacy Services

- 6.7.17. Exhibit Q – Business Associate Agreement
- 6.7.18. Exhibit R – Reserved
- 6.7.19. Exhibit S – Audits and Records
- 6.7.20. Exhibit T – Reserved
- 6.7.21. Exhibit U – Reserved
- 6.7.22. Exhibit V – Reserved
- 6.7.23. Exhibit W – Shared Savings
- 6.7.24. Exhibit X – Reserved
- 6.8. Governing Law. This Agreement is subject to and shall be governed by the laws of the United States and State of Tennessee, without regard to conflict of laws provisions.
- 6.9. Interpretation.
- 6.9.1. If the provisions of this Agreement are in any way inconsistent with the provisions of the Benefit Documents, then the provisions of this Agreement shall prevail and the other provisions shall be deemed modified to the extent necessary to give effect to such provisions.
- 6.9.2. If the provisions of this Agreement are in any way inconsistent with the provisions of the Exhibits and Attachments hereto, then the provisions of Exhibits and Attachments shall prevail and the inconsistent provisions of this Agreement shall be deemed modified to the extent necessary to give effect to such provisions.
- 6.9.3. For purposes of this Agreement, the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”, and the word “or” shall not be exclusive.
- 6.10. Independent Entities.
- 6.10.1. This Agreement is not intended to create nor deemed or construed to create any relationship between Employer and BlueCross other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this Agreement. Neither the Parties nor their respective directors, officers, employees or representatives shall be construed to be the partner, joint venturer, agent, employer, or representatives of the other Party.
- 6.10.2. On behalf of itself and its Members, Employer hereby acknowledges its understanding that this Agreement constitutes a contract solely between Employer and BlueCross which is an independent corporation operating under a license from the Association permitting BlueCross to use the BlueCross and BlueShield Service Marks in the State of Tennessee, and that BlueCross is not contracting as the agent of the Association.
- 6.10.3. Employer acknowledges that BlueCross is independent from any provider rendering services to Members, and that BlueCross is not responsible for any acts or omissions by a provider in rendering care or services to a Member.
- 6.10.4. Employer acknowledges and agrees that it has not entered into this Agreement based upon representations by any person other than BlueCross and that no person, entity, or organization other than BlueCross shall be held accountable or liable to Employer for any of BlueCross’s obligations created under this Agreement. This paragraph shall not create any additional obligations whatsoever on the part of BlueCross other than those obligations created under other provisions of this Agreement.
- 6.11. Legal Action. All actions are subject to Article IV, Dispute Resolution.
- 6.12. Notices. Any notice, request, demand or other communication required to be given pursuant to this Agreement shall be in writing, sent by certified or registered mail, return receipt requested, or by Federal Express or other overnight mail delivery for which evidence of delivery is obtained by the sender, to BlueCross or Employer at the addresses set forth below. The notice shall be effective on the date the notice was posted.

If to BCBST:

BlueCross BlueShield of Tennessee, Inc.  
One Cameron Hill Circle  
Chattanooga, TN 37402  
Attn: Vice President Sales & Account Management

With a copy not constituting notice to:

BlueCross BlueShield of Tennessee, Inc.  
One Cameron Hill Circle  
Chattanooga, TN 37402  
Attn: Senior Vice President and General Counsel

If to Employer:

City of Kingsport  
Office of the City Attorney  
415 Broad Street



Kingsport, TN 37660

6.13. No Third Party Rights. Except as specifically provided herein, none of the provisions of this Agreement is intended to create third party rights, status or beneficiaries in any person or entity.

6.14. Reserved.

6.15. Severability. If any provision of this Agreement is declared illegal, void or unenforceable, the remaining provisions shall remain in force and effect, unless the severance of that provision substantially deprives a Party of the benefit of its bargain or increases the cost of performing its duties pursuant to this Agreement.

6.16. Subsidiaries and Affiliates. Any of the functions to be performed by BlueCross under this Agreement may be performed by BlueCross or any of its subsidiaries, affiliates or designees.

6.17. Survival. The rights and obligations of the Parties as set forth herein shall survive the termination of this Agreement to the extent necessary to effectuate the intent of the Parties as expressed herein.

6.18. Waiver of Breach. Waiver of a breach of any provision of this Agreement shall not be deemed a waiver of any other breach of the same or a different provision.

6.19. Other Acceptable Forms of this Document. The following shall have the same legal effect as an original: facsimile copy, imaged copy, scanned copy, and/or an electronic version.

#### **ARTICLE VII - DEFINITIONS**

7.1. "Action" means litigation, arbitration and/or other legal proceeding.

7.2. "Agreement" means this administrative services agreement entered into by Employer and BlueCross, including all Exhibits and Attachments hereto.

7.3. "Approved Claims" means claims processed and approved for payment by BlueCross in accordance with this Agreement.

7.4. "ASF(s)" means Administrative Services Fee(s).

7.5. "Association" means the BlueCross and BlueShield Association.

7.6. "Benefits Documents" means the benefit documents which summarize the benefits of the Employer's Plan and are attached hereto as Exhibit A.

7.7. "BlueCross" means BlueCross and BlueShield of Tennessee, Inc.

7.8. "BlueCross Confidential Information" means Confidential Information that BlueCross discloses or authorizes be disclosed to Employer, including BlueCross pricing and payment data and information, such as payment rates, allowed amounts, fee schedules, discounts and payment methodologies; claims data (whether at claim level or aggregated), data and information regarding providers, BlueCross research and technical information; BlueCross's processes, procedures or policies, and information obtained from and/or about the Association and its programs.

7.9. "Confidential Information" means this Agreement and all information or material (whether tangible or intangible) that is shared with or disclosed to the other Party pursuant to this Agreement and the Parties' relationship, including information identified as proprietary and/or confidential information, information that is confidential as a matter of law (e.g., personnel records), and BlueCross Confidential Information disclosed to Employer. The following shall not constitute Confidential Information for purposes of this Agreement: (a) Confidential Information that is or becomes generally available to the public other than as a result of a disclosure by a Party or its Representatives; (b) Confidential Information that was available to a Party on a non-confidential basis prior to its disclosure by the other Party or its Representatives; (c) Confidential Information that becomes available to a Party on a non-confidential basis from a third party (other than BlueCross's affiliates, subsidiaries or vendors or the Association or other licensee of the Association), provided that third party is not known to be subject to any prohibition against transmitting that information; (d) information that was independently developed by a Party without an use of or reference to the Confidential Information of the other Party, as shown by documents and other competent evidence, or (e) Protected Health Information.

7.10. "Effective Date" means January 1, 2026.

7.11. "Employee Welfare Benefit Plan" shall have the same meaning as defined in ERISA.

7.12. "Employer" means City of Kingsport, TN.

7.13. "Employer Service Vendor" means any person providing services to or on behalf of the Plan or the Employer in connection with the Plan or under the Agreement and any subcontractor(s) of such Employer Service Vendor.

7.14. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

7.15. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as amended, and its implementing regulations, as amended.

7.16. "Initial Term" means January 1, 2026 through December 31, 2026.

7.17. "Losses" means any and all liability, actions, claims, lawsuits, settlements, judgments, costs, interest, penalties, fines, taxes and expenses, including legal costs, fees and expenses.

7.18. “Member” means an eligible Employee or eligible Dependent and as that term is further defined in the Benefit Documents.

7.19. “Plan” means the self-funded Employee Welfare Benefit Plan established by Employer for the benefit of its eligible Employees and their eligible Dependents.

7.20. “Plan Administrator” means the Employer.

7.21. “Representatives” means a Party’s directors, officers, employees, agents, advisors, Business Associates (as such term is defined in HIPAA), contractors and other representatives.

7.22. “Run- Out Claims” means those claims incurred for Covered Services performed prior to the termination of this Agreement, but not yet paid and/or not submitted for payment to BlueCross prior to the termination of this Agreement, where the date a claim is “incurred” is the date the particular service was rendered or the supply was furnished

7.23. “Subscriber” means an Eligible Employee enrolled in Employer’s Plan.

7.24. “Term” means January 1, 2026 through December 31, 2026.

7.25. All non-defined, but capitalized terms included in this Agreement are defined in the Benefit Documents.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed by their duly authorized representatives. The undersigned persons hereby warrant that they are duly authorized to bind each of their represented Parties to the terms of this Agreement

[Acknowledgements Deleted for Inclusion in this Resolution]

**EXHIBIT A TO THE ADMINISTRATIVE SERVICES AGREEMENT  
BENEFIT DOCUMENTS**

Exhibit A consists of the following Benefit Documents  
Health Benefit Plan – PPO Options 1 - 3

**EXHIBIT B TO THE ADMINISTRATIVE SERVICES AGREEMENT  
ADMINISTRATIVE SERVICES FEES (ASFs) AND CLAIMS FUNDING METHODOLOGY**

1. ASFs. Employer shall pay to BlueCross the following ASFs:
  - 1.1. Medical ASF

<b>Rates effective as of:</b>	<b>January 1, 2026</b>	<b>January 1, 2027</b>	<b>January 1, 2028</b>
Admin Fee	\$38.94 per Subscriber per month	\$40.07 per Subscriber per month	\$41.23 per Subscriber per month
<b>Medical Main ASF</b>	<b>\$38.94 per Subscriber per month</b>	<b>\$40.07 per Subscriber per month</b>	<b>\$41.23 per Subscriber per month</b>
<b>Medical Guaranteed ASF</b>	<b>\$38.94 per Subscriber per month</b>	<b>\$40.07 per Subscriber per month</b>	<b>\$41.23 per Subscriber per month</b>
Teladoc Health Base Package	\$0.47 per Subscriber per month	\$0.47 per Subscriber per month	\$0.47 per Subscriber per month
<b>Medical Total ASF</b>	<b>\$39.41 per Subscriber per month</b>	<b>\$40.54 per Subscriber per month</b>	<b>\$41.70 per Subscriber per month</b>

1.1.1. The financial offer above is contingent upon both medical and pharmacy being administered by BlueCross for the duration of the multi-year agreement.

1.1.2. BlueCross may adjust the above fees at any time, under the following circumstances:

1.1.2.1. Changes in the Plan, BlueCross’s duties, legislation, regulation or required assessment or tax that changes BlueCross’ cost in administering the plan;

1.1.2.2. Termination or addition of a subsidiary, operation or class of employees covered under the Agreement;

1.1.2.3. Fluctuation of the number of Subscribers by more than 10% percent by location, state and/or in aggregate. Calculation of the Medical Total ASF was based on 715 Subscribers;

1.1.2.4. Fluctuation of the Member to Subscriber ratio by +/- 0.05. The Medical Total ASF was based on a Member to Subscriber ratio of 2.13; or

1.1.2.5. Federal, state or local government action, change in law or regulation (or interpretation of a law or regulation) which impacts the benefit levels or affects BlueCross’ ability to meet its obligations under this Agreement to Employer, to Employer’s Covered Members or to BlueCross’ Network Providers, including but not limited to, legislation, regulation(s) or government action(s) which impose

requirements that affect: (i) BlueCross' ability to determine or administer Covered Services; (ii) provider's delivery of care or the fees providers charge; or (iii) BlueCross' contracts with Network Providers. Upon the occurrence of an event described in this Section 1.1.2.5., the Parties will make a good faith effort to reach a new agreement that equitably reflects the circumstances as altered by such law, regulation or government action.

1.1.3. If Employer terminates this Agreement prior to December 31, 2028, Employer agrees that BlueCross will not receive certain additional income it had anticipated and, in such case, Employer will pay BlueCross an amount equal to one month's Medical Total ASF, based on the average of the number of Subscribers covered under this Agreement for the 3-month period prior to the termination date of this Agreement.

1.2. Stop Loss Interface Fee

Rates effective as of:	January 1, 2026
Stop Loss Interface Fee	\$1.90 per contract per month

2. Inter-Plan Arrangements (BlueCard) Fees<sup>1</sup>. When Members access health care services outside of Tennessee, claims for those services are received by the licensee of the Association where the provider is located (the "Host Plan") and forwarded electronically to BlueCross for adjudication. For claims from providers that participate in the Host Plan's provider network, the Member and Plan get the benefit of access to the terms and conditions of the Host Plan's contracted arrangement with the provider, including pricing arrangements. The currently applicable fees for such access to Host Plan's networks and arrangements (including administrative processing) are as follows:

Access Fees	The Access Fee is charged by the Host Plan to BlueCross for making the Host Plan's network available to Employer's Members. The Access Fee will not apply to nonparticipating provider claims. The Access Fee is charged on a per-claim basis and is charged as a percentage of the discount/differential BlueCross receives from the applicable Host Plan subject to a maximum of \$2,000 per claim. When charged, BlueCross passes the Access Fee directly on to Employer.	3.21% of network savings, capped at \$2,000.00 per claim
Administrative Expense Allowance (AEA) Fee	The AEA Fee is a fixed per-claim dollar amount charged by the Host Plan to BlueCross for administrative services the Host Plan provides in processing claims for Employer's Members. The dollar amount is normally based on the type of claim (e.g. institutional, professional, international, etc.) and can also be based on the size of your group enrollment. When charged, BlueCross passes the AEA Fee directly on to Employer.	\$5.00 per claim professional and \$11.00 per claim institutional
Nonparticipating Provider Fee		\$3.00 per claim
BlueCross BlueShield Global <sup>®</sup> Core Fee		\$4.35 per claim Member-submitted, \$5.50 per claim professional, and \$18.55 per claim institutional

<sup>1</sup> See Exhibit G for more detail about Inter-Plan Arrangements. Any fees under such arrangements are set by specific program policies that may change from time to time through a process that the Association administers, and are subject to change by the Association without notice.

3. Reports. BlueCross shall provide Employer with access to BlueCross's standard reporting and interactive reports at no additional charge. Any additional reports requested by Employer shall be subject to an additional charge determined by BlueCross, such charge which will be billed separately. Upon termination of this Agreement, Employer shall pay BlueCross for any and all requested reports, such payment being made in advance of receiving the requested report.

4. Timing, Calculation and Funding of Monthly ASFs. Employer shall pay the applicable ASFs for all Subscribers covered or added during the month. If Employer adds a Subscriber

retroactively, Employer shall pay the applicable ASFs for that Subscriber, calculated from the Subscriber's correct enrollment date to the current date. When Employer provides enrollment data and that data does not match BlueCross's data, BlueCross's data will be used to determine the ASF.

4.1. Monthly Enrollment. The monthly ASF is determined each month based on enrollment. On the 15th day of each month, BlueCross shall determine the number of Subscribers covered under Employer's Plan, and this shall be the basis for the ASFs charged by BlueCross for the following month.

4.1.1. Enrollment Changes. Any changes to the initial enrollment will be charged to Employer in accordance with the following:

4.1.1.1. Subscriber added on or before the 15<sup>th</sup> day of the month: Employer will be charged the monthly ASFs for that Subscriber.

4.1.1.2. Subscriber added after the 15th day of the month: Employer will not be charged the monthly ASFs for that Subscriber.

4.1.1.3. Subscriber terminated on or after the 15th day of the month: Employer will be charged the monthly ASFs for that Subscriber.

4.1.1.4. Subscriber terminated before the 15th day of the month: Employer will not be charged the monthly ASFs for that Subscriber.

4.2. Funding of ASFs and Adjustments. On the 20th day of each month, BlueCross shall notify Employer of amounts that BlueCross estimates will be needed to pay BlueCross's ASFs for the following calendar month, and funds necessary to complete any adjustments to Approved Claims, fixed, previously agreed-upon charges, previous ASFs and any due late fees. Such payments shall be made in accordance with the Direct Debit Authorization Agreement, which is an Automated Clearinghouse (ACH) Authorization Agreement, attached to this Agreement as Exhibit F. Employer will transfer the amount specified by BlueCross into Employer's account so such funds shall be available for ACH debit by the first day of the following month (the "Due Date").

4.2.1. If the full amount specified by BlueCross to pay ASFs and other fees pursuant to the Agreement is not received by BlueCross by the Due Date, BlueCross may immediately suspend or deny payment of all Approved Claims on behalf of Employer, regardless of the date claims were incurred, until all amounts due and owing are received by BlueCross. If BlueCross elects to not suspend claim payments on behalf of Employer, Employer shall pay a late fee of 1% per month on all amounts that are due and unpaid to BlueCross, pro-rated for each day that such amounts remain outstanding. Notwithstanding the foregoing, BlueCross does not otherwise waive any termination rights it has under the Agreement by electing to suspend payment of Approved Claims.

4.2.2. If Employer notifies BlueCross of a Member's termination within ninety (90) days of the Member's termination, BlueCross will credit Employer with any ASFs that were paid for that Member for that time period.

4.2.3. If Employer does not notify BlueCross of a Member's termination within ninety (90) days of the Member's termination, BlueCross will only credit Employer for the most recent ninety (90) day period of ASFs that were paid by Employer for that Member's coverage.

5. Additional Administration Charges. The cost of services outlined below may be billed as a direct cost to Employer.

5.1. Creation, production, and printing non-standard Member material.

5.2. Investigation and litigation of disputed claims, including the amount of the settlement and any damages (including punitive damages, unless subject to indemnification pursuant to Article V of the Agreement).

5.3. Development and production of customized or unique reports requested by Employer, such as management reports, claim reports, reports for stop loss carriers, and other special reports.

5.4. Customized or unique systems development required by Employer.

5.5. Reprinting materials/ID cards off cycle due to changes or misinformation provided by or on behalf of Employer to BlueCross.

5.6. Non-standardized Member mailings.

5.7. Training for on-line eligibility in excess of standard training package.

5.8. Independent Dispute Resolution ("IDR") Fees for Certain Out-of-Network Provider Claims: Federal administration fees, Certified IDR Entity fees, reasonable legal costs, if applicable, in connection with the IDR process established by the No Surprises Act (within the Consolidated Appropriations Act, 2021) for certain out-of-network provider claims. These amounts are in addition to the final amount paid to the provider for the medical claim itself.

5.9. Shared Savings Fees pursuant to Exhibit W.

5.10. AdHoc requests for clinical information, including plan of care, for a specific member or set of members:

5.10.1. Requests for a discussion/consult/review with a BlueCross Medical Director or Pharmacy Director will incur a charge of \$375 per hour assessed in 15-minute increments.

- 5.10.2. Requests for a Care Management Nurse to provide detailed information, including Case Management Notes, in excess of 2 members per quarter will incur a charge of \$125 per hour assessed in 15-minute increments.
- 5.11. Audit Support for third-party reviews and audits that fall outside the scope of Exhibit S.
6. Security Interest. To secure the payment of any amounts due to BlueCross under this Agreement, Employer hereby grants to BlueCross a first priority security interest in and assigns to BlueCross Employer's right, title and interest in Employer's debiting account and the proceeds thereof to the fullest extent permitted under the law. In the event of a default by Employer of any of its obligations to BlueCross, including the prompt payment when due of any invoice sent to it by BlueCross, BlueCross shall have the immediate right, upon written notice to Employer, to offset the proceeds of the debiting account against the amount of any unpaid invoice or other obligation owed to BlueCross. Notwithstanding anything in this Agreement to the contrary, Employer does not have the authority to grant a security interest in its property or authorize a lien on its property, so those provisions granting a security interest or lien are enforceable only to the extent permitted by Tennessee law.
7. Claims Funding Methodology. Pursuant to Section 1.6 of the Agreement, the Parties agree that on a mutually acceptable day of each week, BlueCross shall notify Employer of amounts that BlueCross estimates will be needed to fund Approved Claims, and BlueCross shall initiate the debit for Approved Claims to be paid. The debit will clear Employer's account the following business day. BlueCross adjudicates claims in accordance with its internal administrative procedures.
- 7.1. If the full amount specified by BlueCross to fund Approved Claims is not made available to BlueCross within the specified time period, BlueCross may immediately suspend or deny payment of all Approved Claims, regardless of the date claims were incurred, until all amounts due are received by BlueCross.
- 7.2. If BlueCross elects not to suspend claim payments on behalf of Employer, Employer shall pay a late fee of 1% percent per month on all amounts that are due and unpaid to BlueCross, prorated for each day that such amounts remain outstanding.
- 7.3. If a partial amount is available, BlueCross may elect (but is not required) to utilize those funds to pay Approved Claims until full payment is made by Employer. BlueCross has full discretion to determine which Approved Claims will be paid with these partial funds, and may or may not exercise that discretion.
- BlueCross shall provide Employer with a list of Approved Claims paid on behalf of Employer, within 30 calendar days following the end of each month during which this Agreement remains in effect.
8. Deposit Access. BlueCross has the right to request a cash deposit from Employer at any time during the Agreement year if, in BlueCross' sole discretion, BlueCross has reason to believe that Employer is unable to timely meet its payment obligations under the Agreement. In connection with the request for a cash deposit, BlueCross shall issue a notice to Employer, specifying the amount of the deposit which shall be based on a multiple of an estimate of monthly ASFs and Approved Claims, pursuant to the requirements established in Exhibit E. Should Employer fail to timely pay ASFs or fund Approved Claims within the time specified in the Agreement, BlueCross shall have the right to access funds on deposit without further notice to Employer in order to pay ASFs and/or fund Approved Claims. Any amount remaining in the deposit account upon termination of the Agreement will be included in the Final Settlement pursuant to Section 3.9.
9. Run Out Claims. Provided that Employer has timely paid all outstanding amounts needed to fund Approved Claims and ASFs as of the date the Agreement is terminated, BlueCross will administer run out claims for Employer at the termination of this Agreement for a period of 365 days from the date this Agreement terminates. The monthly ASFs for performing this service shall be the same as the ASFs charged Employer at termination of the Agreement. The monthly ASFs for performing this service shall be based on an average of the number of Subscribers covered under this Agreement for the 3 months immediately prior to the termination date of this Agreement. This fee shall be billed for the first 4 months of the run-out period.
10. Premium Billed Ancillary Products. If Employer has requested that BlueCross provide additional services through other products (i.e., dental), or has requested that BlueCross collect premiums or premium equivalents from subscribers or Members to fund other benefits offered by Employer (i.e., life insurance offered through another carrier, etc.), any additional funds due from Employer to BlueCross for remittance to other carriers or providers of services shall be remitted to BlueCross on the same basis as the ASFs.
11. Employer Fails to Pay. Notwithstanding any other term of the Agreement to the contrary, if Employer fails to pay when due any amount to fund Approved Claims, ASFs or other fees required to be paid to BlueCross under this Agreement, and such default is not cured within five (5)

days of the Due Date, BlueCross reserves the right to consider the Employer delinquent and may, at its option

- 11.1. Suspend or deny claim payments at any time, in whole or in part; or
- 11.2. Terminate the Agreement as of the effective date specified in such notice.

**EXHIBIT C TO THE ADMINISTRATIVE SERVICES AGREEMENT**  
**DUTIES OF AND SERVICES PROVIDED BY BLUECROSS**

1. Generally. It is understood and agreed that BlueCross is empowered and required to act with respect to the Plan only as expressly stated in this Agreement. Employer and BlueCross agree that BlueCross's role under this Agreement is to provide administrative claims payment and similar administrative services in accordance with the terms of the Benefit Documents and the Agreement; that BlueCross does not assume any financial risk or obligation with respect to Approved Claims; and that the services rendered by BlueCross under this Agreement are merely ministerial, and shall not include the power to exercise control over the Plan's assets, if any, or discretionary authority over the Plan.
2. Enrollment: Forms and I.D. Cards. BlueCross shall enroll those individuals who have completed an enrollment form and are determined by Employer to be eligible for benefits under the Plan. Employer shall provide BlueCross with enrollment information in a mutually agreeable format, (i.e., electronically, faxed, paper, etc.) BlueCross is not responsible for verifying data submitted by Employer. BlueCross shall be entitled to rely on the information furnished to it by Employer. Employer shall hold BlueCross harmless for inaccurate information provided by Employer or BlueCross's inability to perform under this Agreement as a result of Employer's failure to provide such information in a timely manner.
  - 2.1. BlueCross shall furnish to Employer, for distribution to Members, forms to be used for enrollment and submission of any other forms determined to be necessary by BlueCross for the administration of the Benefit Documents under this Agreement.
  - 2.2. BlueCross will not furnish enrollment forms to Employer, since Employer will enroll Members and maintain eligibility online as described in Exhibit M, Online Enrollment Specifications through BlueCross Secured Website.
  - 2.3. Once Employer has notified BlueCross in writing that a new Member is eligible for benefits, BlueCross shall update its systems to reflect that Member's coverage.
  - 2.4. Once Employer has notified BlueCross in writing that a Member should be terminated as no longer eligible for coverage, BlueCross shall update its systems to reflect that change in the Member's coverage in accordance with Exhibit B.
  - 2.5. BlueCross will conduct certification and verification of incapacitated dependent information.
3. Claims Processing. BlueCross shall provide claims processing services on behalf of Employer for all properly submitted claims. BlueCross will follow current industry practices and its internal claims processing procedures regarding payment of claims, including timeliness and accuracy of claims payments. For purposes of this paragraph 3, the term "claim(s)" is defined as a request from a provider of Covered Services and/or a Member for payment of monies due for the rendering of Covered Services under the Benefit Documents, and in conformity with any agreements BlueCross enters into with such providers of Covered Services.
  - 3.1. When necessary, BlueCross shall furnish to Employer, for distribution to Members, forms to be used for claims submission, and any other forms determined to be necessary by BlueCross for the administration of the Benefit Documents.
  - 3.2. BlueCross will coordinate with other payors, including Medicare, in adjusting claims according to the terms and conditions of coverage, including Medicare Secondary Payor rules. This may delay finalization of the adjudication of a claim, depending on when data is received regarding the claim. If Medicare is primary, BlueCross will adjudicate benefits based on the Medicare allowed amount.
  - 3.3. BlueCross shall furnish each Member claiming benefits with an explanation of each claim that is paid, denied or rejected.
  - 3.4. BlueCross shall give Members a reasonable opportunity to appeal a denied claim or any portion of a claim within the time frames specified by ERISA, according to the appeals procedure defined in the Benefit Documents.
  - 3.5. If Employer notifies BlueCross of a Member's termination from coverage after the Member's termination date, and Approved Claims for that Member were paid in the interim, BlueCross shall request reimbursement from the provider on Employer's behalf to the extent possible. However, if Employer does not notify BlueCross of a Member's termination from coverage ninety (90) days or more after the date of Member's termination of coverage, BlueCross shall not be obligated to attempt to collect any claim payments which were paid before notice of termination was received by BlueCross.

3.6. If Employer notifies BlueCross of a Member's termination from coverage after the Member's termination date, and BlueCross made payment of benefits directly to such Member, BlueCross will attempt recovery unless Employer directs BlueCross in writing not to attempt recovery from such Member.

3.6.1. If Employer's Benefit Documents include coverage for pharmacy benefits that are paid by BlueCross's pharmacy vendor or Provider-Administered Specialty Products that are paid by BlueCross, claims paid after a Member's termination cannot be recovered from the provider, pharmacy or any other person or entity, as applicable. However, BlueCross will attempt recovery from the Member on these claims. If Employer does not wish BlueCross to attempt recovery from a specific Member, Employer must direct BlueCross accordingly in writing.

3.6.2. If a claim payment is less than fifty dollars (\$50), BlueCross has no obligation to attempt to collect said claim payment.

3.6.3. If a claim payment was made for services rendered through the BlueCard program, BlueCross has no obligation to attempt to collect claim payments that were for less than fifty dollars (\$50), or in accordance with stated limits in effect at the Host Plan location.

3.6.4. If Employer directs BlueCross to use the services of an outside collection agency to collect a claim payment, the fees charged by such entity shall be the sole responsibility of Employer.

3.6.5. If benefits are not recoverable from a provider or Member, Employer remains liable to fund all claims.

3.7. BlueCross will provide Employer with a monthly statement with respect to claims paid in the prior month.

3.8. At the termination of this Agreement and provided that Employer pays BlueCross the applicable fees set forth in Exhibit B, BlueCross shall administer the payment of Run Out claims for Employer. These claims shall be administered as any other claim handled during the term of the Agreement, and shall be subject to the same restrictions.

3.9. RESERVED.

3.10. If a catastrophic event (whether weather-related, caused by a natural disaster, or caused by war, terrorism, pandemic or similar event) occurs that affects Members in one or more locations, and such catastrophic event prevents or interferes with BlueCross's ability to conduct its normal business with respect to such Members or prevents or interferes with Members' ability to access their benefits, BlueCross shall have the right, without first seeking consent from Employer, to take reasonable and necessary steps to process Claims and provide managed care services in a manner that may be inconsistent with the Benefits Document but is undertaken in order to minimize the effect such catastrophic event has on Members, including: (i) waiving referral, prior authorization or pre-certification requirements for medical and/or pharmacy services; (ii) waiving administrative holds and terminations due to nonpayment of premiums; (iii) allowing early refills on prescription medications; (iv) offering medical and behavioral health visits through telehealth; and (v) reducing or waiving cost-sharing obligations for services. As soon as practicable after a catastrophic event, BlueCross shall report its actions to Employer. Employer shall reimburse BlueCross for all amounts paid in good faith, or as required by law, under the circumstances and such amounts shall constitute Approved Claims for which Employer is responsible for payment, even if the charges incurred were not for services otherwise covered under the Benefits Documents.

4. Network Administration. BlueCross shall administer its established cost containment programs and access and availability benefits management programs, as selected by Employer. BlueCross's provider contracts and medical policies control network administration.

4.1. BlueCross shall make available the Blue Network selected by Employer, including network hospitals and other providers or practitioners with which BlueCross has contracted, ("Blue Network") to provide Covered Services to Members. All agreements between providers of services and BlueCross are the sole property of BlueCross, and BlueCross retains the right to the use and control of these provider agreements.

4.2. Employer acknowledges that BlueCross does not act either as the agent of or in any fiduciary capacity with respect to Employer, any of its Plans, or any of its Members, when BlueCross negotiates its provider and/or vendor arrangements.

4.3. Employer acknowledges that the Blue Network Provider contracts cannot be modified to meet any specific requirements of Employer, and that BlueCross has the discretion to change the composition, name, etc. without Employer's consent or approval. BlueCross does not guarantee that a specific provider will remain in the network, and BlueCross has the right to determine network adequacy, and to establish and modify billing guidelines and reimbursement arrangements for Network Providers.

4.4. BlueCross negotiates various payment arrangements with providers, including per diem, percent of charges, diagnosis related groups (DRGs,) global case rate and fee schedule arrangements, which vary by provider. Certain facilities may have multiple or a combination of these

arrangements. All of these arrangements provide payment to the provider, and claims processed using one of these arrangements are considered Approved Claims.

4.4.1. Savings/discounts are not stated herein in actual amounts or percentages, nor are they guaranteed, since credits can vary by facility, type of service provided and the specific provider agreement at a given facility.

4.4.2. The provider's charge to BlueCross will usually be less than the rate charged for a similar service to the general public. In some cases, however, the rate negotiated by BlueCross for a particular service may be higher than the provider's rate for that service charged to the general public, and BlueCross will pay the negotiated rate.

4.4.3. BlueCross has certain special arrangements with some providers that may exempt those providers from certain administrative and medical management requirements, including, but not limited to, prior authorization, appropriateness review, notification and written referral requirements.

4.4.4. BlueCross may negotiate a settlement of a reimbursement dispute with a provider as part of its internal administrative procedures.

5. Reimbursement to Network and Out-of-Network Providers.

5.1. "Network Providers" are providers that have agreed to participate in the Blue Network, and to accept BlueCross's applicable pre-negotiated payment allowance for certain Covered Services as payment in full, and therefore should not bill the Members for any amount in excess of the payment allowance for such service(s). The pre-negotiated payment will be based upon charges for Covered Services or upon an alternative method of payment, including per diem amounts, percent of charges, global case rate and fee schedule arrangements, and may be further reduced by other contractual reductions, adjustments, discounts or offsets based on BlueCross's agreements with Network Providers. Network Providers will file Members' claims with BlueCross, and BlueCross will make payment directly to Network Providers.

5.1.1. In the unlikely event of a systems failure at BlueCross ("Outage") rendering it temporarily impossible to determine which Network Provider rendered services during a specific time period while the Agreement is in force, BlueCross will make estimated payments to Network Providers. This estimate will be based on past service to BlueCross Members, and will be proportionately divided among Employer and other Groups which BlueCross insures or to which BlueCross provides administrative and claims processing service. When the capability to determine which Network Providers did provide services during the Outage is restored, BlueCross will adjudicate the claims submitted on behalf of Members, and notify Employer of any adjustments necessary to Employer's claims processing funding.

5.2. When a Member receives services from a Network Provider, he or she will be responsible for payment of the applicable Deductible, Coinsurance, Cost-Sharing and/or Copayment, as well as charges for any non-covered services. A Member's Coinsurance for Covered Services received from a Network Provider will be based on the provisions of the Network Provider's contract, and the lesser of (i) the Network Provider's pre-negotiated payment allowance, or (ii) charges for Covered Services at the time such Services are provided. BlueCross will not recalculate Coinsurance in the event it recovers a discount or savings with respect to Covered Services after a claim for such Services is paid. Rather, Employer will receive a payment or credit for such savings or discounts.

5.3. The Member's liability for non-covered services, including services that are not covered because of a benefit maximum or other limitation contained in the Benefit Documents, will be based on the Network Provider's actual charges for such services.

5.4. "Out-of-Network Providers" are providers that do not participate in the Blue Network. BlueCross's payment for Covered Services to any Out-of-Network Provider will be based on Maximum Allowable Charge for the service performed. Except as required by applicable law (including the No Surprises Act enacted as part of the Consolidated Appropriations Act, 2021), upon receipt of a completed claim form, and provided adequate funding from Employer is available, BlueCross shall make payment for Covered Services to the Out-of-Network Provider and not the Member, unless BlueCross receives proof of payment from the Member before payment is made to the provider. Except as required by applicable law, when the Member receives services from an Out-of-Network Provider, he or she will be responsible for the payment of any difference between BlueCross's payment and such provider's charge(s), and responsible for any applicable Deductible, Copayment, and Coinsurance, as well as payment of charges for any non-covered services. The Member's responsibility for Coinsurance will be based on the Maximum Allowable Charge for that service. Maximum Allowable Charge shall be calculated as determined by BlueCross in accordance with the EOC, BlueCross policies and applicable law.

5.5. When Members obtain Covered Services outside of Tennessee, BlueCross's Blue Network reimbursement rules do not apply. Please refer to Exhibit G, Inter-Plan Arrangements, for a description of how out-of-state providers are reimbursed.



5.6. BlueCross is responsible for reporting and remitting only those abandoned property funds that were provider payments made with BlueCross funds.

5.7. Employer is required to reimburse the Veteran's Administration ("VA") according to federal law. BlueCross has an agreement with the VA in which there is an established fee schedule. Federal law requires payment to the VA, regardless of the network status, and regardless of the amount of benefits provided for services by an Out-of-Network Provider. BlueCross will reimburse the VA at the rate set forth in the agreement between BlueCross and the VA. The Plan will pay the VA as if it were a Network Provider.

5.8. BlueCross's contracts with Network Providers may include a variety of payment methodologies. These payment methodologies may obligate BlueCross to pay an amount that is in addition to the underlying cost of the service rendered. These additional costs may include program fees, incentive payments, bonus payments, or quality payouts. These provider reimbursements will be passed to Employer as part of the billing process detailed in this Agreement.

5.9. No Member shall have the right to assign, alienate, transfer, sell, hypothecate, mortgage, encumber, pledge, commute, or anticipate any benefit payment under the Plan to a third party, and such payment shall not be subject to any legal process to levy execution upon or attachment or garnishment proceedings against for the payment of any claims. Benefit payments under the Plan may not be assigned, transferred, or in any way made over to another party by a Member. Nothing contained in this Agreement or the Plan shall be construed to make the Employer, Plan or BlueCross liable to any third party to whom a Member may be liable for medical care, treatment, or services. If a written authorization is provided to BlueCross by a Covered Person, BlueCross may pay a benefit directly to a provider of medical care, treatment, or services instead of the Member as a convenience to the Member; when this is done, all of the Plan's obligation to the Member with respect to such benefit shall be discharged by such payment. However, BlueCross reserves the right not to honor any direct payment request to any third party, including but not limited to, any provider. The foregoing does not preclude any assignment of payment to Medicaid to the extent required by law. Neither BlueCross, nor the Plan will honor claims for benefits brought by a third-party; such third-party shall not have standing to bring any such claim either independently, as a Member or beneficiary, or derivatively, as an assignee of a Member or beneficiary.

6. Medical Management Services. BlueCross will provide certain services through its Medical Management program. These are described in Exhibit D to this Agreement.

7. Claims Payments Adjustments.

7.1. Whenever BlueCross becomes aware that a claims payment to a provider or Member is less than the amount to which the provider or Member is entitled, BlueCross shall promptly adjust the underpayment to reflect the proper amount that should be remitted.

7.2. Whenever BlueCross becomes aware that a claims payment to a provider or Member is more than the amount to which the provider or Member is entitled, BlueCross shall make a diligent attempt to recover such overpayment, in accordance with its customary administrative procedures, and as permitted by applicable law. In the event any part of an overpayment is recovered, Employer will receive a credit from BlueCross. BlueCross shall not be required to institute any legal proceeding to recover such overpayment. BlueCross will follow its policies and procedures to settle overpayments.

7.2.1. If a claim payment was made for services rendered through the BlueCard program, BlueCross has no obligation to attempt to collect claim payments that were for less than fifty dollars (\$50), or in accordance with stated limits in effect at the Host Plan location.

7.2.2. Subject to the terms in Section 7.2.4, BlueCross will assume liability for an unrecovered overpayment only if and when it is determined that:

7.2.2.1. the overpayment was caused by an act or omission of BlueCross subject to indemnification under Article V, Section 5.1;

7.2.2.2. all reasonable means of recovery under the circumstances have been exhausted; and

7.2.2.3. BlueCross's acts or omissions were not undertaken at the express direction of Employer.

7.2.3. BlueCross is not liable for interest on recovered overpayments.

7.2.4. Employer acknowledges and agrees that, except in cases of fraud committed by the provider and, subject to applicable law, BlueCross will not recover overpayments from providers more than 18 months after the date that BlueCross paid the claim submitted by the provider.

7.2.5. In no event does BlueCross have an obligation to recover on liability for overpayments of claims that were adjudicated for payment more than three (3) years before the overpayment is discovered.

7.3. The Parties acknowledge that Employer may not contact Network Providers directly or indirectly regarding rates or charges for services provided to Members. All such contact with Network Providers must be by and through BlueCross.

- 7.4. Overpayment Recoveries: BlueCross, on behalf of Employer, has the right to obtain a refund of an overpayment on any claim(s) paid by BlueCross to a provider or a Covered Person. Unless otherwise agreed upon between BlueCross and the provider, when a provider fails to return an overpayment to BlueCross, BlueCross has the right to utilize the following mechanisms to recover the overpayment. For purposes of Sections 7.4.1 through 7.4.6 below, "Other Plan(s)" or "Another Plan" means any health benefit plan other than the Plan, including, but not limited to, individual and group plans or insurance policies that are administered or insured by BlueCross.
- 7.4.1. BlueCross has the right to recover overpayments from future payments due by BlueCross to a provider in conjunction with BlueCross's payment of medical claims for the Plan or from Other Plans, up to an amount equal to the overpayment (hereinafter "Claim Recovery"). When BlueCross identifies an overpayment, BlueCross notifies the provider in writing, identifying the overpayment (including the medical claim(s) at issue), the provider's ability to grieve BlueCross's determination of the overpayment, and the timeline for submitting payment for the overpayment. If the provider does not return the requested overpayment as directed, BlueCross may initiate its Claim Recovery process against future payments consistent with this section.
- 7.4.2. BlueCross has the right to reduce payment to a provider by the amount necessary to recover the overpayment to such provider and to reimburse BlueCross for the amount BlueCross reimbursed to Employer (net of fees, if any) in connection with such overpayment.
- 7.4.3. If BlueCross has made overpayments to a Provider for medical claims relating to members enrolled in more than one (1) Other Plan, BlueCross may initiate its Claim Recovery process for multiple overpayments collectively, against future payments owed to such provider on behalf of Another Plan, as part of a single transaction, resulting in an overpayment recovery amount which shall be applied in accordance with BlueCross policies, which prioritize application based on the age of the overpayments, beginning with the oldest outstanding overpayment or has the right to apply the Claim Recovery process as otherwise set forth in this Section 7.4. BlueCross shall not apply recovered amounts in a manner that prioritizes Overpayments based upon the funding type of any plan (e.g., whether the plan is fully-insured or self-funded).
- 7.4.4. Employer acknowledges that BlueCross, may from time to time, conduct Claim Recovery activities with respect to contracted and non-contracted providers as permitted under the terms of any applicable contract and applicable law. If BlueCross conducts Claim Recovery, BlueCross shall record overpayments and returned funds separately and maintain claim details at the Member account, and group levels.
- 7.4.5. Subject to the exception(s) set forth in this Section 7.4, Employer agrees that BlueCross will recover overpayments in accordance with its recovery process and that Employer has no separate or independent right to recover any overpayment from BlueCross, provider, or Another Plan.
- 7.4.6. Employer may, at its option, request on a semi-annual basis, a report on the status of all outstanding overpayments.
- 7.5. In the event that BlueCross becomes aware that a claims payment to a provider or Member was or might have been the result of a fraud, BlueCross shall:
- 7.5.1. Notify the Plan as soon as possible about the alleged fraudulent claims;
- 7.5.2. Provide reasonable assistance to the Plan in recovering the alleged fraudulent claims; and
- 7.5.3. Report the suspected fraud to the appropriate law enforcement agency.
8. Annual Renewal Claims Analysis.
- 8.1. BlueCross will provide an annual renewal analysis of Employer's claims experience. BlueCross will also provide assistance in benefit design.
- 8.2. Upon request, but not more often than annually, BlueCross will provide an analysis of Employer's claims incurred but not yet reported.
- 8.3. Upon request, but not more often than annually, BlueCross will provide an analysis of the suggested funding levels for Employer's Plan, as administered by BlueCross.
- 8.4. Employer acknowledges that these analyses are estimates only, and that the actual experience may differ from these estimates. These are for Employer's use only, and are not prepared for distribution to or reliance by third parties.
9. Mental Health Parity. The parties acknowledge and agree that Employer is solely responsible for complying with all applicable provisions of ERISA and other laws applicable to Employer's Plan, including the Mental Health Parity and Addiction Equity Act and its implementing regulations, as amended from time to time ("MHPAEA"). BlueCross agrees to cooperate with Employer in providing information reasonably requested by Employer or its designee in order for Employer to comply with these obligations.
10. Duties with regard to non-BlueRe of Tennessee Stop Loss Carrier. For a separate Interface fee, BlueCross will perform the following services and provide the following information to Employer, or to a third party stop loss carrier and/or Employer Service Vendor, provided that

Employer, BlueCross and such third party enter into an executed information sharing agreement pursuant to Section 2.2.2:

- 10.1. Provide monthly Claimants at 50% of Specific Attachment Point Reports.
- 10.2. Provide monthly Aggregate Reports.
- 10.3. BlueCross does not coordinate the payment of the stop loss premium between the stop loss carrier and Employer.
- 10.4. Provide stop loss carrier the following information at renewal to prepare a renewal of Employer's stop loss coverage. Information to be provided is as follows:

Census	
Age/ Gender	Subscriber Count by age/gender
Zip Codes	Subscriber Count by LOB, State, Zip
Plan Design Summary/ Plan Document	Evidence of Coverage
Trigger Reports:	
50% of Specific Report	50% Report (Includes Diagnosis Only)
Medical & Rx	
Aggregate Claim Reports	Monthly Aggregate Report (excluding claims over specific)
By Month	(included in report)
Enrollment Included	(included in report)
Large Claims Amounts Included	(included in report)

10.5. Regardless of whether a claim has met the stop loss dollar limit set out in the agreement between stop loss carrier and Employer, Employer is still responsible for funding all claims processed by BlueCross.

10.6. At the termination of this Agreement, BlueCross has no further obligation to provide any reports referenced in this section to Employer, stop loss carrier, or any other third party, other than standard reports for the time period the Agreement was in force, provided that Employer, BlueCross and such third party vendor enter into an executed information sharing agreement pursuant to Section 2.2.2.

11. RESERVED.

12. Section 111 Mandatory Secondary Payor Reporting. Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA), titled Medicare Secondary Payor, (hereinafter "Section 111") mandates that, effective January 1, 2009, all group health plans or their representatives submit certain information to CMS. BlueCross is registered as a medical "Required Reporting Entity" as required under Section 111. BlueCross shall report the Plan's medical information required by Section 111. Under no circumstances will BlueCross be required to report workers' compensation or liability insurance information required under Section 111. Employer shall provide all Social Security numbers, tax identification numbers, and the "total number of employees" (as that is defined in the MMSEA) information to BlueCross. BlueCross will not be responsible for any deficiency resulting from Employer's failure to provide such information to BlueCross.

13. Distribution of Materials.

13.1. Employer shall handle and distribute enrollment materials in a timely manner and promptly provide to BlueCross the information necessary to administer this Agreement. Employer's failure to provide information in a timely manner may substantially delay and/or jeopardize the enrollment of eligible Members.

13.2. Employer shall distribute notices that Employer and/or BlueCross are legally required to provide (e.g., special enrollment rights) in a timely manner and in accordance with all applicable laws. Any off-renewal changes require 60-days advance notice to Members. Employer shall provide BlueCross with enough advance notice of any off-renewal changes, not to be less than 90 days, for BlueCross to meet its obligations under any applicable law and this Agreement. Employer shall indemnify BlueCross and hold BlueCross harmless from any damages, loss, action, claim or suit (including court costs and attorney's fees) arising from or related to its failure to provide such notices.

13.3. If BlueCross provides its enrollment and/or change forms ("Forms") and/or any benefit summaries, and/or comparison sheets ("Documents") in an electronic medium, and Employer

delivers Documents electronically to Members or includes Documents on Employer's internal intranet or by similar means or for similar purposes, Employer agrees that:

13.3.1. electronic access shall be limited to Employer's enrolling employees and covered employees and be restricted to a "read-only" or similar basis;

13.3.2. they will replace any hard-copy Forms that have been modified by BlueCross;

13.3.3. the hard-copy documents on file with BlueCross shall control in the event of any discrepancy; and

13.3.4. Employer remains solely responsible for the content of the Documents and all other legal requirements pertaining to them (e.g., distribution).

13.4. BlueCross will create a draft Summary of Benefits and Coverage ("SBC"), based on services provided by BlueCross, and provide to Employer. Employer shall review SBC, and revise or supplement as required, prior to distribution. Employer remains solely responsible for SBC content and all other legal requirements pertaining to SBC (e.g., distribution). BlueCross shall not charge Employer for draft SBC. BlueCross may charge Employer for translation of SBC to any language other than English.

14. Member Outreach. BlueCross, or its subcontractor, shall have the right to contact Members to perform services under this Agreement, or as otherwise required by law, a regulatory body, or an accrediting agency. Employer warrants that the contact information included in its enrollment data was obtained directly from the applicable Member and that Members are aware they may be contacted via that information for non-telemarketing calls, emails, and/or text messages.

15. Provider Administered Specialty Pharmacy Products. Provider Administered Specialty Pharmacy Products are those Specialty Pharmacy Products administered to a Member by a health care provider, whether or not a Network Provider, rather than self-administered by the Member. Provider Administered Specialty Products can only be dispensed from a specialty pharmacy in the BlueCross Preferred Specialty Pharmacy Network.

15.1. Provider Administered Specialty Pharmacy Products are those products that meet all three of the following criteria:

- (a) Require in-depth patient teaching, coordination of care, and frequent monitoring to ensure successful use;
- (b) Described by at least one of the following:
  - i. produced through genetic technology or biopharmaceutical processes;
  - ii. target a chronic, rare, genetic, or complex disease; or
  - iii. require unique handling, distribution, and/or administration; and

(c) Are set forth on the Provider Administered Specialty Pharmacy Product List which is maintained by BlueCross (available at [www.bcbst.com](http://www.bcbst.com)), as may be amended from time to time for any reason.

15.2. "Preferred Specialty Pharmacy Network" means BlueCross's network of pharmacies that are permitted to dispense Provider-Administered Specialty Pharmacy Products to providers. All the medications set forth on the Provider Administered Specialty Pharmacy Product List have been determined by BlueCross to meet criteria (a) and (b) of Section 15.1 above. However, some products meeting criteria in (a) and (b) of Section 15.1 above may be excluded from the list. A Provider Administered Specialty Product may be added or removed from this list at any time for any reason. Provider Administered Specialty Pharmacy Products can only be dispensed from a pharmacy in BlueCross's Preferred Specialty Pharmacy Network. BlueCross will adjudicate claims for Provider Administered Specialty Pharmacy Products for the Employer.

16. Group Health Plan Federal Requirements.

16.1. Health Plan Transparency Requirements. The Parties acknowledge that Employer's Plan is subject to certain requirements under the Affordable Care Act Transparency in Coverage Final Rule and group health plan requirements in Division BB of the Consolidated Appropriations Act, 2021 and its implementing regulations, as set forth below (collectively, "Health Plan Transparency Requirements"). BlueCross (i) agrees to cooperate with Employer in meeting its obligations under the Health Plan Transparency Requirements, and (ii) reserves the right to charge a fee for services related to the implementation and administration of the Group Health Plan Transparency Requirements.

16.1.1. Machine Readable Files. The Parties acknowledge and agree that Employer's Plan is required to publicly disclose in-network negotiated rates, billed out-of-network charges, and prescription drug pricing information to the public through machine readable files ("MRFs"). BlueCross agrees (a) to cooperate with Employer in providing information reasonably requested by Employer or its designee in order for Employer to comply with these obligations, or (b) at the direction of Employer, to post MRFs on its website on behalf of the Plan, provided however, that Employer

retains liability for any Losses resulting from Employer's failure to provide timely to BlueCross any requested information for BlueCross to perform under this section.

16.1.2. Contract Terms. The Parties acknowledge and agree that, nothing in this Agreement shall directly or indirectly restrict BlueCross and/or the Plan from (i) providing provider-specific cost or quality of care information or data to referring providers, Employer, Members or individuals eligible to become Plan Members; (ii) electronically accessing de-identified claims and encounter information or data under the Plan for each Plan Member, upon request and consistent with applicable law, including but not limited to HIPAA, GINA, and the ADA, or (iii) sharing such Plan information or data, or directing such Plan data be shared, with a HIPAA business associate of the Plan consistent with applicable law and the terms of this Agreement.

16.1.3. Price Comparison Tool. The Parties acknowledge and agree that Employer's Plan is subject to requirements under applicable law to provide Members with price comparison tools. BlueCross agrees (a) to cooperate with Employer in providing information reasonably requested by Employer or its designee in order for Employer to comply with the price comparison tool obligations, or (b) at the direction of Employer, to make available to Plan Members a price comparison tool, provided however, that Employer retains liability for any Losses resulting from Employer's failure to provide timely to BlueCross any requested information for BlueCross to perform under this section.

16.2. ID Cards. BlueCross will supply identification cards. BlueCross will supply identification cards issued at the group's initial enrollment to Subscribers and identification cards issued at any other time to Subscribers. Identification cards will be issued in the name of Subscribers.

16.3. Provider Directory Tool. BlueCross will provide Provider Directories through online access and in accordance with applicable law.

16.4. Continuity of Care. The Parties acknowledge and agree that Employer's Plan is subject to continuity of care protections in instances when terminations of certain contractual relationships result in changes in provider or facility network status. BlueCross agrees to coordinate impacted Member's transitions to more appropriate care settings in accordance with applicable law.

16.5. Health Care and Prescription Drug Reporting. The Parties acknowledge and agree that the Employer's Plan is subject to requirements under applicable law to report certain health care cost information annually to the federal government, such as costs relating to prescription drugs and air ambulance services. BlueCross agrees (a) to cooperate with Employer in providing information reasonably requested by Employer or its designee in order for Employer's Plan to comply with these reporting obligations, or (b), at the direction of the Employer, to report on the Plan's behalf, provided however, that Employer retains liability for any Losses resulting from Employer's failure to provide timely to BlueCross any requested information for BlueCross to perform under this section.

16.6. No Surprises Act. The Parties acknowledge and agree that the Employer's Plan is subject to requirements under the No Surprises Act that is part of the Consolidated Appropriations Act, 2021 (hereinafter, the "NSA"). BlueCross will process those out-of-network claims subject to the NSA in accordance with the terms of the NSA and its implementing regulations. BlueCross will also engage in the Independent Dispute Resolution ("IDR") process with providers, as required under the NSA. Fees for IDR services are set forth in Exhibit B.

#### **EXHIBIT D TO THE ADMINISTRATIVE SERVICES AGREEMENT MEDICAL MANAGEMENT SERVICES PROVIDED BY BlueCross**

Employer has selected several of BlueCross's Medical Management programs for use by Employer in administering its Plan. All services utilize current medical guidelines and standards. While these services are described below, the services may be updated from time to time without prior notice to Employer.

##### **MEDICAL MANAGEMENT – Precision Care Support**

###### **1. Inpatient Review.**

1.1. Inpatient Precertification. BlueCross will review inpatient admissions (hospital, subacute facility, skilled nursing facility, inpatient rehabilitation, and 23-hour observation stays) to evaluate the appropriateness of certain procedures and Medical Necessity of the requested services. An initial length of stay is assigned upon admission. Emergency inpatient admissions are reviewed within 24 hours of admission or the next business day. Employer's Plan follows BlueCross's standard precertification requirements.

1.2. Concurrent Review of per diem admissions. BlueCross will review Members' inpatient care (hospital, subacute facility, skilled nursing facility, and inpatient rehabilitation) to ensure Medically Necessary and Medically Appropriate care is delivered. Concurrent review is performed as services are being rendered.

1.3. Outlier Review of DRG admissions. BlueCross will review any outlier days billed by a DRG facility on targeted claims after a service is rendered and before payment is made to ensure cost-effectiveness.

2. Retrospective Review. BlueCross will review targeted claims after a service is rendered and before payment is made. The purpose of retrospective review is to provide determinations regarding Medical Necessity, eligibility and benefits.
3. Prospective Review. BlueCross will review targeted, non-emergency related care procedures, non-routine diagnostics and non-routine pharmacy treatments, as determined by BlueCross, for medical appropriateness and the necessity of the requested procedure and setting prior to the procedure being performed.
4. Pre-determination Review. When requested by a provider or Member, BlueCross will conduct a prospective review to determine whether a procedure will be covered.
5. Specialty Pharmacy Review. If BlueCross administers claims related to Provider Administered Specialty Pharmacy Products, as described in Exhibit C, then BlueCross will review specific drugs administered by licensed health care professionals.
6. Home Health, Home Infusion Therapy Review. BlueCross will review prescriptions for home health care services and home infusion therapy to evaluate the physician's plan of treatment, appropriateness of setting and Medical Necessity of the prescribed services, both prospectively and concurrently.
7. Lifestyle/Health Educational Program. BlueCross will send condition-specific educational materials to low-risk Members identified through the prior authorization process.
8. Care Coordination. BlueCross's Care Coordination process systematically identifies opportunities to coordinate and manage Members' total care.
  - 8.1. Emergency Services Management Program. Nurses will contact Members who frequently seek emergency room services, identify reasons for the frequent utilization, and provide assistance in controlling future inappropriate use of emergency room services.
  - 8.2. Transition of Care. Throughout the different stages of a Member's treatment, nurses coordinate the Member's transitions to more appropriate care settings.
  - 8.3. Condition-specific Care Coordination Program. Through this program, BlueCross provides assessment and management of low-risk and moderate-risk Members with specific conditions, such as heart disease, respiratory disease, diabetes, asthma or hypertension.
9. Catastrophic Medical and Transplant Case Management. BlueCross's Catastrophic Medical and Transplant Case Management program utilizes a comprehensive approach that includes benefit analysis, preauthorization, concurrent review, discharge planning and cost-effective continuity of care for Members. Members with high-risk conditions such as terminal illness, severe injury, major trauma, cognitive or physical disability, or transplant are identified through prior authorization, medical data and claims data. Registered nurses work with the Member, health care providers and primary caregivers to coordinate the most appropriate, cost-effective care settings. Benefits paid through the Catastrophic Medical and Transplant Case Management program may vary from the benefits described in the Plan. This is done when BlueCross has determined that the alternative benefits are more Medically Appropriate, cost effective, and ensure the best outcomes. Employer will fund these benefits, and BlueCross's administration of benefits pursuant to the Catastrophic Medical and Transplant Case Management program shall be within the scope of its duties.
10. RESERVED
11. RESERVED
12. Behavioral Health Management. BlueCross will provide the following services as part of its Behavioral Health Inpatient Utilization Management program:
  - 12.1. Inpatient Pre-certification. BlueCross will review all facility based level-of-care admissions (acute care, residential care, partial hospital care, intensive outpatient care and any other care in lieu of acute care) to evaluate the appropriateness of treatment applying Medical Necessity criteria. Emergency inpatient admissions are reviewed within 24 hours of admission or the next business day.
  - 12.2. Concurrent Review. BlueCross will review the care of Members in facility-based treatment (acute, residential, partial hospital, intensive outpatient or any other care in lieu of behavioral health acute care) to ensure Medically Necessary and Medically Appropriate care is delivered. Lengths of stay are authorized when care requested meets Medical Necessity criteria.
  - 12.3. Discharge Planning. BlueCross will assess the Member's behavioral health condition and monitor the behavioral health program's discharge planning to ensure appropriate continuation of care, as necessary, when the Member leaves that particular level of care.
  - 12.4. Case Management. BlueCross's Behavioral Health Case management process identifies high risk Members in facility based levels of care and assesses opportunities to coordinate and manage the Member's total behavioral health care to ensure the best outcomes while the Member remains in facility based levels of care.
13. BlueCross shall have the authority, in its discretion, to institute from time to time, utilization management, case management, disease management or other care-related programs.

These are processes that demonstrate potential improvement in access, quality, efficiency and Member satisfaction. When BlueCross institutes a care-related program, approved services provided through such programs are deemed Covered Services even if they are normally excluded under the Benefits Documents.

**EXHIBIT E TO THE ADMINISTRATIVE SERVICES AGREEMENT**  
**DUTIES OF EMPLOYER**

1. Services. Employer shall:
  - 1.1. Provide BlueCross with a current, detailed description of the Benefit Documents and any subsequent changes, for acceptance by BlueCross;
  - 1.2. Timely pay and fund all fees and claims as described in this Agreement;
  - 1.3. Provide BlueCross with the necessary Subscriber and Member eligibility information and timely provide updates to such information;
  - 1.4. Perform other duties and services as described in this Agreement.
2. Notification Regarding Members. Employer shall notify BlueCross of the addition or deletion of Members as described below:
  - 2.1. When a new Member should be added, Employer shall notify BlueCross within forty-five (45) days of the effective date of coverage for that Member. If BlueCross is not notified that a new Member should be added within this time frame, BlueCross shall have no obligation to adjudicate any claims that were incurred prior to this time frame.
  - 2.2. When a Member should be terminated from coverage, Employer shall notify BlueCross within forty-five (45) days of the effective date of that Member's termination.
3. Final Authority.
  - 3.1. Except as otherwise specifically stated in this Agreement, Employer retains all final authority and responsibility for the Plan including the benefit design of the Plan, funding of claims, claims payment decisions, cost containment program decisions, eligibility and benefit determinations, compliance with the requirements of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA), compliance with HIPAA, compliance with reporting and remitting abandoned property funds (except as referenced in Exhibit C, Section 5.6) if required by law, and compliance with any other state and federal laws or regulations applicable to Employer or the administration of the Plan. The phrase "eligibility and benefit determinations" means that Employer determines who is eligible to participate, (i.e., who are employees or dependents) and generally what medical services and supplies are included or excluded as Covered Services identified in the Benefit Documents, but does not include the ultimate responsibility for making medical necessity or other medical management determinations.
  - 3.2. If Employer uses an Employer Service Vendor to provide enrollment data and that third party's data does not match BlueCross's data, BlueCross's data and records will be used to determine the ASF unless and until BlueCross and Employer are able to resolve the discrepancy.
  - 3.3. Employer shall submit all information to BlueCross in writing. The accuracy of any changes performed and administered by BlueCross at the instruction of Employer in benefit design, enrollee status, etc., is the responsibility of Employer. BlueCross is entitled to rely on Employer's instructions in performing its duties under this Agreement.
  - 3.4. A Member has the right to appeal any decision regarding or arising out of this Agreement, and that appeals process is defined in the Benefits Documents and the Plan.
4. Eligibility and Enrollment. As of the first day of the Term of this Agreement, Employer will have delivered enrollment information regarding Members to BlueCross. Employer shall deliver all employee and dependent eligibility status changes to BlueCross on a monthly basis, or more frequently as mutually agreed by the Parties.
  - 4.1. Employer shall be responsible for verifying identity of Members to confirm eligibility and for promptly rescinding coverage of ineligible individuals.
  - 4.2. Employer shall be responsible for providing each Subscriber with a copy of any required documents.
  - 4.3. If an employee waives his/her (or his/her dependents') coverage under the Plan at enrollment or open enrollment, Employer will maintain the original of the waiver, and if the employee has a qualifying event during the plan year, Employer will certify to BlueCross that the employee executed a waiver at enrollment or open enrollment.
5. Financial Obligations.
  - 5.1. Claims Funding. Employer is financially responsible for the timely funding of all Approved Claims and is the Payor of benefits for all Members. Employer will provide BlueCross with such authorizations as are necessary to ensure that required instruments are valid with respect to funding Approved Claims for Covered Services.

6. Assessments.

6.1. Employer retains responsibility and liability for all benefits and expenses incident to the Plan, including any federal, state or local taxes, assessments, or similar government-imposed fees, other than BlueCross's income taxes, that are related to the Plan, the Plan's Members, enrollees, or Participants, or BlueCross's services under this Agreement ("Assessments"). For example, Assessments may be based on: (i) the number of covered lives in the Plan, (ii) the number of covered lives in a given geographic region, (iii) fees paid or payable to BlueCross for services provided under this Agreement, including premiums or premium equivalents, (iv) Approved Claims paid pursuant to this Agreement, or (v) other assessment methodologies that measure the relative value of benefits or services provided or delivered under the Plan. If at any time, during or after the term of this Agreement, BlueCross is required to pay any Assessment on Employer's behalf, Employer shall reimburse BlueCross an amount equal to such Assessment(s), which will be disclosed to Employer via invoice. Additionally, BlueCross pays if any taxes, penalties or interest are imposed, assessed or accrued on any Assessment, Employer will reimburse BlueCross such additional amounts equal to the tax, penalty or interest.

6.2. Employer will pay these additional amounts to BlueCross within thirty (30) days following mailing of invoice. Payments not received within the thirty (30) day period are subject to the late payment charge described in Exhibit B.

6.3. Employer will pay these additional amounts even if the validity of Assessments has not been finally determined. If it is finally determined that such Assessments were not valid, to the extent such Assessments are refunded or otherwise returned to BlueCross by the appropriate Federal, state or local governmental entity, BlueCross will refund to Employer an amount equal to those additional amounts previously paid by Employer plus interest, if any, determined in accordance with BlueCross's regular procedures then in effect, less a pro rata share of any expenses incurred by BlueCross in contesting the validity of such Assessments.

7. Use of Names and Service Marks. Employer agrees to allow BlueCross to use Employer's name and service mark on I.D. cards and other forms necessary to implement this Agreement, for BlueCross's internal purposes, and to promote Employer's relationship with BlueCross to potential or existing providers. BlueCross shall not use Employer's name or service mark for any other purpose without the prior written consent of Employer.

Employer agrees that the names, logos, symbols, trademarks, trade names, and service marks of BlueCross, whether presently existing or hereafter established, are the sole property of BlueCross and BlueCross retains the right to the use and control thereof. Employer shall not use BlueCross's name, logos, symbols, trademarks or service marks in advertising or promotional materials or otherwise without the prior written consent of BlueCross and shall cease any such usage immediately upon written notice by BlueCross or upon termination of this Agreement, whichever is sooner.

Employer agrees that the names, logos, symbols, trademarks, trade names, and service marks of the Association, whether presently existing or hereafter established, are the sole property of the Association and the Association retains the right to the use and control thereof. Employer shall not use the Association's name, logos, symbols, trademarks or service marks in advertising or promotional materials or otherwise without the prior written consent of the Association and shall cease any such usage immediately upon written notice by the Association or upon termination of this Agreement, whichever is sooner.

8. Claims Incurred and Submitted but not yet Adjudicated. Employer can request reports regarding claims incurred and submitted but not yet adjudicated through the Account Manager.

**EXHIBIT F TO THE ADMINISTRATIVE SERVICES AGREEMENT  
DIRECT DEBIT AUTHORIZATION AGREEMENT**

Employer has signed a separate Direct Debit Authorization Agreement, which is hereby incorporated by reference as part of this Agreement.

**EXHIBIT G TO THE ADMINISTRATIVE SERVICES AGREEMENT  
INTER-PLAN ARRANGEMENTS**

1. Out-of-Area Services.

**Overview**

BlueCross has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as "Inter-Plan Arrangements." These Inter-Plan Arrangements operate under rules and procedures issued by the Blue Cross Blue Shield Association ("Association"). Whenever Members access healthcare services outside the geographic area BlueCross serves, the claim for those services may be processed through one of these Inter-Plan Arrangements. The Inter-Plan Arrangements are described generally below.



Typically, when accessing care outside the geographic area BlueCross serves, Members obtain care from healthcare providers that have a contractual agreement (“participating providers”) with the local Blue Cross and/or Blue Shield Licensee in that other geographic area (“Host Blue”). In some instances, Members may obtain care from healthcare providers in the Host Blue geographic area that do not have a contractual agreement (“nonparticipating providers”) with the Host Blue. BlueCross remains responsible for fulfilling our obligations to Employer. Our payment practices in both instances are described below.

This disclosure describes how claims are administered for Inter-Plan Arrangements and the fees that are charged in connection with Inter-Plan Arrangements. Note that Dental Care Benefits except when not paid as medical claims/benefits, and those Prescription Drug Benefits or Vision Care Benefits that may be administered by a third party contracted by Us to provide the specific service or services are not processed through Inter-Plan Arrangements.

1.1. BlueCard® Program.

The BlueCard® Program is an Inter-Plan Arrangement. Under this Arrangement, when Members access Covered Services within the geographic area served by a Host Blue, the Host Blue will be responsible for contracting and handling all interactions with its participating healthcare providers. The financial terms of the BlueCard Program are described generally below.

1.1.1. Liability Calculation Method Per Claim – In General.

1.1.1.1. Member Liability Calculation

Unless subject to a fixed dollar copayment, the calculation of the Member liability on claims for Covered Services will be based on the lower of the participating provider’s billed charges for Covered Services or the negotiated price made available to BlueCross by the Host Blue.

1.1.1.2. Employer Liability Calculation

The calculation of Employer’s liability on claims for Covered Services processed through the BlueCard Program will be based on the negotiated price made available to BlueCross by the Host Blue under the contract between the Host Blue and the provider. Sometimes, this negotiated price may be greater for a given service or services than billed charge in accordance with how the Host Blue has negotiated with its participating healthcare provider(s) for specific healthcare services. In cases where the negotiated price exceeds the billed charge, Employer may be liable for the excess amount even when the Member’s deductible has not been satisfied. This excess amount reflects an amount that may be necessary to secure (a) the provider’s participation in the network and/or (b) the overall discount negotiated by the Host Blue. In such a case, the entire contracted price is paid to the provider, even when the contracted price is greater than the billed charge.

1.1.2. Claims Pricing.

Host Blues determine a negotiated price, which is reflected in the terms of each Host Blue’s provider contracts. The following are examples of the negotiated price made available to BlueCross by the Host Blue, but not an exhaustive list of negotiated prices:

1.1.2.1. An actual price. An actual price is a negotiated rate of payment in effect at the time a claim is processed without any other increases or decreases; or

1.1.2.2. An estimated price. An estimated price is a negotiated rate of payment in effect at the time a claim is processed, reduced or increased by a percentage to take into account certain payments negotiated with the provider and other claim- and non-claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, provider refunds not applied on a claim-specific basis, retrospective settlements and performance-related bonuses or incentives; or

1.1.2.3. An average price. An average price is a percentage of billed charges for Covered Services in effect at the time a claim is processed representing the aggregate payments negotiated by the Host Blue with all of its healthcare providers or a similar classification of its providers and other claim- and non-claim-related transactions. Such transactions may include the same ones as noted above for an estimated price.

The Host Blue determines whether it will use an actual, estimated or average price consistent with its provider contracts. The use of estimated or average pricing may result in a difference (positive or negative) between the price Employer pays on a specific claim and the actual amount the Host Blue pays to the provider. However, the BlueCard Program requires that the amount paid by the Member and Employer is a final price; no future price adjustment will result in increases or decreases to the pricing of past claims.

Any positive or negative differences in estimated or average pricing are accounted for through variance accounts maintained by the Host Blue and are incorporated into future claim prices. As a result, the amounts charged to Employer will be adjusted in a following year, as necessary, to account for over- or underestimation of the past years’ prices. The Host Blue will not receive compensation from how the estimated price or average price methods, described above, are calculated. Because all amounts paid are final, neither positive variance account amounts (funds available to be paid in the following year), nor negative variance amounts (the funds needed to be received in the following

year), are due to or from Employer. If Employer terminates, Employer will not receive a refund or charge from the variance account.

Variance account balances are small amounts relative to the overall paid claims amounts and will be liquidated over time. The timeframe for their liquidation depends on variables, including, but not limited to, overall volume/number of claims processed and variance account balance. Employer has no ownership interest in any variance account. Variance accounts are notional bookkeeping accounts maintained by the Host Blue and no amounts are segregated or held for the benefit of the Employer.

1.1.3. BlueCard Program Fees and Compensation.

Employer understands and agrees to reimburse BlueCross for certain fees and compensation which BlueCross is obligated under the BlueCard Program to pay to the Host Blues, to the Association and/or to vendors of BlueCard Program-related services. The specific BlueCard Program fees and compensation that are charged to Employer are set forth in Exhibit B. BlueCard Program Fees and compensation may be revised from time to time as described in section 1.7 below.

1.2. Special Cases: Value-Based Programs.

1.2.1. Value-Based Programs Overview.

Employer's Members may access Covered Services from providers that participate in a Host Blue's Value-Based Program. Value-Based Programs may be delivered either through the BlueCard Program or a Negotiated Arrangement. These Value-Based Programs may include, but are not limited to, Accountable Care Organizations, Global Payment/Total Cost of Care arrangements, Patient Centered Medical Homes and Shared Savings arrangements.

1.2.2. Value-Based Programs under the BlueCard Program.

1.2.2.1. Value-Based Programs Administration

Under Value-Based Programs, a Host Blue may pay providers for reaching agreed-upon cost/quality goals in the following ways: Per member per month, provider incentives, gain share, risk share, retrospective settlements, prospective settlements, share of target savings, Care Coordination Fees and/or other allowed amounts.

The Host Blue may pass these provider payments to BlueCross, which BlueCross will pass directly on to Employer as either an amount included in the price of the claim or an amount charged separately in addition to the claim.

When such amounts are included in the price of the claim, the claim may be billed using one of the following pricing methods, as determined by the Host Blue:

- **Actual Pricing:** The charge to accounts for Value-Based Programs incentives/Shared Savings settlements is part of the claim. These charges are passed to Employer via an enhanced provider fee schedule.
- **Supplemental Factor:** The charge to accounts for Value-Based Programs incentives/Shared Savings settlements is a supplemental amount that is included in the claim as an amount based on a specified supplemental factor (e.g., a small percentage increase in the claim amount). The supplemental factor may be adjusted from time to time. This pricing method may be used only for non-attributed Value-Based Programs.

When such amounts are billed separately from the price of the claim, they may be billed as follows:

1.2.2.1.1. **Per Member Per Month (PMPM) Billings:** Per Member Per Month billings for Value-Based Programs incentives/Shared Savings settlements to accounts are outside of the claim system. BlueCross will pass these Host Blue charges directly through to Employer as a separately identified amount on the group billings.

The amounts used to calculate either the supplemental factors for estimated pricing or PMPM billings are fixed amounts that are estimated to be necessary to finance the cost of a particular Value-Based Program. Because amounts are estimates, there may be positive or negative differences based on actual experience, and such differences will be accounted for in a variance account maintained by the Host Blue (in the same manner as described in the BlueCard claim pricing section above) until the end of the applicable Value-Based Program payment and/or reconciliation measurement period. The amounts needed to fund a Value-Based Program may be changed before the end of the measurement period if it is determined that amounts being collected are projected to exceed the amount necessary to fund the program or if they are projected to be insufficient to fund the program. At the end of the Value-Based Program payment and/or reconciliation measurement period for these arrangements, Host Blues will take one of the following actions:

1.2.2.1.2. Use any surplus in funds in the variance account to fund Value-Based Program payments or reconciliation amounts in the next measurement period.

1.2.2.1.3. Address any deficit in funds in the variance account through an adjustment to the PMPM billing amount or the reconciliation billing amount for the next measurement period.

The Host Blue will not receive compensation resulting from how estimated, average or PMPM price methods, described above, are calculated. If Employer terminates, Employer will not receive a refund or charge from the variance account. This is because any resulting surpluses or deficits would be

eventually exhausted through prospective adjustment to the settlement billings in the case of Value-Based Programs. The measurement period for determining these surpluses or deficits may differ from the term of this Agreement.

Members will not bear any portion of the cost of Value-Based Programs except when a Host Blue uses either average pricing or actual pricing to pay providers under Value-Based Programs.

#### 1.2.3. Care Coordinator Fees.

Host Blues may also bill BlueCross for Care Coordinator Fees for provider services which we will pass on to Employer as follows:

1.2.3.1. PMPM billings; or

1.2.3.2. Individual claim billings through applicable care coordination codes from the most current editions of either Current Procedural Terminology (CPT) published by the American Medical Association (AMA) or Healthcare Common Procedure Coding System (HCPCS) published by the U.S. Centers for Medicare and Medicaid Services (CMS).

As part of this Agreement/contract, BlueCross and Employer will not impose Member cost sharing for Care Coordinator Fees.

#### 1.2.4. Value-Based Programs under Negotiated Arrangements.

If BlueCross has entered into a Negotiated Arrangement with a Host Blue to provide Value-Based Programs to Members, BlueCross will follow the same procedures for Value-Based Programs administration and Care Coordinator Fees as noted in the BlueCard Program section.

As part of this Agreement, BlueCross and Employer may agree to waive Member cost sharing for care coordinator fees.

#### 1.2.5. Value-Based Programs Definitions.

Accountable Care Organization (ACO): A group of healthcare providers who agree to deliver coordinated care and meet performance benchmarks for quality and affordability in order to manage the total cost of care for their member populations.

Care Coordination: Organized, information-driven patient care activities intended to facilitate the appropriate responses to a Member's healthcare needs across the continuum of care.

Care Coordinator: An individual within a provider organization who facilitates Care Coordination for patients.

Care Coordination Fee: A fixed amount paid by a Blue Cross and/or Blue Shield Licensee to providers periodically for Care Coordination under a Value-Based Program.

Global Payment/Total Cost of Care: A payment methodology that is defined at the patient level and accounts for either all patient care or for a specific groups of services delivered to the patient such as outpatient, physician, ancillary, hospital services and prescription drugs.

Negotiated Arrangement a.k.a., Negotiated National Account Arrangement: An agreement negotiated between a Control/Home Licensee and one or more Par/Host Licensees for any National Account that is not delivered through the BlueCard Program.

Patient-Centered Medical Home (PCMH): A model of care in which each patient has an ongoing relationship with a primary care physician who coordinates a team to take collective responsibility for patient care and, when appropriate, arranges for care with other qualified physicians.

Provider Incentive: An additional amount of compensation paid to a healthcare provider by a Blue Cross and/or Blue Shield Plan, based on the provider's compliance with agreed-upon procedural and/or outcome measures for a particular group of covered persons.

Shared Savings: A payment mechanism in which the provider and payer share cost savings achieved against a target cost budget based upon agreed upon terms and may include downside risk.

Value-Based Program (VBP): An outcomes-based payment arrangement and/or a coordinated care model facilitated with one or more local providers that is evaluated against cost and quality metrics/factors and is reflected in provider payment.

#### 1.3. Prepayment Review & Return of Overpayments.

If a Host Blue conducts prepayment review activities, including, but not limited to, data mining, itemized bill reviews, secondary claim code editing, and DRG audits, the Host Blue may bill BlueCross up to a maximum of sixteen percent (16%) of the savings identified, unless an alternative reimbursement arrangement is agreed upon by BlueCross and the Host Blue, and these fees may be charged to Employer. If a Host Blue engages a third party to perform these activities on its behalf, the Host Blue may bill BlueCross the lesser of the full amount of the third-party fees or up to sixteen percent (16%) of the savings identified, unless an alternative reimbursement arrangement is agreed upon by BlueCross, and the Host Blue, and these fees may be charged to Employer.

Recoveries of overpayments/from a Host Blue, or its participating and nonparticipating providers, or from post-payment review activities, can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, audits/healthcare provider/hospital bill audits, credit balance audits, utilization review refunds and unsolicited refunds. Recoveries will be applied in general, on either a claim-by-claim or prospective basis. If recovery amounts are passed on a claim-by-claim basis from a Host

Blue to BlueCross, they will be credited to Employer. When a Host Blue identifies and collects these recovery amounts, the Host Blue may bill BlueCross up to a maximum of sixteen percent (16%) of the savings identified, unless an alternative reimbursement arrangement is agreed upon by BlueCross and the Host Blue, and these fees may be charged to Employer. In some cases, the Host Blue will engage a third party to assist in identification or collection of recovery amounts. When this occurs, the Host Blue may bill the lesser of the full amount of the third party fees or up to sixteen percent (16%) of the savings identified, unless an alternative reimbursement arrangement is agreed upon by BlueCross and the Host Blue, and these fees may be charged to Employer.

Unless otherwise agreed to by the Host Blue, for retroactive cancellations of membership, BlueCross will request the Host Blue to provide full refunds from participating healthcare providers for a period of only one year after the date of the Inter-Plan financial settlement process for the original claim. In some cases, recovery of claim payments associated with a retroactive cancellation may not be possible if, as an example, the recovery (a) conflicts with the Host Blue's state law or healthcare provider contracts, (b) would result from Shared Savings and/or Provider Incentive arrangements, and Care Coordination Fees or (c) would jeopardize the Host Blue's relationship with its participating healthcare providers, notwithstanding to the contrary any other provision of this Agreement.

1.4. Inter-Plan Programs: Federal/State Taxes/Surcharges/Fees

In some instances federal or state laws or regulations may impose a surcharge, tax or other fee that applies to self-funded accounts. If applicable, BlueCross will disclose any such surcharge, tax or other fee to Employer, which will be Employer's liability. See also Exhibit E, paragraph 6.

1.5. Nonparticipating Providers Outside BlueCross's Service Area.

1.5.1. Member Liability Calculation.

1.5.1.1. In General

When Covered Services are provided outside of BlueCross's service area by nonparticipating providers, the amount(s) a Member pays for such services will be based on either the Host Blue's nonparticipating healthcare provider local payment or the pricing arrangements required by applicable law. In these situations, the Member may be responsible for the difference between the amount that the nonparticipating provider bills and the payment BlueCross will make for the Covered Services as set forth in this paragraph. Payments for certain out-of-network services, including out-of-network emergency services, will be governed by applicable federal and state law.

1.5.1.2. Exceptions

In some exception cases, BlueCross may pay claims from nonparticipating healthcare providers outside of BlueCross's service area based on the provider's billed charge. This may occur in situations where a Member did not have reasonable access to a participating provider, as determined by BlueCross in BlueCross's sole and absolute discretion or by applicable law. In other exception cases, BlueCross may pay such claims based on the payment BlueCross would make if BlueCross were paying a nonparticipating provider inside of BlueCross's service area. This may occur where the Host Blue's corresponding payment would be more than BlueCross's in-service area nonparticipating provider payment, BlueCross may negotiate a payment. BlueCross may choose to negotiate a payment with such a provider on an exception basis.

Unless otherwise stated, in any of these exception situations, the Member may be responsible for the difference between the amount that the nonparticipating healthcare provider bills and the payment BlueCross will make for the Covered Services as set forth in this paragraph.

1.5.2. Fees and Compensation.

Employer understands and agrees to reimburse BlueCross for certain fees and compensation which we are obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blues, to the Association and/or to vendors of Inter-Plan Arrangement-related services. The specific fees and compensation that are charged to Employer are set forth in Exhibit B. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as provided for in section 1.7 below.

1.6. Blue Cross Blue Shield Global® Core.

1.6.1. General Information.

If Members are outside the United States, the Commonwealth of Puerto Rico and the U.S. Virgin Islands (hereinafter: "BlueCard service area"), they may be able to take advantage of Blue Cross Blue Shield Global Core when accessing Covered Services. Blue Cross Blue Shield Global Core is unlike the BlueCard Program available in the BlueCard service area in certain ways. For instance, although Blue Cross Blue Shield Global Core assists Members with accessing a network of inpatient, outpatient and professional providers, the network is not served by a Host Blue. As such, when Members receive care from providers outside the BlueCard service area, the Members will typically have to pay the providers and submit the claims themselves to obtain reimbursement for these services.

1.6.1.1. Inpatient Services

In most cases, if Members contact the service center for assistance, hospitals will not require Members to pay for covered inpatient services, except for their cost-share amounts. In such cases, the hospital will submit Member claims to the service center to initiate claims processing. However, if the Member paid in full at the time of service, the Member must submit a claim to obtain reimbursement for Covered Services. **Members must contact BlueCross to obtain precertification for non-emergency inpatient services.**

1.6.1.2. Outpatient Services

Physicians, urgent care centers and other outpatient providers located outside the BlueCard service area will typically require Members to pay in full at the time of service. Members must submit a claim to obtain reimbursement for Covered Services.

1.6.1.3. Submitting a Blue Cross Blue Shield Global Core Claim

When Members pay for Covered Services outside the BlueCard service area, they must submit a claim to obtain reimbursement. For institutional and professional claims, Members should complete a Blue Cross Blue Shield Global Core claim form and send the claim form with the provider's itemized bill(s) to the service center address on the form to initiate claims processing. The claim form is available from BlueCross, the service center, or online at [www.bcbsglobalcore.com](http://www.bcbsglobalcore.com). If Members need assistance with their claim submissions, they should call the service center at 1.800.810.BLUE (2583) or call collect at 1.804.673.1177, 24 hours a day, seven days a week.

1.6.2. Blue Cross Blue Shield Global Core-Related Fees.

Employer understands and agrees to reimburse BlueCross for certain fees and compensation which we are obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blues, to the Association and/or to vendors of Inter-Plan Arrangement-related services. The specific fees and compensation that are charged to Employer under Blue Cross Blue Shield Global Core are set forth in Exhibit B. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as provided for in section 1.7 below.

1.7. Modifications or Changes to Inter-Plan Arrangement Fees or Compensation.

Modifications or changes to Inter-Plan arrangement fees are generally made effective January 1 of the calendar year, but they may occur at any time during the year. In the case of any such modifications or changes, BlueCross shall provide Employer with at least thirty (30) days' advance written notice of any modification or change to such Inter-Plan arrangement fees or compensation describing the change and the effective date thereof.

**EXHIBIT H TO THE ADMINISTRATIVE SERVICES AGREEMENT**  
**COBRA ADMINISTRATION PROVIDED BY EMPLOYER OR A THIRD PARTY**

In the event that any Member is entitled to continuation of their benefits under the Benefit Documents, BlueCross will continue to perform its duties under this Agreement with regard to that Member as outlined below. BlueCross's and Employer's obligations under this Exhibit shall terminate upon termination of this Agreement.

1. Once notified by Employer that a Subscriber and/or Dependents are eligible for and enrolled in COBRA continuation ("Eligible COBRA Participant"), BlueCross shall:
  - 1.1. Administer health benefits for Eligible COBRA Participants for all benefits selected to be continued by the Eligible COBRA Participants;
  - 1.2. Provide claims processing services;
  - 1.3. Provide access to the provider network(s) selected by Employer, and the BlueCard/BlueCard PPO program;
  - 1.4. Terminate the COBRA continuation coverage for each Eligible COBRA Participant once notified by Employer as required under the terms of the Agreement;
  - 1.5. BlueCross's preference is not to accept COBRA-related information from any Employer Service Vendor; rather, Employer shall provide all information directly to BlueCross. However, BlueCross will accept COBRA-related information from an Employer Service Vendor at the request of Employer.
2. Employer, as the Plan Administrator, shall:
  - 2.1. Provide the eligibility information for all Qualified Beneficiaries to BlueCross with the monthly eligibility information;
  - 2.2. Pay all required premium equivalents or administrative fees for all COBRA Qualified Beneficiaries to BlueCross as required;
  - 2.3. Perform all COBRA administrative duties, including providing notice to Members of a qualifying event, eligibility information, premium collection, and reconciliation of premium and eligibility information;
  - 2.4. To the extent permitted by Tennessee law, hold harmless and indemnify BlueCross for any claims or causes of action that arise from, or are related to, Employer's obligations required by

- COBRA, including lawsuits, IRS fines, or claims, that result from incorrect premium collection or eligibility information supplied to BlueCross;
- 2.5. Notify BlueCross of any changes that it becomes aware of that might affect the Eligible COBRA Participant's coverage under COBRA;
  - 2.6. Fund all health claims of Qualified Beneficiaries, including those that may have been processed using incorrect eligibility information supplied to BlueCross by Employer.
  3. As consideration for the above-referenced services, Employer shall pay BlueCross the current ASF being charged Employer for active Members.

**EXHIBIT I TO THE ADMINISTRATIVE SERVICES AGREEMENT  
HEALTH AND WELLNESS SERVICES**

Employer has selected the Health and Wellness Services described below.

1. Services.
  - 1.1. Teladoc Health®. Teladoc Health provides access to practitioners via telephone, internet or other telecommunication device, whereby the Practitioner may diagnose a Member's ailment, recommend therapy and, where appropriate, write a non-DEA controlled prescription.

**EXHIBIT J TO THE ADMINISTRATIVE SERVICES AGREEMENT IS RESERVED  
EXHIBIT K TO THE ADMINISTRATIVE SERVICES AGREEMENT IS RESERVED  
EXHIBIT L TO THE ADMINISTRATIVE SERVICES AGREEMENT IS RESERVED**

**EXHIBIT M TO THE ADMINISTRATIVE SERVICES AGREEMENT  
ONLINE ENROLLMENT SPECIFICATIONS THROUGH BlueCross SECURED WEBSITE**

1. BlueCross's Duties and Responsibilities.
  - 1.1. BlueCross will provide a PIN for website access.
  - 1.2. BlueCross will provide instruction upon Employer's request. Such instruction may be done by telephone or personal contact.
  - 1.3. BlueCross will accept data and process enrollment, status change and termination requests in accordance with the eligibility guidelines.
  - 1.4. BlueCross has the right to audit Employer's data transmissions for accuracy and completeness.
2. Employer's Duties and Responsibilities.
  - 2.1. Employer will submit data only on eligible individuals.
  - 2.2. Employer is responsible for the accuracy and completeness of all data submitted.
  - 2.3. Employer will submit data on a timely basis in accordance with this Agreement.
  - 2.4. Employer assumes responsibility for notifying BlueCross when Employer's group administrator or enrollment contact changes, so that BlueCross can revoke that individual's website access. BlueCross will revoke access within 5 working days of being notified. If Employer does not inform BlueCross of any such change, and a former group administrator or enrollment contact enters fraudulent or incorrect information through the website, Employer is responsible for these actions.

**EXHIBIT N TO THE ADMINISTRATIVE SERVICES AGREEMENT  
GRIEVANCE SERVICES**

This Exhibit describes duties regarding grievance services:

1. First Level Grievance.
  - 1.1. BlueCross shall conduct the first level grievance on Employer's behalf. For purposes of handling the first level Grievance, BlueCross is a limited fiduciary under ERISA.
  - 1.2. BlueCross shall have full discretionary authority to make eligibility, benefit, claim, or any other applicable benefit determinations.
  - 1.3. A written decision concerning the grievance shall be sent to Member within the timeframe set forth in the Benefit Documents.
  - 1.4. Member shall have the opportunity to submit written testimony and any additional written information to BlueCross. Oral testimony will not be permitted at the first level grievance.
  - 1.5. First level grievance is the only mandatory level of grievance.
2. Second Level Grievance.
  - 2.1. BlueCross shall conduct the second level grievance for Employer. For purposes of handling the second level Grievance, BlueCross is a limited fiduciary under ERISA.
  - 2.2. BlueCross shall have full discretionary authority to make eligibility, benefit, claim, or any other applicable benefit determinations.
  - 2.3. A written decision concerning the grievance shall be sent to Member within the timeframe set forth in the Benefit Documents.

- 2.4. Member shall have the opportunity to present oral testimony and to provide additional information to BlueCross.
3. External Review.
- 3.1. BlueCross shall coordinate the external review procedure on Employer's behalf. For purposes of handling the external review process, BlueCross is a limited fiduciary under ERISA.
- 3.2. BlueCross's external review procedure shall be based on and follow the external review procedure set forth in the Tennessee Code Annotated.
- 3.3. A written decision concerning the grievance shall be sent to Member within the timeframe set forth in the Benefit Documents.
- 3.4. Employer's grievance processes shall be subject to and comply with the review standards applicable to ERISA plans, whether or not it is otherwise governed by ERISA.
4. BlueCross shall, upon Employer's request, provide to Employer any grievance information related to a grievance handled by BlueCross.
5. Nothing shall establish a grievance process that contradicts any statement in this Exhibit.
6. BlueCross shall not be required to perform any grievance services not expressly stated in this Exhibit.

**EXHIBIT O TO THE ADMINISTRATIVE SERVICES AGREEMENT IS RESERVED**

**EXHIBIT P TO THE ADMINISTRATIVE SERVICES AGREEMENT I  
PHARMACY SERVICES**

Effective July 1, 2025 through June 30, 2026

Employer has selected BlueCross to provide pharmacy benefit management services with respect to Employer's Plan.

1. Definitions.

The following definitions apply for purposes of this Exhibit only.

"340B Claim" means a Prescription Drug Claim that adjudicates at 340B Drug Program pricing and is dispensed from a 340B Covered Entity, as identified in the claim file by the submission of "20" in any of the submission clarification code fields and/or a Prescription Drug Claim submitted by pharmacy owned by a covered entity, as defined in Section 340B(a)(4) of the Public Health Services Act, whose 340B status is coded as "38" or "39" in the NCPDP DataQ database.

"340B Covered Entity" means those health care clinics, facilities, or other safety-net health care providers classified by the 340B Drug Program as a "covered entity" which are eligible to purchase 340B Drugs at favorable discounts for dispensing to eligible patients.

"340B Drug" means an FDA-approved prescription drug, an OTC drug that is written on a prescription, a biological product that can be dispensed only by a prescription (other than a vaccine) or FDA-approved insulin, which is the subject of a discount or rebate agreement between the manufacturer of such drug and a 340B Covered Entity, to provide drug pricing no less favorable than required by the manufacturer's agreements with HHS. For avoidance of doubt, 340B Drugs shall be determined based on the 340B Drug Program Laws, including the definition of "covered outpatient drug" set forth in Section 1927(k) of the Social Security Act, 42 U.S.C §1396r-8(k)(2) & (3).

"340B Drug Program" means the drug pricing program codified as Section 340B of the Public Health Service Act (42 U.S.C. § 256b), and which classifies certain safety-net health care providers as "covered entities" eligible to purchase outpatient prescription drugs for their eligible patients at favorable discounts from manufacturers, as required by HHS.

"Authorized Generics" means a medication that was originally marketed, licensed, and/or sold by the innovator drug manufacturer, but is relabeled, marketed, and/or sold under a generic name by either the innovator or another manufacturer or distributor with the innovator drug manufacturers' permission. For classification purposes, Authorized Generics mean any drug with an NDC attribute type code of "18" as indicated by First Databank.

"Average Wholesale Price" or "AWP" means the average wholesale price of a Prescription Drug. The pricing source of AWP metric unit price must be the National Drug Code ("NDC") of the actual manufacturer of the prescription dispensed. The pricing source of AWP shall not be based on re-labeled or repackaged NDCs. For Prescription Drug Claims, AWP is based on the dispensed 11-digit NDC, as supplied by a single nationally recognized pricing source selected and disclosed by BlueCross, on the date the drug is dispensed. For compound drugs, AWP metric unit price is the proportional AWP metric unit price times the quantity dispensed for the specific ingredients in the compound on the date the drug is dispensed, as set forth in the pricing source.

"Biosimilar Product(s)" means a biological product that is highly similar to a U.S. Food and Drug Administration (FDA) approved biological product, known as a reference product, and has no

clinically meaningful differences in terms of safety and effectiveness from the reference product. For classification purposes, Biosimilar Product means any drug with an NDC attribute type code of “22” as indicated by First Databank.

“Brand Drug” means an FDA-approved drug manufactured and distributed by an innovator drug company or its licensee that is defined as a brand drug by Medi-Span. For classification purposes, Brand Drug means any drug with Multi-Source indicators of “M”, “N”, or “O” as indicated by Medi-Span. In limited circumstances, BlueCross may preserve the generic status of a product and override the M, N, O indicators and deem the drug to be a Generic Drug through review of additional information, in which case the product will be considered a Generic Drug for purposes of all guarantees set forth in this Agreement. Unless the language expressly states otherwise, a Brand Drug does not include Self-Administered Specialty Pharmacy Product.

“Compound Drugs” means a product where one (1) or more FDA-approved ingredients are prepared by a pharmacist according to a prescriber’s order. The end product must not be available in an equivalent commercial form. The product will not be considered a Compound Drug if it is reconstituted or if only water, alcohol, flavoring, coloring, or sodium chloride solutions are added to the active ingredient.

“Covered Drug(s)” means those prescription drugs, supplies, and other items that are covered under the Plan.

“Dispensing Fee” means an amount paid to the Pharmacy for the professional service of filing a Prescription Drug Claim.

“Drug Formulary” means the list of FDA-approved prescription drugs and supplies developed by BlueCross’s Pharmacy and Therapeutics Committee, or its delegate. The drugs and supplies included on the Drug Formulary will be modified by BlueCross, or its delegate, from time to time as a result of factors, including, but not limited to, medical appropriateness, pharmaceutical manufacturer Pharmacy Rebate arrangements, and patent expirations.

“Generic Drug” means a prescription or OTC drug that is therapeutically equivalent and interchangeable with Brand Drugs having an identical amount of the same active ingredient(s) and approved by the FDA through an Abbreviated New Drug Application (ANDA). For classification purposes, Generic Drug means any drug with Multi-Source indicator of “Y” as indicated by Medi-Span. Generic Drugs will also include all Authorized Generics, Single-Source Generics and DAW 5 claims. Unless the language expressly states otherwise, a Generic Drug does not include a Self-Administered Specialty Pharmacy Product.

“Home Delivery Network” means BlueCross’s network of Participating Pharmacies where prescriptions are filled and delivered to Members via mail delivery service. The Home Delivery Network does not include pharmacies in the Specialty Pharmacy Network.

“Ingredient Cost” means the Brand, Generic, or Self-Administered Specialty Pharmacy Products cost minus the Dispensing Fee and applicable taxes.

“Limited Distribution Drugs” or “LDD” means those Specialty Pharmacy Drugs that are distributed to and dispensed by either one or a very limited number of pharmacies.

“Manufacturer Administrative Fees” means those administrative fees paid by manufacturers to the pharmacy benefit manager pursuant to a contract between the pharmacy benefit manager and the manufacturer in connection with the pharmacy benefit manager’s administering, invoicing, allocating, and collecting Pharmacy Rebates.

“Mark III Self-Funded Group Pool” means self-funded groups that have elected to participate in the broker, Mark III’s pooled pricing arrangement with BlueCross and who have not elected to be reconciled individually.

“Member Submitted Claim” means a Prescription Drug Claim submitted by a Member for Covered Drugs dispensed by a Pharmacy for which the Member paid cash.

“Over the Counter Drug” or “OTC” means a drug available without a written prescription.

“Participating Pharmacy” means any pharmacy within BlueCross’s Pharmacy network licensed to provide Covered Drugs to Members.

“Pharmacy Rebate” is revenue received by BlueCross from rebate aggregators or pharmaceutical manufacturers, which is related to Members’ utilization of Covered Drugs. The following are specifically excluded from the definition of Pharmacy Rebate and shall be retained by BlueCross: (a) contractual obligations to BlueCross that require payment of a penalty or other amount to BlueCross if contractual obligations are not met; and (b) rebates attributable to any payment BlueCross receives for a Provider Administered Specialty Pharmacy Product claim as defined in Exhibit C; and (c) Manufacturer Administrative Fees.

“Prescription Drug Claim” means a Member Submitted Claim or claim for payment submitted by a Participating Pharmacy as a result of dispensing a Covered Drug to a Member.



“Prescription Maximum Allowable Cost” or “Prescription MAC” means a maximum unit ingredient Cost of off-patent prescription drugs or supplies subject to maximum reimbursement payment schedules on the date the drug is dispensed.

“Retail 30 Network” means BlueCross’s network of retail Participating Pharmacies that are permitted to dispense Covered Drugs to Members typically in a 30-day supply.

“Retail 90 Network” means BlueCross’ network of retail Participating Pharmacies that are permitted to dispense maintenance medications typically a 90-day supply.

“Single-Source Generics” means a Prescription Drug that is approved by the FDA under a Generic Drug ANDA and is licensed and then currently marketed by one Generic Drug manufacturer under separate ANDAs. For classification purposes, Single-Source Generics means any drug with Multi-Source indicators of “M” or “N” as indicated by Medi-Span with a brand name code of “G”.

“Specialty Drug List” means the list of Self-Administered Specialty Pharmacy Products applicable to pharmacy guarantees as maintained and updated by BlueCross. This list is updated quarterly and is available upon request.

“Specialty Pharmacy Network” means for purposes of this Exhibit, BlueCross’s network of Participating Pharmacies that are permitted to dispense Self-Administered Specialty Pharmacy Products to Members.

“Self- Administered Specialty Pharmacy Product” means those Specialty Pharmacy Products that a Member administers rather than a provider and that are listed on the Specialty Drug List. Self-Administered Specialty Pharmacy Products can only be dispensed from a specialty pharmacy in the Specialty Pharmacy Network and must meet all three of the following criteria:

- (a) Require in-depth patient teaching, coordination of care, and frequent monitoring to ensure successful use;
- (b) Described by at least one of the following:
  - i. produced through genetic technology or biopharmaceutical processes;
  - ii. target a chronic, rare, genetic, or complex disease; or
  - iii. require unique handling, distribution, and/or administration; and
- (c) Are set forth in the Drug Formulary which is maintained by BlueCross, or its delegate, (available at [www.bcbst.com](http://www.bcbst.com)), as may be amended from time to time for any reason.

All the medications set forth in the Drug Formulary have been determined by BlueCross, or its delegate, to meet criteria (a) and (b) above. However, some products meeting criteria in (a) and (b) above may be excluded from the Drug Formulary. A Self-Administered Specialty Pharmacy Product may be added or removed from the Drug Formulary at any time for any reason.

“Usual and Customary Price” or “U&C” means the retail price charged by a Participating Pharmacy for a Covered Drug in a cash transaction on the date the drug is dispensed.

“Vaccine” means a dispensed product used as a preventative inoculation to confer immunity against a specific disease, usually employing an innocuous form, fragment, toxin, or DNA of the disease agent to stimulate antibody production.

“Vaccine Claim” means a Prescription Drug Claim for which the purchase price includes the Ingredient Cost, the Dispensing Fee, the Vaccine fee and the cost to administer the Vaccine. These Prescription Drug Claims are identified with a Medi-Span Generic Product ID (GPI-4) of 1710, 1720, 1799, 1800 or 1899, or has an AHFS Extended Therapeutic Class Code of 8012000 or 80080000.

“Wholesale Acquisition Cost” or “WAC” means the wholesale acquisition cost for a product as published by First Databank, Medi-Span and/or another nationally recognized database, as selected by BlueCross.

“Year 1” means July 1, 2025 through June 30, 2026

2. Pharmacy Services.

BlueCross will provide the following pharmacy benefit management services:

<b>Employer and Member Services</b>	
Toll-free consumer advisor number for Members	Designated account team
Coordinated eligibility submission	Benefit plan setup
Member Submitted Claim processing	Electronic claims processing
<b>Network Pharmacy Services</b>	
Pharmacy help desk	Pharmacy reimbursement

Pharmacy network management	ePrescribing
<b>Home Delivery Services</b>	
Customer service for Members	Benefit education
Installment Payment Program	Prescription delivery – standard
Manage Automatic Refills and Renewals	Bridge supply
<b>Specialty Pharmacy Network Services</b>	
Benefit education	Prescription delivery – standard
<b>Reporting Services</b>	
Web-based client reporting	Billing reports
<b>Website Services</b>	
BlueAccess - access to benefit, drug, health and wellness information; prescription ordering capability; and customer service	Email a Pharmacist – 24/7 access to specialized pharmacists to answer non-urgent questions via email about medications.

<b>Cost Containment and Trend Management Solutions<sup>1</sup></b>		
<b><u>Solution</u></b>	<b><u>Description</u></b>	<b><u>Fee</u></b>
<b>Formulary Management</b>	Drug Formulary program based on evidence-based medicine, integrated utilization management leveraging best practice guidelines and physician expertise to comparatively review and assess new and existing drugs for safety, efficacy and cost control.	No Additional Fee
<b>POS Safety Messaging</b>	A concurrent drug utilization program designed to assist with preventing drug-related adverse events. Online, real-time drug utilization analysis is performed at the point of prescription dispensing, whether the dispensing occurs at the retail Pharmacy or at the home delivery Pharmacy.	No Additional Fee

<b>Cost Containment and Trend Management Solutions<sup>1</sup></b>		
<b><u>Solution</u></b>	<b><u>Description</u></b>	<b><u>Fee</u></b>
<b>Utilization Management</b>	<p>Represents a wide variety of rules-driven programs such as prior authorization, quantity limits, and step therapy to manage trends in patient drug utilization and client drug spend.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Prior Authorization - Monitors the dispensing of high-cost medications and those with the potential for misuse by requiring special approval (authorization) for certain drugs.</li> <li><input type="checkbox"/> Step Therapy - Manages drug costs by ensuring that patients try first-line (first step), clinically effective, lower-cost medications before they “step up” to a higher-cost medication.</li> <li><input type="checkbox"/> Quantity Management - Sets dispensing limits for certain drugs based on FDA approved dosing guidelines.</li> </ul>	No Additional Fee
<b>Drug Coverage Determinations</b>	<p>Includes initial determinations and reconsideration processes and criteria for benefit design related requests, plan exclusion reviews (clinical or administrative reviews of non-Covered Drugs), copay reviews, plan limit reviews (e.g., age, gender, days' supply limits), administrative reviews, clinical benefit reviews and direct claim reject reviews. The initial determinations and reconsideration processes are in addition to and occur before the Grievance Procedure. Members may submit Grievances in accordance with the Grievance Procedure outlined in their EOC.</p>	No Additional Fee
<b>Integrated Benefit Management</b>	<p>Integrated solution that provides real-time shared deductible and out-of-pocket accumulations between the medical and pharmacy benefit.</p>	No Additional Fee
<b>Specialty Pharmacy Management</b>	<p>Program encourages the adherence to safe and effective use of specialty drugs according to prescribed regimens. The program achieves savings by establishing benefits for specialty prescriptions, limiting distribution to preferred vendors, establishing prior authorization criteria to assure appropriate utilization, and renegotiating of drug prices annually.</p>	No Additional Fee

<b>Cost Containment and Trend Management Solutions<sup>1</sup></b>		
<b><u>Solution</u></b>	<b><u>Description</u></b>	<b><u>Fee</u></b>
<b>Comprehensive Fraud, Waste and Abuse</b>	Comprehensive Fraud Waste and Abuse (FWA) reviews claims on the provider, pharmacy, and member level to identify any abnormal filling practices. Once an entity has been identified as filling potentially fraudulent prescriptions, our criminal investigations team will review and implement mitigation strategies.	No Additional Fee
<b>High Cost Claimant Review</b>	An integrated management program targeting cost stratification and focused interventions for high dollar pharmacy claimants as part of a comprehensive Member population health solution.	No Additional Fee
<b>Retail Vaccine Program</b>	This preventive services program broadens the reach of flu and other vaccines while reducing costs by providing a convenient and less expensive alternative through the Retail 30 Network.	No Additional Fee
<b>Drug Savings Review</b>	Program to communicate with providers to suggest missing or alternate drug therapies for members taking certain medications. This program consists of algorithmic and clinician reviews that examine members' diagnoses and drug dosages, and when appropriate, recommends changes in therapy. When the algorithm identifies a potentially harmful prescription, specialty trained pharmacists notify the prescribing physician and vending pharmacist before the drug is dispensed.	No Additional Fee
<b>Core Medication Management</b>	Program for members with chronic conditions to ensure they are taking medications properly by addressing potential adherence issues and closing gaps in care. This program analyzes pharmacy claims data and notifies members and providers with refill and late to fill notifications per member's preferred method of communication.	No Additional Fee
<b>Cost Saver</b>	Cost Saver utilizes a third-party contracted Participating Pharmacy network to enable Plan Members to take advantage of lower discount card prices, when available, while retaining the benefit of the drug utilization and clinical programs provided under the Plan. The program, which is eligible for non-specialty medications, is fully automated so it ensures members receive the lowest possible price without any additional discount cards.	No Additional Fee

1. State legislation may impact program availability.

2.1. Participating Pharmacies. The amount paid to the Participating Pharmacy for Prescription Drug Claims may or may not be equal to the amount charged to Employer, and BlueCross will absorb any negative margin or retain any positive margin. Subject to applicable law, BlueCross may communicate with Members regarding benefit design, cost savings, availability and use of the selected networks, as well as provide supporting services.

A list of Participating Pharmacies is available to Members on-line. BlueCross does not direct or exercise any control over the professional judgment exercised by any pharmacist providing pharmaceutical related services.

2.2. Any reports requested upon termination will incur an *ad hoc* fee. BlueCross shall not be obligated to release such report until the fee has been paid.

3. Pharmacy Networks and Drug Formulary.

Employer has selected the following Pharmacy networks and Drug Formulary, and such networks and formulary are applicable to the guarantees outlined in this section:

3.1. RX04 Network – BlueCross’s national traditional Retail 30 Network.

3.2. Plus90 Network - BlueCross’s Retail 90 Network.

3.3. Home Delivery Network

3.4. Retail Specialty Pharmacy Network – BlueCross’ Retail 30 Network and the Preferred Specialty Network of Participating Pharmacies.

3.5. Preferred Formulary

4. Pharmacy Administrative Fees.

Employer shall pay to BlueCross the following Pharmacy Administrative Fees:

Year 1: \$2.00 Per Claim.

The above fee includes a \$2.00 Per Claim fee to be paid to Employer’s broker/consultant. BlueCross will remit the fee to the broker/consultant on Employer’s behalf.

5. Pharmacy Discount Guarantee.

BlueCross guarantees that Employer will obtain a discount off AWP charged for Covered Drugs. Ingredient Cost and Dispensing Fee guarantees are collectively referred to as the “Pharmacy Discount Guarantee.” The Pharmacy Discount Guarantee is identified below for each of the applicable networks.

Pharmacy Discount Guarantees	Brand Drugs	Generic Drugs	Dispensing Fees
Retail 30 Network (1-83 days’ supply)	Year 1: AWP-19.60%	Year 1: AWP-84.85%	Year 1: \$0.25/Rx
Retail 90 Network (84+ days’ supply)	Year 1: AWP-21.50%	Year 1: AWP-86.35%	Year 1: \$0.00/Rx
Home Delivery Network (1+ days’ supply)	Year 1: AWP-24.00%	Year 1: AWP-88.85%	Year 1: \$0.00/Rx
Self-Administered Specialty Pharmacy Network	Year 1: AWP-21.75%		Year 1: \$0.25/Rx

5.1. Pricing Per Prescription Drug Claim. Subject to annual reconciliation of the above Pharmacy Discount Guarantee, Employer will pay to BlueCross on a per Prescription Drug Claim basis amounts determined pursuant to the following:

5.1.1. Brand Drug will be calculated at the Ingredient Cost plus the applicable Dispensing Fee. Brand Drug Ingredient Cost will be calculated at the lesser of the applicable U&C, Prescription MAC (if applicable), or AWP discount price, including claims where full cost is paid by Member.

5.1.2. Generic Drug will be calculated at the Ingredient Cost plus the applicable Dispensing Fee. Generic Drug Ingredient Cost will be calculated at the lesser of the applicable U&C, Prescription MAC (if applicable), or AWP discount price, including claims where full cost is paid by Member.

- 5.1.3. The Member's copayment charged for a Covered Drug will be the lesser of the applicable copayment or Ingredient Cost.
- 5.1.4. Prescription MAC pricing (if applicable) will be applied to all Pharmacy Networks, including Retail 30 Network, Retail 90 Network, Home Delivery Network and Specialty Pharmacy Network. Prescription MAC pricing applied on the Retail 90 Network and Home Delivery Network will be equal to or greater than the Prescription MAC pricing applied at the Retail 30 Network.
- 5.1.5. Prescription Drug Claims for re-labeled or repackaged NDCs, regardless of dispensing Pharmacy, will be denied.
- 5.1.6. Pricing methodology may differ from above due to state legislation, where applicable.
- 5.2. Annual Reconciliation. Application of the Pharmacy Discount Guarantee set forth in the table above shall be subject to the following criteria and reconciliation provisions:
- 5.2.1. Separately for each pricing component in the table above, the following calculations will be performed for all Prescription Drug Claims processed in order to reconcile against the Pharmacy Discount Guarantee.
- 5.2.1.1. Ingredient Cost. The formula indicates the percentage reduction off of AWP Employer will receive and will be calculated as:  $\{1 - (\text{total discounted AWP Ingredient Cost (excluding Dispensing Fees and prior to application of copayments, selection penalties, and other Member paid amounts)}) / \text{total undiscounted AWP Ingredient Cost (both amounts will be calculated as of the date of adjudication) for the annual period}\}$ .
- 5.2.1.2. Dispensing Fee. The formula will be calculated as:  $\{\text{total Dispensing Fees (prior to application of copayments, selection penalties, and other member paid amounts) of applicable Prescription Drug Claims for the annual period} / \text{total number of Prescription Drug Claims (both amounts will be calculated as of the date of adjudication) for the annual period}\}$ .
- 5.2.2. The Pharmacy Discount Guarantee excludes Compound drugs, Biosimilar Products, drugs dispensed at a long term care facility, OTCs, Vaccine Claims, Limited Distribution Drugs, COVID testing-related claims, claims for FDA-approved oral antiviral therapy for the treatment of COVID, 340B claims, onsite pharmacy claims that do not accept standard Retail 30 Network, Retail 90 Network, and Specialty Pharmacy Network pricing terms and conditions, self-administered specialty pharmacy products not filled through BlueCross' Specialty Pharmacy Network, Provider Administered Specialty Pharmacy Products (as defined in Exhibit C of this Agreement), Medicaid subrogation claims, member-submitted claims, coordination-of-benefit claims, claims from pharmacies operated by the Department of Veterans Affairs, the Department of Defense's Military Treatment Facilities Veteran's Administration, and Indian Health Service, Tribes and Urban Indian claims.
- 5.2.3. The Pharmacy Discount Guarantee is measured in the aggregate and reconciled annually across the entire Mark III Self-Funded Group Pool. It is measured in 12-month increments beginning with the first month of Year 1, which may or may not coordinate with Employer's medical contract year. The reconciliation will occur approximately 120 days after the end of each 12-month period. An excess achieved on one or more of the Pharmacy Discount Guarantees shall be used to offset a shortfall in any of the other Pharmacy Discount Guarantees. Should the actual savings achieved across the Mark III Self-Funded Group Pool be less than the guarantee, BlueCross shall pay Employer its proportional share of the shortfall between the actual savings and the guaranteed result. If the reconciliation results in greater savings than the above guarantees, Employer shall retain the surplus. Subject to Final Settlement, Employer shall receive Pharmacy Discount Guarantee shortfall payment, if any, for claims incurred prior to the termination date. If the Agreement or this Exhibit is terminated prior to the completion of the applicable 12-month period, the Pharmacy Discount Guarantee shall become null and void.
- 5.2.4. Claims that have non-standard pricing as a result of government action, for example as part of a public health emergency, will be excluded from the Pharmacy Discount Guarantee.
- 5.2.5. State-regulated dispensing fees will be excluded from the Pharmacy Discount Guarantee.
- 5.2.6. Claims paid under the reimbursement appeals process governed by state law will be excluded from the Pharmacy Discount Guarantee.
- 5.2.7. Self-Administered Specialty Pharmacy Network discount guarantees apply to Covered Drugs on the Standard Specialty Drug List.
- 5.3. Guarantee Conditions. The Pharmacy Discount Guarantee is nullified if any of the following occur:
- 5.3.1. BlueCross is not Employer's exclusive provider of Pharmacy benefit management services.
- 5.3.2. Implementation or addition of 100% Member cost-share Pharmacy benefit plan, under which Employer contributes nothing toward the Prescription Drug Claim costs (i.e., the only benefit the Member receives is a claim discount).
- 5.3.3. BlueCross's Specialty Pharmacy Network is not included, or a days' supply is greater than 30 days.

- 5.3.4. Employer changes its Pharmacy networks, days' supplies, benefit design, Drug Formulary, clinical or trend programs.
- 5.3.5. The pricing source discontinues the reporting of AWP or materially changes the manner in which AWP is calculated. (BlueCross reserves the right to make an equitable adjustment as necessary to maintain the Parties' relative economics and the pricing intent of this Agreement. BlueCross will notify Employer in writing of such adjustment. Employer will have fifteen (15) days to respond to receipt of notification. If written response is not received within fifteen (15) days, adjustment will be deemed acceptable by Employer.)
- 5.3.6. Employer elects to use on-site clinics or Pharmacies to dispense Prescription Drugs to Members which materially reduces the number of Covered Drug claims submitted.
- 5.3.7. Employer does not implement a plan design that permits Members to fill 90 days' supply at a Retail 90 Network Participating Pharmacy.
- 5.3.8. Government action, change in law or regulation, or change in the interpretation of any law or regulation that has an adverse effect on pharmacy network pricing. Should this happen, BlueCross will make a good faith effort to work to reach a new agreement that equitably reflects the circumstances as altered by government action. BlueCross will notify Employer in writing of such adjustment. Employer will have fifteen (15) days to respond to receipt of notification. If written response is not received within fifteen (15) days, adjustment will be deemed acceptable by Employer.
- 5.3.9. The Mark III Self-Funded Group Pool falls below 2,500 members.
- 5.3.10. The drug mix utilization as a result of additional self-funded groups to the Mark III Self-Funded Group Pool drives results that are materially different than estimated.

6. Pharmacy Rebate Guarantee.

BlueCross guarantees that Employer will receive a minimum Pharmacy Rebate as identified below for each of the applicable networks.

Drug Formulary	BlueCross's Preferred Formulary			
Pharmacy Network	Retail 30 1-83 days' supply	Retail 90 84+ days' supply	Home Delivery Network	Self- Administered Specialty Pharmacy Products
<b>Per Brand Drug Prescription claim</b>	Year 1: \$412.00	Year 1: \$927.00	Year 1: \$927.00	Year 1: \$4,500.00

6.1. Annual Reconciliation. Application of the Pharmacy Rebate Guarantees set forth in the table above shall be subject to the following criteria and reconciliation provisions:

6.1.1. The following are excluded from the Pharmacy Rebate Guarantee: Compound Drugs, Provider Administered Specialty Pharmacy Products, Biosimilar Products, drugs dispensed at a long term care facility, home infusion drugs, OTCs, Vaccine Claims, Limited Distribution Drugs, claims for drugs not included on the Drug Formulary, COVID testing-related claims, claims for FDA-approved oral antiviral therapy for the treatment of COVID, 340B Claims, Medicaid subrogation claims, member-submitted claims, coordination-of-benefit claims, claims from pharmacies operated by the Department of Veterans Affairs, the Department of Defense's Military Treatment Facilities Veteran's Administration, and Indian Health Service, Tribes and Urban Indian claims.

6.1.2. The Pharmacy Rebate Guarantee is measured in the aggregate and reconciled annually across the entire Mark III Self-Funded Group Pool. The Pharmacy Rebate payment is distributed within approximately 120 days after the end of each quarter. Should the actual savings achieved across the Mark III Self-Funded Group Pool be less than the Pharmacy Rebate Guarantee, BlueCross shall pay Employer its proportional share of the shortfall between the actual savings and the guaranteed result. If the actual Pharmacy Rebate received is greater than the Pharmacy Rebate Guarantee, Employer shall retain the surplus. Subject to Final Settlement, Employer shall receive Pharmacy Rebate guarantee payment, if any, for claims incurred prior to the termination date. The Pharmacy Rebate Guarantee is measured in 12 month increments beginning with the first month of Year 1, which may or may not coordinate with Employer's medical contract year. The reconciliation will be on an incurred basis and will occur approximately 240 days after the end of each 12-month period. If the Agreement or this Exhibit is terminated prior to the completion of the applicable 12-month period, the Pharmacy Rebate Guarantee shall become null and void.

6.1.3. Claims that have non-standard pricing as a result of government action, for example as part of a public health emergency, will be excluded from the Pharmacy Rebate Guarantee.

6.1.4. HIV claims, identified with Medi-Span Generic Product ID (GPI-4) of 1210, and Self-Administered Specialty Pharmacy Products not filled through BlueCross's Specialty Pharmacy Network will be reconciled as Retail under the Rebate Guarantee reconciliation.

6.1.5. BlueCross may leverage realized savings relating to the additional value of low cost strategies on minimum guarantees by adding "Rebate Reconciliation Credits" value to the total Pharmacy Rebates actually remitted to Employer when reconciling minimum rebate guarantees. "Rebate Reconciliation Credits" shall consist of (i) the value of price reductions for rebateable products that have experienced a Wholesale Acquisition Cost (WAC) decrease, measured as the differential between the Baseline WAC of the product and the WAC of the product when the claim is adjudicated, subject to the below cap, and/or (ii) the differential between the WAC of a lower net cost Brand Drug, including but not limited to a Biosimilar Product ("Low Cost Brand"), claim processed, and the WAC of the reference Brand Drug, subject to the below cap. The "Baseline WAC" will be the WAC of the product prior to a reduction in WAC or, as applicable, for Low Cost Brands, the Baseline WAC will be the WAC of the reference Brand Drug at the time the claim is adjudicated. In no way will the Rebate Reconciliation Credit exceed the Baseline Rebate less the earned Pharmacy Rebates on either the Low Cost Brand or the rebateable product that has experienced a WAC decrease. "Baseline Rebate" is calculated as follows: In the year the price reduction occurred, Baseline Rebate will be the Pharmacy Rebate available for coverage of the product prior to the WAC reduction or, as applicable, for Low Cost Brands the Baseline Rebate will be the Pharmacy Rebate available for coverage for the reference Brand Drug on the date the claim is adjudicated. For a product experiencing a WAC reduction, in subsequent years the Baseline Rebate will increase over the prior year Baseline Rebate at the WAC inflation rate of the GPI subclass (GPI-6) of the applicable product. BlueCross will notify Employer of any applicable product that qualifies for Rebate Reconciliation Credits. BlueCross agrees to provide reporting upon Employer request demonstrating the net-cost impact in the therapeutic category.

6.1.6. Self-Administered Specialty Pharmacy Product rebate guarantees apply to Covered Drugs on the Standard Specialty Drug List.

6.2. Guarantee Conditions. The Pharmacy Rebate Guarantee is nullified if any of the following occur:

6.2.1. BlueCross is not Employer's exclusive provider of Pharmacy benefit management services.

6.2.2. Implementation or addition of 100% Member cost-share Pharmacy benefit plan, under which Employer contributes nothing toward the Prescription Drug Claims costs (i.e., the only benefit the Member receives is a claims discount).

6.2.3. BlueCross's Specialty Pharmacy Network is not included. Employer changes its Pharmacy networks, days' supplies, benefit design, Drug Formulary, or implements OTC plans, clinical or trend programs.

6.2.4. The pricing source discontinues the reporting of AWP or materially changes the manner in which AWP is calculated. (BlueCross reserves the right to make an equitable adjustment as necessary to maintain the Parties' relative economics and the pricing intent of this Agreement. BlueCross will notify Employer in writing of such adjustment. Employer will have fifteen (15) days to respond to receipt of notification. If written response is not received within fifteen (15) days, adjustment will be deemed acceptable by Employer.)

6.2.5. Employer elects to use on-site clinics or Pharmacies to dispense Prescription Drugs to Members which materially reduces the number of Covered Drug claims submitted.

6.2.6. Employer does not implement a plan design that permits Members to fill 90 days' supply at a Retail 90 Network Participating Pharmacy.

6.2.7. Employer does not implement a Pharmacy benefit design approved by BlueCross consisting of an arrangement whose differential in copayment or its reasonably equivalent value for coinsurance between preferred and non-preferred brand drugs is at least \$15.00.

6.2.8. Employer (or its affiliates or agents) contracts directly or indirectly with another party for discounts, utilization limits, Pharmacy Rebates or other financial incentives on pharmaceutical products or formulary programs for claims processed pursuant to this Exhibit.

6.2.9. There is an adverse effect on the availability of Pharmacy Rebates due to a government action, change in law or regulation (or interpretation of a law or regulation), or an action by a pharmaceutical manufacturer. (BlueCross reserves the right to make an equitable adjustment as necessary to maintain the Parties' relative economics and the pricing intent of this Agreement. BlueCross will notify Employer in writing of such adjustment. Employer will have fifteen (15) days to respond to receipt of notification. If written response is not received within fifteen (15) days, adjustment will be deemed acceptable by Employer.) Under its Pharmacy Rebate program, BlueCross, or its delegate, may implement Drug Formulary management programs and controls, which may include, among other things, cost containment initiatives, and communications with Members, Participating Pharmacies, and/or physicians. BlueCross reserves the right to modify or



replace such programs from time to time. Pharmacy Rebate Guarantees are conditioned on adherence to various Drug Formulary management controls, benefit design requirements and claims volume.

6.2.10. The Mark III Self-Funded Group Pool falls below 2,500 members.

6.2.11. The drug mix utilization as a result of additional self-funded groups to the Mark III Self-Funded Group Pool drives results that are materially different than estimated.

6.3. For purposes of the Federal Anti-Kickback Statute, these Pharmacy Rebates shall constitute and shall be treated as discounts against the price of drugs within the meaning of 42 U.S.C. 1320a 7b(b)(3)(A).

6.4. BlueCross represents and warrants that it will not enter into any agreement with a pharmaceutical manufacturer for other pharmaceutical revenue in exchange for a reduction of Pharmacy Rebates.

**EXHIBIT Q TO THE ADMINISTRATIVE SERVICES AGREEMENT  
BUSINESS ASSOCIATE AGREEMENT  
Between  
BLUE CROSS BLUE SHIELD OF TENNESSEE, INC.  
and  
CITY OF KINGSPORT, TN**

This Business Associate Agreement (“BAA”) is effective upon execution and amends and is made part of the Administrative Services Agreement (“ASA”) by and between BlueCross BlueShield of Tennessee, Inc. (“BlueCross”), City of Kingsport, TN (“Employer”) assigned Employer Group Number 130434, and the Group Health Plan (“GHP”).

The ASA is modified to incorporate the terms of this HIPAA Agreement to comply with the requirements of the implementing regulations at 45 Code of Federal Regulations (“C.F.R.”) Parts 160-64 for the Administrative Simplification provisions of Title II, Subtitle F of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as modified by the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009 (“HITECH Act”), and the implementing regulations (“HIPAA Rules”) that are applicable to BlueCross, along with any guidance and/or regulations issued by United States Department of Health and Human Services (“DHHS”). BlueCross and GHP agree to incorporate into this HIPAA Agreement any regulations issued with respect to the HITECH Act that relate to the obligations of BlueCross. BlueCross recognizes and agrees that it is obligated by law to meet the applicable provisions of the HITECH Act.

1. Privacy of Protected Health Information.

a. Permitted Uses and Disclosures. BlueCross is permitted to use and disclose Protected Health Information that it creates or receives on GHP’s behalf or receives from GHP (or another business associate of GHP) and to request Protected Health Information on GHP’s behalf (collectively, “GHP’s Protected Health Information”) only as follows:

i. Functions and Activities on GHP’s Behalf. BlueCross will be permitted to use and disclose GHP’s PHI to perform functions, activities, services, and operations on behalf of GHP, consistent with the Privacy Rule and the HITECH Act as specified in the ASA, including but not limited to: (a) management, operation, and administration of the GHP offered to Members; and (b) services set forth in the ASA, which include payment activities, Health Care Operations, and Data Aggregation.

ii. BlueCross’ Operations. For BlueCross’ proper management and administration or to carry out BlueCross’ legal responsibilities, provided that, with respect to disclosure of GHP’s Protected Health Information, either:

A) The disclosure is Required by Law; or

B) BlueCross obtains reasonable assurance from any person or entity to which BlueCross will disclose GHP’s Protected Health Information that the person or entity will:

1) Hold GHP’s Protected Health Information in confidence and use or further disclose GHP’s Protected Health Information only for the purpose for which BlueCross disclosed GHP’s Protected Health Information to the person or entity or as Required by Law; and

2) Promptly notify BlueCross (who will in turn notify GHP in accordance with Section 4(a) of this HIPAA Agreement) of any instance of which the person or entity becomes aware in which the confidentiality of GHP’s Protected Health Information was breached.

C) BlueCross also may use GHP’s Protected Health Information to provide Data Aggregation Services. BlueCross may de-identify GHP’s PHI it obtains or creates in the course of providing services to Employer.

b. Minimum Necessary and Limited Data Set. BlueCross' use, disclosure or request of Protected Health Information shall utilize a Limited Data Set if practicable. Otherwise, BlueCross will, in its performance of the functions, activities, services, and operations specified in Section 1(a) above, make reasonable efforts to use, to disclose, and to request of a Covered Entity only the minimum amount of GHP's Protected Health Information reasonably necessary to accomplish the intended purpose of the use, disclosure or request, except that BlueCross will not be obligated to comply with this minimum necessary limitation with respect to:

- i. Disclosure to or request by a health care provider for Treatment;
- ii. Use for or disclosure to an individual who is the subject of GHP's Protected Health Information, or that individual's personal representative;
- iii. Use or disclosure made pursuant to an authorization compliant with 45 C.F.R. § 164.508 that is signed by an individual who is the subject of GHP's Protected Health Information to be used or disclosed, or by that individual's personal representative;
- iv. Disclosure to the DHHS in accordance with Section 5(a) of this HIPAA Agreement;
- v. Use or disclosure that is Required by Law; or
- vi. Any other use or disclosure that is excepted from the minimum necessary limitation as specified in 45 C.F.R. § 164.502(b)(2).

c. Prohibition on Unauthorized Use or Disclosure. BlueCross will neither use nor disclose GHP's Protected Health Information, except as permitted or required by the ASA and this HIPAA Agreement or in writing by GHP or as Required by Law. This HIPAA Agreement does not authorize BlueCross to use or disclose GHP's Protected Health Information in a manner that will violate the 45 C.F.R. Part 164, Subpart E "Privacy of Individually Identifiable Health Information" ("Privacy Rule") if done by GHP, except as set forth in Section 1(a)(ii) of this HIPAA Agreement.

d. Information Safeguards.

i. Privacy of GHP's Protected Health Information. BlueCross will develop, implement, maintain, and use appropriate administrative, technical, and physical safeguards to protect the privacy of GHP's Protected Health Information. The safeguards must reasonably protect GHP's Protected Health Information from any intentional or unintentional use or disclosure in violation of the Privacy Rule, 45 C.F.R. Part 164, Subpart E and this HIPAA Agreement, and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this HIPAA Agreement.

ii. Security of GHP's Electronic Protected Health Information. BlueCross will develop, implement, maintain, and use administrative, technical, and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information that BlueCross creates, receives, maintains, or transmits on GHP's behalf as required by the Security Rule, 45 C.F.R. Part 164, Subpart C and as required by the HITECH Act. BlueCross also shall develop and implement policies and procedures and meet the Security Rule documentation requirements as required by the HITECH Act.

e. Subcontractors and Agents. BlueCross will require any of its subcontractors and agents, to which BlueCross is permitted by the ASA and this HIPAA Agreement or in writing by GHP to disclose GHP's Protected Health Information, to provide reasonable assurance that such subcontractor or agent will comply with the same privacy and security safeguard obligations with respect to GHP's Protected Health Information that are applicable to BlueCross under this HIPAA Agreement.

2. Compliance with Transaction Standards. If BlueCross conducts in whole or part electronic Transactions on behalf of GHP for which DHHS has established Standards, BlueCross will comply, and will require any subcontractor or agent it involves with the conduct of such Transactions to comply, with each applicable requirement of the Transaction Rule, 45 C.F.R. Part 162. BlueCross will not enter into, or permit its subcontractors or agents to enter into, any Trading Partner Agreement in connection with the conduct of Standard Transactions on behalf of GHP that:

- a. Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;
- b. Adds any data element or segment to the maximum defined data set;
- c. Uses any code or data element that is marked "not used" in the Standard Transaction's implementation specification or is not in the Standard Transaction's implementation specification; or
- d. Changes the meaning or intent of the Standard Transaction's implementation specification.

3. Individual Rights.

a. Access. BlueCross will, within Thirty (30) days following GHP's request, make available to GHP or, at GHP's direction, to an individual (or the individual's personal representative) for inspection and obtaining copies of GHP's Protected Health Information about the individual that is in BlueCross' custody or control, consistent with the requirements of 45 C.F.R. § 164.524 so that GHP may meet its access obligations under 45 C.F.R. § 164.524 and, where applicable, the HITECH Act. BlueCross shall make such information available in an electronic format where directed by GHP.

b. Amendment. BlueCross will, upon receipt of written notice from GHP, promptly amend or permit GHP access to amend any portion of GHP's Protected Health Information, so that GHP may meet its amendment obligations under 45 C.F.R. § 164.526.

c. Disclosure Accounting. So that GHP may meet its disclosure accounting obligations under 45 C.F.R. § 164.528:

i. Disclosures Subject to Accounting. BlueCross will record the information specified in Section 3(c)(iii) below ("Disclosure Information") for each disclosure of GHP's Protected Health Information, not excepted from disclosure accounting as specified in Section 3(c)(ii) below, that BlueCross makes to GHP or to a third party.

ii. Disclosures Not Subject to Accounting. BlueCross will not be obligated to record Disclosure Information or otherwise account for the following disclosures of GHP's Protected Health Information:

A) That occurred before April 14, 2003;

B) For Treatment, Payment or Health Care Operations activities;

C) To an individual who is the subject of GHP's Protected Health Information disclosed, or to that individual's personal representative;

D) Pursuant to an authorization compliant with 45 C.F.R. § 164.508 that is signed by an individual who is the subject of GHP's Protected Health Information disclosed, or by that individual's personal representative;

E) For notification of and to persons involved in the care or payment related to the health care of an individual who is the subject of GHP's Protected Health Information disclosed and for disaster relief;

F) To law enforcement officials or correctional institutions in accordance with 45 C.F.R. § 164.512(k)(5);

G) For national security or intelligence purposes in accordance with 45 C.F.R. § 164.512(k)(2);

H) In a Limited Data Set;

I) Incident to a use or disclosure that BlueCross is otherwise permitted to make by the ASA and this HIPAA Agreement; and

J) Otherwise excepted from disclosure accounting as specified in 45 C.F.R. § 164.528.

iii. Disclosure Information. With respect to any disclosure by BlueCross of GHP's Protected Health Information that is not excepted from disclosure accounting by Section 3(c)(ii) above, BlueCross will record the following Disclosure Information as applicable to the type of accountable disclosure made:

A) Disclosure Information Generally. Except for repetitive disclosures of GHP's Protected Health Information as specified in Section 3(c)(iii)(B) below and for disclosures for large Research studies as specified in Section 3(c)(iii)(C) below, the Disclosure Information that BlueCross must record for each accountable disclosure are the requirements set forth in the HIPAA Privacy Rule, including, but not limited to: (i) the disclosure date, (ii) the name and (if known) address of the entity to which BlueCross made the disclosure, (iii) a brief description of GHP's Protected Health Information disclosed, and (iv) a brief statement of the purpose of the disclosure. BlueCross further shall provide any additional information to the extent required by the HITECH Act and any accompanying regulations.

B) Disclosure Information for Repetitive Disclosures. For repetitive disclosures of GHP's Protected Health Information that BlueCross makes for a single purpose to the same person or entity (including GHP), the Disclosure Information that BlueCross must record is either the Disclosure Information specified in Section 3(c)(iii)(A) above for each accountable disclosure, or (i) the Disclosure Information specified in Section 3(c)(iii)(A) above for the first of the repetitive accountable disclosures, (ii) the frequency, periodicity, or number of the repetitive accountable disclosures, and (iii) the date of the last of the repetitive accountable disclosures.

C) Disclosure Information for Large Research Activities. For disclosures of GHP's Protected Health Information that BlueCross makes for particular Research involving Fifty (50) or more individuals and for which an Institutional Review Board or Privacy Board has waived authorization during the period covered by an individual's disclosure accounting request, the Disclosure Information that BlueCross must record is (i) the name of the Research protocol or activity, (ii) a plain language description of the Research protocol or activity, including its purpose and criteria for selecting particular records, (iii) a brief description of the type of GHP's Protected Health Information disclosed for the Research, (iv) the dates or periods during which BlueCross made or may have made these disclosures, including the date of the last disclosure that BlueCross made during the period covered by an individual's disclosure accounting request, (v) the name, address, and telephone number of the Research sponsor and of the researcher to whom BlueCross made these disclosures, and (vi) a statement that GHP's Protected Health Information relating to an individual requesting the disclosure accounting may or may not have been disclosed for a particular Research protocol or activity. BlueCross will, upon request of GHP or an individual requesting the disclosure

accounting, assist GHP or the individual to contact the Research sponsor and the researcher if it is reasonably likely that GHP's Protected Health Information relating to the individual was disclosed for the particular Research protocol or activity.

iv. Availability of Disclosure Information. Unless otherwise provided by applicable laws, BlueCross will maintain the Disclosure Information for at least Six (6) years following the date of the accountable disclosure to which the Disclosure Information relates.

Business Associate will make the Disclosure Information available to GHP within Sixty (60) days following GHP's request for such Disclosure Information to comply with an individual's request for disclosure accounting.

d. Restriction Agreements and Confidential Communications. BlueCross will comply with any agreement that GHP makes that either (i) restricts use or disclosure of GHP's Protected Health Information pursuant to 45 C.F.R. § 164.522(a), or (ii) requires confidential communication about GHP's Protected Health Information pursuant to 45 C.F.R. § 164.522(b), provided that GHP notifies BlueCross in writing of the restriction or confidential communication obligations that BlueCross must follow. GHP will promptly notify BlueCross in writing of the termination of any such restriction agreement or confidential communication requirement and, with respect to termination of any such restriction agreement, instruct BlueCross whether any of GHP's Protected Health Information will remain subject to the terms of the restriction agreement.

4. Privacy Obligation Breach and Security Incidents.

a. Reporting.

i. Privacy Breach. BlueCross will report to GHP any use or disclosure of GHP's Protected Health Information not permitted by the ASA and this HIPAA Agreement or in writing by GHP. In addition, BlueCross will report, following discovery and without unreasonable delay, but in no event later than ten (10) business days following discovery, any "Breach" of "Unsecured Protected Health Information" as these terms are defined by the Breach Notification Regulation. BlueCross shall cooperate with GHP in investigating the Breach and in meeting the GHP's obligations under the Breach Notification Regulation and any other security breach notification laws.

ii. Any such report shall include the identification (if known) of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by BlueCross to have been, accessed, acquired, or disclosed during such Breach. BlueCross will make the report to GHP's Privacy Division not more than Twenty (20) business days after BlueCross' notice pursuant to subsection (i). BlueCross will report the following as information is available:

A) Identify the nature of the non-permitted access, use or disclosure, including the date of the Breach and the date of discovery of the Breach;

B) Identify GHP's Protected Health Information accessed, used or disclosed as part of the Breach (e.g., full name, social security number, date of birth, etc.); and

C) Identify who made the non-permitted access, use or disclosure and who received the non-permitted disclosure.

iii. Security Incidents. BlueCross will report to GHP any attempted or successful (A) unauthorized access, use, disclosure, modification, or destruction of GHP's Electronic Protected Health Information or (B) interference with BlueCross' system operations in BlueCross' information systems, of which BlueCross becomes aware. BlueCross will make this report upon GHP's request, except if any such security incident resulted in a disclosure of GHP's Protected Health Information not permitted by this HIPAA Agreement, BlueCross will make the report in accordance with Section 4(a)(i) above.

b. Termination of Agreement.

i. Right to Terminate for Breach. GHP may terminate ASA if it determines, in its sole discretion, that BlueCross has breached any provision of this HIPAA Agreement and upon written notice to BlueCross of the breach, BlueCross fails to cure the breach within Thirty (30) days after receipt of the notice. GHP may exercise this right to terminate Agreement by providing BlueCross written notice of termination, stating the failure to cure the breach of the HIPAA Agreement that provides the basis for the termination. Any such termination will be effective immediately or at such other date specified in GHP's notice of termination. If for any reason GHP determines that BlueCross has breached the terms of this HIPAA Agreement and such breach has not been cured, but GHP determines that termination of the Agreement is not feasible, GHP may report such breach to the DHHS.

ii. BlueCross may terminate Agreement if it determines, after reasonable consultation with GHP, that GHP has breached any material provision of this HIPAA Agreement and upon written notice to GHP of the breach, GHP fails to cure the breach within Thirty (30) days after receipt of the notice. BlueCross may exercise this right to terminate Agreement by providing GHP written notice of termination, stating the failure to cure the breach of the HIPAA Agreement that provides the basis for the termination. Any such termination will be effective upon such reasonable date as the parties mutually agree. If BlueCross reasonably determines that GHP has breached the terms of this HIPAA

Agreement and such breach has not been cured, but BlueCross and GHP mutually determine that termination of the Agreement is not feasible, BlueCross may report such breach to the DHHS.

c. Obligations on Termination.

i. Return or Destruction of GHP's Protected Health Information as Feasible. Upon termination or other conclusion of Agreement, BlueCross will, if feasible, return to GHP or destroy all of GHP's Protected Health Information in whatever form or medium, including all copies thereof and all data, compilations, and other works derived therefrom that allow identification of any individual who is a subject of GHP's Protected Health Information. BlueCross will require any subcontractor or agent, to which BlueCross has disclosed GHP's Protected Health Information as permitted by Section 1(e) of this HIPAA Agreement, to if feasible return to BlueCross (so that BlueCross may return it to GHP) or destroy all of GHP's Protected Health Information in whatever form or medium received from BlueCross, including all copies thereof and all data, compilations, and other works derived therefrom that allow identification of any individual who is a subject of GHP's Protected Health Information, and certify on oath to BlueCross that all such information has been returned or destroyed. BlueCross will complete these obligations as promptly as possible, but not later than Sixty (60) days following the effective date of the termination or other conclusion of Agreement.

ii. Procedure When Return or Destruction Is Not Feasible. BlueCross will identify any of GHP's Protected Health Information, including any that BlueCross has disclosed to subcontractors or agents as permitted by Section 1(e) of this HIPAA Agreement, that cannot feasibly be returned to GHP or destroyed and explain why return or destruction is infeasible. Where GHP agrees that such return or destruction is infeasible, BlueCross will limit its further use or disclosure of such information to those purposes that make return or destruction of such information infeasible. If GHP does not agree, subparagraph A above shall apply. BlueCross will require such subcontractor or agent to limit its further use or disclosure of GHP's Protected Health Information that such subcontractor or agent cannot feasibly return or destroy to those purposes that make the return or destruction of such information infeasible. BlueCross will complete these obligations as promptly as possible, but not later than Sixty (60) days following the effective date of the termination or other conclusion of Agreement.

iii. Continuing Privacy and Security Obligation. BlueCross' obligation to protect the privacy and safeguard the security of GHP's Protected Health Information as specified in this HIPAA Agreement will be continuous and survive termination or other conclusion of Agreement and this HIPAA Agreement.

iv. Other Obligations and Rights. BlueCross' other obligations and rights and GHP's obligations and rights upon termination or other conclusion of Agreement will be those set out in the ASA.

d. Indemnity. BlueCross will indemnify and hold harmless GHP and any GHP affiliate, officer, director, employee or agent from and against any claim, cause of action, liability, damage, cost or expense, including attorneys' fees and court or proceeding costs, arising out of or in connection with any non-permitted use or disclosure of GHP's Protected Health Information or other breach of this HIPAA Agreement by BlueCross or any subcontractor or agent under BlueCross' control.

i. Right to Tender or Undertake Defense. If GHP is named a party in any judicial, administrative or other proceeding arising out of or in connection with any non-permitted use or disclosure of GHP's Protected Health Information or other breach of this HIPAA Agreement by BlueCross or any subcontractor or agent under BlueCross' control, GHP will have the option at any time either (A) to tender its defense to BlueCross, in which case BlueCross will provide qualified attorneys, consultants, and other appropriate professionals to represent GHP's interests at BlueCross' expense, or (B) undertake its own defense, choosing the attorneys, consultants, and other appropriate professionals to represent its interests, in which case BlueCross will be responsible for and pay the reasonable fees and expenses of such attorneys, consultants, and other professionals.

ii. Right to Control Resolution. GHP will have the sole right and discretion to settle, compromise or otherwise resolve any and all claims, causes of actions, liabilities or damages against it, notwithstanding that GHP may have tendered its defense to BlueCross. Any such resolution will not relieve BlueCross of its obligation to indemnify GHP under this Section 4(c).

5. General Provisions.

a. Inspection of Internal Practices, Books, and Records. BlueCross will make its internal practices, books, and records relating to its use and disclosure of GHP's Protected Health Information available to GHP and to DHHS to determine GHP's compliance with the Privacy Rule, 45 C.F.R. Part 164, Subpart E.

b. Definitions. The terms "Covered Entity," "Electronic Protected Health Information," "Protected Health Information," "Standard," "Trading Partner Agreement," and "Transaction" have the meanings set out in 45 C.F.R. § 160.103. The term "Standard Transaction" has the meaning set out in 45 C.F.R. § 162.103. The term "Required by Law" has the meaning set out in 45 C.F.R. § 164.103. The terms "Health Care Operations," "Payment," "Research," and "Treatment" have the meanings set out

in 45 C.F.R. § 164.501. The term "Limited Data Set" has the meaning set out in 45 C.F.R. § 164.514(e). The term "use" means, with respect to Protected Health Information, utilization, employment, examination, analysis or application within Business Associate. The terms "disclose" and "disclosure" mean, with respect to Protected Health Information, release, transfer, providing access to or divulging to a person or entity not within Business Associate. For purposes of this HIPAA Agreement, GHP's Protected Health Information encompasses GHP's Electronic Protected Health Information. Any other capitalized terms not identified here shall have the meaning as set forth in the HIPAA Rules.

c. Amendment to Agreement. Upon the compliance date of any final regulation or amendment to final regulation promulgated by DHHS that affects BlueCross' use or disclosure of GHP's Protected Health Information or Standard Transactions, the Agreement and this HIPAA Agreement will automatically amend such that the obligations imposed on BlueCross remain in compliance with the final regulation or amendment to final regulation.

d. Other Acceptable Forms of this HIPAA Agreement. The following shall have the same legal effect as an original: facsimile copy, imaged copy, scanned copy, or an electronic version.

e. Communications. Member requests or other communications or notices required or contemplated by this HIPAA Agreement shall be in writing and shall be delivered by hand, by overnight courier service, or by first class mail, postage prepaid, addressed to the appropriate party at the address below, or to such other party or address as may be hereafter specified by written notice:

**BlueCross BlueShield of Tennessee, Inc.**

Privacy Office 1.4  
1 Cameron Hill Circle  
Chattanooga, TN 37402  
Telephone: 888-455-3824

Member requests or other communications or notices shall be considered effectively given as of the date of hand delivery; as of the date specified for overnight courier service delivery; or as of Three (3) business days after the date of mailing.

6. Conflicts. The terms and conditions of this HIPAA Agreement will override and control any conflicting term or condition of the ASA. All non-conflicting terms and conditions of the ASA remain in full force and effect.

IN WITNESS WHEREOF, GHP and BlueCross execute this HIPAA Agreement in multiple originals to be effective on the last date written below.

**BLUE CROSS BLUE SHIELD  
OF TENNESSEE, INC.**

**CITY OF KINGSPORT, TN**

By: \_\_\_\_\_  
Printed Name: John Maki  
Title: Vice President, Sales and  
Account Management  
Date: October 18, 2016  
Address: 1 Cameron Hill Circle  
Chattanooga, TN 37402

By: \_\_\_\_\_  
Printed Name: Mike McIntire  
Title: Vice Mayor  
Date: 12/29/2016  
Address: \_\_\_\_\_

ATTEST:  
  
DEPUTY CITY RECORDER

APPROVED AS TO FORM:  
  
CITY ATTORNEY

**EXHIBIT R TO THE ADMINISTRATIVE SERVICES AGREEMENT is RESERVED**

**EXHIBIT S TO THE ADMINISTRATIVE SERVICES AGREEMENT  
AUDITS and RECORDS**

1. Audit of BlueCross.
  - 1.1. Audits Generally. During the term of this Agreement, Employer may audit BlueCross, at Employer's own expense, in accordance with the following requirements:
    - 1.1.1. Employer shall provide a written audit request to BlueCross at least 45 days in advance of the requested audit date. Such request shall include the requested audit date, the requested auditor, the manner of compensation for the auditor, and information about the nature, purpose, scope and objectives of the audit.
    - 1.1.2. Employer and BlueCross will agree on an independent, third party auditor to conduct the audit ("Auditor").
    - 1.1.3. The audit shall be conducted in accordance with the terms of BlueCross's standard audit agreement and this Agreement. The audit agreement shall be finalized and executed by BlueCross, the Auditor, and Employer prior to the commencement of the audit.
    - 1.1.4. The audit shall be limited in scope to claims paid within the 12 months prior to the date the Audit Agreement is executed by the final signatory ("Audit Time Period").
    - 1.1.5. Employer agrees that its audit rights are limited to BlueCross and do not extend to BlueCross's vendors or subcontractors. Any BlueCross audit shall be performed based on the information in BlueCross's records.
    - 1.1.6. With respect to any audit, claims adjustments will be based on actual claims reviewed and not upon sampling, statistical projections or extrapolations.
    - 1.1.7. The Parties agree that claims adjudicated following BlueCross's claims processing guidelines shall be deemed to have been properly adjudicated, including, but not limited to, the claims processed through the BlueCard program.
    - 1.1.8. BlueCross shall be required to supply only such information which is in its possession and which is reasonably necessary for Employer to administer the Plan or for the auditor to perform its duties provided in the mutually agreed upon agreement, provided that such disclosure is not prohibited by any third party contracts to which BlueCross is a signatory or any requirements of the law. Employer hereby represents that, to the extent any disclosed information contains personally identifiable or health information about a Member, the Member has authorized disclosure to Employer or Employer otherwise has the legal authority to have access to such information.
    - 1.1.9. Employer shall not hire a third party to conduct a contingent fee audit, where the third party's compensation, in whole or in part, is based on a percentage of errors (or savings, or uncovered recoveries, etc.), which may be found by the third party in its audit. BlueCross may request, and Employer will provide, the proposal for compensation of any requested auditor.
  - 1.2. Medical Claims Audits.
    - 1.2.1. While this Agreement is in effect, Employer may perform one medical claims audit during each calendar year.
    - 1.2.2. After the termination of this Agreement by either Party and any applicable run-out period, Employer may perform one medical claims audit during the 15 months after the effective date of termination. With respect to medical claims audits, medical claims include claims for Provider Administered Specialty Pharmacy Products when BlueCross has agreed to administer those claims.
    - 1.2.3. The only claims subject to audit are those claims paid during the Audit Time Period. Any claims paid prior to the Audit Time Period shall not be subject to audit.
    - 1.2.4. For each Audit Time Period, no more than 250 claims shall be selected for review.
    - 1.2.5. Claims audits will be conducted using the Benefit Plan approved by and in the possession of BlueCross and that was in effect at the time the claims being audited were adjudicated. Submitting the Benefit Plan to BlueCross later than six (6) months after the start of the applicable Benefit Period will cause Employer to lose its right to audit that Benefit Period.
  - 1.3. Pharmacy Claims Audits.
    - 1.3.1. While this Agreement is in effect, Employer may perform one pharmacy claims audit during each calendar year.
    - 1.3.2. After the termination of this Agreement by either Party and any applicable run-out period, Employer may perform one pharmacy claims audit during the 15 months after the effective date of termination.
    - 1.3.3. The only claims subject to audit are those claims paid during the Audit Time Period. Any claims paid prior to the Audit Time Period shall not be subject to audit.
    - 1.3.4. For each Audit Time Period, no more than 250 claims shall be selected for review.
    - 1.3.5. Claims audits will be conducted using the Benefit Plan approved by and in the possession of BlueCross and that was in effect at the time the claims being audited were adjudicated. Submitting the Benefit Plan to BlueCross later than six (6) months after the start of the applicable Benefit Period will cause Employer to lose its right to audit that Benefit Period.
  - 1.4. Clinical Process Audits.

- 1.4.1. In lieu of an audit identified above, Employer may perform one clinical process audit during each calendar year that this Agreement is in effect.
  - 1.4.2. Employer shall have no right to conduct a clinical process audit upon termination of this Agreement.
  - 1.4.3. The only processes subject to audit are those processes that were performed by BlueCross during the Audit Time Period. Any process performed by BlueCross prior to the Audit Time Period shall not be subject to audit.
  - 1.4.4. With respect to a clinical process audit, the audit, scope and methodology will be consistent with generally acceptable auditing standards.
  - 1.4.5. For each Audit Time Period, no more than 25, randomly selected case files shall be reviewed as part of a clinical process audit.
2. Reports. BlueCross will provide to Employer reports as specified in Exhibit B.
  3. Books and Records. BlueCross shall maintain books and records directly related to its payment of claims on behalf of Employer pursuant to this Agreement, in accordance with its customary business practices. Upon execution of an applicable agreement relating to use and confidentiality, BlueCross shall make such books and records available for inspection by authorized representatives of Employer at BlueCross's home office, during normal business hours, upon reasonable advance written request, at Employer's expense, during the term of this Agreement and for 6 years from the date of the Final Settlement. The required agreement shall be determined by BlueCross based on the intended use of the information.

**EXHIBIT T TO THE ADMINISTRATIVE SERVICES AGREEMENT IS RESERVED**  
**EXHIBIT U TO THE ADMINISTRATIVE SERVICES AGREEMENT IS RESERVED**  
**EXHIBIT V TO THE ADMINISTRATIVE SERVICES AGREEMENT IS RESERVED**

**EXHIBIT W TO THE ADMINISTRATIVE SERVICES AGREEMENT**  
**SHARED SAVINGS**

BlueCross will perform recovery services in the identified areas and, as compensation for these services, BlueCross will retain a percentage of any recovery ("Shared Savings") as identified below. Shared Savings will be taken in accordance with BlueCross's administrative processes. Shared Savings will be reconciled via reporting updated on a weekly basis.

1. Legal Recoveries. BlueCross may represent the interest of Employer in any litigation against a third party where the claims are related to subrogation or overpayments for pharmaceutical products, medical devices, durable medical equipment/supplies, and/or other such claims resulting in causes of action described below. This representation grants BlueCross the ability to identify, pursue, negotiate settlements of, and/or recover direct legal or equitable claims related to the services performed pursuant to this Agreement. Employer grants to BlueCross the specific authority and discretion to opt Employer in or out of any class or direct settlement in which both BlueCross and/or Employer may be considered class members or settling parties, and the authority to pursue any recoveries for claims paid as a result of fraud, abuse or other inappropriate action by a third party. These claims include, but are not limited to, all legal claims Employer can assert whether based on common law or statute, such as RICO, antitrust, deceptive trade practices, consumer fraud, insurance fraud, unjust enrichment, breach of fiduciary duty, breach of contract, breach of covenant of good faith and fair dealing, torts (including fraud, negligence and product liability), breach of warranty, medical monitoring, false claims and kickbacks. If BlueCross obtains a recovery from any of these efforts, BlueCross will reimburse Employer's pro rata share of the recovery. This share is calculated from the Employer's claims history of Covered Members at the time of such recovery, less the Employer's pro rata share of the costs, if any, fees paid to outside counsel and any other costs incurred in obtaining a recovery. BlueCross will not charge the Employer for any costs if BlueCross does not obtain a recovery that exceeds those costs. The authority granted herein survives the termination of this Agreement.
  - 1.1. Subrogation Recoveries.
    - 1.1.1. BlueCross will enforce Employer's subrogation rights. For all subrogation recoveries received on or after January 1, 2023, BlueCross will retain a fee of 39% of the gross subrogation recovery. Employer is responsible for payment of: (a) any outside attorneys' fees incurred in enforcing Employer's subrogation rights; and (b) any other expenses arising in connection with litigation to enforce its subrogation interest, including, but not limited to, court costs and discovery expenses.
    - 1.1.2. For any recoveries received before the Process Conclusion Date, BlueCross will deduct its fee, and any expenses associated with the litigation. The remaining amount is the net recovery, and the amount that Employer will receive as a credit.
  - 1.2. Mass Tort Recoveries.



- 1.2.1. BlueCross will perform mass tort recoveries on behalf of Employer. BlueCross will retain a fee of 39% of all mass tort recoveries received on or after January 1, 2023.
- 1.2.2. For any recoveries received before the Process Conclusion Date, BlueCross will deduct its fee, the attorneys' fee (if any) and any other litigation expenses from each recovery amount received. This net recovery is the amount that Employer will receive as a credit.
- 1.3. Class Action Recoveries.
  - 1.3.1. BlueCross will perform class action recoveries on behalf of Employer. BlueCross will retain a fee of 39% of all class action recoveries received on or after January 1, 2023.
  - 1.3.2. For any recoveries received before the Process Conclusion Date, BlueCross will deduct its fee, the attorneys' fee (if any) and any other litigation expenses from each recovery amount received. This net recovery is the amount that Employer will receive as a credit.
2. Audit Services. BlueCross will conduct audits in varying manners and forms, including but not limited to, pre-payment claims audits, post-payment claims audits, eligibility overpayment audits, and provider audits. BlueCross, in its sole discretion, will determine when and how to conduct such activities and nothing in this Agreement shall limit BlueCross's right or authority to conduct such activities. When BlueCross identifies an overpayment or prevents an overpayment from occurring as a result of these activities, BlueCross will retain 39% of any such overpayment recoveries or overpayment prevention savings. Savings are determined at the time of the initial audit finding. For audit services performed before the Process Conclusion Date, BlueCross will credit Employer for any savings, less the BlueCross retention amount, as appropriate.
3. Enhanced Payment Integrity Services. BlueCross, or its delegate, may conduct pre-payment and post payment enhanced payment integrity reviews. BlueCross, or its delegate, will determine whether and in what manner to conduct such activities, and notwithstanding any provision of this Agreement to the contrary, Employer authorizes BlueCross to conduct such activities. When the enhanced pre-payment or post payment integrity review identifies an overpayment or prevents an overpayment from occurring, BlueCross will retain 39% of any such recoveries or prevention savings. Savings are determined at the time of the initial audit finding.
4. Coordination of Benefit Services. BlueCross will conduct coordination of benefits activities. BlueCross, in its sole discretion, will determine when and how to conduct such activities and nothing in this Agreement shall limit BlueCross's right or authority to conduct such activities. When BlueCross identifies an overpayment or prevents an overpayment from occurring as a result of these activities, BlueCross will retain 39% of any such overpayment recoveries or overpayment prevention savings. Savings are determined at the time of the initial finding. For coordination of benefit services performed before the Process Conclusion Date, BlueCross will credit Employer for any savings, less the BlueCross retention amount, as appropriate.
5. Provider Administered Specialty Pharmacy Product Rebates. BlueCross may receive rebates and other consideration related to claims for Provider Administered Specialty Pharmacy Products ("Provider Administered Specialty Pharmacy Product Rebates"). BlueCross retains 100% of Provider Administered Specialty Product Rebates. Contractual obligations to BlueCross that require payment of a penalty or other amount to BlueCross if contractual obligations are not met are specifically excluded from the definition of Provider Administered Specialty Pharmacy Product Rebates and shall be retained by BlueCross.
6. Pharmacy Rebates.
  - 6.1. For Pharmacy Rebates based on service dates occurring on or after January 1, 2017, Employer will receive 100% of Pharmacy Rebates (as defined in Pharmacy Services Exhibit).
7. Out-of-Network Cost Management Program. When permitted by Association rules and guidelines, BlueCross will calculate a reduction in billed charges for Members' claims for Covered Services received from Out-of-Network Providers (as defined in Exhibit C, Section 5.4). Claims eligible for this service must meet BlueCross's established criteria. As consideration for this service, BlueCross shall receive a fee of fifteen percent (15%) of the reduction of billed charges. This program excludes claims subject to the No Surprises Act.

**EXHIBIT X TO THE ADMINISTRATIVE SERVICES AGREEMENT IS RESERVED**

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement set out herein that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION IV. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

SECTION V. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21<sup>st</sup> day of April. 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY



An Independent Licensee of the Blue Cross and Blue Shield Association

**ADMINISTRATIVE SERVICES AGREEMENT  
BETWEEN  
BLUECROSS BLUESHIELD OF TENNESSEE, INC.  
AND  
CITY OF KINGSPORT, TN**

This Administrative Services Agreement (the “Agreement”), is by and between City of Kingsport, TN (“Employer”) and BlueCross BlueShield of Tennessee, Inc. (“BlueCross”), and is effective as stated in Section 3.1 of this Agreement. Employer and BlueCross may be individually referred to in this Agreement as a “Party” and are collectively referred to in this Agreement as the “Parties”.

**WHEREAS**, Employer has established a self-funded Employee Welfare Benefit Plan; however, Employer represents that this Employee Welfare Benefit Plan (“Plan”) is not subject to ERISA;

**WHEREAS**, BlueCross offers to sponsors of self-funded employee welfare benefit plans certain administrative and related services in connection with such sponsors’ administration of their plans; and

**WHEREAS**, Employer seeks for BlueCross to provide, and BlueCross agrees to provide, administrative services to and on behalf of Employer and the Plan as set forth in this Agreement.

**NOW THEREFORE**, in consideration of the promises, covenants, representations, and warranties set forth herein, and other consideration, the sufficiency of which is hereby acknowledged, the Parties each hereby agree as follows:

**ARTICLE I – RESPONSIBILITIES OF THE PARTIES**

- 1.1. BlueCross. BlueCross shall provide administrative claims payment services in accordance with the terms of the Benefit Documents, shall perform other services as set forth in this Agreement, and shall perform other duties specifically assumed by BlueCross pursuant to this Agreement. BlueCross does not assume any financial risk or obligation with respect to Approved Claims or the Plan. BlueCross shall perform its services and duties in accordance with the terms of this Agreement and applicable law and will administer the benefits in accordance with BlueCross’s customary administrative standards and practices and generally accepted standards applicable to claims administration, including other licensees of the Association. To the extent Employer or the Plan engages a third-party Employer Service Vendor to administer certain benefits under the Plan, Employer hereby acknowledges and agrees that (i) BlueCross, BlueCross’ Affiliates, and their subcontractors or assigns shall have no responsibility for any act, error, or omission of such Employer Service Vendor or with respect to the performance of such Employer Service Vendor and (ii) to the extent permitted under the Tennessee Governmental Tort Liability Act (GTLA), Tenn. Code Ann. § 29-20-101 *et seq.*, Employer shall remain fully responsible and liable for the acts or omissions of all Employer Service Vendors.

- 1.2. Employer. Employer shall perform the obligations set forth in this Agreement, including maintaining the Plan in accordance with applicable law, providing information to BlueCross regarding the Plan and Members necessary to administer the Plan, and timely funding and payment of Approved Claims and ASFs.
- 1.3. Benefit Documents. Employer shall provide BlueCross with a current, detailed, accurate copy of the Benefits Documents, which are attached hereto as Exhibit A (“Benefit Documents”). Employer shall notify BlueCross of any changes Employer intends to make to the terms and/or conditions of the Benefit Documents or the Plan. Notification shall be made sufficiently in advance of any such changes so as to permit BlueCross reasonable time to review and/or implement such changes. It is Employer’s obligation to ensure all Benefit Documents, whether or not produced by BlueCross, meet the requirements of applicable laws. Employer agrees that all Association-mandated language shall be included in its Benefit Documents. BlueCross shall not be responsible for administering any Benefit Document that has not been reviewed and accepted by BlueCross. Until Employer has approved changes to the Benefits Documents, BlueCross will administer the quoted benefits according to the descriptions contained in Employer’s Benefits Documents last accepted by BlueCross.
- 1.4. Stop Loss Coverage. Employer has entered into a stop loss arrangement with a stop loss vendor. BlueCross’s duties with regard to this stop loss arrangement are set forth in Exhibit C.
- 1.5. Fiduciary Responsibility. Employer is solely responsible for the fiduciary responsibilities of administering its Plan and maintaining adequate funding to support the Plan, determining eligibility under the Plan, and preparing and providing its covered employees with copies of Benefit Documents. Although Employer’s Plan is not subject to ERISA, Employer acknowledges that BlueCross is acting in a ministerial capacity and is not the “Administrator,” the “Claims Fiduciary,” nor the “Named Fiduciary” of Employer’s Plan, as those terms are defined in ERISA. The “Plan Administrator” of the Plan, as that term is defined in ERISA, is Employer.
- 1.6. Claims Funding. Employer shall timely pay to BlueCross the invoiced amount for Approved Claims. BlueCross shall notify Employer weekly of the estimated amounts necessary to fund payment of the Approved Claims. Employer shall then appropriately fund the Approved Claims in accordance with this Agreement. Nothing in this Agreement shall obligate or shall be deemed to obligate BlueCross to use its funds to satisfy any of Employer’s obligations pursuant to this Agreement or Plan benefits. Employer’s assets and amounts contributed by Members, if applicable, are the only source(s) of funding and payment of Approved Claims or any other benefit provided under the Plan.
- 1.7. Administrative Services Fees (“ASF(s)”). Employer shall timely pay ASFs in accordance with the Agreement. The initial ASF shall be due and payable on the Effective Date of this Agreement.

## ARTICLE II – CONFIDENTIALITY

### 2.1. Confidential Information.

- 2.1.1. Notwithstanding anything in this Agreement to the contrary, the parties acknowledge that Employer is subject to the Tennessee Open Records Act, set

out in Tenn Code Ann. § 10-7-503 *et seq.*, and any documents, materials, or attachments/exhibits, including the Agreement and the information contained in the Agreement, in any format, including but not limited to, paper, electronic, or virtual, are public records pursuant to the Tennessee Open Records Act, are not confidential, and are subject to disclosure in whole or in part to any citizen of Tennessee, without regard to any provision contained in the Agreement declaring information confidential. Records not otherwise made confidential by Tennessee law are public records. To the extent permitted under TORA, The Parties acknowledge that this Agreement and Confidential Information shall be treated as confidential, proprietary and trade secret information. Employer further acknowledges and agrees that BlueCross Confidential Information relating to provider identifiable information, payment rates and discounts, fee schedules, allowed amounts, policies and procedures and/or all other information in which BlueCross has proprietary interest, is proprietary and a valuable trade secret of BlueCross and that any disclosure or unauthorized use thereof will cause irreparable harm and loss to BlueCross. Notwithstanding the foregoing, BlueCross agrees to provide to Employer information reasonably requested by Employer in BlueCross' possession to the extent required for Employer to meet its disclosure obligations with respect to the Plan under applicable law.

2.1.2. The Parties agree that any Protected Health Information that is commingled with Confidential Information disclosed under this Agreement shall be subject to the Business Associate Agreement between the Parties.

2.2. Uses and Disclosures of Confidential Information. Neither Party shall use or disclose the Confidential Information of the other Party, except as permitted herein.

2.2.1. BlueCross's Release or Disclosure. BlueCross may disclose Employer's Confidential Information to providers within BlueCross's networks, to BlueCross's affiliates and other licensees of the Association, and BlueCross's Representatives who: (A) need to know such Employer Confidential Information for performance of responsibilities related to the Plan and/or this Agreement; and (B) are under a duty or obligation of confidentiality at least as restrictive as those set forth in this Agreement. BlueCross may also disclose Employer's Confidential Information pursuant to a valid subpoena, administrative order or court order.

2.2.2. Employer's Release or Disclosure of Confidential Information. Employer shall use BlueCross Confidential Information solely for the purpose of administering Employer's Plan. Employer shall not disclose BlueCross's Confidential Information to a third party, including an Employer Service Vendor, unless the parties enter into an executed information sharing agreement with the third party pursuant to this Section 2.2.2. BlueCross may disclose Confidential Information of Employer to an Employer Service Vendor for Plan administration as directed by Employer, provided, however that (A) BlueCross, Employer and such Employer Service Vendor first must enter into an information sharing agreement approved by BlueCross authorizing BlueCross to disclose Confidential Information to such Employer Service Vendor, (B) any such disclosure shall be subject to the requirements of applicable laws and regulations and their implementing guidance, the policies and procedures of the Association, this Agreement, and such fully-executed information sharing agreement, and (C) the Parties acknowledge and agree that, notwithstanding the foregoing, BlueCross is under no obligation to

release BlueCross Confidential Information at any time. Any information sharing agreement adopted pursuant to this section shall include:

- 2.2.2.1. Written authorization by Employer to release the Confidential Information to the Employer Service Vendor and a statement that Employer has entered into a business associate agreement with such Employer Service Vendor as required by HIPAA;
- 2.2.2.2. A statement that the Employer Service Vendor must have such information in order to perform their job as it relates to the administration of the Plan;
- 2.2.2.3. Protections for the Confidential Information;
- 2.2.2.4. Prohibitions against use of the data to obtain trade secrets, confidential business information, personally identifiable information, or otherwise use in a competitive manner against BlueCross or other licensees of the Association;
- 2.2.2.5. A statement by the Employer and Employer Service Vendor that the disclosure of the Confidential Information is limited to the minimum necessary to fulfill the purpose for which it will be disclosed;
- 2.2.2.6. A detailed description of the intended use (and any impermissible uses) of the Confidential Information;
- 2.2.2.7. A statement that the Confidential Information will not be resold or otherwise commercialized by Employer Service Vendor or any other person;
- 2.2.2.8. The right for BlueCross to confirm, through an audit, that the Confidential Information is not being used or disclosed in an impermissible manner;
- 2.2.2.9. A statement that the Confidential Information will be returned or securely destroyed by the Employer Service Vendor when it is no longer needed for the purpose for which it was disclosed;
- 2.2.2.10. A statement that the Employer Service Vendor will notify BlueCross when the Employer Service Vendor's ownership changes;
- 2.2.2.11. A statement that the Employer Service Vendor will defend or settle and/or hold harmless and indemnify BlueCross, as well as its officers and employees, from all claims, losses, or suits resulting from the Employer Service Vendor's breach of the information sharing agreement or its unauthorized use or disclosure of Confidential Information;
- 2.2.2.12. A statement that the Employer Service Vendor will comply with all laws, rules and regulations applicable to the sharing of information that includes Confidential Information contemplated under the information

sharing agreement and that failure to comply with such laws shall be considered a material breach of such agreement; and

- 2.2.2.13. Any other requirement BlueCross deems necessary based on the intended use of the Confidential Information.
- 2.2.3. Right of Refusal. BlueCross reserves the right to refuse to release: (A) Confidential Information if BlueCross determines, in its sole discretion, that such release has the potential to damage BlueCross, including its reputation or competitive position in the market, or (B) any information BlueCross reasonably believes it cannot divulge due to applicable state or federal laws, Association provisions, applicable privileges or judicial or administrative orders. In no instance shall Employer itself, nor shall Employer allow a third party to, use or disclose BlueCross's Confidential Information: (A) to be aggregated with information of other third parties; (B) for the commercial purposes of any person; or (C) to compete directly or indirectly against BlueCross.
- 2.3. Rights in Data. The Parties agree that BlueCross owns claim or payment data (including any Confidential Information) recorded for or otherwise integrated into BlueCross's data, BlueCross claims processing or other systems, or BlueCross Confidential Information.
- 2.4. Legally Compelled. Employer may disclose Confidential Information if legally compelled by a valid judicial or administrative order; provided however, that Employer shall make every attempt to keep BlueCross's Confidential Information confidential, shall only disclose the minimum information necessary to comply with the order, shall provide written notice to BlueCross immediately upon making the determination that BlueCross's Confidential Information must be disclosed and shall only disclose the information after BlueCross has been notified and has the opportunity to consent to or challenge such disclosure.
- 2.5. Protected Health Information. The Parties have entered into a Business Associate Agreement, the terms of which control the use and disclosure of Protected Health Information, as defined by HIPAA.
- 2.6. Survival. This Article 2 shall survive termination of the Agreement.

### ARTICLE III – TERM AND TERMINATION

- 3.1. Term. This Agreement becomes effective at 12:01 A.M. Eastern Time on January 1, 2026 (the "Effective Date") and shall remain in effect until the earliest of the following:
- 3.1.1. Until December 31, 2026, unless Employer and BlueCross agree in a writing executed by both Parties to extend the term prior to December 31, 2026;
- 3.1.2. After the Initial Term of the Agreement, either Party may terminate the Agreement by giving the other Party no less than sixty (60) days advance written notice of the terminating Party's intent to terminate the Agreement as of the date specified in such notice.
- 3.1.3. Any other date mutually agreed upon by the Parties; or

- 3.1.4. The occurrence of any of the events specified in Section 3.2.
- 3.2. Termination by BlueCross. Notwithstanding the provisions of Section 3.1 above, this Agreement shall terminate upon the occurrence of any of the following events, as determined by BlueCross. Such termination shall be effective as of the date identified by BlueCross in its notice of termination to the Employer, and the Parties acknowledge that the termination may be retroactively effective.
- 3.2.1. Employer's failure to timely provide adequate funds, as set forth in Exhibit B, as necessary for the payment of Approved Claims;
- 3.2.2. Employer's failure to pay any ASFs, late payment penalty or other amounts as set forth in Exhibit B or otherwise due to BlueCross under this Agreement;
- 3.2.3. Employer ceases to maintain the Plan;
- 3.2.4. At any time BlueCross reasonably believes that Employer does not have the financial ability to adequately and timely fund claims, and Employer has failed to provide adequate assurances of such ability to BlueCross; or
- 3.2.5. At any time Employer fails to comply with applicable law or otherwise materially breaches this Agreement.
- 3.3. Termination for Invalid Use of BlueCross Confidential Information. If Employer uses or discloses BlueCross's Confidential Information in any manner not authorized by this Agreement, such disclosure shall constitute a material breach that is not subject to cure or correction, and BlueCross may terminate the Agreement immediately pursuant to Section 3.6.3.
- 3.4. BlueCross's Right to Reinstate. BlueCross has the sole discretion to decide whether to reinstate this Agreement if it was terminated pursuant to Subsections 3.2 or 3.3. If BlueCross elects to reinstate this Agreement, Employer shall pay any amounts due and owing under the Agreement prior to its termination plus a reinstatement fee, which shall be twenty-five thousand dollars (\$25,000.00).
- 3.5. Termination by Employer. Employer may terminate this Agreement upon giving BlueCross not less than thirty (30) days advance written notice if the following occurs:
- 3.5.1. BlueCross has been declared insolvent by the State of Tennessee, and its assets and obligations have been turned over to a receiver appointed by the State.
- 3.6. Material Breach.
- 3.6.1. A material breach is the failure by one Party (the "Breaching Party") to perform or carry out a material function or duty required by the terms of this Agreement, where the failure to perform that function or duty seriously impairs the ability to perform of the other Party (the "Non-breaching Party").
- 3.6.2. If the Non-breaching Party determines that a material breach has occurred, it must provide the Breaching Party with written notice and no less than thirty (30) days to cure the breach. If the breach is not cured during such cure period, the Non-



breaching Party may terminate the Agreement effective as of the date set forth in the notice.

- 3.6.3. If the Non-breaching Party determines that the breach is not capable of being cured, the Non-breaching Party may immediately terminate the Agreement upon notice to the Breaching Party, effective as of the date set forth in such notice.
- 3.6.4. If either Party disputes a claimed material breach or that a material breach has been cured or corrected, such Party may immediately request dispute resolution, pursuant to the terms of Article IV of this Agreement.
- 3.7. Effect of Termination. The terms and conditions set forth herein shall be of no further force or effect upon termination of the Agreement, except as follows:
- 3.7.1. The Parties' rights and obligations intended to survive termination of this Agreement shall continue in effect notwithstanding its termination.
- 3.7.2. Termination of this Agreement, except as provided to the contrary herein, shall not affect the rights, obligations and liabilities of the Parties arising prior to termination.
- 3.7.3. The termination of this Agreement does not excuse Employer from paying to BlueCross any and all fees, amounts, reimbursements or claim payments accrued through the date of termination. If termination occurs retroactively, any and all fees, amounts, reimbursements or funding of Approved Claims accrued through the date of termination of the Agreement, including any Run-Out Period, shall be payable to BlueCross by Employer no later than ten (10) days after notice of termination is provided by BlueCross.
- 3.8. Administration After Termination. Provided that Employer has timely paid all outstanding amounts needed to fund Approved Claim and ASFs as of the date the Agreement is terminated and the Agreement has not been terminated by BlueCross pursuant to Sections 3.2, 3.2 or 3.6 of the Agreement, BlueCross, in its sole discretion which shall not be unreasonably withheld, may agree to process Run-Out Claims on behalf of Employer's Plan. The administration of the processing of Run-Out Claims by BlueCross following termination of this Agreement will be subject to the terms of this Agreement, as well as Employer's current and continued timely and sufficient funding of claims payments. Employer acknowledges that there is a separate and distinct administrative fee for BlueCross providing administrative services to pay Run Out Claims, which is set forth in Exhibit B. Any services performed by BlueCross on Employer's behalf after termination of the Agreement will cease no later than 18 months after termination of this Agreement ("Process Conclusion Date").
- 3.9. Final Settlement. BlueCross will complete a final calculation that reconciles any and all claims payments, fund transfers, recoveries received, and other monies potentially due under the Agreement up to the Process Conclusion Date to determine the amount necessary to finalize both Parties' obligations under this Agreement (the "Final Settlement Amount"). BlueCross will send Employer an agreement memorializing the final obligations of the Parties under the Agreement (hereinafter, the "Final Settlement Agreement") approximately two (2) years after termination of this Agreement. Employer will have thirty (30) days from the date of the letter attached to the Final Settlement Agreement to dispute any of the calculations in the Final Settlement Agreement. If Employer has not disputed

the Final Settlement Agreement, or returned a signed Final Settlement Agreement to BlueCross within the provided time period, Employer shall be deemed to have approved and executed the Final Settlement Agreement and BlueCross reserves the right to reduce the Final Settlement Amount to take into account the final amount due BlueCross under the Agreement. Any amounts recovered beyond the Final Settlement shall be retained by BlueCross as reasonable compensation for Services under this Agreement.

#### ARTICLE IV – DISPUTE RESOLUTION

- 4.1. Arbitration. Notwithstanding any other provision in the Agreement to the contrary, arbitration is not permitted and if a dispute arises between the parties concerning any aspect of the Agreement the parties shall endeavor to resolve claims, disputes and other matters in question between them by mediation which shall be administered in accordance with Rule 31 of the Tennessee Rules of the Supreme Court, unless the parties mutually agree otherwise. If the dispute is not resolved any party may resort to resolution of the dispute by litigation in the state or federal courts for Kingsport, Sullivan County, Tennessee. The parties waive their right to a jury trial.

#### ARTICLE V – LIABILITY AND INDEMNIFICATION

- 5.1. BlueCross Indemnification to Employer.
- 5.1.1. BlueCross neither insures nor underwrites any of Employer's obligations or liabilities under the Plan and shall have no obligations to Employer related thereto. BlueCross is responsible solely for its acts and for the acts of its subcontractors and employees acting within the scope of their duties under this Agreement. BlueCross is not responsible for any acts or omissions of Employer or its agents or any third parties, including Employer Service Vendors, associated with or contracted by Employer.
- 5.1.2. BlueCross shall indemnify, defend and hold harmless Employer, its directors, officers and employees against any and all third party Losses arising out of or in connection with BlueCross's gross negligence or willful misconduct in the performance of its obligations under the Agreement, provided, however, that BlueCross shall have no obligation to indemnify and hold harmless under this section if the cause of such Losses was the result of (i) the fault, criminal conduct or fraudulent acts of Employer or any of its directors, officers, employees or agents; (ii) direction given by Employer or its directors, officers, employees or agents in the design or administration of the Plan; (iii) Employer's breach of its fiduciary duties; or (iv) Employer's violation of laws.
- 5.1.3. BlueCross's liability to Employer for Losses pursuant to this Agreement shall be limited to the value of the ASFs received by BlueCross under the Agreement prior to the occurrence of the act, action, or failure to act that forms the basis of BlueCross's liability.
- 5.1.4. Notwithstanding the foregoing, BlueCross's duty to indemnify for Losses and hold Employer harmless pursuant to Subsection 5.1.2 shall not extend to Losses arising out of or in connection with acts or omissions of (i) any Network Providers that provide services to Members, or (ii) any act, error, or omission of any Employer

Service Vendor, or any services such Employer Service Vendor provide(s) to the Employer and/or Plan.

5.2. Employer Indemnification of BlueCross.

5.2.1. Employer. Employer is responsible for making eligibility and benefit determinations in connection with the Plan, timely funding and paying all fees and claims for Covered Services and paying any other expenses related to or arising in connection with the Plan. The Parties acknowledge that a governmental entity, as the same is defined in the Tennessee Code Annotated Section 29-20-102, may be protected by the limitation of liability imposed by the Tennessee Governmental Tort Liability Act, as defined in Tennessee Code Annotated Section 29-20-101 et seq.

5.2.2. To the extent Employer directs BlueCross to administer prescription drug benefits with a traditional pricing model, Employer shall indemnify and hold BlueCross harmless to the greatest extent permitted under law for any and all Losses resulting from or arising out of or in connection Employer's direction to adopt traditional PBM pricing and BlueCross's administration of traditional PBM pricing. The foregoing indemnification and hold harmless obligation shall be in addition to, and not in lieu of, any other indemnification provided by Employer to BlueCross under the Agreement and without regard to any limitation of liability under this Agreement. Further, Employer understands, agrees and acknowledges that (i) BlueCross may decline to provide services in connection with the traditional PBM pricing at any time upon notice to Employer; and (ii) BlueCross assumes no liability for any action taken pursuant to the Employer's direction, the Traditional PBM Pricing, or the Agreement.

5.3. Limitation on Liability. In no event will the measure of Losses payable by either Party to the other include, nor will either Party be liable to the other for, any consequential, indirect, incidental, exemplary, special or punitive damages (including, but not limited to, damages due to business interruption, trading losses, competitive advantage or goodwill) arising from or related to this Agreement, whether or not foreseeable, and regardless of the cause of such damages even if the Party has been advised of the possibility of such damages in advance.

5.4. Legal Actions.

5.4.1. Legal Actions Brought Against BlueCross. If a third party claim is asserted against BlueCross (but not Employer) that is based upon actions taken under this Agreement or the Plan, and litigation, arbitration and/or other legal proceeding ("Action") is commenced against BlueCross:

5.4.1.1. BlueCross will provide written notice to Employer as soon as practicable, but in no event more than one hundred twenty (120) days after BlueCross determines that the Action involves a Member or the Plan. Additionally, BlueCross will provide Employer with information with respect to the status of such Action upon Employer's reasonable request. BlueCross shall select and retain counsel as it deems appropriate in connection with such Action with respect to the interests of BlueCross.

- 5.4.1.2. Employer will provide BlueCross with reasonable cooperation in the defense of such Action, provided however, that BlueCross reserves the right to select its own counsel and otherwise be involved in the Action.
  - 5.4.1.3. Employer shall remain liable for the full amount of any benefits paid under the Plan as a result of such Action, in addition to all costs of legal fees, penalties, interest and other expenses recovered by a Member or provider in connection with the Action. In no event will BlueCross be liable for any amount of benefits paid to a Member or provider under the Plan as a result of any Action, or any legal fees or costs recovered by a Member or provider in connection therewith.
- 5.4.2. Legal Actions Brought Against Employer. If an Action is brought against Employer (and not BlueCross):
- 5.4.2.1. Employer will select and retain counsel and will assume liability for the payment of legal fees, costs and disbursements in connection with such Action.
  - 5.4.2.2. BlueCross will provide Employer with reasonable cooperation in the defense of such Action, provided however that BlueCross reserves its right to select its own counsel and otherwise be involved in the Action as necessary to protect BlueCross's interests.
  - 5.4.2.3. Employer shall be liable for the full amount of any benefits Losses paid under the Plan as a result of such Action, as well as any legal fees, penalties, interest and costs recovered by a Member or provider in connection therewith. In no event will BlueCross be liable for any amount of benefits paid to a Member or provider under the Plan as a result of such Action, or any legal fees or costs recovered by a Member or provider in connection therewith.

## ARTICLE VI – MISCELLANEOUS PROVISIONS

- 6.1. Acceptance by Payment of Fees. BlueCross expects that Employer will demonstrate its acceptance of the terms of this Agreement by executing this Agreement in a reasonable period of time after receiving it from BlueCross. In the event that Employer has not executed the Agreement by the Effective Date, this Agreement will be considered accepted by and binding upon both Parties if and when Employer makes a payment to BlueCross in order to receive the services described in this Agreement.
- 6.2. Amendment. This Agreement may be modified, amended, renewed or extended only upon mutual written agreement.
- 6.3. Assignment. This Agreement may be assigned to a subsidiary or affiliate of Employer upon ninety (90) days prior written notice to, and with the express written consent of, BlueCross. BlueCross shall not unreasonably withhold its consent to any such assignment by Employer.

- 6.4. Binding Effect of Agreement. The Agreement shall be binding upon and inure to the benefit of the Parties, their officers, directors, employees, successors, and assigns unless otherwise set forth herein or agreed to by the Parties hereto.
- 6.5. Impossibility of Performance. If an act or omission by a third party, including governmental entities, Network Providers or vendors, renders the performance of this Agreement illegal, impossible or impractical, the affected Party shall notify the other of the nature of that act or omission (the “Adverse Event.”) The Parties shall meet and, in good faith, attempt to negotiate a modification to this Agreement that minimizes the Adverse Event. Notwithstanding any other provision of this Agreement, if the Parties fail to reach a negotiated modification concerning the Adverse Event, then the affected Party may immediately terminate this Agreement upon giving written notice to the other Party.
- 6.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and such counterparts shall constitute one and the same instrument.
- 6.7. Entire Agreement. This Agreement, including the exhibits and any attachments hereto, all of which are incorporated herein by reference, contains the entire agreement between BlueCross and Employer with respect to the specific subject matter hereof. Any prior agreements, promises, negotiations or representations, either verbal or written, relating to the subject matter of this Agreement and not expressly set forth in this Agreement are of no force and effect. The exhibits and attachments to this Agreement include the following:
- 6.7.1. Exhibit A – Benefit Documents
  - 6.7.2. Exhibit B – Administrative Services Fees
  - 6.7.3. Exhibit C – Duties of and Services Provided by BlueCross
  - 6.7.4. Exhibit D – Medical Management Services Provided by BlueCross
  - 6.7.5. Exhibit E – Duties of Employer
  - 6.7.6. Exhibit F – Automated Clearinghouse (ACH) Authorization Agreement
  - 6.7.7. Exhibit G – Inter-Plan Arrangements
  - 6.7.8. Exhibit H –COBRA Administration Provided by Employer or a Third Party
  - 6.7.9. Exhibit I – Health and Wellness Services
  - 6.7.10. Exhibit J – Reserved
  - 6.7.11. Exhibit K – Reserved
  - 6.7.12. Exhibit L – Reserved
  - 6.7.13. Exhibit M – Online Enrollment Specifications through BlueCross Secured Website
  - 6.7.14. Exhibit N – Grievance Services

- 6.7.15. Exhibit O – Reserved
- 6.7.16. Exhibit P – Pharmacy Services
- 6.7.17. Exhibit Q – Business Associate Agreement
- 6.7.18. Exhibit R – Reserved
- 6.7.19. Exhibit S – Audits and Records
- 6.7.20. Exhibit T – Reserved
- 6.7.21. Exhibit U – Reserved
- 6.7.22. Exhibit V – Reserved
- 6.7.23. Exhibit W – Shared Savings
- 6.7.24. Exhibit X – Reserved
- 6.8. Governing Law. This Agreement is subject to and shall be governed by the laws of the United States and State of Tennessee, without regard to conflict of laws provisions.
- 6.9. Interpretation.
  - 6.9.1. If the provisions of this Agreement are in any way inconsistent with the provisions of the Benefit Documents, then the provisions of this Agreement shall prevail and the other provisions shall be deemed modified to the extent necessary to give effect to such provisions.
  - 6.9.2. If the provisions of this Agreement are in any way inconsistent with the provisions of the Exhibits and Attachments hereto, then the provisions of Exhibits and Attachments shall prevail and the inconsistent provisions of this Agreement shall be deemed modified to the extent necessary to give effect to such provisions.
  - 6.9.3. For purposes of this Agreement, the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”, and the word “or” shall not be exclusive.
- 6.10. Independent Entities.
  - 6.10.1. This Agreement is not intended to create nor deemed or construed to create any relationship between Employer and BlueCross other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this Agreement. Neither the Parties nor their respective directors, officers, employees or representatives shall be construed to be the partner, joint venturer, agent, employer, or representatives of the other Party.
  - 6.10.2. On behalf of itself and its Members, Employer hereby acknowledges its understanding that this Agreement constitutes a contract solely between Employer and BlueCross which is an independent corporation operating under a license from the Association permitting BlueCross to use the BlueCross and BlueShield Service

Marks in the State of Tennessee, and that BlueCross is not contracting as the agent of the Association.

- 6.10.3. Employer acknowledges that BlueCross is independent from any provider rendering services to Members, and that BlueCross is not responsible for any acts or omissions by a provider in rendering care or services to a Member.
- 6.10.4. Employer acknowledges and agrees that it has not entered into this Agreement based upon representations by any person other than BlueCross and that no person, entity, or organization other than BlueCross shall be held accountable or liable to Employer for any of BlueCross's obligations created under this Agreement. This paragraph shall not create any additional obligations whatsoever on the part of BlueCross other than those obligations created under other provisions of this Agreement.
- 6.11. Legal Action. All actions are subject to Article IV, Dispute Resolution.
- 6.12. Notices. Any notice, request, demand or other communication required to be given pursuant to this Agreement shall be in writing, sent by certified or registered mail, return receipt requested, or by Federal Express or other overnight mail delivery for which evidence of delivery is obtained by the sender, to BlueCross or Employer at the addresses set forth below. The notice shall be effective on the date the notice was posted.

If to BCBST:

BlueCross BlueShield of Tennessee, Inc.  
One Cameron Hill Circle  
Chattanooga, TN 37402  
Attn: Vice President Sales & Account Management

With a copy not constituting notice to:

BlueCross BlueShield of Tennessee, Inc.  
One Cameron Hill Circle  
Chattanooga, TN 37402  
Attn: Senior Vice President and General Counsel

If to Employer:

City of Kingsport  
Office of the City Attorney  
415 Broad Street  
Kingsport, TN 37660

- 6.13. No Third Party Rights. Except as specifically provided herein, none of the provisions of this Agreement is intended to create third party rights, status or beneficiaries in any person or entity.
- 6.14. Reserved.
- 6.15. Severability. If any provision of this Agreement is declared illegal, void or unenforceable, the remaining provisions shall remain in force and effect, unless the severance of that provision substantially deprives a Party of the benefit of its bargain or increases the cost of performing its duties pursuant to this Agreement.

- 6.16. Subsidiaries and Affiliates. Any of the functions to be performed by BlueCross under this Agreement may be performed by BlueCross or any of its subsidiaries, affiliates or designees.
- 6.17. Survival. The rights and obligations of the Parties as set forth herein shall survive the termination of this Agreement to the extent necessary to effectuate the intent of the Parties as expressed herein.
- 6.18. Waiver of Breach. Waiver of a breach of any provision of this Agreement shall not be deemed a waiver of any other breach of the same or a different provision.
- 6.19. Other Acceptable Forms of this Document. The following shall have the same legal effect as an original: facsimile copy, imaged copy, scanned copy, and/or an electronic version.

### ARTICLE VII - DEFINITIONS

- 7.1. “Action” means litigation, arbitration and/or other legal proceeding.
- 7.2. “Agreement” means this administrative services agreement entered into by Employer and BlueCross, including all Exhibits and Attachments hereto.
- 7.3. “Approved Claims” means claims processed and approved for payment by BlueCross in accordance with this Agreement.
- 7.4. “ASF(s)” means Administrative Services Fee(s).
- 7.5. “Association” means the BlueCross and BlueShield Association.
- 7.6. “Benefits Documents” means the benefit documents which summarize the benefits of the Employer’s Plan and are attached hereto as Exhibit A.
- 7.7. “BlueCross” means BlueCross and BlueShield of Tennessee, Inc.
- 7.8. “BlueCross Confidential Information” means Confidential Information that BlueCross discloses or authorizes be disclosed to Employer, including BlueCross pricing and payment data and information, such as payment rates, allowed amounts, fee schedules, discounts and payment methodologies; claims data (whether at claim level or aggregated), data and information regarding providers, BlueCross research and technical information; BlueCross’s processes, procedures or policies, and information obtained from and/or about the Association and its programs.
- 7.9. “Confidential Information” means this Agreement and all information or material (whether tangible or intangible) that is shared with or disclosed to the other Party pursuant to this Agreement and the Parties’ relationship, including information identified as proprietary and/or confidential information, information that is confidential as a matter of law (e.g., personnel records), and BlueCross Confidential Information disclosed to Employer. The following shall not constitute Confidential Information for purposes of this Agreement: (a) Confidential Information that is or becomes generally available to the public other than as a result of a disclosure by a Party or its Representatives; (b) Confidential Information that was available to a Party on a non-confidential basis prior to its disclosure by the other Party or its Representatives; (c) Confidential Information that becomes available to a Party



on a non-confidential basis from a third party (other than BlueCross’s affiliates, subsidiaries or vendors or the Association or other licensee of the Association), provided that third party is not known to be subject to any prohibition against transmitting that information; (d) information that was independently developed by a Party without an use of or reference to the Confidential Information of the other Party, as shown by documents and other competent evidence, or (e) Protected Health Information.

- 7.10. “Effective Date” means January 1, 2026.
- 7.11. “Employee Welfare Benefit Plan” shall have the same meaning as defined in ERISA.
- 7.12. “Employer” means City of Kingsport, TN.
- 7.13. “Employer Service Vendor” means any person providing services to or on behalf of the Plan or the Employer in connection with the Plan or under the Agreement and any subcontractor(s) of such Employer Service Vendor.
- 7.14. “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.
- 7.15. “HIPAA” means the Health Insurance Portability and Accountability Act of 1996, as amended, and its implementing regulations, as amended.
- 7.16. “Initial Term” means January 1, 2026 through December 31, 2026.
- 7.17. “Losses” means any and all liability, actions, claims, lawsuits, settlements, judgments, costs, interest, penalties, fines, taxes and expenses, including legal costs, fees and expenses.
- 7.18. “Member” means an eligible Employee or eligible Dependent and as that term is further defined in the Benefit Documents.
- 7.19. “Plan” means the self-funded Employee Welfare Benefit Plan established by Employer for the benefit of its eligible Employees and their eligible Dependents.
- 7.20. “Plan Administrator” means the Employer.
- 7.21. “Representatives” means a Party’s directors, officers, employees, agents, advisors, Business Associates (as such term is defined in HIPAA), contractors and other representatives.
- 7.22. “Run- Out Claims” means those claims incurred for Covered Services performed prior to the termination of this Agreement, but not yet paid and/or not submitted for payment to BlueCross prior to the termination of this Agreement, where the date a claim is “incurred” is the date the particular service was rendered or the supply was furnished
- 7.23. “Subscriber” means an Eligible Employee enrolled in Employer’s Plan.
- 7.24. “Term” means January 1, 2026 through December 31, 2026.
- 7.25. All non-defined, but capitalized terms included in this Agreement are defined in the Benefit Documents.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed by their duly authorized representatives. The undersigned persons hereby warrant that they are duly authorized to bind each of their represented Parties to the terms of this Agreement.

**BLUECROSS BLUESHIELD OF TENNESSEE, INC.**

**CITY OF KINGSFORT, TN**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address: 1 Cameron Hill Circle  
Chattanooga, TN 37402

Address: 415 Broad Street  
Kingsport, TN 37660

Employer ID No. 62-6000323

**EXHIBIT A TO THE ADMINISTRATIVE SERVICES AGREEMENT**

**BENEFIT DOCUMENTS**

Exhibit A consists of the following Benefit Documents

Health Benefit Plan – PPO Options 1 - 3

**EXHIBIT B TO THE ADMINISTRATIVE SERVICES AGREEMENT**

**ADMINISTRATIVE SERVICES FEES (ASFES) AND CLAIMS FUNDING METHODOLOGY**

1. ASFs. Employer shall pay to BlueCross the following ASFs:

1.1. Medical ASF

<b>Rates effective as of:</b>	<b>January 1, 2026</b>	<b>January 1, 2027</b>	<b>January 1, 2028</b>
Admin Fee	\$38.94 per Subscriber per month	\$40.07 per Subscriber per month	\$41.23 per Subscriber per month
<b>Medical Main ASF</b>	<b>\$38.94 per Subscriber per month</b>	<b>\$40.07 per Subscriber per month</b>	<b>\$41.23 per Subscriber per month</b>
<b>Medical Guaranteed ASF</b>	<b>\$38.94 per Subscriber per month</b>	<b>\$40.07 per Subscriber per month</b>	<b>\$41.23 per Subscriber per month</b>
Teladoc Health Base Package	\$0.47 per Subscriber per month	\$0.47 per Subscriber per month	\$0.47 per Subscriber per month
<b>Medical Total ASF</b>	<b>\$39.41 per Subscriber per month</b>	<b>\$40.54 per Subscriber per month</b>	<b>\$41.70 per Subscriber per month</b>

1.1.1. The financial offer above is contingent upon both medical and pharmacy being administered by BlueCross for the duration of the multi-year agreement.

1.1.2. BlueCross may adjust the above fees at any time, under the following circumstances:

1.1.2.1. Changes in the Plan, BlueCross’s duties, legislation, regulation or required assessment or tax that changes BlueCross’ cost in administering the plan;

1.1.2.2. Termination or addition of a subsidiary, operation or class of employees covered under the Agreement;

1.1.2.3. Fluctuation of the number of Subscribers by more than 10% percent by location, state and/or in aggregate. Calculation of the Medical Total ASF was based on 715 Subscribers;

1.1.2.4. Fluctuation of the Member to Subscriber ratio by +/- 0.05. The Medical Total ASF was based on a Member to Subscriber ratio of 2.13; or

1.1.2.5. Federal, state or local government action, change in law or regulation (or interpretation of a law or regulation) which impacts the benefit levels or affects BlueCross’ ability to meet its obligations under this Agreement to Employer, to Employer’s Covered Members or to BlueCross’ Network Providers, including but not limited to, legislation, regulation(s) or government

action(s) which impose requirements that affect: (i) BlueCross’ ability to determine or administer Covered Services; (ii) provider’s delivery of care or the fees providers charge; or (iii) BlueCross’ contracts with Network Providers. Upon the occurrence of an event described in this Section 1.1.2.5., the Parties will make a good faith effort to reach a new agreement that equitably reflects the circumstances as altered by such law, regulation or government action.

1.1.3. If Employer terminates this Agreement prior to December 31, 2028, Employer agrees that BlueCross will not receive certain additional income it had anticipated and, in such case, Employer will pay BlueCross an amount equal to one month’s Medical Total ASF, based on the average of the number of Subscribers covered under this Agreement for the 3-month period prior to the termination date of this Agreement.

1.2. Stop Loss Interface Fee

Rates effective as of:	January 1, 2026
Stop Loss Interface Fee	\$1.90 per contract per month

2. Inter-Plan Arrangements (BlueCard) Fees<sup>1</sup>. When Members access health care services outside of Tennessee, claims for those services are received by the licensee of the Association where the provider is located (the “Host Plan”) and forwarded electronically to BlueCross for adjudication. For claims from providers that participate in the Host Plan’s provider network, the Member and Plan get the benefit of access to the terms and conditions of the Host Plan’s contracted arrangement with the provider, including pricing arrangements. The currently applicable fees for such access to Host Plan’s networks and arrangements (including administrative processing) are as follows:

Access Fees	The Access Fee is charged by the Host Plan to BlueCross for making the Host Plan’s network available to Employer’s Members. The Access Fee will not apply to nonparticipating provider claims. The Access Fee is charged on a per-claim basis and is charged as a percentage of the discount/differential BlueCross receives from the applicable Host Plan subject to a maximum of \$2,000 per claim. When charged, BlueCross passes the Access Fee directly on to Employer.	3.21% of network savings, capped at \$2,000.00 per claim
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Administrative Expense Allowance (AEA) Fee	The AEA Fee is a fixed per-claim dollar amount charged by the Host Plan to BlueCross for administrative services the Host Plan provides in processing claims for Employer’s Members. The dollar amount is normally based on the type of claim (e.g. institutional, professional, international, etc.) and can also be based on the size of your group enrollment. When charged, BlueCross passes the AEA Fee directly on to Employer.	\$5.00 per claim professional and \$11.00 per claim institutional
Nonparticipating Provider Fee		\$3.00 per claim
BlueCross BlueShield Global® Core Fee		\$4.35 per claim Member-submitted, \$5.50 per claim professional, and \$18.55 per claim institutional

<sup>1</sup> See Exhibit G for more detail about Inter-Plan Arrangements. Any fees under such arrangements are set by specific program policies that may change from time to time through a process that the Association administers, and are subject to change by the Association without notice.

3. **Reports.** BlueCross shall provide Employer with access to BlueCross’s standard reporting and interactive reports at no additional charge. Any additional reports requested by Employer shall be subject to an additional charge determined by BlueCross, such charge which will be billed separately. Upon termination of this Agreement, Employer shall pay BlueCross for any and all requested reports, such payment being made in advance of receiving the requested report.
4. **Timing, Calculation and Funding of Monthly ASFs.** Employer shall pay the applicable ASFs for all Subscribers covered or added during the month. If Employer adds a Subscriber retroactively, Employer shall pay the applicable ASFs for that Subscriber, calculated from the Subscriber’s correct enrollment date to the current date. When Employer provides enrollment data and that data does not match BlueCross’s data, BlueCross’s data will be used to determine the ASF.
  - 4.1. **Monthly Enrollment.** The monthly ASF is determined each month based on enrollment. On the 15th day of each month, BlueCross shall determine the number of Subscribers covered under Employer’s Plan, and this shall be the basis for the ASFs charged by BlueCross for the following month.
    - 4.1.1. **Enrollment Changes.** Any changes to the initial enrollment will be charged to Employer in accordance with the following:
      - 4.1.1.1. Subscriber added on or before the 15<sup>th</sup> day of the month: Employer will be charged the monthly ASFs for that Subscriber.
      - 4.1.1.2. Subscriber added after the 15th day of the month: Employer will not be charged the monthly ASFs for that Subscriber.

- 4.1.1.3. Subscriber terminated on or after the 15th day of the month: Employer will be charged the monthly ASFs for that Subscriber.
- 4.1.1.4. Subscriber terminated before the 15th day of the month: Employer will not be charged the monthly ASFs for that Subscriber.
- 4.2. Funding of ASFs and Adjustments. On the 20th day of each month, BlueCross shall notify Employer of amounts that BlueCross estimates will be needed to pay BlueCross's ASFs for the following calendar month, and funds necessary to complete any adjustments to Approved Claims, fixed, previously agreed-upon charges, previous ASFs and any due late fees. Such payments shall be made in accordance with the Direct Debit Authorization Agreement, which is an Automated Clearinghouse (ACH) Authorization Agreement, attached to this Agreement as Exhibit F. Employer will transfer the amount specified by BlueCross into Employer's account so such funds shall be available for ACH debit by the first day of the following month (the "Due Date").
  - 4.2.1. If the full amount specified by BlueCross to pay ASFs and other fees pursuant to the Agreement is not received by BlueCross by the Due Date, BlueCross may immediately suspend or deny payment of all Approved Claims on behalf of Employer, regardless of the date claims were incurred, until all amounts due and owing are received by BlueCross. If BlueCross elects to not suspend claim payments on behalf of Employer, Employer shall pay a late fee of 1% per month on all amounts that are due and unpaid to BlueCross, pro-rated for each day that such amounts remain outstanding. Notwithstanding the foregoing, BlueCross does not otherwise waive any termination rights it has under the Agreement by electing to suspend payment of Approved Claims.
  - 4.2.2. If Employer notifies BlueCross of a Member's termination within ninety (90) days of the Member's termination, BlueCross will credit Employer with any ASFs that were paid for that Member for that time period.
  - 4.2.3. If Employer does not notify BlueCross of a Member's termination within ninety (90) days of the Member's termination, BlueCross will only credit Employer for the most recent ninety (90) day period of ASFs that were paid by Employer for that Member's coverage.
- 5. Additional Administration Charges. The cost of services outlined below may be billed as a direct cost to Employer.
  - 5.1. Creation, production, and printing non-standard Member material.
  - 5.2. Investigation and litigation of disputed claims, including the amount of the settlement and any damages (including punitive damages, unless subject to indemnification pursuant to Article V of the Agreement).
  - 5.3. Development and production of customized or unique reports requested by Employer, such as management reports, claim reports, reports for stop loss carriers, and other special reports.
  - 5.4. Customized or unique systems development required by Employer.

- 5.5. Reprinting materials/ID cards off cycle due to changes or misinformation provided by or on behalf of Employer to BlueCross.
  - 5.6. Non-standardized Member mailings.
  - 5.7. Training for on-line eligibility in excess of standard training package.
  - 5.8. Independent Dispute Resolution (“IDR”) Fees for Certain Out-of-Network Provider Claims: Federal administration fees, Certified IDR Entity fees, reasonable legal costs, if applicable, in connection with the IDR process established by the No Surprises Act (within the Consolidated Appropriations Act, 2021) for certain out-of-network provider claims. These amounts are in addition to the final amount paid to the provider for the medical claim itself.
  - 5.9. Shared Savings Fees pursuant to Exhibit W.
  - 5.10. AdHoc requests for clinical information, including plan of care, for a specific member or set of members:
    - 5.10.1. Requests for a discussion/consult/review with a BlueCross Medical Director or Pharmacy Director will incur a charge of \$375 per hour assessed in 15-minute increments.
    - 5.10.2. Requests for a Care Management Nurse to provide detailed information, including Case Management Notes, in excess of 2 members per quarter will incur a charge of \$125 per hour assessed in 15-minute increments.
  - 5.11. Audit Support for third-party reviews and audits that fall outside the scope of Exhibit S.
6. Security Interest. To secure the payment of any amounts due to BlueCross under this Agreement, Employer hereby grants to BlueCross a first priority security interest in and assigns to BlueCross Employer’s right, title and interest in Employer’s debiting account and the proceeds thereof to the fullest extent permitted under the law. In the event of a default by Employer of any of its obligations to BlueCross, including the prompt payment when due of any invoice sent to it by BlueCross, BlueCross shall have the immediate right, upon written notice to Employer, to offset the proceeds of the debiting account against the amount of any unpaid invoice or other obligation owed to BlueCross. Notwithstanding anything in this Agreement to the contrary, Employer does not have the authority to grant a security interest in its property or authorize a lien on its property, so those provisions granting a security interest or lien are enforceable only to the extent permitted by Tennessee law.
7. Claims Funding Methodology. Pursuant to Section 1.6 of the Agreement, the Parties agree that on a mutually acceptable day of each week, BlueCross shall notify Employer of amounts that BlueCross estimates will be needed to fund Approved Claims, and BlueCross shall initiate the debit for Approved Claims to be paid. The debit will clear Employer’s account the following business day. BlueCross adjudicates claims in accordance with its internal administrative procedures.
- 7.1. If the full amount specified by BlueCross to fund Approved Claims is not made available to BlueCross within the specified time period, BlueCross may



immediately suspend or deny payment of all Approved Claims, regardless of the date claims were incurred, until all amounts due are received by BlueCross.

- 7.2. If BlueCross elects not to suspend claim payments on behalf of Employer, Employer shall pay a late fee of 1% percent per month on all amounts that are due and unpaid to BlueCross, pro-rated for each day that such amounts remain outstanding.
- 7.3. If a partial amount is available, BlueCross may elect (but is not required) to utilize those funds to pay Approved Claims until full payment is made by Employer. BlueCross has full discretion to determine which Approved Claims will be paid with these partial funds, and may or may not exercise that discretion.

BlueCross shall provide Employer with a list of Approved Claims paid on behalf of Employer, within 30 calendar days following the end of each month during which this Agreement remains in effect.

8. Deposit Access. BlueCross has the right to request a cash deposit from Employer at any time during the Agreement year if, in BlueCross' sole discretion, BlueCross has reason to believe that Employer is unable to timely meet its payment obligations under the Agreement. In connection with the request for a cash deposit, BlueCross shall issue a notice to Employer, specifying the amount of the deposit which shall be based on a multiple of an estimate of monthly ASFs and Approved Claims, pursuant to the requirements established in Exhibit E. Should Employer fail to timely pay ASFs or fund Approved Claims within the time specified in the Agreement, BlueCross shall have the right to access funds on deposit without further notice to Employer in order to pay ASFs and/or fund Approved Claims. Any amount remaining in the deposit account upon termination of the Agreement will be included in the Final Settlement pursuant to Section 3.9.
9. Run Out Claims. Provided that Employer has timely paid all outstanding amounts needed to fund Approved Claims and ASFs as of the date the Agreement is terminated, BlueCross will administer run out claims for Employer at the termination of this Agreement for a period of 365 days from the date this Agreement terminates. The monthly ASFs for performing this service shall be the same as the ASFs charged Employer at termination of the Agreement. The monthly ASFs for performing this service shall be based on an average of the number of Subscribers covered under this Agreement for the 3 months immediately prior to the termination date of this Agreement. This fee shall be billed for the first 4 months of the run-out period.
10. Premium Billed Ancillary Products. If Employer has requested that BlueCross provide additional services through other products (i.e., dental), or has requested that BlueCross collect premiums or premium equivalents from subscribers or Members to fund other benefits offered by Employer (i.e., life insurance offered through another carrier, etc.), any additional funds due from Employer to BlueCross for remittance to other carriers or providers of services shall be remitted to BlueCross on the same basis as the ASFs.
11. Employer Fails to Pay. Notwithstanding any other term of the Agreement to the contrary, if Employer fails to pay when due any amount to fund Approved Claims, ASFs or other fees required to be paid to BlueCross under this Agreement, and such default is not cured

within five (5) days of the Due Date, BlueCross reserves the right to consider the Employer delinquent and may, at its option

11.1. Suspend or deny claim payments at any time, in whole or in part; or

11.2. Terminate the Agreement as of the effective date specified in such notice.

**EXHIBIT C TO THE ADMINISTRATIVE SERVICES AGREEMENT****DUTIES OF AND SERVICES PROVIDED BY BLUECROSS**

1. Generally. It is understood and agreed that BlueCross is empowered and required to act with respect to the Plan only as expressly stated in this Agreement. Employer and BlueCross agree that BlueCross's role under this Agreement is to provide administrative claims payment and similar administrative services in accordance with the terms of the Benefit Documents and the Agreement; that BlueCross does not assume any financial risk or obligation with respect to Approved Claims; and that the services rendered by BlueCross under this Agreement are merely ministerial, and shall not include the power to exercise control over the Plan's assets, if any, or discretionary authority over the Plan.
2. Enrollment: Forms and I.D. Cards. BlueCross shall enroll those individuals who have completed an enrollment form and are determined by Employer to be eligible for benefits under the Plan. Employer shall provide BlueCross with enrollment information in a mutually agreeable format, (i.e., electronically, faxed, paper, etc.) BlueCross is not responsible for verifying data submitted by Employer. BlueCross shall be entitled to rely on the information furnished to it by Employer. Employer shall hold BlueCross harmless for inaccurate information provided by Employer or BlueCross's inability to perform under this Agreement as a result of Employer's failure to provide such information in a timely manner.
  - 2.1. BlueCross shall furnish to Employer, for distribution to Members, forms to be used for enrollment and submission of any other forms determined to be necessary by BlueCross for the administration of the Benefit Documents under this Agreement.
  - 2.2. BlueCross will not furnish enrollment forms to Employer, since Employer will enroll Members and maintain eligibility online as described in Exhibit M, Online Enrollment Specifications through BlueCross Secured Website.
  - 2.3. Once Employer has notified BlueCross in writing that a new Member is eligible for benefits, BlueCross shall update its systems to reflect that Member's coverage.
  - 2.4. Once Employer has notified BlueCross in writing that a Member should be terminated as no longer eligible for coverage, BlueCross shall update its systems to reflect that change in the Member's coverage in accordance with Exhibit B.
  - 2.5. BlueCross will conduct certification and verification of incapacitated dependent information.
3. Claims Processing. BlueCross shall provide claims processing services on behalf of Employer for all properly submitted claims. BlueCross will follow current industry practices and its internal claims processing procedures regarding payment of claims, including timeliness and accuracy of claims payments. For purposes of this paragraph 3, the term "claim(s)" is defined as a request from a provider of Covered Services and/or a Member for payment of monies due for the rendering of Covered Services under the Benefit

Documents, and in conformity with any agreements BlueCross enters into with such providers of Covered Services.

- 3.1. When necessary, BlueCross shall furnish to Employer, for distribution to Members, forms to be used for claims submission, and any other forms determined to be necessary by BlueCross for the administration of the Benefit Documents.
- 3.2. BlueCross will coordinate with other payors, including Medicare, in adjusting claims according to the terms and conditions of coverage, including Medicare Secondary Payor rules. This may delay finalization of the adjudication of a claim, depending on when data is received regarding the claim. If Medicare is primary, BlueCross will adjudicate benefits based on the Medicare allowed amount.
- 3.3. BlueCross shall furnish each Member claiming benefits with an explanation of each claim that is paid, denied or rejected.
- 3.4. BlueCross shall give Members a reasonable opportunity to appeal a denied claim or any portion of a claim within the time frames specified by ERISA, according to the appeals procedure defined in the Benefit Documents.
- 3.5. If Employer notifies BlueCross of a Member's termination from coverage after the Member's termination date, and Approved Claims for that Member were paid in the interim, BlueCross shall request reimbursement from the provider on Employer's behalf to the extent possible. However, if Employer does not notify BlueCross of a Member's termination from coverage ninety (90) days or more after the date of Member's termination of coverage, BlueCross shall not be obligated to attempt to collect any claim payments which were paid before notice of termination was received by BlueCross.
- 3.6. If Employer notifies BlueCross of a Member's termination from coverage after the Member's termination date, and BlueCross made payment of benefits directly to such Member, BlueCross will attempt recovery unless Employer directs BlueCross in writing not to attempt recovery from such Member.
  - 3.6.1. If Employer's Benefit Documents include coverage for pharmacy benefits that are paid by BlueCross's pharmacy vendor or Provider-Administered Specialty Products that are paid by BlueCross, claims paid after a Member's termination cannot be recovered from the provider, pharmacy or any other person or entity, as applicable. However, BlueCross will attempt recovery from the Member on these claims. If Employer does not wish BlueCross to attempt recovery from a specific Member, Employer must direct BlueCross accordingly in writing.
  - 3.6.2. If a claim payment is less than fifty dollars (\$50), BlueCross has no obligation to attempt to collect said claim payment.
  - 3.6.3. If a claim payment was made for services rendered through the BlueCard program, BlueCross has no obligation to attempt to collect claim payments that were for less than fifty dollars (\$50), or in accordance with stated limits in effect at the Host Plan location.

- 3.6.4. If Employer directs BlueCross to use the services of an outside collection agency to collect a claim payment, the fees charged by such entity shall be the sole responsibility of Employer.
      - 3.6.5. If benefits are not recoverable from a provider or Member, Employer remains liable to fund all claims.
    - 3.7. BlueCross will provide Employer with a monthly statement with respect to claims paid in the prior month.
    - 3.8. At the termination of this Agreement and provided that Employer pays BlueCross the applicable fees set forth in Exhibit B, BlueCross shall administer the payment of Run Out claims for Employer. These claims shall be administered as any other claim handled during the term of the Agreement, and shall be subject to the same restrictions.
    - 3.9. RESERVED.
    - 3.10. If a catastrophic event (whether weather-related, caused by a natural disaster, or caused by war, terrorism, pandemic or similar event) occurs that affects Members in one or more locations, and such catastrophic event prevents or interferes with BlueCross's ability to conduct its normal business with respect to such Members or prevents or interferes with Members' ability to access their benefits, BlueCross shall have the right, without first seeking consent from Employer, to take reasonable and necessary steps to process Claims and provide managed care services in a manner that may be inconsistent with the Benefits Document but is undertaken in order to minimize the effect such catastrophic event has on Members, including: (i) waiving referral, prior authorization or pre-certification requirements for medical and/or pharmacy services; (ii) waiving administrative holds and terminations due to nonpayment of premiums; (iii) allowing early refills on prescription medications; (iv) offering medical and behavioral health visits through telehealth; and (v) reducing or waiving cost-sharing obligations for services. As soon as practicable after a catastrophic event, BlueCross shall report its actions to Employer. Employer shall reimburse BlueCross for all amounts paid in good faith, or as required by law, under the circumstances and such amounts shall constitute Approved Claims for which Employer is responsible for payment, even if the charges incurred were not for services otherwise covered under the Benefits Documents.
- 4. Network Administration. BlueCross shall administer its established cost containment programs and access and availability benefits management programs, as selected by Employer. BlueCross's provider contracts and medical policies control network administration.
  - 4.1. BlueCross shall make available the Blue Network selected by Employer, including network hospitals and other providers or practitioners with which BlueCross has contracted, ("Blue Network") to provide Covered Services to Members. All agreements between providers of services and BlueCross are the sole property of BlueCross, and BlueCross retains the right to the use and control of these provider agreements.

- 4.2. Employer acknowledges that BlueCross does not act either as the agent of or in any fiduciary capacity with respect to Employer, any of its Plans, or any of its Members, when BlueCross negotiates its provider and/or vendor arrangements.
  - 4.3. Employer acknowledges that the Blue Network Provider contracts cannot be modified to meet any specific requirements of Employer, and that BlueCross has the discretion to change the composition, name, etc. without Employer's consent or approval. BlueCross does not guarantee that a specific provider will remain in the network, and BlueCross has the right to determine network adequacy, and to establish and modify billing guidelines and reimbursement arrangements for Network Providers.
  - 4.4. BlueCross negotiates various payment arrangements with providers, including per diem, percent of charges, diagnosis related groups (DRGs,) global case rate and fee schedule arrangements, which vary by provider. Certain facilities may have multiple or a combination of these arrangements. All of these arrangements provide payment to the provider, and claims processed using one of these arrangements are considered Approved Claims.
    - 4.4.1. Savings/discounts are not stated herein in actual amounts or percentages, nor are they guaranteed, since credits can vary by facility, type of service provided and the specific provider agreement at a given facility.
    - 4.4.2. The provider's charge to BlueCross will usually be less than the rate charged for a similar service to the general public. In some cases, however, the rate negotiated by BlueCross for a particular service may be higher than the provider's rate for that service charged to the general public, and BlueCross will pay the negotiated rate.
    - 4.4.3. BlueCross has certain special arrangements with some providers that may exempt those providers from certain administrative and medical management requirements, including, but not limited to, prior authorization, appropriateness review, notification and written referral requirements.
    - 4.4.4. BlueCross may negotiate a settlement of a reimbursement dispute with a provider as part of its internal administrative procedures.
5. Reimbursement to Network and Out-of-Network Providers.
- 5.1. "Network Providers" are providers that have agreed to participate in the Blue Network, and to accept BlueCross's applicable pre-negotiated payment allowance for certain Covered Services as payment in full, and therefore should not bill the Members for any amount in excess of the payment allowance for such service(s). The pre-negotiated payment will be based upon charges for Covered Services or upon an alternative method of payment, including per diem amounts, percent of charges, global case rate and fee schedule arrangements, and may be further reduced by other contractual reductions, adjustments, discounts or offsets based on BlueCross's agreements with Network Providers. Network Providers will file Members' claims with BlueCross, and BlueCross will make payment directly to Network Providers.

- 5.1.1. In the unlikely event of a systems failure at BlueCross (“Outage”) rendering it temporarily impossible to determine which Network Provider rendered services during a specific time period while the Agreement is in force, BlueCross will make estimated payments to Network Providers. This estimate will be based on past service to BlueCross Members, and will be proportionately divided among Employer and other Groups which BlueCross insures or to which BlueCross provides administrative and claims processing service. When the capability to determine which Network Providers did provide services during the Outage is restored, BlueCross will adjudicate the claims submitted on behalf of Members, and notify Employer of any adjustments necessary to Employer’s claims processing funding.
- 5.2. When a Member receives services from a Network Provider, he or she will be responsible for payment of the applicable Deductible, Coinsurance, Cost-Sharing and/or Copayment, as well as charges for any non-covered services. A Member’s Coinsurance for Covered Services received from a Network Provider will be based on the provisions of the Network Provider’s contract, and the lesser of (i) the Network Provider’s pre-negotiated payment allowance, or (ii) charges for Covered Services at the time such Services are provided. BlueCross will not recalculate Coinsurance in the event it recovers a discount or savings with respect to Covered Services after a claim for such Services is paid. Rather, Employer will receive a payment or credit for such savings or discounts.
- 5.3. The Member’s liability for non-covered services, including services that are not covered because of a benefit maximum or other limitation contained in the Benefit Documents, will be based on the Network Provider’s actual charges for such services.
- 5.4. “Out-of-Network Providers” are providers that do not participate in the Blue Network. BlueCross’s payment for Covered Services to any Out-of-Network Provider will be based on Maximum Allowable Charge for the service performed. Except as required by applicable law (including the No Surprises Act enacted as part of the Consolidated Appropriations Act, 2021), upon receipt of a completed claim form, and provided adequate funding from Employer is available, BlueCross shall make payment for Covered Services to the Out-of-Network Provider and not the Member, unless BlueCross receives proof of payment from the Member before payment is made to the provider. Except as required by applicable law, when the Member receives services from an Out-of-Network Provider, he or she will be responsible for the payment of any difference between BlueCross’s payment and such provider’s charge(s), and responsible for any applicable Deductible, Copayment, and Coinsurance, as well as payment of charges for any non-covered services. The Member’s responsibility for Coinsurance will be based on the Maximum Allowable Charge for that service. Maximum Allowable Charge shall be calculated as determined by BlueCross in accordance with the EOC, BlueCross policies and applicable law.
- 5.5. When Members obtain Covered Services outside of Tennessee, BlueCross’s Blue Network reimbursement rules do not apply. Please refer to Exhibit G, Inter-Plan Arrangements, for a description of how out-of-state providers are reimbursed.

- 5.6. BlueCross is responsible for reporting and remitting only those abandoned property funds that were provider payments made with BlueCross funds.
  - 5.7. Employer is required to reimburse the Veteran's Administration ("VA") according to federal law. BlueCross has an agreement with the VA in which there is an established fee schedule. Federal law requires payment to the VA, regardless of the network status, and regardless of the amount of benefits provided for services by an Out-of-Network Provider. BlueCross will reimburse the VA at the rate set forth in the agreement between BlueCross and the VA. The Plan will pay the VA as if it were a Network Provider.
  - 5.8. BlueCross's contracts with Network Providers may include a variety of payment methodologies. These payment methodologies may obligate BlueCross to pay an amount that is in addition to the underlying cost of the service rendered. These additional costs may include program fees, incentive payments, bonus payments, or quality payouts. These provider reimbursements will be passed to Employer as part of the billing process detailed in this Agreement.
  - 5.9. No Member shall have the right to assign, alienate, transfer, sell, hypothecate, mortgage, encumber, pledge, commute, or anticipate any benefit payment under the Plan to a third party, and such payment shall not be subject to any legal process to levy execution upon or attachment or garnishment proceedings against for the payment of any claims. Benefit payments under the Plan may not be assigned, transferred, or in any way made over to another party by a Member. Nothing contained in this Agreement or the Plan shall be construed to make the Employer, Plan or BlueCross liable to any third party to whom a Member may be liable for medical care, treatment, or services. If a written authorization is provided to BlueCross by a Covered Person, BlueCross may pay a benefit directly to a provider of medical care, treatment, or services instead of the Member as a convenience to the Member; when this is done, all of the Plan's obligation to the Member with respect to such benefit shall be discharged by such payment. However, BlueCross reserves the right not to honor any direct payment request to any third party, including but not limited to, any provider. The foregoing does not preclude any assignment of payment to Medicaid to the extent required by law. Neither BlueCross, nor the Plan will honor claims for benefits brought by a third-party; such third-party shall not have standing to bring any such claim either independently, as a Member or beneficiary, or derivatively, as an assignee of a Member or beneficiary.
6. Medical Management Services. BlueCross will provide certain services through its Medical Management program. These are described in Exhibit D to this Agreement.
  7. Claims Payments Adjustments.
    - 7.1. Whenever BlueCross becomes aware that a claims payment to a provider or Member is less than the amount to which the provider or Member is entitled, BlueCross shall promptly adjust the underpayment to reflect the proper amount that should be remitted.
    - 7.2. Whenever BlueCross becomes aware that a claims payment to a provider or Member is more than the amount to which the provider or Member is entitled,



BlueCross shall make a diligent attempt to recover such overpayment, in accordance with its customary administrative procedures, and as permitted by applicable law. In the event any part of an overpayment is recovered, Employer will receive a credit from BlueCross. BlueCross shall not be required to institute any legal proceeding to recover such overpayment. BlueCross will follow its policies and procedures to settle overpayments.

- 7.2.1. If a claim payment was made for services rendered through the BlueCard program, BlueCross has no obligation to attempt to collect claim payments that were for less than fifty dollars (\$50), or in accordance with stated limits in effect at the Host Plan location.
- 7.2.2. Subject to the terms in Section 7.2.4, BlueCross will assume liability for an unrecovered overpayment only if and when it is determined that:
  - 7.2.2.1. the overpayment was caused by an act or omission of BlueCross subject to indemnification under Article V, Section 5.1;
  - 7.2.2.2. all reasonable means of recovery under the circumstances have been exhausted; and
  - 7.2.2.3. BlueCross's acts or omissions were not undertaken at the express direction of Employer.
- 7.2.3. BlueCross is not liable for interest on recovered overpayments.
- 7.2.4. Employer acknowledges and agrees that, except in cases of fraud committed by the provider and, subject to applicable law, BlueCross will not recover overpayments from providers more than 18 months after the date that BlueCross paid the claim submitted by the provider.
- 7.2.5. In no event does BlueCross have an obligation to recover on liability for overpayments of claims that were adjudicated for payment more than three (3) years before the overpayment is discovered.
- 7.3. The Parties acknowledge that Employer may not contact Network Providers directly or indirectly regarding rates or charges for services provided to Members. All such contact with Network Providers must be by and through BlueCross.
- 7.4. Overpayment Recoveries: BlueCross, on behalf of Employer, has the right to obtain a refund of an overpayment on any claim(s) paid by BlueCross to a provider or a Covered Person. Unless otherwise agreed upon between BlueCross and the provider, when a provider fails to return an overpayment to BlueCross, BlueCross has the right to utilize the following mechanisms to recover the overpayment. For purposes of Sections 7.4.1 through 7.4.6 below, "Other Plan(s)" or "Another Plan" means any health benefit plan other than the Plan, including, but not limited to, individual and group plans or insurance policies that are administered or insured by BlueCross.
  - 7.4.1. BlueCross has the right to recover overpayments from future payments due by BlueCross to a provider in conjunction with BlueCross's payment of

medical claims for the Plan or from Other Plans, up to an amount equal to the overpayment (hereinafter “Claim Recovery”). When BlueCross identifies an overpayment, BlueCross notifies the provider in writing, identifying the overpayment (including the medical claim(s) at issue), the provider’s ability to grieve BlueCross’s determination of the overpayment, and the timeline for submitting payment for the overpayment. If the provider does not return the requested overpayment as directed, BlueCross may initiate its Claim Recovery process against future payments consistent with this section.

- 7.4.2. BlueCross has the right to reduce payment to a provider by the amount necessary to recover the overpayment to such provider and to reimburse BlueCross for the amount BlueCross reimbursed to Employer (net of fees, if any) in connection with such overpayment.
- 7.4.3. If BlueCross has made overpayments to a Provider for medical claims relating to members enrolled in more than one (1) Other Plan, BlueCross may initiate its Claim Recovery process for multiple overpayments collectively, against future payments owed to such provider on behalf of Another Plan, as part of a single transaction, resulting in an overpayment recovery amount which shall be applied in accordance with BlueCross policies, which prioritize application based on the age of the overpayments, beginning with the oldest outstanding overpayment or has the right to apply the Claim Recovery process as otherwise set forth in this Section 7.4. BlueCross shall not apply recovered amounts in a manner that prioritizes Overpayments based upon the funding type of any plan (e.g., whether the plan is fully-insured or self-funded).
- 7.4.4. Employer acknowledges that BlueCross, may from time to time, conduct Claim Recovery activities with respect to contracted and non-contracted providers as permitted under the terms of any applicable contract and applicable law. If BlueCross conducts Claim Recovery, BlueCross shall record overpayments and returned funds separately and maintain claim details at the Member account, and group levels.
- 7.4.5. Subject to the exception(s) set forth in this Section 7.4, Employer agrees that BlueCross will recover overpayments in accordance with its recovery process and that Employer has no separate or independent right to recover any overpayment from BlueCross, provider, or Another Plan.
- 7.4.6. Employer may, at its option, request on a semi-annual basis, a report on the status of all outstanding overpayments.
- 7.5. In the event that BlueCross becomes aware that a claims payment to a provider or Member was or might have been the result of a fraud, BlueCross shall:
  - 7.5.1. Notify the Plan as soon as possible about the alleged fraudulent claims;
  - 7.5.2. Provide reasonable assistance to the Plan in recovering the alleged fraudulent claims; and

7.5.3. Report the suspected fraud to the appropriate law enforcement agency.

8. Annual Renewal Claims Analysis.

- 8.1. BlueCross will provide an annual renewal analysis of Employer’s claims experience. BlueCross will also provide assistance in benefit design.
- 8.2. Upon request, but not more often than annually, BlueCross will provide an analysis of Employer’s claims incurred but not yet reported.
- 8.3. Upon request, but not more often than annually, BlueCross will provide an analysis of the suggested funding levels for Employer’s Plan, as administered by BlueCross.
- 8.4. Employer acknowledges that these analyses are estimates only, and that the actual experience may differ from these estimates. These are for Employer’s use only, and are not prepared for distribution to or reliance by third parties.

9. Mental Health Parity. The parties acknowledge and agree that Employer is solely responsible for complying with all applicable provisions of ERISA and other laws applicable to Employer’s Plan, including the Mental Health Parity and Addiction Equity Act and its implementing regulations, as amended from time to time (“MHPAEA”). BlueCross agrees to cooperate with Employer in providing information reasonably requested by Employer or its designee in order for Employer to comply with these obligations.

10. Duties with regard to non-BlueRe of Tennessee Stop Loss Carrier. For a separate Interface fee, BlueCross will perform the following services and provide the following information to Employer, or to a third party stop loss carrier and/or Employer Service Vendor, provided that Employer, BlueCross and such third party enter into an executed information sharing agreement pursuant to Section 2.2.2:

- 10.1. Provide monthly Claimants at 50% of Specific Attachment Point Reports.
- 10.2. Provide monthly Aggregate Reports.
- 10.3. BlueCross does not coordinate the payment of the stop loss premium between the stop loss carrier and Employer.
- 10.4. Provide stop loss carrier the following information at renewal to prepare a renewal of Employer’s stop loss coverage. Information to be provided is as follows:

Census	
Age/ Gender	Subscriber Count by age/gender
Zip Codes	Subscriber Count by LOB, State, Zip
Plan Design Summary/ Plan Document	Evidence of Coverage
Trigger Reports:	
50% of Specific Report	50% Report (Includes Diagnosis Only)
Medical & Rx	

Aggregate Claim Reports	Monthly Aggregate Report (excluding claims over specific)
By Month	(included in report)
Enrollment Included	(included in report)
Large Claims Amounts Included	(included in report)

- 10.5. Regardless of whether a claim has met the stop loss dollar limit set out in the agreement between stop loss carrier and Employer, Employer is still responsible for funding all claims processed by BlueCross.
- 10.6. At the termination of this Agreement, BlueCross has no further obligation to provide any reports referenced in this section to Employer, stop loss carrier, or any other third party, other than standard reports for the time period the Agreement was in force, provided that Employer, BlueCross and such third party vendor enter into an executed information sharing agreement pursuant to Section 2.2.2.
- 11. RESERVED.
- 12. Section 111 Mandatory Secondary Payor Reporting. Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA), titled Medicare Secondary Payor, (hereinafter “Section 111”) mandates that, effective January 1, 2009, all group health plans or their representatives submit certain information to CMS. BlueCross is registered as a medical “Required Reporting Entity” as required under Section 111. BlueCross shall report the Plan’s medical information required by Section 111. Under no circumstances will BlueCross be required to report workers’ compensation or liability insurance information required under Section 111. Employer shall provide all Social Security numbers, tax identification numbers, and the “total number of employees” (as that is defined in the MMSEA) information to BlueCross. BlueCross will not be responsible for any deficiency resulting from Employer’s failure to provide such information to BlueCross.
- 13. Distribution of Materials.
  - 13.1. Employer shall handle and distribute enrollment materials in a timely manner and promptly provide to BlueCross the information necessary to administer this Agreement. Employer’s failure to provide information in a timely manner may substantially delay and/or jeopardize the enrollment of eligible Members.
  - 13.2. Employer shall distribute notices that Employer and/or BlueCross are legally required to provide (e.g., special enrollment rights) in a timely manner and in accordance with all applicable laws. Any off-renewal changes require 60-days advance notice to Members. Employer shall provide BlueCross with enough advance notice of any off-renewal changes, not to be less than 90 days, for BlueCross to meet its obligations under any applicable law and this Agreement. Employer shall indemnify BlueCross and hold BlueCross harmless from any damages, loss, action, claim or suit (including court costs and attorney’s fees) arising from or related to its failure to provide such notices.
  - 13.3. If BlueCross provides its enrollment and/or change forms (“Forms”) and/or any benefit summaries, and/or comparison sheets (“Documents”) in an electronic medium, and Employer delivers Documents electronically to Members or includes

Documents on Employer's internal intranet or by similar means or for similar purposes, Employer agrees that:

- 13.3.1. electronic access shall be limited to Employer's enrolling employees and covered employees and be restricted to a "read-only" or similar basis;
  - 13.3.2. they will replace any hard-copy Forms that have been modified by BlueCross;
  - 13.3.3. the hard-copy documents on file with BlueCross shall control in the event of any discrepancy; and
  - 13.3.4. Employer remains solely responsible for the content of the Documents and all other legal requirements pertaining to them (e.g., distribution).
- 13.4. BlueCross will create a draft Summary of Benefits and Coverage ("SBC"), based on services provided by BlueCross, and provide to Employer. Employer shall review SBC, and revise or supplement as required, prior to distribution. Employer remains solely responsible for SBC content and all other legal requirements pertaining to SBC (e.g., distribution). BlueCross shall not charge Employer for draft SBC. BlueCross may charge Employer for translation of SBC to any language other than English.
14. Member Outreach. BlueCross, or its subcontractor, shall have the right to contact Members to perform services under this Agreement, or as otherwise required by law, a regulatory body, or an accrediting agency. Employer warrants that the contact information included in its enrollment data was obtained directly from the applicable Member and that Members are aware they may be contacted via that information for non-telemarketing calls, emails, and/or text messages.
15. Provider Administered Specialty Pharmacy Products. Provider Administered Specialty Pharmacy Products are those Specialty Pharmacy Products administered to a Member by a health care provider, whether or not a Network Provider, rather than self-administered by the Member. Provider Administered Specialty Products can only be dispensed from a specialty pharmacy in the BlueCross Preferred Specialty Pharmacy Network.
- 15.1. Provider Administered Specialty Pharmacy Products are those products that meet all three of the following criteria:
- (a) Require in-depth patient teaching, coordination of care, and frequent monitoring to ensure successful use;
  - (b) Described by at least one of the following:
    - i. produced through genetic technology or biopharmaceutical processes;
    - ii. target a chronic, rare, genetic, or complex disease; or
    - iii. require unique handling, distribution, and/or administration; and
  - (c) Are set forth on the Provider Administered Specialty Pharmacy Product List which is maintained by BlueCross (available at [www.bcbst.com](http://www.bcbst.com)), as may be amended from time to time for any reason.

- 15.2. “Preferred Specialty Pharmacy Network” means BlueCross’s network of pharmacies that are permitted to dispense Provider-Administered Specialty Pharmacy Products to providers.

All the medications set forth on the Provider Administered Specialty Pharmacy Product List have been determined by BlueCross to meet criteria (a) and (b) of Section 15.1 above. However, some products meeting criteria in (a) and (b) of Section 15.1 above may be excluded from the list. A Provider Administered Specialty Product may be added or removed from this list at any time for any reason. Provider Administered Specialty Pharmacy Products can only be dispensed from a pharmacy in BlueCross’s Preferred Specialty Pharmacy Network. BlueCross will adjudicate claims for Provider Administered Specialty Pharmacy Products for the Employer.

16. Group Health Plan Federal Requirements.

- 16.1. Health Plan Transparency Requirements. The Parties acknowledge that Employer’s Plan is subject to certain requirements under the Affordable Care Act Transparency in Coverage Final Rule and group health plan requirements in Division BB of the Consolidated Appropriations Act, 2021 and its implementing regulations, as set forth below (collectively, “Health Plan Transparency Requirements”). BlueCross (i) agrees to cooperate with Employer in meeting its obligations under the Health Plan Transparency Requirements, and (ii) reserves the right to charge a fee for services related to the implementation and administration of the Group Health Plan Transparency Requirements.

16.1.1. Machine Readable Files. The Parties acknowledge and agree that Employer’s Plan is required to publicly disclose in-network negotiated rates, billed out-of-network charges, and prescription drug pricing information to the public through machine readable files (“MRFs”). BlueCross agrees (a) to cooperate with Employer in providing information reasonably requested by Employer or its designee in order for Employer to comply with these obligations, or (b) at the direction of Employer, to post MRFs on its website on behalf of the Plan, provided however, that Employer retains liability for any Losses resulting from Employer’s failure to provide timely to BlueCross any requested information for BlueCross to perform under this section.

16.1.2. Contract Terms. The Parties acknowledge and agree that, nothing in this Agreement shall directly or indirectly restrict BlueCross and/or the Plan from (i) providing provider-specific cost or quality of care information or data to referring providers, Employer, Members or individuals eligible to become Plan Members; (ii) electronically accessing de-identified claims and encounter information or data under the Plan for each Plan Member, upon request and consistent with applicable law, including but not limited to HIPAA, GINA, and the ADA, or (iii) sharing such Plan information or data, or directing such Plan data be shared, with a HIPAA business associate of the Plan consistent with applicable law and the terms of this Agreement.

16.1.3. Price Comparison Tool. The Parties acknowledge and agree that Employer’s Plan is subject to requirements under applicable law to provide Members with price comparison tools. BlueCross agrees (a) to cooperate with Employer in providing information reasonably requested by Employer

or its designee in order for Employer to comply with the price comparison tool obligations, or (b) at the direction of Employer, to make available to Plan Members a price comparison tool, provided however, that Employer retains liability for any Losses resulting from Employer's failure to provide timely to BlueCross any requested information for BlueCross to perform under this section.

- 16.2. ID Cards. BlueCross will supply identification cards. BlueCross will supply identification cards issued at the group's initial enrollment to Subscribers and identification cards issued at any other time to Subscribers. Identification cards will be issued in the name of Subscribers.
- 16.3. Provider Directory Tool. BlueCross will provide Provider Directories through online access and in accordance with applicable law.
- 16.4. Continuity of Care. The Parties acknowledge and agree that Employer's Plan is subject to continuity of care protections in instances when terminations of certain contractual relationships result in changes in provider or facility network status. BlueCross agrees to coordinate impacted Member's transitions to more appropriate care settings in accordance with applicable law.
- 16.5. Health Care and Prescription Drug Reporting. The Parties acknowledge and agree that the Employer's Plan is subject to requirements under applicable law to report certain health care cost information annually to the federal government, such as costs relating to prescription drugs and air ambulance services. BlueCross agrees (a) to cooperate with Employer in providing information reasonably requested by Employer or its designee in order for Employer's Plan to comply with these reporting obligations, or (b), at the direction of the Employer, to report on the Plan's behalf, provided however, that Employer retains liability for any Losses resulting from Employer's failure to provide timely to BlueCross any requested information for BlueCross to perform under this section.
- 16.6. No Surprises Act. The Parties acknowledge and agree that the Employer's Plan is subject to requirements under the No Surprises Act that is part of the Consolidated Appropriations Act, 2021 (hereinafter, the "NSA"). BlueCross will process those out-of-network claims subject to the NSA in accordance with the terms of the NSA and its implementing regulations. BlueCross will also engage in the Independent Dispute Resolution ("IDR") process with providers, as required under the NSA. Fees for IDR services are set forth in Exhibit B.

**EXHIBIT D TO THE ADMINISTRATIVE SERVICES AGREEMENT****MEDICAL MANAGEMENT SERVICES PROVIDED BY BlueCross**

Employer has selected several of BlueCross's Medical Management programs for use by Employer in administering its Plan. All services utilize current medical guidelines and standards. While these services are described below, the services may be updated from time to time without prior notice to Employer.

**MEDICAL MANAGEMENT – Precision Care Support**

1. Inpatient Review.
  - 1.1. Inpatient Precertification. BlueCross will review inpatient admissions (hospital, subacute facility, skilled nursing facility, inpatient rehabilitation, and 23-hour observation stays) to evaluate the appropriateness of certain procedures and Medical Necessity of the requested services. An initial length of stay is assigned upon admission. Emergency inpatient admissions are reviewed within 24 hours of admission or the next business day. Employer's Plan follows BlueCross's standard precertification requirements.
  - 1.2. Concurrent Review of per diem admissions. BlueCross will review Members' inpatient care (hospital, subacute facility, skilled nursing facility, and inpatient rehabilitation) to ensure Medically Necessary and Medically Appropriate care is delivered. Concurrent review is performed as services are being rendered.
  - 1.3. Outlier Review of DRG admissions. BlueCross will review any outlier days billed by a DRG facility on targeted claims after a service is rendered and before payment is made to ensure cost-effectiveness.
2. Retrospective Review. BlueCross will review targeted claims after a service is rendered and before payment is made. The purpose of retrospective review is to provide determinations regarding Medical Necessity, eligibility and benefits.
3. Prospective Review. BlueCross will review targeted, non-emergency related care procedures, non-routine diagnostics and non-routine pharmacy treatments, as determined by BlueCross, for medical appropriateness and the necessity of the requested procedure and setting prior to the procedure being performed.
4. Pre-determination Review. When requested by a provider or Member, BlueCross will conduct a prospective review to determine whether a procedure will be covered.
5. Specialty Pharmacy Review. If BlueCross administers claims related to Provider Administered Specialty Pharmacy Products, as described in Exhibit C, then BlueCross will review specific drugs administered by licensed health care professionals.
6. Home Health, Home Infusion Therapy Review. BlueCross will review prescriptions for home health care services and home infusion therapy to evaluate the physician's plan of



treatment, appropriateness of setting and Medical Necessity of the prescribed services, both prospectively and concurrently.

7. Lifestyle/Health Educational Program. BlueCross will send condition-specific educational materials to low-risk Members identified through the prior authorization process.
8. Care Coordination. BlueCross's Care Coordination process systematically identifies opportunities to coordinate and manage Members' total care.
  - 8.1. Emergency Services Management Program. Nurses will contact Members who frequently seek emergency room services, identify reasons for the frequent utilization, and provide assistance in controlling future inappropriate use of emergency room services.
  - 8.2. Transition of Care. Throughout the different stages of a Member's treatment, nurses coordinate the Member's transitions to more appropriate care settings.
  - 8.3. Condition-specific Care Coordination Program. Through this program, BlueCross provides assessment and management of low-risk and moderate-risk Members with specific conditions, such as heart disease, respiratory disease, diabetes, asthma or hypertension.
9. Catastrophic Medical and Transplant Case Management. BlueCross's Catastrophic Medical and Transplant Case Management program utilizes a comprehensive approach that includes benefit analysis, preauthorization, concurrent review, discharge planning and cost-effective continuity of care for Members. Members with high-risk conditions such as terminal illness, severe injury, major trauma, cognitive or physical disability, or transplant are identified through prior authorization, medical data and claims data. Registered nurses work with the Member, health care providers and primary caregivers to coordinate the most appropriate, cost-effective care settings.
 

Benefits paid through the Catastrophic Medical and Transplant Case Management program may vary from the benefits described in the Plan. This is done when BlueCross has determined that the alternative benefits are more Medically Appropriate, cost effective, and ensure the best outcomes. Employer will fund these benefits, and BlueCross's administration of benefits pursuant to the Catastrophic Medical and Transplant Case Management program shall be within the scope of its duties.
10. RESERVED
11. RESERVED
12. Behavioral Health Management. BlueCross will provide the following services as part of its Behavioral Health Inpatient Utilization Management program:
  - 12.1. Inpatient Pre-certification. BlueCross will review all facility based level-of-care admissions (acute care, residential care, partial hospital care, intensive outpatient care and any other care in lieu of acute care) to evaluate the appropriateness of treatment applying Medical Necessity criteria. Emergency inpatient admissions are reviewed within 24 hours of admission or the next business day.

- 12.2. Concurrent Review. BlueCross will review the care of Members in facility-based treatment (acute, residential, partial hospital, intensive outpatient or any other care in lieu of behavioral health acute care) to ensure Medically Necessary and Medically Appropriate care is delivered. Lengths of stay are authorized when care requested meets Medical Necessity criteria.
  - 12.3. Discharge Planning. BlueCross will assess the Member's behavioral health condition and monitor the behavioral health program's discharge planning to ensure appropriate continuation of care, as necessary, when the Member leaves that particular level of care.
  - 12.4. Case Management. BlueCross's Behavioral Health Case management process identifies high risk Members in facility based levels of care and assesses opportunities to coordinate and manage the Member's total behavioral health care to ensure the best outcomes while the Member remains in facility based levels of care.
13. BlueCross shall have the authority, in its discretion, to institute from time to time, utilization management, case management, disease management or other care-related programs. These are processes that demonstrate potential improvement in access, quality, efficiency and Member satisfaction. When BlueCross institutes a care-related program, approved services provided through such programs are deemed Covered Services even if they are normally excluded under the Benefits Documents.

**EXHIBIT E TO THE ADMINISTRATIVE SERVICES AGREEMENT****DUTIES OF EMPLOYER**

1. Services. Employer shall:
  - 1.1. Provide BlueCross with a current, detailed description of the Benefit Documents and any subsequent changes, for acceptance by BlueCross;
  - 1.2. Timely pay and fund all fees and claims as described in this Agreement;
  - 1.3. Provide BlueCross with the necessary Subscriber and Member eligibility information and timely provide updates to such information;
  - 1.4. Perform other duties and services as described in this Agreement.
2. Notification Regarding Members. Employer shall notify BlueCross of the addition or deletion of Members as described below:
  - 2.1. When a new Member should be added, Employer shall notify BlueCross within forty-five (45) days of the effective date of coverage for that Member. If BlueCross is not notified that a new Member should be added within this time frame, BlueCross shall have no obligation to adjudicate any claims that were incurred prior to this time frame.
  - 2.2. When a Member should be terminated from coverage, Employer shall notify BlueCross within forty-five (45) days of the effective date of that Member's termination.
3. Final Authority.
  - 3.1. Except as otherwise specifically stated in this Agreement, Employer retains all final authority and responsibility for the Plan including the benefit design of the Plan, funding of claims, claims payment decisions, cost containment program decisions, eligibility and benefit determinations, compliance with the requirements of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA), compliance with HIPAA, compliance with reporting and remitting abandoned property funds (except as referenced in Exhibit C, Section 5.6) if required by law, and compliance with any other state and federal laws or regulations applicable to Employer or the administration of the Plan. The phrase "eligibility and benefit determinations" means that Employer determines who is eligible to participate, (i.e., who are employees or dependents) and generally what medical services and supplies are included or excluded as Covered Services identified in the Benefit Documents, but does not include the ultimate responsibility for making medical necessity or other medical management determinations.
  - 3.2. If Employer uses an Employer Service Vendor to provide enrollment data and that third party's data does not match BlueCross's data, BlueCross's data and records will be used to determine the ASF unless and until BlueCross and Employer are able to resolve the discrepancy.

- 3.3. Employer shall submit all information to BlueCross in writing. The accuracy of any changes performed and administered by BlueCross at the instruction of Employer in benefit design, enrollee status, etc., is the responsibility of Employer. BlueCross is entitled to rely on Employer's instructions in performing its duties under this Agreement.
    - 3.4. A Member has the right to appeal any decision regarding or arising out of this Agreement, and that appeals process is defined in the Benefits Documents and the Plan.
  4. Eligibility and Enrollment. As of the first day of the Term of this Agreement, Employer will have delivered enrollment information regarding Members to BlueCross. Employer shall deliver all employee and dependent eligibility status changes to BlueCross on a monthly basis, or more frequently as mutually agreed by the Parties.
    - 4.1. Employer shall be responsible for verifying identity of Members to confirm eligibility and for promptly rescinding coverage of ineligible individuals.
    - 4.2. Employer shall be responsible for providing each Subscriber with a copy of any required documents.
    - 4.3. If an employee waives his/her (or his/her dependents') coverage under the Plan at enrollment or open enrollment, Employer will maintain the original of the waiver, and if the employee has a qualifying event during the plan year, Employer will certify to BlueCross that the employee executed a waiver at enrollment or open enrollment.
5. Financial Obligations.
  - 5.1. Claims Funding. Employer is financially responsible for the timely funding of all Approved Claims and is the Payor of benefits for all Members. Employer will provide BlueCross with such authorizations as are necessary to ensure that required instruments are valid with respect to funding Approved Claims for Covered Services.
6. Assessments.
  - 6.1. Employer retains responsibility and liability for all benefits and expenses incident to the Plan, including any federal, state or local taxes, assessments, or similar government-imposed fees, other than BlueCross's income taxes, that are related to the Plan, the Plan's Members, enrollees, or Participants, or BlueCross's services under this Agreement ("Assessments"). For example, Assessments may be based on: (i) the number of covered lives in the Plan, (ii) the number of covered lives in a given geographic region, (iii) fees paid or payable to BlueCross for services provided under this Agreement, including premiums or premium equivalents, (iv) Approved Claims paid pursuant to this Agreement, or (v) other assessment methodologies that measure the relative value of benefits or services provided or delivered under the Plan. If at any time, during or after the term of this Agreement, BlueCross is required to pay any Assessment on Employer's behalf, Employer shall reimburse BlueCross an amount equal to such Assessment(s), which will be disclosed to Employer via invoice. Additionally, BlueCross pays if any taxes,

penalties or interest are imposed, assessed or accrued on any Assessment, Employer will reimburse BlueCross such additional amounts equal to the tax, penalty or interest.

- 6.2. Employer will pay these additional amounts to BlueCross within thirty (30) days following mailing of invoice. Payments not received within the thirty (30) day period are subject to the late payment charge described in Exhibit B.
  - 6.3. Employer will pay these additional amounts even if the validity of Assessments has not been finally determined. If it is finally determined that such Assessments were not valid, to the extent such Assessments are refunded or otherwise returned to BlueCross by the appropriate Federal, state or local governmental entity, BlueCross will refund to Employer an amount equal to those additional amounts previously paid by Employer plus interest, if any, determined in accordance with BlueCross's regular procedures then in effect, less a pro rata share of any expenses incurred by BlueCross in contesting the validity of such Assessments.
7. Use of Names and Service Marks. Employer agrees to allow BlueCross to use Employer's name and service mark on I.D. cards and other forms necessary to implement this Agreement, for BlueCross's internal purposes, and to promote Employer's relationship with BlueCross to potential or existing providers. BlueCross shall not use Employer's name or service mark for any other purpose without the prior written consent of Employer.

Employer agrees that the names, logos, symbols, trademarks, trade names, and service marks of BlueCross, whether presently existing or hereafter established, are the sole property of BlueCross and BlueCross retains the right to the use and control thereof. Employer shall not use BlueCross's name, logos, symbols, trademarks or service marks in advertising or promotional materials or otherwise without the prior written consent of BlueCross and shall cease any such usage immediately upon written notice by BlueCross or upon termination of this Agreement, whichever is sooner.

Employer agrees that the names, logos, symbols, trademarks, trade names, and service marks of the Association, whether presently existing or hereafter established, are the sole property of the Association and the Association retains the right to the use and control thereof. Employer shall not use the Association's name, logos, symbols, trademarks or service marks in advertising or promotional materials or otherwise without the prior written consent of the Association and shall cease any such usage immediately upon written notice by the Association or upon termination of this Agreement, whichever is sooner.

8. Claims Incurred and Submitted but not yet Adjudicated. Employer can request reports regarding claims incurred and submitted but not yet adjudicated through the Account Manager.

**EXHIBIT F TO THE ADMINISTRATIVE SERVICES AGREEMENT**

**DIRECT DEBIT AUTHORIZATION AGREEMENT**

Employer has signed a separate Direct Debit Authorization Agreement, which is hereby incorporated by reference as part of this Agreement.

## EXHIBIT G TO THE ADMINISTRATIVE SERVICES AGREEMENT

### INTER-PLAN ARRANGEMENTS

#### 1. Out-of-Area Services.

##### **Overview**

BlueCross has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as “Inter-Plan Arrangements.” These Inter-Plan Arrangements operate under rules and procedures issued by the Blue Cross Blue Shield Association (“Association”). Whenever Members access healthcare services outside the geographic area BlueCross serves, the claim for those services may be processed through one of these Inter-Plan Arrangements. The Inter-Plan Arrangements are described generally below.

Typically, when accessing care outside the geographic area BlueCross serves, Members obtain care from healthcare providers that have a contractual agreement (“participating providers”) with the local Blue Cross and/or Blue Shield Licensee in that other geographic area (“Host Blue”). In some instances, Members may obtain care from healthcare providers in the Host Blue geographic area that do not have a contractual agreement (“nonparticipating providers”) with the Host Blue. BlueCross remains responsible for fulfilling our obligations to Employer. Our payment practices in both instances are described below.

This disclosure describes how claims are administered for Inter-Plan Arrangements and the fees that are charged in connection with Inter-Plan Arrangements. Note that Dental Care Benefits except when not paid as medical claims/benefits, and those Prescription Drug Benefits or Vision Care Benefits that may be administered by a third party contracted by Us to provide the specific service or services are not processed through Inter-Plan Arrangements.

#### 1.1. BlueCard® Program.

The BlueCard® Program is an Inter-Plan Arrangement. Under this Arrangement, when Members access Covered Services within the geographic area served by a Host Blue, the Host Blue will be responsible for contracting and handling all interactions with its participating healthcare providers. The financial terms of the BlueCard Program are described generally below.

##### 1.1.1. Liability Calculation Method Per Claim – In General.

##### 1.1.1.1. Member Liability Calculation

Unless subject to a fixed dollar copayment, the calculation of the Member liability on claims for Covered Services will be based on the lower of the participating provider’s billed charges for Covered Services or the negotiated price made available to BlueCross by the Host Blue.

### 1.1.1.2. Employer Liability Calculation

The calculation of Employer's liability on claims for Covered Services processed through the BlueCard Program will be based on the negotiated price made available to BlueCross by the Host Blue under the contract between the Host Blue and the provider. Sometimes, this negotiated price may be greater for a given service or services than billed charge in accordance with how the Host Blue has negotiated with its participating healthcare provider(s) for specific healthcare services. In cases where the negotiated price exceeds the billed charge, Employer may be liable for the excess amount even when the Member's deductible has not been satisfied. This excess amount reflects an amount that may be necessary to secure (a) the provider's participation in the network and/or (b) the overall discount negotiated by the Host Blue. In such a case, the entire contracted price is paid to the provider, even when the contracted price is greater than the billed charge.

### 1.1.2. Claims Pricing.

Host Blues determine a negotiated price, which is reflected in the terms of each Host Blue's provider contracts. The following are examples of the negotiated price made available to BlueCross by the Host Blue, but not an exhaustive list of negotiated prices:

- 1.1.2.1. An actual price. An actual price is a negotiated rate of payment in effect at the time a claim is processed without any other increases or decreases; or
- 1.1.2.2. An estimated price. An estimated price is a negotiated rate of payment in effect at the time a claim is processed, reduced or increased by a percentage to take into account certain payments negotiated with the provider and other claim- and non-claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, provider refunds not applied on a claim-specific basis, retrospective settlements and performance-related bonuses or incentives; or
- 1.1.2.3. An average price. An average price is a percentage of billed charges for Covered Services in effect at the time a claim is processed representing the aggregate payments negotiated by the Host Blue with all of its healthcare providers or a similar classification of its providers and other claim- and non-claim-related transactions. Such transactions may include the same ones as noted above for an estimated price.

The Host Blue determines whether it will use an actual, estimated or average price consistent with its provider contracts. The use of estimated or average pricing may result in a difference (positive or negative) between the price Employer pays on a specific claim



and the actual amount the Host Blue pays to the provider. However, the BlueCard Program requires that the amount paid by the Member and Employer is a final price; no future price adjustment will result in increases or decreases to the pricing of past claims.

Any positive or negative differences in estimated or average pricing are accounted for through variance accounts maintained by the Host Blue and are incorporated into future claim prices. As a result, the amounts charged to Employer will be adjusted in a following year, as necessary, to account for over- or underestimation of the past years' prices. The Host Blue will not receive compensation from how the estimated price or average price methods, described above, are calculated. Because all amounts paid are final, neither positive variance account amounts (funds available to be paid in the following year), nor negative variance amounts (the funds needed to be received in the following year), are due to or from Employer. If Employer terminates, Employer will not receive a refund or charge from the variance account.

Variance account balances are small amounts relative to the overall paid claims amounts and will be liquidated over time. The timeframe for their liquidation depends on variables, including, but not limited to, overall volume/number of claims processed and variance account balance. Employer has no ownership interest in any variance account. Variance accounts are notional bookkeeping accounts maintained by the Host Blue and no amounts are segregated or held for the benefit of the Employer.

#### 1.1.3. BlueCard Program Fees and Compensation.

Employer understands and agrees to reimburse BlueCross for certain fees and compensation which BlueCross is obligated under the BlueCard Program to pay to the Host Blues, to the Association and/or to vendors of BlueCard Program-related services. The specific BlueCard Program fees and compensation that are charged to Employer are set forth in Exhibit B. BlueCard Program Fees and compensation may be revised from time to time as described in section 1.7 below.

### 1.2. Special Cases: Value-Based Programs.

#### 1.2.1. Value-Based Programs Overview.

Employer's Members may access Covered Services from providers that participate in a Host Blue's Value-Based Program. Value-Based Programs may be delivered either through the BlueCard Program or a Negotiated Arrangement. These Value-Based Programs may include, but are not limited to, Accountable Care Organizations, Global Payment/Total Cost of Care arrangements, Patient Centered Medical Homes and Shared Savings arrangements.

## 1.2.2. Value-Based Programs under the BlueCard Program.

### 1.2.2.1. Value-Based Programs Administration

Under Value-Based Programs, a Host Blue may pay providers for reaching agreed-upon cost/quality goals in the following ways: Per member per month, provider incentives, gain share, risk share, retrospective settlements, prospective settlements, share of target savings, Care Coordination Fees and/or other allowed amounts.

The Host Blue may pass these provider payments to BlueCross, which BlueCross will pass directly on to Employer as either an amount included in the price of the claim or an amount charged separately in addition to the claim.

When such amounts are included in the price of the claim, the claim may be billed using one of the following pricing methods, as determined by the Host Blue:

- **Actual Pricing:** The charge to accounts for Value-Based Programs incentives/Shared Savings settlements is part of the claim. These charges are passed to Employer via an enhanced provider fee schedule.
- **Supplemental Factor:** The charge to accounts for Value-Based Programs incentives/Shared Savings settlements is a supplemental amount that is included in the claim as an amount based on a specified supplemental factor (e.g., a small percentage increase in the claim amount). The supplemental factor may be adjusted from time to time. This pricing method may be used only for non-attributed Value-Based Programs.

When such amounts are billed separately from the price of the claim, they may be billed as follows:

- 1.2.2.1.1. **Per Member Per Month (PMPM) Billings:** Per Member Per Month billings for Value-Based Programs incentives/Shared Savings settlements to accounts are outside of the claim system. BlueCross will pass these Host Blue charges directly through to Employer as a separately identified amount on the group billings.

The amounts used to calculate either the supplemental factors for estimated pricing or PMPM billings are fixed amounts that are estimated to be necessary to finance the cost of a particular Value-Based Program. Because amounts are estimates, there may be positive or negative differences based on actual experience, and such differences will be accounted for in a variance account maintained by the Host Blue (in the same manner as described in the BlueCard claim pricing section above) until the end of the applicable Value-Based Program payment and/or

reconciliation measurement period. The amounts needed to fund a Value-Based Program may be changed before the end of the measurement period if it is determined that amounts being collected are projected to exceed the amount necessary to fund the program or if they are projected to be insufficient to fund the program.

At the end of the Value-Based Program payment and/or reconciliation measurement period for these arrangements, Host Blues will take one of the following actions:

- 1.2.2.1.2. Use any surplus in funds in the variance account to fund Value-Based Program payments or reconciliation amounts in the next measurement period.
- 1.2.2.1.3. Address any deficit in funds in the variance account through an adjustment to the PMPM billing amount or the reconciliation billing amount for the next measurement period.

The Host Blue will not receive compensation resulting from how estimated, average or PMPM price methods, described above, are calculated. If Employer terminates, Employer will not receive a refund or charge from the variance account. This is because any resulting surpluses or deficits would be eventually exhausted through prospective adjustment to the settlement billings in the case of Value-Based Programs. The measurement period for determining these surpluses or deficits may differ from the term of this Agreement.

Members will not bear any portion of the cost of Value-Based Programs except when a Host Blue uses either average pricing or actual pricing to pay providers under Value-Based Programs.

### 1.2.3. Care Coordinator Fees.

Host Blues may also bill BlueCross for Care Coordinator Fees for provider services which we will pass on to Employer as follows:

- 1.2.3.1. PMPM billings; or
- 1.2.3.2. Individual claim billings through applicable care coordination codes from the most current editions of either Current Procedural Terminology (CPT) published by the American Medical Association (AMA) or Healthcare Common Procedure Coding System (HCPCS) published by the U.S. Centers for Medicare and Medicaid Services (CMS).

As part of this Agreement/contract, BlueCross and Employer will not impose Member cost sharing for Care Coordinator Fees.

#### 1.2.4. Value-Based Programs under Negotiated Arrangements.

If BlueCross has entered into a Negotiated Arrangement with a Host Blue to provide Value-Based Programs to Members, BlueCross will follow the same procedures for Value-Based Programs administration and Care Coordinator Fees as noted in the BlueCard Program section.

As part of this Agreement, BlueCross and Employer may agree to waive Member cost sharing for care coordinator fees.

#### 1.2.5. Value-Based Programs Definitions.

**Accountable Care Organization (ACO):** A group of healthcare providers who agree to deliver coordinated care and meet performance benchmarks for quality and affordability in order to manage the total cost of care for their member populations.

**Care Coordination:** Organized, information-driven patient care activities intended to facilitate the appropriate responses to a Member's healthcare needs across the continuum of care.

**Care Coordinator:** An individual within a provider organization who facilitates Care Coordination for patients.

**Care Coordination Fee:** A fixed amount paid by a Blue Cross and/or Blue Shield Licensee to providers periodically for Care Coordination under a Value-Based Program.

**Global Payment/Total Cost of Care:** A payment methodology that is defined at the patient level and accounts for either all patient care or for a specific groups of services delivered to the patient such as outpatient, physician, ancillary, hospital services and prescription drugs.

**Negotiated Arrangement a.k.a., Negotiated National Account Arrangement:** An agreement negotiated between a Control/Home Licensee and one or more Par/Host Licensees for any National Account that is not delivered through the BlueCard Program.

**Patient-Centered Medical Home (PCMH):** A model of care in which each patient has an ongoing relationship with a primary care physician who coordinates a team to take collective responsibility for patient care and, when appropriate, arranges for care with other qualified physicians.

**Provider Incentive:** An additional amount of compensation paid to a healthcare provider by a Blue Cross and/or Blue Shield Plan, based on the provider's compliance with agreed-upon procedural and/or outcome measures for a particular group of covered persons.

**Shared Savings:** A payment mechanism in which the provider and payer share cost savings achieved against a target cost budget based upon agreed upon terms and may include downside risk.

Value-Based Program (VBP): An outcomes-based payment arrangement and/or a coordinated care model facilitated with one or more local providers that is evaluated against cost and quality metrics/factors and is reflected in provider payment.

1.3. Prepayment Review & Return of Overpayments.

If a Host Blue conducts prepayment review activities, including, but not limited to, data mining, itemized bill reviews, secondary claim code editing, and DRG audits, the Host Blue may bill BlueCross up to a maximum of sixteen percent (16%) of the savings identified, unless an alternative reimbursement arrangement is agreed upon by BlueCross and the Host Blue, and these fees may be charged to Employer. If a Host Blue engages a third party to perform these activities on its behalf, the Host Blue may bill BlueCross the lesser of the full amount of the third-party fees or up to sixteen percent (16%) of the savings identified, unless an alternative reimbursement arrangement is agreed upon by BlueCross and the Host Blue, and these fees may be charged to Employer.

Recoveries of overpayments/from a Host Blue, or its participating and nonparticipating providers, or from post-payment review activities, can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, audits/healthcare provider/hospital bill audits, credit balance audits, utilization review refunds and unsolicited refunds. Recoveries will be applied in general, on either a claim-by-claim or prospective basis. If recovery amounts are passed on a claim-by-claim basis from a Host Blue to BlueCross, they will be credited to Employer. When a Host Blue identifies and collects these recovery amounts, the Host Blue may bill BlueCross up to a maximum of sixteen percent (16%) of the savings identified, unless an alternative reimbursement arrangement is agreed upon by BlueCross and the Host Blue, and these fees may be charged to Employer. In some cases, the Host Blue will engage a third party to assist in identification or collection of recovery amounts. When this occurs, the Host Blue may bill the lesser of the full amount of the third party fees or up to sixteen percent (16%) of the savings identified, unless an alternative reimbursement arrangement is agreed upon by BlueCross and the Host Blue, and these fees may be charged to Employer.

Unless otherwise agreed to by the Host Blue, for retroactive cancellations of membership, BlueCross will request the Host Blue to provide full refunds from participating healthcare providers for a period of only one year after the date of the Inter-Plan financial settlement process for the original claim. In some cases, recovery of claim payments associated with a retroactive cancellation may not be possible if, as an example, the recovery (a) conflicts with the Host Blue's state law or healthcare provider contracts, (b) would result from Shared Savings and/or Provider Incentive arrangements, and Care Coordination Fees or (c) would jeopardize the Host Blue's relationship with its participating healthcare providers, notwithstanding to the contrary any other provision of this Agreement.

1.4. Inter-Plan Programs: Federal/State Taxes/Surcharges/Fees

In some instances federal or state laws or regulations may impose a surcharge, tax or other fee that applies to self-funded accounts. If applicable, BlueCross will

disclose any such surcharge, tax or other fee to Employer, which will be Employer's liability. See also Exhibit E, paragraph 6.

1.5. Nonparticipating Providers Outside BlueCross's Service Area.

1.5.1. Member Liability Calculation.

1.5.1.1. In General

When Covered Services are provided outside of BlueCross's service area by nonparticipating providers, the amount(s) a Member pays for such services will be based on either the Host Blue's nonparticipating healthcare provider local payment or the pricing arrangements required by applicable law. In these situations, the Member may be responsible for the difference between the amount that the nonparticipating provider bills and the payment BlueCross will make for the Covered Services as set forth in this paragraph. Payments for certain out-of-network services, including out-of-network emergency services, will be governed by applicable federal and state law.

1.5.1.2. Exceptions

In some exception cases, BlueCross may pay claims from nonparticipating healthcare providers outside of BlueCross's service area based on the provider's billed charge. This may occur in situations where a Member did not have reasonable access to a participating provider, as determined by BlueCross in BlueCross's sole and absolute discretion or by applicable law. In other exception cases, BlueCross may pay such claims based on the payment BlueCross would make if BlueCross were paying a nonparticipating provider inside of BlueCross's service area. This may occur where the Host Blue's corresponding payment would be more than BlueCross's in-service area nonparticipating provider payment, BlueCross may negotiate a payment. BlueCross may choose to negotiate a payment with such a provider on an exception basis.

Unless otherwise stated, in any of these exception situations, the Member may be responsible for the difference between the amount that the nonparticipating healthcare provider bills and the payment BlueCross will make for the Covered Services as set forth in this paragraph.

1.5.2. Fees and Compensation.

Employer understands and agrees to reimburse BlueCross for certain fees and compensation which we are obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blues, to the Association and/or to vendors of Inter-Plan Arrangement-related services. The specific fees and compensation that are charged to Employer are set forth in Exhibit

B. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as provided for in section 1.7 below.

1.6. Blue Cross Blue Shield Global® Core.

1.6.1. General Information.

If Members are outside the United States, the Commonwealth of Puerto Rico and the U.S. Virgin Islands (hereinafter: “BlueCard service area”), they may be able to take advantage of Blue Cross Blue Shield Global Core when accessing Covered Services. Blue Cross Blue Shield Global Core is unlike the BlueCard Program available in the BlueCard service area in certain ways. For instance, although Blue Cross Blue Shield Global Core assists Members with accessing a network of inpatient, outpatient and professional providers, the network is not served by a Host Blue. As such, when Members receive care from providers outside the BlueCard service area, the Members will typically have to pay the providers and submit the claims themselves to obtain reimbursement for these services.

1.6.1.1. Inpatient Services

In most cases, if Members contact the service center for assistance, hospitals will not require Members to pay for covered inpatient services, except for their cost-share amounts. In such cases, the hospital will submit Member claims to the service center to initiate claims processing. However, if the Member paid in full at the time of service, the Member must submit a claim to obtain reimbursement for Covered Services. **Members must contact BlueCross to obtain precertification for non-emergency inpatient services.**

1.6.1.2. Outpatient Services

Physicians, urgent care centers and other outpatient providers located outside the BlueCard service area will typically require Members to pay in full at the time of service. Members must submit a claim to obtain reimbursement for Covered Services.

1.6.1.3. Submitting a Blue Cross Blue Shield Global Core Claim

When Members pay for Covered Services outside the BlueCard service area, they must submit a claim to obtain reimbursement. For institutional and professional claims, Members should complete a Blue Cross Blue Shield Global Core claim form and send the claim form with the provider’s itemized bill(s) to the service center address on the form to initiate claims processing. The claim form is available from BlueCross, the service center, or online at [www.bcbsglobalcore.com](http://www.bcbsglobalcore.com). If Members need assistance with their claim submissions, they should call the service center at 1.800.810.BLUE (2583) or call collect at 1.804.673.1177, 24 hours a day, seven days a week.

1.6.2. Blue Cross Blue Shield Global Core-Related Fees.

Employer understands and agrees to reimburse BlueCross for certain fees and compensation which we are obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blues, to the Association and/or to vendors of Inter-Plan Arrangement-related services. The specific fees and compensation that are charged to Employer under Blue Cross Blue Shield Global Core are set forth in Exhibit B. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as provided for in section 1.7 below.

1.7. Modifications or Changes to Inter-Plan Arrangement Fees or Compensation.

Modifications or changes to Inter-Plan arrangement fees are generally made effective January 1 of the calendar year, but they may occur at any time during the year. In the case of any such modifications or changes, BlueCross shall provide Employer with at least thirty (30) days' advance written notice of any modification or change to such Inter-Plan arrangement fees or compensation describing the change and the effective date thereof.



**EXHIBIT H TO THE ADMINISTRATIVE SERVICES AGREEMENT****COBRA ADMINISTRATION PROVIDED BY EMPLOYER OR A THIRD PARTY**

In the event that any Member is entitled to continuation of their benefits under the Benefit Documents, BlueCross will continue to perform its duties under this Agreement with regard to that Member as outlined below. BlueCross's and Employer's obligations under this Exhibit shall terminate upon termination of this Agreement.

1. Once notified by Employer that a Subscriber and/or Dependents are eligible for and enrolled in COBRA continuation ("Eligible COBRA Participant"), BlueCross shall:
  - 1.1. Administer health benefits for Eligible COBRA Participants for all benefits selected to be continued by the Eligible COBRA Participants;
  - 1.2. Provide claims processing services;
  - 1.3. Provide access to the provider network(s) selected by Employer, and the BlueCard/BlueCard PPO program;
  - 1.4. Terminate the COBRA continuation coverage for each Eligible COBRA Participant once notified by Employer as required under the terms of the Agreement;
  - 1.5. BlueCross's preference is not to accept COBRA-related information from any Employer Service Vendor; rather, Employer shall provide all information directly to BlueCross. However, BlueCross will accept COBRA-related information from an Employer Service Vendor at the request of Employer.
  
2. Employer, as the Plan Administrator, shall:
  - 2.1. Provide the eligibility information for all Qualified Beneficiaries to BlueCross with the monthly eligibility information;
  - 2.2. Pay all required premium equivalents or administrative fees for all COBRA Qualified Beneficiaries to BlueCross as required;
  - 2.3. Perform all COBRA administrative duties, including providing notice to Members of a qualifying event, eligibility information, premium collection, and reconciliation of premium and eligibility information;
  - 2.4. To the extent permitted by Tennessee law, hold harmless and indemnify BlueCross for any claims or causes of action that arise from, or are related to, Employer's obligations required by COBRA, including lawsuits, IRS fines, or claims, that result from incorrect premium collection or eligibility information supplied to BlueCross;
  - 2.5. Notify BlueCross of any changes that it becomes aware of that might affect the Eligible COBRA Participant's coverage under COBRA;

- 2.6. Fund all health claims of Qualified Beneficiaries, including those that may have been processed using incorrect eligibility information supplied to BlueCross by Employer.
3. As consideration for the above-referenced services, Employer shall pay BlueCross the current ASF being charged Employer for active Members.

**EXHIBIT I TO THE ADMINISTRATIVE SERVICES AGREEMENT**

**HEALTH AND WELLNESS SERVICES**

Employer has selected the Health and Wellness Services described below.

1. Services.

- 1.1. Teladoc Health<sup>®</sup>. Teladoc Health provides access to practitioners via telephone, internet or other telecommunication device, whereby the Practitioner may diagnose a Member's ailment, recommend therapy and, where appropriate, write a non-DEA controlled prescription.

**EXHIBIT J TO THE ADMINISTRATIVE SERVICES AGREEMENT**

**RESERVED**

**EXHIBIT K TO THE ADMINISTRATIVE SERVICES AGREEMENT**

**RESERVED**

**EXHIBIT L TO THE ADMINISTRATIVE SERVICES AGREEMENT**

**RESERVED**

**EXHIBIT M TO THE ADMINISTRATIVE SERVICES AGREEMENT****ONLINE ENROLLMENT SPECIFICATIONS THROUGH BlueCross SECURED WEBSITE**

1. BlueCross's Duties and Responsibilities.
  - 1.1. BlueCross will provide a PIN for website access.
  - 1.2. BlueCross will provide instruction upon Employer's request. Such instruction may be done by telephone or personal contact.
  - 1.3. BlueCross will accept data and process enrollment, status change and termination requests in accordance with the eligibility guidelines.
  - 1.4. BlueCross has the right to audit Employer's data transmissions for accuracy and completeness.
  
2. Employer's Duties and Responsibilities.
  - 2.1. Employer will submit data only on eligible individuals.
  - 2.2. Employer is responsible for the accuracy and completeness of all data submitted.
  - 2.3. Employer will submit data on a timely basis in accordance with this Agreement.
  - 2.4. Employer assumes responsibility for notifying BlueCross when Employer's group administrator or enrollment contact changes, so that BlueCross can revoke that individual's website access. BlueCross will revoke access within 5 working days of being notified. If Employer does not inform BlueCross of any such change, and a former group administrator or enrollment contact enters fraudulent or incorrect information through the website, Employer is responsible for these actions.

**EXHIBIT N TO THE ADMINISTRATIVE SERVICES AGREEMENT****GRIEVANCE SERVICES**

This Exhibit describes duties regarding grievance services:

1. First Level Grievance.

- 1.1. BlueCross shall conduct the first level grievance on Employer's behalf. For purposes of handling the first level Grievance, BlueCross is a limited fiduciary under ERISA.
- 1.2. BlueCross shall have full discretionary authority to make eligibility, benefit, claim, or any other applicable benefit determinations.
- 1.3. A written decision concerning the grievance shall be sent to Member within the timeframe set forth in the Benefit Documents.
- 1.4. Member shall have the opportunity to submit written testimony and any additional written information to BlueCross. Oral testimony will not be permitted at the first level grievance.
- 1.5. First level grievance is the only mandatory level of grievance.

2. Second Level Grievance.

- 2.1. BlueCross shall conduct the second level grievance for Employer. For purposes of handling the second level Grievance, BlueCross is a limited fiduciary under ERISA.
- 2.2. BlueCross shall have full discretionary authority to make eligibility, benefit, claim, or any other applicable benefit determinations.
- 2.3. A written decision concerning the grievance shall be sent to Member within the timeframe set forth in the Benefit Documents.
- 2.4. Member shall have the opportunity to present oral testimony and to provide additional information to BlueCross.

3. External Review.

- 3.1. BlueCross shall coordinate the external review procedure on Employer's behalf. For purposes of handling the external review process, BlueCross is a limited fiduciary under ERISA.
- 3.2. BlueCross's external review procedure shall be based on and follow the external review procedure set forth in the Tennessee Code Annotated.
- 3.3. A written decision concerning the grievance shall be sent to Member within the timeframe set forth in the Benefit Documents.



4. Employer's grievance processes shall be subject to and comply with the review standards applicable to ERISA plans, whether or not it is otherwise governed by ERISA.
5. BlueCross shall, upon Employer's request, provide to Employer any grievance information related to a grievance handled by BlueCross.
6. Nothing shall establish a grievance process that contradicts any statement in this Exhibit.
7. BlueCross shall not be required to perform any grievance services not expressly stated in this Exhibit.

**EXHIBIT O TO THE ADMINISTRATIVE SERVICES AGREEMENT**

**RESERVED**

## EXHIBIT P TO THE ADMINISTRATIVE SERVICES AGREEMENT

### PHARMACY SERVICES

Effective July 1, 2025 through June 30, 2026

Employer has selected BlueCross to provide pharmacy benefit management services with respect to Employer's Plan.

#### 1. Definitions.

The following definitions apply for purposes of this Exhibit only.

"340B Claim" means a Prescription Drug Claim that adjudicates at 340B Drug Program pricing and is dispensed from a 340B Covered Entity, as identified in the claim file by the submission of "20" in any of the submission clarification code fields and/or a Prescription Drug Claim submitted by pharmacy owned by a covered entity, as defined in Section 340B(a)(4) of the Public Health Services Act, whose 340B status is coded as "38" or "39" in the NCPDP DataQ database.

"340B Covered Entity" means those health care clinics, facilities, or other safety-net health care providers classified by the 340B Drug Program as a "covered entity" which are eligible to purchase 340B Drugs at favorable discounts for dispensing to eligible patients.

"340B Drug" means an FDA-approved prescription drug, an OTC drug that is written on a prescription, a biological product that can be dispensed only by a prescription (other than a vaccine) or FDA-approved insulin, which is the subject of a discount or rebate agreement between the manufacturer of such drug and a 340B Covered Entity, to provide drug pricing no less favorable than required by the manufacturer's agreements with HHS. For avoidance of doubt, 340B Drugs shall be determined based on the 340B Drug Program Laws, including the definition of "covered outpatient drug" set forth in Section 1927(k) of the Social Security Act, 42 U.S.C §1396r-8(k)(2) & (3).

"340B Drug Program" means the drug pricing program codified as Section 340B of the Public Health Service Act (42 U.S.C. § 256b), and which classifies certain safety-net health care providers as "covered entities" eligible to purchase outpatient prescription drugs for their eligible patients at favorable discounts from manufacturers, as required by HHS.

"Authorized Generics" means a medication that was originally marketed, licensed, and/or sold by the innovator drug manufacturer, but is relabeled, marketed, and/or sold under a generic name by either the innovator or another manufacturer or distributor with the innovator drug manufacturers' permission. For classification purposes, Authorized Generics mean any drug with an NDC attribute type code of "18" as indicated by First Databank.

"Average Wholesale Price" or "AWP" means the average wholesale price of a Prescription Drug. The pricing source of AWP metric unit price must be the National Drug Code ("NDC") of the actual manufacturer of the prescription dispensed. The pricing source of AWP shall not be based on re-labeled or repackaged NDCs. For Prescription Drug Claims, AWP is based on the dispensed 11-digit NDC, as supplied by a single nationally recognized pricing source selected and disclosed by BlueCross, on the date the drug is dispensed. For compound drugs, AWP metric unit price is the proportional AWP metric unit price times the quantity dispensed for the specific ingredients in the compound on the date the drug is dispensed, as set forth in the pricing source.

“Biosimilar Product(s)” means a biological product that is highly similar to a U.S. Food and Drug Administration (FDA) approved biological product, known as a reference product, and has no clinically meaningful differences in terms of safety and effectiveness from the reference product. For classification purposes, Biosimilar Product means any drug with an NDC attribute type code of “22” as indicated by First Databank.

“Brand Drug” means an FDA-approved drug manufactured and distributed by an innovator drug company or its licensee that is defined as a brand drug by Medi-Span. For classification purposes, Brand Drug means any drug with Multi-Source indicators of “M”, “N”, or “O” as indicated by Medi-Span. In limited circumstances, BlueCross may preserve the generic status of a product and override the M, N, O indicators and deem the drug to be a Generic Drug through review of additional information, in which case the product will be considered a Generic Drug for purposes of all guarantees set forth in this Agreement. Unless the language expressly states otherwise, a Brand Drug does not include Self-Administered Specialty Pharmacy Product.

“Compound Drugs” means a product where one (1) or more FDA-approved ingredients are prepared by a pharmacist according to a prescriber’s order. The end product must not be available in an equivalent commercial form. The product will not be considered a Compound Drug if it is reconstituted or if only water, alcohol, flavoring, coloring, or sodium chloride solutions are added to the active ingredient.

“Covered Drug(s)” means those prescription drugs, supplies, and other items that are covered under the Plan.

“Dispensing Fee” means an amount paid to the Pharmacy for the professional service of filing a Prescription Drug Claim.

“Drug Formulary” means the list of FDA-approved prescription drugs and supplies developed by BlueCross’s Pharmacy and Therapeutics Committee, or its delegate. The drugs and supplies included on the Drug Formulary will be modified by BlueCross, or its delegate, from time to time as a result of factors, including, but not limited to, medical appropriateness, pharmaceutical manufacturer Pharmacy Rebate arrangements, and patent expirations.

“Generic Drug” means a prescription or OTC drug that is therapeutically equivalent and interchangeable with Brand Drugs having an identical amount of the same active ingredient(s) and approved by the FDA through an Abbreviated New Drug Application (ANDA). For classification purposes, Generic Drug means any drug with Multi-Source indicator of “Y” as indicated by Medi-Span. Generic Drugs will also include all Authorized Generics, Single-Source Generics and DAW 5 claims. Unless the language expressly states otherwise, a Generic Drug does not include a Self-Administered Specialty Pharmacy Product.

“Home Delivery Network” means BlueCross’s network of Participating Pharmacies where prescriptions are filled and delivered to Members via mail delivery service. The Home Delivery Network does not include pharmacies in the Specialty Pharmacy Network.

“Ingredient Cost” means the Brand, Generic, or Self-Administered Specialty Pharmacy Products cost minus the Dispensing Fee and applicable taxes.

“Limited Distribution Drugs” or “LDD” means those Specialty Pharmacy Drugs that are distributed to and dispensed by either one or a very limited number of pharmacies.

“Manufacturer Administrative Fees” means those administrative fees paid by manufacturers to the pharmacy benefit manager pursuant to a contract between the pharmacy benefit manager and the manufacturer in connection with the pharmacy benefit manager’s administering, invoicing, allocating, and collecting Pharmacy Rebates.

“Mark III Self-Funded Group Pool” means self-funded groups that have elected to participate in the broker, Mark III’s pooled pricing arrangement with BlueCross and who have not elected to be reconciled individually.

“Member Submitted Claim” means a Prescription Drug Claim submitted by a Member for Covered Drugs dispensed by a Pharmacy for which the Member paid cash.

“Over the Counter Drug” or “OTC” means a drug available without a written prescription.

“Participating Pharmacy” means any pharmacy within BlueCross’s Pharmacy network licensed to provide Covered Drugs to Members.

“Pharmacy Rebate” is revenue received by BlueCross from rebate aggregators or pharmaceutical manufacturers, which is related to Members’ utilization of Covered Drugs. The following are specifically excluded from the definition of Pharmacy Rebate and shall be retained by BlueCross: (a) contractual obligations to BlueCross that require payment of a penalty or other amount to BlueCross if contractual obligations are not met; and (b) rebates attributable to any payment BlueCross receives for a Provider Administered Specialty Pharmacy Product claim as defined in Exhibit C; and (c) Manufacturer Administrative Fees.

“Prescription Drug Claim” means a Member Submitted Claim or claim for payment submitted by a Participating Pharmacy as a result of dispensing a Covered Drug to a Member.

“Prescription Maximum Allowable Cost” or “Prescription MAC” means a maximum unit ingredient Cost of off-patent prescription drugs or supplies subject to maximum reimbursement payment schedules on the date the drug is dispensed.

“Retail 30 Network” means BlueCross’s network of retail Participating Pharmacies that are permitted to dispense Covered Drugs to Members typically in a 30-day supply.

“Retail 90 Network” means BlueCross’ network of retail Participating Pharmacies that are permitted to dispense maintenance medications typically a 90-day supply.

“Single-Source Generics” means a Prescription Drug that is approved by the FDA under a Generic Drug ANDA and is licensed and then currently marketed by one Generic Drug manufacturer under separate ANDAs. For classification purposes, Single-Source Generics means any drug with Multi-Source indicators of “M” or “N” as indicated by Medi-Span with a brand name code of “G”.

“Specialty Drug List” means the list of Self-Administered Specialty Pharmacy Products applicable to pharmacy guarantees as maintained and updated by BlueCross. This list is updated quarterly and is available upon request.

“Specialty Pharmacy Network” means for purposes of this Exhibit, BlueCross’s network of Participating Pharmacies that are permitted to dispense Self-Administered Specialty Pharmacy Products to Members.

“Self- Administered Specialty Pharmacy Product” means those Specialty Pharmacy Products that a Member administers rather than a provider and that are listed on the Specialty Drug List. Self-Administered Specialty Pharmacy Products can only be dispensed from a specialty pharmacy in the Specialty Pharmacy Network and must meet all three of the following criteria:

- (a) Require in-depth patient teaching, coordination of care, and frequent monitoring to ensure successful use;
- (b) Described by at least one of the following:
  - i. produced through genetic technology or biopharmaceutical processes;
  - ii. target a chronic, rare, genetic, or complex disease; or
  - iii. require unique handling, distribution, and/or administration; and
- (c) Are set forth in the Drug Formulary which is maintained by BlueCross, or its delegate, (available at [www.bcbst.com](http://www.bcbst.com)), as may be amended from time to time for any reason.

All the medications set forth in the Drug Formulary have been determined by BlueCross, or its delegate, to meet criteria (a) and (b) above. However, some products meeting criteria in (a) and (b) above may be excluded from the Drug Formulary. A Self-Administered Specialty Pharmacy Product may be added or removed from the Drug Formulary at any time for any reason.

“Usual and Customary Price” or “U&C” means the retail price charged by a Participating Pharmacy for a Covered Drug in a cash transaction on the date the drug is dispensed.

“Vaccine” means a dispensed product used as a preventative inoculation to confer immunity against a specific disease, usually employing an innocuous form, fragment, toxin, or DNA of the disease agent to stimulate antibody production.

“Vaccine Claim” means a Prescription Drug Claim for which the purchase price includes the Ingredient Cost, the Dispensing Fee, the Vaccine fee and the cost to administer the Vaccine. These Prescription Drug Claims are identified with a Medi-Span Generic Product ID (GPI-4) of 1710, 1720, 1799, 1800 or 1899, or has an AHFS Extended Therapeutic Class Code of 8012000 or 80080000.

“Wholesale Acquisition Cost” or “WAC” means the wholesale acquisition cost for a product as published by First Databank, Medi-Span and/or another nationally recognized database, as selected by BlueCross.

“Year 1” means July 1, 2025 through June 30, 2026

2. Pharmacy Services.

BlueCross will provide the following pharmacy benefit management services:

<b>Employer and Member Services</b>	
Toll-free consumer advisor number for Members	Designated account team

Coordinated eligibility submission	Benefit plan setup
Member Submitted Claim processing	Electronic claims processing
<b>Network Pharmacy Services</b>	
Pharmacy help desk	Pharmacy reimbursement
Pharmacy network management	ePrescribing
<b>Home Delivery Services</b>	
Customer service for Members	Benefit education
Installment Payment Program	Prescription delivery – standard
Manage Automatic Refills and Renewals	Bridge supply
<b>Specialty Pharmacy Network Services</b>	
Benefit education	Prescription delivery – standard
<b>Reporting Services</b>	
Web-based client reporting	Billing reports
<b>Website Services</b>	
BlueAccess - access to benefit, drug, health and wellness information; prescription ordering capability; and customer service	Email a Pharmacist – 24/7 access to specialized pharmacists to answer non-urgent questions via email about medications.

<b>Cost Containment and Trend Management Solutions<sup>1</sup></b>		
<b><u>Solution</u></b>	<b><u>Description</u></b>	<b><u>Fee</u></b>
<b>Formulary Management</b>	Drug Formulary program based on evidence-based medicine, integrated utilization management leveraging best practice guidelines and physician expertise to comparatively review and assess new and existing drugs for safety, efficacy and cost control.	No Additional Fee
<b>POS Safety Messaging</b>	A concurrent drug utilization program designed to assist with preventing drug-related adverse events. Online, real-time drug utilization analysis is performed at the point of prescription dispensing, whether the dispensing occurs at the retail Pharmacy or at the home delivery Pharmacy.	No Additional Fee

<b>Cost Containment and Trend Management Solutions<sup>1</sup></b>		
<b><u>Solution</u></b>	<b><u>Description</u></b>	<b><u>Fee</u></b>
<b>Utilization Management</b>	<p>Represents a wide variety of rules-driven programs such as prior authorization, quantity limits, and step therapy to manage trends in patient drug utilization and client drug spend.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Prior Authorization - Monitors the dispensing of high-cost medications and those with the potential for misuse by requiring special approval (authorization) for certain drugs.</li> <li><input type="checkbox"/> Step Therapy - Manages drug costs by ensuring that patients try first-line (first step), clinically effective, lower-cost medications before they “step up” to a higher-cost medication.</li> <li><input type="checkbox"/> Quantity Management - Sets dispensing limits for certain drugs based on FDA approved dosing guidelines.</li> </ul>	No Additional Fee
<b>Drug Coverage Determinations</b>	<p>Includes initial determinations and reconsideration processes and criteria for benefit design related requests, plan exclusion reviews (clinical or administrative reviews of non-Covered Drugs), copay reviews, plan limit reviews (e.g., age, gender, days’ supply limits), administrative reviews, clinical benefit reviews and direct claim reject reviews. The initial determinations and reconsideration processes are in addition to and occur before the Grievance Procedure. Members may submit Grievances in accordance with the Grievance Procedure outlined in their EOC.</p>	No Additional Fee
<b>Integrated Benefit Management</b>	<p>Integrated solution that provides real-time shared deductible and out-of-pocket accumulations between the medical and pharmacy benefit.</p>	No Additional Fee
<b>Specialty Pharmacy Management</b>	<p>Program encourages the adherence to safe and effective use of specialty drugs according to prescribed regimens. The program achieves savings by establishing benefits for specialty prescriptions, limiting distribution to preferred vendors, establishing prior authorization criteria to assure appropriate utilization, and renegotiating of drug prices annually.</p>	No Additional Fee
<b>Comprehensive Fraud, Waste and Abuse</b>	<p>Comprehensive Fraud Waste and Abuse (FWA) reviews claims on the provider, pharmacy, and member level to identify any abnormal filling practices. Once an entity has been identified as filling potentially fraudulent prescriptions, our criminal investigations team will review and implement mitigation strategies.</p>	No Additional Fee
<b>High Cost Claimant Review</b>	<p>An integrated management program targeting cost stratification and focused interventions for high dollar pharmacy claimants as part of a comprehensive Member population health solution.</p>	No Additional Fee



<b>Cost Containment and Trend Management Solutions<sup>1</sup></b>		
<b><u>Solution</u></b>	<b><u>Description</u></b>	<b><u>Fee</u></b>
<b>Retail Vaccine Program</b>	This preventive services program broadens the reach of flu and other vaccines while reducing costs by providing a convenient and less expensive alternative through the Retail 30 Network.	No Additional Fee
<b>Drug Savings Review</b>	Program to communicate with providers to suggest missing or alternate drug therapies for members taking certain medications. This program consists of algorithmic and clinician reviews that examine members' diagnoses and drug dosages, and when appropriate, recommends changes in therapy. When the algorithm identifies a potentially harmful prescription, specialty trained pharmacists notify the prescribing physician and vending pharmacist before the drug is dispensed.	No Additional Fee
<b>Core Medication Management</b>	Program for members with chronic conditions to ensure they are taking medications properly by addressing potential adherence issues and closing gaps in care. This program analyzes pharmacy claims data and notifies members and providers with refill and late to fill notifications per member's preferred method of communication.	No Additional Fee
<b>Cost Saver</b>	Cost Saver utilizes a third-party contracted Participating Pharmacy network to enable Plan Members to take advantage of lower discount card prices, when available, while retaining the benefit of the drug utilization and clinical programs provided under the Plan. The program, which is eligible for non-specialty medications, is fully automated so it ensures members receive the lowest possible price without any additional discount cards.	No Additional Fee

1. State legislation may impact program availability.

2.1. **Participating Pharmacies.** The amount paid to the Participating Pharmacy for Prescription Drug Claims may or may not be equal to the amount charged to Employer, and BlueCross will absorb any negative margin or retain any positive margin. Subject to applicable law, BlueCross may communicate with Members regarding benefit design, cost savings, availability and use of the selected networks, as well as provide supporting services.

A list of Participating Pharmacies is available to Members on-line. BlueCross does not direct or exercise any control over the professional judgment exercised by any pharmacist providing pharmaceutical related services.

2.2. Any reports requested upon termination will incur an *ad hoc* fee. BlueCross shall not be obligated to release such report until the fee has been paid.

3. Pharmacy Networks and Drug Formulary.

Employer has selected the following Pharmacy networks and Drug Formulary, and such networks and formulary are applicable to the guarantees outlined in this section:

- 3.1. RX04 Network – BlueCross’s national traditional Retail 30 Network.
- 3.2. Plus90 Network - BlueCross’s Retail 90 Network.
- 3.3. Home Delivery Network
- 3.4. Retail Specialty Pharmacy Network – BlueCross’ Retail 30 Network and the Preferred Specialty Network of Participating Pharmacies.
- 3.5. Preferred Formulary

4. Pharmacy Administrative Fees.

Employer shall pay to BlueCross the following Pharmacy Administrative Fees:

Year 1: \$2.00 Per Claim.

The above fee includes a \$2.00 Per Claim fee to be paid to Employer’s broker/consultant. BlueCross will remit the fee to the broker/consultant on Employer’s behalf.

5. Pharmacy Discount Guarantee.

BlueCross guarantees that Employer will obtain a discount off AWP charged for Covered Drugs. Ingredient Cost and Dispensing Fee guarantees are collectively referred to as the “Pharmacy Discount Guarantee.” The Pharmacy Discount Guarantee is identified below for each of the applicable networks.

Pharmacy Discount Guarantees	Brand Drugs	Generic Drugs	Dispensing Fees
Retail 30 Network (1-83 days’ supply)	Year 1: AWP-19.60%	Year 1: AWP-84.85%	Year 1: \$0.25/Rx
Retail 90 Network (84+ days’ supply)	Year 1: AWP-21.50%	Year 1: AWP-86.35%	Year 1: \$0.00/Rx
Home Delivery Network (1+ days’ supply)	Year 1: AWP-24.00%	Year 1: AWP-88.85%	Year 1: \$0.00/Rx
Self-Administered Specialty Pharmacy Network	Year 1: AWP-21.75%		Year 1: \$0.25/Rx

- 5.1. Pricing Per Prescription Drug Claim. Subject to annual reconciliation of the above Pharmacy Discount Guarantee, Employer will pay to BlueCross on a per Prescription Drug Claim basis amounts determined pursuant to the following:
- 5.1.1. Brand Drug will be calculated at the Ingredient Cost plus the applicable Dispensing Fee. Brand Drug Ingredient Cost will be calculated at the lesser of the applicable U&C, Prescription MAC (if applicable), or AWP discount price, including claims where full cost is paid by Member.
  - 5.1.2. Generic Drug will be calculated at the Ingredient Cost plus the applicable Dispensing Fee. Generic Drug Ingredient Cost will be calculated at the lesser of the applicable U&C, Prescription MAC (if applicable), or AWP discount price, including claims where full cost is paid by Member.
  - 5.1.3. The Member's copayment charged for a Covered Drug will be the lesser of the applicable copayment or Ingredient Cost.
  - 5.1.4. Prescription MAC pricing (if applicable) will be applied to all Pharmacy Networks, including Retail 30 Network, Retail 90 Network, Home Delivery Network and Specialty Pharmacy Network. Prescription MAC pricing applied on the Retail 90 Network and Home Delivery Network will be equal to or greater than the Prescription MAC pricing applied at the Retail 30 Network.
  - 5.1.5. Prescription Drug Claims for re-labeled or repackaged NDCs, regardless of dispensing Pharmacy, will be denied.
  - 5.1.6. Pricing methodology may differ from above due to state legislation, where applicable.
- 5.2. Annual Reconciliation. Application of the Pharmacy Discount Guarantee set forth in the table above shall be subject to the following criteria and reconciliation provisions:
- 5.2.1. Separately for each pricing component in the table above, the following calculations will be performed for all Prescription Drug Claims processed in order to reconcile against the Pharmacy Discount Guarantee.
    - 5.2.1.1. Ingredient Cost. The formula indicates the percentage reduction off of AWP Employer will receive and will be calculated as:  $\{1 - (\text{total discounted AWP Ingredient Cost (excluding Dispensing Fees and prior to application of copayments, selection penalties, and other Member paid amounts) of applicable Prescription Drug Claims for the annual period} / \text{total undiscounted AWP Ingredient Cost (both amounts will be calculated as of the date of adjudication) for the annual period})\}$ .
    - 5.2.1.2. Dispensing Fee. The formula will be calculated as:  $\{\text{total Dispensing Fees (prior to application of copayments, selection penalties, and other member paid amounts) of applicable Prescription Drug Claims for the annual period} / \text{total number of Prescription Drug Claims (both amounts will be calculated as of the date of adjudication) for the annual period}\}$ .

- 5.2.2. The Pharmacy Discount Guarantee excludes Compound drugs, Biosimilar Products, drugs dispensed at a long term care facility, OTCs, Vaccine Claims, Limited Distribution Drugs, COVID testing-related claims, claims for FDA-approved oral antiviral therapy for the treatment of COVID, 340B claims, onsite pharmacy claims that do not accept standard Retail 30 Network, Retail 90 Network, and Specialty Pharmacy Network pricing terms and conditions, self-administered specialty pharmacy products not filled through BlueCross' Specialty Pharmacy Network, Provider Administered Specialty Pharmacy Products (as defined in Exhibit C of this Agreement), Medicaid subrogation claims, member-submitted claims, coordination-of-benefit claims, claims from pharmacies operated by the Department of Veterans Affairs, the Department of Defense's Military Treatment Facilities Veteran's Administration, and Indian Health Service, Tribes and Urban Indian claims.
- 5.2.3. The Pharmacy Discount Guarantee is measured in the aggregate and reconciled annually across the entire Mark III Self-Funded Group Pool. It is measured in 12-month increments beginning with the first month of Year 1, which may or may not coordinate with Employer's medical contract year. The reconciliation will occur approximately 120 days after the end of each 12-month period. An excess achieved on one or more of the Pharmacy Discount Guarantees shall be used to offset a shortfall in any of the other Pharmacy Discount Guarantees. Should the actual savings achieved across the Mark III Self-Funded Group Pool be less than the guarantee, BlueCross shall pay Employer its proportional share of the shortfall between the actual savings and the guaranteed result. If the reconciliation results in greater savings than the above guarantees, Employer shall retain the surplus. Subject to Final Settlement, Employer shall receive Pharmacy Discount Guarantee shortfall payment, if any, for claims incurred prior to the termination date. If the Agreement or this Exhibit is terminated prior to the completion of the applicable 12-month period, the Pharmacy Discount Guarantee shall become null and void.
- 5.2.4. Claims that have non-standard pricing as a result of government action, for example as part of a public health emergency, will be excluded from the Pharmacy Discount Guarantee.
- 5.2.5. State-regulated dispensing fees will be excluded from the Pharmacy Discount Guarantee.
- 5.2.6. Claims paid under the reimbursement appeals process governed by state law will be excluded from the Pharmacy Discount Guarantee.
- 5.2.7. Self-Administered Specialty Pharmacy Network discount guarantees apply to Covered Drugs on the Standard Specialty Drug List.
- 5.3. Guarantee Conditions. The Pharmacy Discount Guarantee is nullified if any of the following occur:
- 5.3.1. BlueCross is not Employer's exclusive provider of Pharmacy benefit management services.

- 5.3.2. Implementation or addition of 100% Member cost-share Pharmacy benefit plan, under which Employer contributes nothing toward the Prescription Drug Claim costs (i.e., the only benefit the Member receives is a claim discount).
- 5.3.3. BlueCross's Specialty Pharmacy Network is not included, or a days' supply is greater than 30 days.
- 5.3.4. Employer changes its Pharmacy networks, days' supplies, benefit design, Drug Formulary, clinical or trend programs.
- 5.3.5. The pricing source discontinues the reporting of AWP or materially changes the manner in which AWP is calculated. (BlueCross reserves the right to make an equitable adjustment as necessary to maintain the Parties' relative economics and the pricing intent of this Agreement. BlueCross will notify Employer in writing of such adjustment. Employer will have fifteen (15) days to respond to receipt of notification. If written response is not received within fifteen (15) days, adjustment will be deemed acceptable by Employer.)
- 5.3.6. Employer elects to use on-site clinics or Pharmacies to dispense Prescription Drugs to Members which materially reduces the number of Covered Drug claims submitted.
- 5.3.7. Employer does not implement a plan design that permits Members to fill 90 days' supply at a Retail 90 Network Participating Pharmacy.
- 5.3.8. Government action, change in law or regulation, or change in the interpretation of any law or regulation that has an adverse effect on pharmacy network pricing. Should this happen, BlueCross will make a good faith effort to work to reach a new agreement that equitably reflects the circumstances as altered by government action. BlueCross will notify Employer in writing of such adjustment. Employer will have fifteen (15) days to respond to receipt of notification. If written response is not received within fifteen (15) days, adjustment will be deemed acceptable by Employer.
- 5.3.9. The Mark III Self-Funded Group Pool falls below 2,500 members.
- 5.3.10. The drug mix utilization as a result of additional self-funded groups to the Mark III Self-Funded Group Pool drives results that are materially different than estimated.

6. Pharmacy Rebate Guarantee.

BlueCross guarantees that Employer will receive a minimum Pharmacy Rebate as identified below for each of the applicable networks.

Drug Formulary	BlueCross's Preferred Formulary			
Pharmacy Network	Retail 30 1-83 days' supply	Retail 90 84+ days' supply	Home Delivery Network	Self- Administered Specialty Pharmacy Products
<b>Per Brand Drug Prescription claim</b>	Year 1: \$412.00	Year 1: \$927.00	Year 1: \$927.00	Year 1: \$4,500.00

6.1. Annual Reconciliation. Application of the Pharmacy Rebate Guarantees set forth in the table above shall be subject to the following criteria and reconciliation provisions:

6.1.1. The following are excluded from the Pharmacy Rebate Guarantee: Compound Drugs, Provider Administered Specialty Pharmacy Products, Biosimilar Products, drugs dispensed at a long term care facility, home infusion drugs, OTCs, Vaccine Claims, Limited Distribution Drugs, claims for drugs not included on the Drug Formulary, COVID testing-related claims, claims for FDA-approved oral antiviral therapy for the treatment of COVID, 340B Claims, Medicaid subrogation claims, member-submitted claims, coordination-of-benefit claims, claims from pharmacies operated by the Department of Veterans Affairs, the Department of Defense's Military Treatment Facilities Veteran's Administration, and Indian Health Service, Tribes and Urban Indian claims.

6.1.2. The Pharmacy Rebate Guarantee is measured in the aggregate and reconciled annually across the entire Mark III Self-Funded Group Pool. The Pharmacy Rebate payment is distributed within approximately 120 days after the end of each quarter. Should the actual savings achieved across the Mark III Self-Funded Group Pool be less than the Pharmacy Rebate Guarantee, BlueCross shall pay Employer its proportional share of the shortfall between the actual savings and the guaranteed result. If the actual Pharmacy Rebate received is greater than the Pharmacy Rebate Guarantee, Employer shall retain the surplus. Subject to Final Settlement, Employer shall receive Pharmacy Rebate guarantee payment, if any, for claims incurred prior to the termination date. The Pharmacy Rebate Guarantee is measured in 12 month increments beginning with the first month of Year 1, which may or may not coordinate with Employer's medical contract year. The reconciliation will be on an incurred basis and will occur approximately 240 days after the end of each 12-month period. If the Agreement or this Exhibit is terminated prior to the completion of the applicable 12-month period, the Pharmacy Rebate Guarantee shall become null and void.

6.1.3. Claims that have non-standard pricing as a result of government action, for example as part of a public health emergency, will be excluded from the Pharmacy Rebate Guarantee.

- 6.1.4. HIV claims, identified with Medi-Span Generic Product ID (GPI-4) of 1210, and Self-Administered Specialty Pharmacy Products not filled through BlueCross's Specialty Pharmacy Network will be reconciled as Retail under the Rebate Guarantee reconciliation.
- 6.1.5. BlueCross may leverage realized savings relating to the additional value of low cost strategies on minimum guarantees by adding "Rebate Reconciliation Credits" value to the total Pharmacy Rebates actually remitted to Employer when reconciling minimum rebate guarantees. "Rebate Reconciliation Credits" shall consist of (i) the value of price reductions for rebateable products that have experienced a Wholesale Acquisition Cost (WAC) decrease, measured as the differential between the Baseline WAC of the product and the WAC of the product when the claim is adjudicated, subject to the below cap, and/or (ii) the differential between the WAC of a lower net cost Brand Drug, including but not limited to a Biosimilar Product ("Low Cost Brand"), claim processed, and the WAC of the reference Brand Drug, subject to the below cap. The "Baseline WAC" will be the WAC of the product prior to a reduction in WAC or, as applicable, for Low Cost Brands, the Baseline WAC will be the WAC of the reference Brand Drug at the time the claim is adjudicated. In no way will the Rebate Reconciliation Credit exceed the Baseline Rebate less the earned Pharmacy Rebates on either the Low Cost Brand or the rebateable product that has experienced a WAC decrease. "Baseline Rebate" is calculated as follows: In the year the price reduction occurred, Baseline Rebate will be the Pharmacy Rebate available for coverage of the product prior to the WAC reduction or, as applicable, for Low Cost Brands the Baseline Rebate will be the Pharmacy Rebate available for coverage for the reference Brand Drug on the date the claim is adjudicated. For a product experiencing a WAC reduction, in subsequent years the Baseline Rebate will increase over the prior year Baseline Rebate at the WAC inflation rate of the GPI subclass (GPI-6) of the applicable product. BlueCross will notify Employer of any applicable product that qualifies for Rebate Reconciliation Credits. BlueCross agrees to provide reporting upon Employer request demonstrating the net-cost impact in the therapeutic category.
- 6.1.6. Self-Administered Specialty Pharmacy Product rebate guarantees apply to Covered Drugs on the Standard Specialty Drug List.
- 6.2. Guarantee Conditions. The Pharmacy Rebate Guarantee is nullified if any of the following occur:
  - 6.2.1. BlueCross is not Employer's exclusive provider of Pharmacy benefit management services.
  - 6.2.2. Implementation or addition of 100% Member cost-share Pharmacy benefit plan, under which Employer contributes nothing toward the Prescription Drug Claims costs (i.e., the only benefit the Member receives is a claims discount).
  - 6.2.3. BlueCross's Specialty Pharmacy Network is not included. Employer changes its Pharmacy networks, days' supplies, benefit design, Drug Formulary, or implements OTC plans, clinical or trend programs.

- 6.2.4. The pricing source discontinues the reporting of AWP or materially changes the manner in which AWP is calculated. (BlueCross reserves the right to make an equitable adjustment as necessary to maintain the Parties' relative economics and the pricing intent of this Agreement. BlueCross will notify Employer in writing of such adjustment. Employer will have fifteen (15) days to respond to receipt of notification. If written response is not received within fifteen (15) days, adjustment will be deemed acceptable by Employer.)
- 6.2.5. Employer elects to use on-site clinics or Pharmacies to dispense Prescription Drugs to Members which materially reduces the number of Covered Drug claims submitted.
- 6.2.6. Employer does not implement a plan design that permits Members to fill 90 days' supply at a Retail 90 Network Participating Pharmacy.
- 6.2.7. Employer does not implement a Pharmacy benefit design approved by BlueCross consisting of an arrangement whose differential in copayment or its reasonably equivalent value for coinsurance between preferred and non-preferred brand drugs is at least \$15.00.
- 6.2.8. Employer (or its affiliates or agents) contracts directly or indirectly with another party for discounts, utilization limits, Pharmacy Rebates or other financial incentives on pharmaceutical products or formulary programs for claims processed pursuant to this Exhibit.
- 6.2.9. There is an adverse effect on the availability of Pharmacy Rebates due to a government action, change in law or regulation (or interpretation of a law or regulation), or an action by a pharmaceutical manufacturer. (BlueCross reserves the right to make an equitable adjustment as necessary to maintain the Parties' relative economics and the pricing intent of this Agreement. BlueCross will notify Employer in writing of such adjustment. Employer will have fifteen (15) days to respond to receipt of notification. If written response is not received within fifteen (15) days, adjustment will be deemed acceptable by Employer.) Under its Pharmacy Rebate program, BlueCross, or its delegate, may implement Drug Formulary management programs and controls, which may include, among other things, cost containment initiatives, and communications with Members, Participating Pharmacies, and/or physicians. BlueCross reserves the right to modify or replace such programs from time to time. Pharmacy Rebate Guarantees are conditioned on adherence to various Drug Formulary management controls, benefit design requirements and claims volume.
- 6.2.10. The Mark III Self-Funded Group Pool falls below 2,500 members.
- 6.2.11. The drug mix utilization as a result of additional self-funded groups to the Mark III Self-Funded Group Pool drives results that are materially different than estimated.
- 6.3. For purposes of the Federal Anti-Kickback Statute, these Pharmacy Rebates shall constitute and shall be treated as discounts against the price of drugs within the meaning of 42 U.S.C. 1320a 7b(b)(3)(A).



- 6.4. BlueCross represents and warrants that it will not enter into any agreement with a pharmaceutical manufacturer for other pharmaceutical revenue in exchange for a reduction of Pharmacy Rebates.

## EXHIBIT Q TO THE ADMINISTRATIVE SERVICES AGREEMENT

### BUSINESS ASSOCIATE AGREEMENT Between BLUE CROSS BLUE SHIELD OF TENNESSEE, INC. and CITY OF KINGSPORT, TN

This Business Associate Agreement (“BAA”) is effective upon execution and amends and is made part of the Administrative Services Agreement (“ASA”) by and between BlueCross BlueShield of Tennessee, Inc. (“BlueCross”), City of Kingsport, TN (“Employer”) assigned Employer Group Number 130434, and the Group Health Plan (“GHP”).

The ASA is modified to incorporate the terms of this HIPAA Agreement to comply with the requirements of the implementing regulations at 45 Code of Federal Regulations (“C.F.R.”) Parts 160-64 for the Administrative Simplification provisions of Title II, Subtitle F of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as modified by the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009 (“HITECH Act”), and the implementing regulations (“HIPAA Rules”) that are applicable to BlueCross, along with any guidance and/or regulations issued by United States Department of Health and Human Services (“DHHS”). BlueCross and GHP agree to incorporate into this HIPAA Agreement any regulations issued with respect to the HITECH Act that relate to the obligations of BlueCross. BlueCross recognizes and agrees that it is obligated by law to meet the applicable provisions of the HITECH Act.

#### 1. Privacy of Protected Health Information.

- a. Permitted Uses and Disclosures. BlueCross is permitted to use and disclose Protected Health Information that it creates or receives on GHP’s behalf or receives from GHP (or another business associate of GHP) and to request Protected Health Information on GHP’s behalf (collectively, “GHP’s Protected Health Information”) only as follows:
  - i. Functions and Activities on GHP’s Behalf. BlueCross will be permitted to use and disclose GHP’s PHI to perform functions, activities, services, and operations on behalf of GHP, consistent with the Privacy Rule and the HITECH Act as specified in the ASA, including but not limited to: (a) management, operation, and administration of the GHP offered to Members; and (b) services set forth in the ASA, which include payment activities, Health Care Operations, and Data Aggregation.
  - ii. BlueCross’ Operations. For BlueCross’ proper management and administration or to carry out BlueCross’ legal responsibilities, provided that, with respect to disclosure of GHP’s Protected Health Information, either:
    - A) The disclosure is Required by Law; or
    - B) BlueCross obtains reasonable assurance from any person or entity to which BlueCross will disclose GHP’s Protected Health Information that the person or entity will:

- 1) Hold GHP's Protected Health Information in confidence and use or further disclose GHP's Protected Health Information only for the purpose for which BlueCross disclosed GHP's Protected Health Information to the person or entity or as Required by Law; and
  - 2) Promptly notify BlueCross (who will in turn notify GHP in accordance with Section 4(a) of this HIPAA Agreement) of any instance of which the person or entity becomes aware in which the confidentiality of GHP's Protected Health Information was breached.
- C) BlueCross also may use GHP's Protected Health Information to provide Data Aggregation Services. BlueCross may de-identify GHP's PHI it obtains or creates in the course of providing services to Employer.
- b. Minimum Necessary and Limited Data Set. BlueCross' use, disclosure or request of Protected Health Information shall utilize a Limited Data Set if practicable. Otherwise, BlueCross will, in its performance of the functions, activities, services, and operations specified in Section 1(a) above, make reasonable efforts to use, to disclose, and to request of a Covered Entity only the minimum amount of GHP's Protected Health Information reasonably necessary to accomplish the intended purpose of the use, disclosure or request, except that BlueCross will not be obligated to comply with this minimum necessary limitation with respect to:
- i. Disclosure to or request by a health care provider for Treatment;
  - ii. Use for or disclosure to an individual who is the subject of GHP's Protected Health Information, or that individual's personal representative;
  - iii. Use or disclosure made pursuant to an authorization compliant with 45 C.F.R. § 164.508 that is signed by an individual who is the subject of GHP's Protected Health Information to be used or disclosed, or by that individual's personal representative;
  - iv. Disclosure to the DHHS in accordance with Section 5(a) of this HIPAA Agreement;
  - v. Use or disclosure that is Required by Law; or
  - vi. Any other use or disclosure that is excepted from the minimum necessary limitation as specified in 45 C.F.R. § 164.502(b)(2).
- c. Prohibition on Unauthorized Use or Disclosure. BlueCross will neither use nor disclose GHP's Protected Health Information, except as permitted or required by the ASA and this HIPAA Agreement or in writing by GHP or as Required by Law. This HIPAA Agreement does not authorize BlueCross to use or disclose GHP's Protected Health Information in a manner that will violate the 45 C.F.R. Part 164, Subpart E "Privacy of

Individually Identifiable Health Information” (“Privacy Rule”) if done by GHP, except as set forth in Section 1(a)(ii) of this HIPAA Agreement.

d. Information Safeguards.

i. Privacy of GHP’s Protected Health Information. BlueCross will develop, implement, maintain, and use appropriate administrative, technical, and physical safeguards to protect the privacy of GHP’s Protected Health Information. The safeguards must reasonably protect GHP’s Protected Health Information from any intentional or unintentional use or disclosure in violation of the Privacy Rule, 45 C.F.R. Part 164, Subpart E and this HIPAA Agreement, and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this HIPAA Agreement.

ii. Security of GHP’s Electronic Protected Health Information. BlueCross will develop, implement, maintain, and use administrative, technical, and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information that BlueCross creates, receives, maintains, or transmits on GHP’s behalf as required by the Security Rule, 45 C.F.R. Part 164, Subpart C and as required by the HITECH Act. BlueCross also shall develop and implement policies and procedures and meet the Security Rule documentation requirements as required by the HITECH Act.

e. Subcontractors and Agents. BlueCross will require any of its subcontractors and agents, to which BlueCross is permitted by the ASA and this HIPAA Agreement or in writing by GHP to disclose GHP’s Protected Health Information, to provide reasonable assurance that such subcontractor or agent will comply with the same privacy and security safeguard obligations with respect to GHP’s Protected Health Information that are applicable to BlueCross under this HIPAA Agreement.

2. Compliance with Transaction Standards. If BlueCross conducts in whole or part electronic Transactions on behalf of GHP for which DHHS has established Standards, BlueCross will comply, and will require any subcontractor or agent it involves with the conduct of such Transactions to comply, with each applicable requirement of the Transaction Rule, 45 C.F.R. Part 162. BlueCross will not enter into, or permit its subcontractors or agents to enter into, any Trading Partner Agreement in connection with the conduct of Standard Transactions on behalf of GHP that:

- a. Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;
- b. Adds any data element or segment to the maximum defined data set;
- c. Uses any code or data element that is marked “not used” in the Standard Transaction’s implementation specification or is not in the Standard Transaction’s implementation specification; or

- d. Changes the meaning or intent of the Standard Transaction's implementation specification.

3. Individual Rights.

- a. Access. BlueCross will, within Thirty (30) days following GHP's request, make available to GHP or, at GHP's direction, to an individual (or the individual's personal representative) for inspection and obtaining copies of GHP's Protected Health Information about the individual that is in BlueCross' custody or control, consistent with the requirements of 45 C.F.R. § 164.524 so that GHP may meet its access obligations under 45 C.F.R. § 164.524 and, where applicable, the HITECH Act. BlueCross shall make such information available in an electronic format where directed by GHP.
- b. Amendment. BlueCross will, upon receipt of written notice from GHP, promptly amend or permit GHP access to amend any portion of GHP's Protected Health Information, so that GHP may meet its amendment obligations under 45 C.F.R. § 164.526.
- c. Disclosure Accounting. So that GHP may meet its disclosure accounting obligations under 45 C.F.R. § 164.528:
  - i. Disclosures Subject to Accounting. BlueCross will record the information specified in Section 3(c)(iii) below ("Disclosure Information") for each disclosure of GHP's Protected Health Information, not excepted from disclosure accounting as specified in Section 3(c)(ii) below, that BlueCross makes to GHP or to a third party.
  - ii. Disclosures Not Subject to Accounting. BlueCross will not be obligated to record Disclosure Information or otherwise account for the following disclosures of GHP's Protected Health Information:
    - A) That occurred before April 14, 2003;
    - B) For Treatment, Payment or Health Care Operations activities;
    - C) To an individual who is the subject of GHP's Protected Health Information disclosed, or to that individual's personal representative;
    - D) Pursuant to an authorization compliant with 45 C.F.R. § 164.508 that is signed by an individual who is the subject of GHP's Protected Health Information disclosed, or by that individual's personal representative;
    - E) For notification of and to persons involved in the care or payment related to the health care of an individual who is the subject of GHP's Protected Health Information disclosed and for disaster relief;
    - F) To law enforcement officials or correctional institutions in accordance with 45 C.F.R. § 164.512(k)(5);

- G) For national security or intelligence purposes in accordance with 45 C.F.R. § 164.512(k)(2);
- H) In a Limited Data Set;
- I) Incident to a use or disclosure that BlueCross is otherwise permitted to make by the ASA and this HIPAA Agreement; and
- J) Otherwise excepted from disclosure accounting as specified in 45 C.F.R. § 164.528.

iii. Disclosure Information. With respect to any disclosure by BlueCross of GHP's Protected Health Information that is not excepted from disclosure accounting by Section 3(c)(ii) above, BlueCross will record the following Disclosure Information as applicable to the type of accountable disclosure made:

- A) Disclosure Information Generally. Except for repetitive disclosures of GHP's Protected Health Information as specified in Section 3(c)(iii)(B) below and for disclosures for large Research studies as specified in Section 3(c)(iii)(C) below, the Disclosure Information that BlueCross must record for each accountable disclosure are the requirements set forth in the HIPAA Privacy Rule, including, but not limited to: (i) the disclosure date, (ii) the name and (if known) address of the entity to which BlueCross made the disclosure, (iii) a brief description of GHP's Protected Health Information disclosed, and (iv) a brief statement of the purpose of the disclosure. BlueCross further shall provide any additional information to the extent required by the HITECH Act and any accompanying regulations.
- B) Disclosure Information for Repetitive Disclosures. For repetitive disclosures of GHP's Protected Health Information that BlueCross makes for a single purpose to the same person or entity (including GHP), the Disclosure Information that BlueCross must record is either the Disclosure Information specified in Section 3(c)(iii)(A) above for each accountable disclosure, or (i) the Disclosure Information specified in Section 3(c)(iii)(A) above for the first of the repetitive accountable disclosures, (ii) the frequency, periodicity, or number of the repetitive accountable disclosures, and (iii) the date of the last of the repetitive accountable disclosures.
- C) Disclosure Information for Large Research Activities. For disclosures of GHP's Protected Health Information that BlueCross makes for particular Research involving Fifty (50) or more individuals and for which an Institutional Review Board or Privacy Board has waived authorization during the period covered by an individual's disclosure accounting request, the Disclosure Information that BlueCross must record is (i) the

name of the Research protocol or activity, (ii) a plain language description of the Research protocol or activity, including its purpose and criteria for selecting particular records, (iii) a brief description of the type of GHP's Protected Health Information disclosed for the Research, (iv) the dates or periods during which BlueCross made or may have made these disclosures, including the date of the last disclosure that BlueCross made during the period covered by an individual's disclosure accounting request, (v) the name, address, and telephone number of the Research sponsor and of the researcher to whom BlueCross made these disclosures, and (vi) a statement that GHP's Protected Health Information relating to an individual requesting the disclosure accounting may or may not have been disclosed for a particular Research protocol or activity. BlueCross will, upon request of GHP or an individual requesting the disclosure accounting, assist GHP or the individual to contact the Research sponsor and the researcher if it is reasonably likely that GHP's Protected Health Information relating to the individual was disclosed for the particular Research protocol or activity.

- iv. Availability of Disclosure Information. Unless otherwise provided by applicable laws, BlueCross will maintain the Disclosure Information for at least Six (6) years following the date of the accountable disclosure to which the Disclosure Information relates.

Business Associate will make the Disclosure Information available to GHP within Sixty (60) days following GHP's request for such Disclosure Information to comply with an individual's request for disclosure accounting.

- d. Restriction Agreements and Confidential Communications. BlueCross will comply with any agreement that GHP makes that either (i) restricts use or disclosure of GHP's Protected Health Information pursuant to 45 C.F.R. § 164.522(a), or (ii) requires confidential communication about GHP's Protected Health Information pursuant to 45 C.F.R. § 164.522(b), provided that GHP notifies BlueCross in writing of the restriction or confidential communication obligations that BlueCross must follow. GHP will promptly notify BlueCross in writing of the termination of any such restriction agreement or confidential communication requirement and, with respect to termination of any such restriction agreement, instruct BlueCross whether any of GHP's Protected Health Information will remain subject to the terms of the restriction agreement.

#### 4. Privacy Obligation Breach and Security Incidents.

- a. Reporting.

- i. Privacy Breach. BlueCross will report to GHP any use or disclosure of GHP's Protected Health Information not permitted by the ASA and this HIPAA Agreement or in writing by GHP. In addition, BlueCross will report, following discovery and without unreasonable delay, but in no event later than ten (10) business days following discovery, any "Breach" of "Unsecured Protected Health

Information" as these terms are defined by the Breach Notification Regulation. BlueCross shall cooperate with GHP in investigating the Breach and in meeting the GHP's obligations under the Breach Notification Regulation and any other security breach notification laws.

- ii. Any such report shall include the identification (if known) of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by BlueCross to have been, accessed, acquired, or disclosed during such Breach. BlueCross will make the report to GHP's Privacy Division not more than Twenty (20) business days after BlueCross' notice pursuant to subsection (i). BlueCross will report the following as information is available:
  - A) Identify the nature of the non-permitted access, use or disclosure, including the date of the Breach and the date of discovery of the Breach;
  - B) Identify GHP's Protected Health Information accessed, used or disclosed as part of the Breach (e.g., full name, social security number, date of birth, etc.); and
  - C) Identify who made the non-permitted access, use or disclosure and who received the non-permitted disclosure.
- iii. Security Incidents. BlueCross will report to GHP any attempted or successful (A) unauthorized access, use, disclosure, modification, or destruction of GHP's Electronic Protected Health Information or (B) interference with BlueCross' system operations in BlueCross' information systems, of which BlueCross becomes aware. BlueCross will make this report upon GHP's request, except if any such security incident resulted in a disclosure of GHP's Protected Health Information not permitted by this HIPAA Agreement, BlueCross will make the report in accordance with Section 4(a)(i) above.

b. Termination of Agreement.

- i. Right to Terminate for Breach. GHP may terminate ASA if it determines, in its sole discretion, that BlueCross has breached any provision of this HIPAA Agreement and upon written notice to BlueCross of the breach, BlueCross fails to cure the breach within Thirty (30) days after receipt of the notice. GHP may exercise this right to terminate Agreement by providing BlueCross written notice of termination, stating the failure to cure the breach of the HIPAA Agreement that provides the basis for the termination. Any such termination will be effective immediately or at such other date specified in GHP's notice of termination. If for any reason GHP determines that BlueCross has breached the terms of this HIPAA Agreement and such breach has not been cured, but GHP determines that termination of the Agreement is not feasible, GHP may report such breach to the DHHS.



- ii. BlueCross may terminate Agreement if it determines, after reasonable consultation with GHP, that GHP has breached any material provision of this HIPAA Agreement and upon written notice to GHP of the breach, GHP fails to cure the breach within Thirty (30) days after receipt of the notice. BlueCross may exercise this right to terminate Agreement by providing GHP written notice of termination, stating the failure to cure the breach of the HIPAA Agreement that provides the basis for the termination. Any such termination will be effective upon such reasonable date as the parties mutually agree. If BlueCross reasonably determines that GHP has breached the terms of this HIPAA Agreement and such breach has not been cured, but BlueCross and GHP mutually determine that termination of the Agreement is not feasible, BlueCross may report such breach to the DHHS.
- c. Obligations on Termination.
- i. Return or Destruction of GHP's Protected Health Information as Feasible. Upon termination or other conclusion of Agreement, BlueCross will, if feasible, return to GHP or destroy all of GHP's Protected Health Information in whatever form or medium, including all copies thereof and all data, compilations, and other works derived therefrom that allow identification of any individual who is a subject of GHP's Protected Health Information. BlueCross will require any subcontractor or agent, to which BlueCross has disclosed GHP's Protected Health Information as permitted by Section 1(e) of this HIPAA Agreement, to if feasible return to BlueCross (so that BlueCross may return it to GHP) or destroy all of GHP's Protected Health Information in whatever form or medium received from BlueCross, including all copies thereof and all data, compilations, and other works derived therefrom that allow identification of any individual who is a subject of GHP's Protected Health Information, and certify on oath to BlueCross that all such information has been returned or destroyed. BlueCross will complete these obligations as promptly as possible, but not later than Sixty (60) days following the effective date of the termination or other conclusion of Agreement.
  - ii. Procedure When Return or Destruction Is Not Feasible. BlueCross will identify any of GHP's Protected Health Information, including any that BlueCross has disclosed to subcontractors or agents as permitted by Section 1(e) of this HIPAA Agreement, that cannot feasibly be returned to GHP or destroyed and explain why return or destruction is infeasible. Where GHP agrees that such return or destruction is infeasible, BlueCross will limit its further use or disclosure of such information to those purposes that make return or destruction of such information infeasible. If GHP does not agree, subparagraph A above shall apply. BlueCross will require such subcontractor or agent to limit its further use or disclosure of GHP's Protected Health Information that such subcontractor or agent cannot feasibly return or destroy to those purposes that make the return or destruction of such information infeasible. BlueCross will complete these obligations as

promptly as possible, but not later than Sixty (60) days following the effective date of the termination or other conclusion of Agreement.

- iii. Continuing Privacy and Security Obligation. BlueCross' obligation to protect the privacy and safeguard the security of GHP's Protected Health Information as specified in this HIPAA Agreement will be continuous and survive termination or other conclusion of Agreement and this HIPAA Agreement.
  - iv. Other Obligations and Rights. BlueCross' other obligations and rights and GHP's obligations and rights upon termination or other conclusion of Agreement will be those set out in the ASA.
- d. Indemnity. BlueCross will indemnify and hold harmless GHP and any GHP affiliate, officer, director, employee or agent from and against any claim, cause of action, liability, damage, cost or expense, including attorneys' fees and court or proceeding costs, arising out of or in connection with any non-permitted use or disclosure of GHP's Protected Health Information or other breach of this HIPAA Agreement by BlueCross or any subcontractor or agent under BlueCross' control.
- i. Right to Tender or Undertake Defense. If GHP is named a party in any judicial, administrative or other proceeding arising out of or in connection with any non-permitted use or disclosure of GHP's Protected Health Information or other breach of this HIPAA Agreement by BlueCross or any subcontractor or agent under BlueCross' control, GHP will have the option at any time either (A) to tender its defense to BlueCross, in which case BlueCross will provide qualified attorneys, consultants, and other appropriate professionals to represent GHP's interests at BlueCross' expense, or (B) undertake its own defense, choosing the attorneys, consultants, and other appropriate professionals to represent its interests, in which case BlueCross will be responsible for and pay the reasonable fees and expenses of such attorneys, consultants, and other professionals.
  - ii. Right to Control Resolution. GHP will have the sole right and discretion to settle, compromise or otherwise resolve any and all claims, causes of actions, liabilities or damages against it, notwithstanding that GHP may have tendered its defense to BlueCross. Any such resolution will not relieve BlueCross of its obligation to indemnify GHP under this Section 4(c).

5. General Provisions.

- a. Inspection of Internal Practices, Books, and Records. BlueCross will make its internal practices, books, and records relating to its use and disclosure of GHP's Protected Health Information available to GHP and to DHHS to determine GHP's compliance with the Privacy Rule, 45 C.F.R. Part 164, Subpart E.
- b. Definitions. The terms "Covered Entity," "Electronic Protected Health Information," "Protected Health Information," "Standard," "Trading Partner Agreement," and "Transaction" have the meanings set out in 45 C.F.R. § 160.103. The term "Standard

Transaction” has the meaning set out in 45 C.F.R. § 162.103. The term “Required by Law” has the meaning set out in 45 C.F.R. § 164.103. The terms “Health Care Operations,” “Payment,” “Research,” and “Treatment” have the meanings set out in 45 C.F.R. § 164.501. The term “Limited Data Set” has the meaning set out in 45 C.F.R. § 164.514(e). The term “use” means, with respect to Protected Health Information, utilization, employment, examination, analysis or application within Business Associate. The terms “disclose” and “disclosure” mean, with respect to Protected Health Information, release, transfer, providing access to or divulging to a person or entity not within Business Associate. For purposes of this HIPAA Agreement, GHP’s Protected Health Information encompasses GHP’s Electronic Protected Health Information. Any other capitalized terms not identified here shall have the meaning as set forth in the HIPAA Rules.

- c. Amendment to Agreement. Upon the compliance date of any final regulation or amendment to final regulation promulgated by DHHS that affects BlueCross’ use or disclosure of GHP’s Protected Health Information or Standard Transactions, the Agreement and this HIPAA Agreement will automatically amend such that the obligations imposed on BlueCross remain in compliance with the final regulation or amendment to final regulation.
- d. Other Acceptable Forms of this HIPAA Agreement. The following shall have the same legal effect as an original: facsimile copy, imaged copy, scanned copy, or an electronic version.
- e. Communications. Member requests or other communications or notices required or contemplated by this HIPAA Agreement shall be in writing and shall be delivered by hand, by overnight courier service, or by first class mail, postage prepaid, addressed to the appropriate party at the address below, or to such other party or address as may be hereafter specified by written notice:

**BlueCross BlueShield of Tennessee, Inc.**  
Privacy Office 1.4  
1 Cameron Hill Circle  
Chattanooga, TN 37402  
Telephone: 888-455-3824


Member requests or other communications or notices shall be considered effectively given as of the date of hand delivery; as of the date specified for overnight courier service delivery; or as of Three (3) business days after the date of mailing.


6. Conflicts. The terms and conditions of this HIPAA Agreement will override and control any conflicting term or condition of the ASA. All non-conflicting terms and conditions of the ASA remain in full force and effect.

IN WITNESS WHEREOF, GHP and BlueCross execute this HIPAA Agreement in multiple originals to be effective on the last date written below.

**BLUE CROSS BLUE SHIELD  
OF TENNESSEE, INC.**

**CITY OF KINGSPORT, TN**

By:   
Printed Name: John Maki  
Title: Vice President, Sales and  
Account Management  
Date: October 18, 2016  
Address: 1 Cameron Hill Circle  
Chattanooga, TN 37402

By:   
Printed Name: Mike McIntire  
Title: Vice Mayor  
Date: 12/29/2016  
Address: \_\_\_\_\_

ATTEST:  
  
DEPUTY CITY RECORDER

APPROVED AS TO FORM:  
  
CITY ATTORNEY

**EXHIBIT R TO THE ADMINISTRATIVE SERVICES AGREEMENT**

**RESERVED**

## EXHIBIT S TO THE ADMINISTRATIVE SERVICES AGREEMENT

### AUDITS and RECORDS

#### 1. Audit of BlueCross.

1.1. Audits Generally. During the term of this Agreement, Employer may audit BlueCross, at Employer's own expense, in accordance with the following requirements:

- 1.1.1. Employer shall provide a written audit request to BlueCross at least 45 days in advance of the requested audit date. Such request shall include the requested audit date, the requested auditor, the manner of compensation for the auditor, and information about the nature, purpose, scope and objectives of the audit.
- 1.1.2. Employer and BlueCross will agree on an independent, third party auditor to conduct the audit ("Auditor").
- 1.1.3. The audit shall be conducted in accordance with the terms of BlueCross's standard audit agreement and this Agreement. The audit agreement shall be finalized and executed by BlueCross, the Auditor, and Employer prior to the commencement of the audit.
- 1.1.4. The audit shall be limited in scope to claims paid within the 12 months prior to the date the Audit Agreement is executed by the final signatory ("Audit Time Period").
- 1.1.5. Employer agrees that its audit rights are limited to BlueCross and do not extend to BlueCross's vendors or subcontractors. Any BlueCross audit shall be performed based on the information in BlueCross's records.
- 1.1.6. With respect to any audit, claims adjustments will be based on actual claims reviewed and not upon sampling, statistical projections or extrapolations.
- 1.1.7. The Parties agree that claims adjudicated following BlueCross's claims processing guidelines shall be deemed to have been properly adjudicated, including, but not limited to, the claims processed through the BlueCard program.
- 1.1.8. BlueCross shall be required to supply only such information which is in its possession and which is reasonably necessary for Employer to administer the Plan or for the auditor to perform its duties provided in the mutually agreed upon agreement, provided that such disclosure is not prohibited by any third party contracts to which BlueCross is a signatory or any requirements of the law. Employer hereby represents that, to the extent any disclosed information contains personally identifiable or health information about a Member, the Member has authorized disclosure to Employer or Employer otherwise has the legal authority to have access to such information.

1.1.9. Employer shall not hire a third party to conduct a contingent fee audit, where the third party's compensation, in whole or in part, is based on a percentage of errors (or savings, or uncovered recoveries, etc.), which may be found by the third party in its audit. BlueCross may request, and Employer will provide, the proposal for compensation of any requested auditor.

1.2. Medical Claims Audits.

1.2.1. While this Agreement is in effect, Employer may perform one medical claims audit during each calendar year.

1.2.2. After the termination of this Agreement by either Party and any applicable run-out period, Employer may perform one medical claims audit during the 15 months after the effective date of termination. With respect to medical claims audits, medical claims include claims for Provider Administered Specialty Pharmacy Products when BlueCross has agreed to administer those claims.

1.2.3. The only claims subject to audit are those claims paid during the Audit Time Period. Any claims paid prior to the Audit Time Period shall not be subject to audit.

1.2.4. For each Audit Time Period, no more than 250 claims shall be selected for review.

1.2.5. Claims audits will be conducted using the Benefit Plan approved by and in the possession of BlueCross and that was in effect at the time the claims being audited were adjudicated. Submitting the Benefit Plan to BlueCross later than six (6) months after the start of the applicable Benefit Period will cause Employer to lose its right to audit that Benefit Period.

1.3. Pharmacy Claims Audits.

1.3.1. While this Agreement is in effect, Employer may perform one pharmacy claims audit during each calendar year.

1.3.2. After the termination of this Agreement by either Party and any applicable run-out period, Employer may perform one pharmacy claims audit during the 15 months after the effective date of termination.

1.3.3. The only claims subject to audit are those claims paid during the Audit Time Period. Any claims paid prior to the Audit Time Period shall not be subject to audit.

1.3.4. For each Audit Time Period, no more than 250 claims shall be selected for review.

1.3.5. Claims audits will be conducted using the Benefit Plan approved by and in the possession of BlueCross and that was in effect at the time the claims being audited were adjudicated. Submitting the Benefit Plan to BlueCross

later than six (6) months after the start of the applicable Benefit Period will cause Employer to lose its right to audit that Benefit Period.

1.4. Clinical Process Audits.

- 1.4.1. In lieu of an audit identified above, Employer may perform one clinical process audit during each calendar year that this Agreement is in effect.
- 1.4.2. Employer shall have no right to conduct a clinical process audit upon termination of this Agreement.
- 1.4.3. The only processes subject to audit are those processes that were performed by BlueCross during the Audit Time Period. Any process performed by BlueCross prior to the Audit Time Period shall not be subject to audit.
- 1.4.4. With respect to a clinical process audit, the audit, scope and methodology will be consistent with generally acceptable auditing standards.
- 1.4.5. For each Audit Time Period, no more than 25, randomly selected case files shall be reviewed as part of a clinical process audit.

2. Reports. BlueCross will provide to Employer reports as specified in Exhibit B.

3. Books and Records. BlueCross shall maintain books and records directly related to its payment of claims on behalf of Employer pursuant to this Agreement, in accordance with its customary business practices. Upon execution of an applicable agreement relating to use and confidentiality, BlueCross shall make such books and records available for inspection by authorized representatives of Employer at BlueCross's home office, during normal business hours, upon reasonable advance written request, at Employer's expense, during the term of this Agreement and for 6 years from the date of the Final Settlement. The required agreement shall be determined by BlueCross based on the intended use of the information.



**EXHIBIT T TO THE ADMINISTRATIVE SERVICES AGREEMENT**

**RESERVED**

**EXHIBIT U TO THE ADMINISTRATIVE SERVICES AGREEMENT**

**RESERVED**

**EXHIBIT V TO THE ADMINISTRATIVE SERVICES AGREEMENT**

**RESERVED**

## EXHIBIT W TO THE ADMINISTRATIVE SERVICES AGREEMENT

### SHARED SAVINGS

BlueCross will perform recovery services in the identified areas and, as compensation for these services, BlueCross will retain a percentage of any recovery ("Shared Savings") as identified below. Shared Savings will be taken in accordance with BlueCross's administrative processes. Shared Savings will be reconciled via reporting updated on a weekly basis.

1. Legal Recoveries. BlueCross may represent the interest of Employer in any litigation against a third party where the claims are related to subrogation or overpayments for pharmaceutical products, medical devices, durable medical equipment/supplies, and/or other such claims resulting in causes of action described below. This representation grants BlueCross the ability to identify, pursue, negotiate settlements of, and/or recover direct legal or equitable claims related to the services performed pursuant to this Agreement. Employer grants to BlueCross the specific authority and discretion to opt Employer in or out of any class or direct settlement in which both BlueCross and/or Employer may be considered class members or settling parties, and the authority to pursue any recoveries for claims paid as a result of fraud, abuse or other inappropriate action by a third party. These claims include, but are not limited to, all legal claims Employer can assert whether based on common law or statute, such as RICO, antitrust, deceptive trade practices, consumer fraud, insurance fraud, unjust enrichment, breach of fiduciary duty, breach of contract, breach of covenant of good faith and fair dealing, torts (including fraud, negligence and product liability), breach of warranty, medical monitoring, false claims and kickbacks. If BlueCross obtains a recovery from any of these efforts, BlueCross will reimburse Employer's pro rata share of the recovery. This share is calculated from the Employer's claims history of Covered Members at the time of such recovery, less the Employer's pro rata share of the costs, if any, fees paid to outside counsel and any other costs incurred in obtaining a recovery. BlueCross will not charge the Employer for any costs if BlueCross does not obtain a recovery that exceeds those costs. The authority granted herein survives the termination of this Agreement.
  - 1.1. Subrogation Recoveries.
    - 1.1.1. BlueCross will enforce Employer's subrogation rights. For all subrogation recoveries received on or after January 1, 2023, BlueCross will retain a fee of 39% of the gross subrogation recovery. Employer is responsible for payment of: (a) any outside attorneys' fees incurred in enforcing Employer's subrogation rights; and (b) any other expenses arising in connection with litigation to enforce its subrogation interest, including, but not limited to, court costs and discovery expenses.
    - 1.1.2. For any recoveries received before the Process Conclusion Date, BlueCross will deduct its fee, and any expenses associated with the litigation. The remaining amount is the net recovery, and the amount that Employer will receive as a credit.

- 1.2. Mass Tort Recoveries.
  - 1.2.1. BlueCross will perform mass tort recoveries on behalf of Employer. BlueCross will retain a fee of 39% of all mass tort recoveries received on or after January 1, 2023.
  - 1.2.2. For any recoveries received before the Process Conclusion Date, BlueCross will deduct its fee, the attorneys' fee (if any) and any other litigation expenses from each recovery amount received. This net recovery is the amount that Employer will receive as a credit.
- 1.3. Class Action Recoveries.
  - 1.3.1. BlueCross will perform class action recoveries on behalf of Employer. BlueCross will retain a fee of 39% of all class action recoveries received on or after January 1, 2023.
  - 1.3.2. For any recoveries received before the Process Conclusion Date, BlueCross will deduct its fee, the attorneys' fee (if any) and any other litigation expenses from each recovery amount received. This net recovery is the amount that Employer will receive as a credit.
2. Audit Services. BlueCross will conduct audits in varying manners and forms, including but not limited to, pre-payment claims audits, post-payment claims audits, eligibility overpayment audits, and provider audits. BlueCross, in its sole discretion, will determine when and how to conduct such activities and nothing in this Agreement shall limit BlueCross's right or authority to conduct such activities. When BlueCross identifies an overpayment or prevents an overpayment from occurring as a result of these activities, BlueCross will retain 39% of any such overpayment recoveries or overpayment prevention savings. Savings are determined at the time of the initial audit finding. For audit services performed before the Process Conclusion Date, BlueCross will credit Employer for any savings, less the BlueCross retention amount, as appropriate.
3. Enhanced Payment Integrity Services. BlueCross, or its delegate, may conduct pre-payment and post payment enhanced payment integrity reviews. BlueCross, or its delegate, will determine whether and in what manner to conduct such activities, and notwithstanding any provision of this Agreement to the contrary, Employer authorizes BlueCross to conduct such activities. When the enhanced pre-payment or post payment integrity review identifies an overpayment or prevents an overpayment from occurring, BlueCross will retain 39% of any such recoveries or prevention savings. Savings are determined at the time of the initial audit finding.
4. Coordination of Benefit Services. BlueCross will conduct coordination of benefits activities. BlueCross, in its sole discretion, will determine when and how to conduct such activities and nothing in this Agreement shall limit BlueCross's right or authority to conduct such activities. When BlueCross identifies an overpayment or prevents an overpayment from occurring as a result of these activities, BlueCross will retain 39% of any such overpayment recoveries or overpayment prevention savings. Savings are determined at the time of the initial finding. For coordination of benefit services performed before the

Process Conclusion Date, BlueCross will credit Employer for any savings, less the BlueCross retention amount, as appropriate.

5. Provider Administered Specialty Pharmacy Product Rebates. BlueCross may receive rebates and other consideration related to claims for Provider Administered Specialty Pharmacy Products ("Provider Administered Specialty Pharmacy Product Rebates"). BlueCross retains 100% of Provider Administered Specialty Product Rebates. Contractual obligations to BlueCross that require payment of a penalty or other amount to BlueCross if contractual obligations are not met are specifically excluded from the definition of Provider Administered Specialty Pharmacy Product Rebates and shall be retained by BlueCross.
6. Pharmacy Rebates.
  - 6.1. For Pharmacy Rebates based on service dates occurring on or after January 1, 2017, Employer will receive 100% of Pharmacy Rebates (as defined in Pharmacy Services Exhibit).
7. Out-of-Network Cost Management Program. When permitted by Association rules and guidelines, BlueCross will calculate a reduction in billed charges for Members' claims for Covered Services received from Out-of-Network Providers (as defined in Exhibit C, Section 5.4). Claims eligible for this service must meet BlueCross's established criteria. As consideration for this service, BlueCross shall receive a fee of fifteen percent (15%) of the reduction of billed charges. This program excludes claims subject to the No Surprises Act.

**EXHIBIT X TO THE ADMINISTRATIVE SERVICES AGREEMENT**

**RESERVED**



**AGENDA ACTION FORM**

**Consideration of a Resolution Renewing the Award of the Bid for Unleaded Gasoline & Ultra-Low Sulfur Diesel**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-105-2026  
Work Session: April 20, 2026  
First Reading: N/A  
Final Adoption: April 21, 2026  
Staff Work By: Steve Leonard  
Presentation By: R. McReynolds

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**Strategic Focus Area: Sustainable Infrastructure**

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**Recommendation:**  
Approve the Resolution

**Executive Summary:**  
If approved, this resolution authorizes the City to renew the award for unleaded gasoline and ultra-low sulfur diesel to Petroleum Traders Corp. for an additional 12-month period with no markup increase.

Bids were opened on April 14, 2022 for the purchase of Unleaded Gasoline and Ultra-Low Sulfur Diesel for use by the City. The City’s Invitation to Bid included a renewal option clause which allows the City to renew the award for an additional 12-month period if costs are acceptable to both parties with BMA approval. The markup margins are as follows:

Unleaded Gasoline – markup margin of .0265 above the daily average rack price per OPIS rack price the day of delivery

Ultra-Low Sulfur Diesel – markup margin of .0522 above the daily average rack price per OPIS rack price the day of delivery

The time frame for this award is July 1, 2026 through June 30, 2027.

Please see the attached documents for more information.

Funding is identified in various City and Schools accounts.

- Attachments:**
- 1. Resolution
  - 2. Bid Opening Minutes
  - 3. Recommendation Memo & Renewal Letter

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

Item X4.



RESOLUTION NO. \_\_\_\_\_

A RESOLUTION RENEWING THE AWARD OF BID FOR PURCHASE OF ULTRA LOW SULFUR DIESEL FUEL AND RENEWING THE AWARD OF BID FOR PURCHASE OF UNLEADED GASOLINE FOR USE IN CITY EQUIPMENT AND VEHICLES TO PETROLEUM TRADERS CORPORATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS FOR THE SAME

WHEREAS, bids were opened April 14, 2022, for the purchase of ultra-low sulfur diesel fuel and unleaded gasoline for use in city equipment and vehicles; and

WHEREAS, the specifications contained in the invitation to bid included a renewal option clause which enables the city to award the purchase, on an annual basis, in one-year up to three-years increments, provided all terms, conditions, and costs are acceptable to both parties; and

WHEREAS, on May 3, 2022, the board adopted Resolution No. 2022-226 which awarded the bid for the purchase of unleaded gasoline to Petroleum Traders Corporation based on the invitation to bid and response opened on April 14, 2022; and

WHEREAS, based on the terms of the invitation to bid and acceptable pricing having been submitted by Petroleum Traders Corporation the city would like to renew the award of bid for the period of July 1, 2026, through June 30, 2027; and

WHEREAS, funding is identified in various city and school accounts.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the renewal of the bid to purchase of ultra-low sulfur diesel fuel and unleaded gasoline for use in city equipment and vehicles; for ultra-low sulfur diesel fuel at cost plus \$0.0522 per gallon mark-up margin above the daily average rack price and for unleaded gasoline at cost plus \$0.0265 per gallon mark-up margin above the daily average rack price per OPIS the day of delivery by Petroleum Traders Corporation, is approved and the city manager is authorized to execute purchase orders for the same.

SECTION II. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort, and prosperity of the citizens of the city.

SECTION III. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April, 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY

MINUTES  
BID OPENING  
April 14, 2022  
4:00 P.M.

Present: Brent Morelock, Procurement Manager; and Nikisha Eichmann, Assistant Procurement Manager

The Bid Opening was held in the Conference Room 436, 4<sup>th</sup> Floor, City Hall.

The Procurement Manager opened with the following bids:

UNLEADED GASOLINE	
Vendor:	Markup Margin:
Tri Star Energy, LLC	.0624
Gladieux Trading & Marketing Co.	.1206
Colonial Oil Industry	.0464
Mansfield Oil Co.	.0731
Petroleum Traders Corp.	.0265
Rogers Petroleum	.14

The submitted bids will be evaluated and a recommendation made at a later date.

MINUTES  
BID OPENING  
April 14, 2022  
4:00 P.M.

Present: Brent Morelock, Procurement Manager; and Nikisha Eichmann, Assistant Procurement Manager

The Bid Opening was held in the Conference Room 436, 4<sup>th</sup> Floor, City Hall.

The Procurement Manager opened with the following bids:

ULTRA LOW SULFUR DIESEL	
Vendor:	Markup Margin:
Tri Star Energy, LLC	.0645
Gladieux Trading & Marketing Co.	.1019
Colonial Oil Industry	.0796
Mansfield Oil Co.	.0734
Petroleum Traders Corp.	.0522
Rogers Petroleum	.15

The submitted bids will be evaluated and a recommendation made at a later date.



**FLEET MAINTENANCE DEPARTMENT**  
**City of Kingsport, Tennessee**

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**To:** Nikisha Eichmann, Assistant Procurement Manager  
**From:** Steve Leonard, Fleet Manager  
**Date:** April 2, 2026  
**Re:** Diesel and Unleaded Gasoline Purchase Recommendation

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This memo will confirm my review to renew the current contract for ultra-low sulfur diesel and unleaded gasoline for the FY27. It is my recommendation to extend the current purchasing contract to Petroleum Traders Corporation.

Petroleum Traders Corporation delivery times have met our expectations in the past and are expected to in the future.

Should you have any questions on this recommendation, please do not hesitate to contact me.

Thank you.



**PETROLEUM TRADERS  
CORPORATION**

7120 Pointe Inverness Way  
PO BOX 2357  
Fort Wayne, IN 46801-2357  
(260) 432-6622

March 19, 2026

Kingsport, City of TN  
415 Broad Street, Suite #438  
Kingsport, TN 37660

Re: Contract Renewal

To whom it may concern:

Petroleum Traders Corporation is agreeable to a contract extension for another year term from 7/1/2026 to 6/30/2027 at the same pricing and terms. This is regarding both Gasoline and Diesel contracts.

Thank you,  
Joseph Vanderpool  
Contract Sales Manager  
Petroleum Traders Corporation



**AGENDA ACTION FORM**

**Consideration of a Resolution Renewing the Award of the Bid for Propane & Propane Conversion Kits**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-106-2026  
Work Session: April 20, 2026  
First Reading: N/A  
Final Adoption: April 21, 2026  
Staff Work By: Steve Leonard  
Presentation By: R. McReynolds

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**Strategic Focus Area: Sustainable Infrastructure**

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**Recommendation:**  
Approve the Resolution

**Executive Summary:**  
If approved, this resolution authorizes the City to renew the award for propane and propane conversion kits to Blossman Gas for an additional 12-month period with no increase at \$.325 per gallon markup above the daily laid-in propane price in Elizabethton, TN.

Bids were opened on May 23, 2018 for the purchase of Propane which includes propane conversion kits for use by the City. The City’s Invitation to Bid included a renewal option clause which allows the City to renew the award for an additional 12-month period if costs are acceptable to both parties with BMA approval.

The time frame for this renewal is July 1, 2026 through June 30, 2027.

Please see the attached documents for more information.

Funding is identified in various City and Schools accounts.

- Attachments:**
- 1. Resolution
  - 2. Bid Opening Minutes
  - 3. Recommendation Memo & Renewal Letter

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION RENEWING THE AWARD OF BID FOR THE PURCHASE OF PROPANE AUTO GAS AND PROPANE CONVERSION KITS FOR USE IN CITY EQUIPMENT AND VEHICLES TO BLOSSMAN GAS AND AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS FOR THE SAME

WHEREAS, bids were opened May 23, 2018, for the purchase of propane auto gas and propane conversion kits on an as needed basis for use by all city departments and schools;

WHEREAS, the specifications contained in the invitation to bid included a renewal option clause which enables the city to award the purchase for an additional twelve months, provided all terms, conditions, and costs are acceptable to both parties; and

WHEREAS, the board adopted Resolution No. 2018-195 which awarded the bid for the purchase of propane auto gas to Blossman Gas, Inc.; and

WHEREAS, the board adopted Resolution No. 2019-100 which awarded the bid for the purchase of propane conversion kits to Blossman Gas, Inc.; and

WHEREAS, the city would like to renew the award of bid to Blossman Gas for the purchase of propane auto gas and propane conversion kits for the period of July 1, 2026, through June 30, 2027 at a rate of \$.325 per gallon mark-up margin above the daily laid-in propane price in Elizabethton, TN; and

WHEREAS, funding is identified in various city and school accounts.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the renewal of the bid to purchase of propane auto gas for use in city equipment and vehicles by Blossman Gas is approved and the city manager is authorized to execute purchase orders for the same.

SECTION II. That the renewal of the bid to purchase propane conversion kits on an as needed basis for use by Fleet Maintenance to Blossman Gas is approved, and the city manager is authorized to execute purchase orders for the same.

SECTION III. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort, and prosperity of the citizens of the city.

SECTION IV. That this resolution shall take effect from and after its adoption, the public welfare requiring it.



ADOPTED this the 21st day of April, 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY

MINUTES BID OPENING

May 23, 2018 - 4:00 P.M.

Present: Sandy Crawford, Procurement Manager; and Brent Morelock, Assistant Procurement Manager. The Bid Opening was held in the Council Room, City Hall. The Procurement Manager opened with the following bids:

PROPANE			
Items:	Marsh LP Gas	Blossman Gas	Heritage Propane
SOURCE OF FUEL SUPPLY	Lex. S.C.	Martin, TN per Lexington, SC	Apex North Carolina
MARK UP MARGIN FOR PROPANE	\$.25 per gallon	\$.28 per gallon	\$.495
AWARDED VENDOR MUST HAVE THE ABILITY TO SUPPLY EPA CERTIFIED PROPANE CONVERSION KITS FOR AUTOMOTIVE AND SMALL EQUIPMENT APPLICATIONS	Yes	Yes	No
IS THE PROPANE SUPPLIER WILLING TO ASSIST IN THE EXPANSION OF THE CITY OF KINGSFORT'S AUTO-GAS USAGE BY CONTRIBUTING \$_____ PER ADDITIONAL VEHICLE CONVERTED OR PURCHASED FOR AUTO GAS USE(LIMITED TO PREFERRED SUPPLIERS WHICH ARE PRINZ & ICOM):	\$0.00	Attachment "A" Blossman Gas and Alliance Autogas are strategic partners working together to provide a complete solution for your business needs. Alliance Autogas will provide an \$800.00 discount on the conversion system pricing listed above from July 1, 2018 – June 30, 2019 if you choose Blossman Gas as your sole propane provider during this timeframe. Note: If you were to purchase 25 systems during this fiscal year, then the \$800.00 savings per conversion kit would equate to a total savings of \$20,000.00 for the City of Kingsport. Yes	\$1,000.00  Yes
IS THE PROPANE SUPPLIER WILLING TO PROVIDE PREVENTIVE AND REACTIVE MAINTENANCE TO AUTO-GAS DISPENSING INFRASTRUCTURE?  IF SO, THERE WOULD BE A MINIMUM OF TWO (2) INSPECTIONS PER YEAR. PRICE PER INSPECTION FOR INFRASTRUCTURE SAFETY & PERFORMANCE INSPECTION  HOURLY LABOR CHARGE FOR ADDITIONAL REPAIRS PER HOUR  MARKUP % FOR NEEDED PARTS AND SUPPLIES FOR INFRASTRUCTURE REPAIRS	No	Yes       Free   Free	Yes       \$0.00  \$90.00  \$20.00

Item X5.

Items:	Marsh LP Gas	Blossman Gas	Heritage Propane
IS THE PROPANE SUPPLIER ABLE TO SUPPLY & PROVIDE PRICING FOR THE FOLLOWING EPA CERTIFIED CONVERSION SYSTEMS TO BE USED IN THE CITY OF KINGSPORT'S AUTO GAS PROGRAM?	Yes	Yes *See Attachment "A" above.	No  We can assist with our contacts to get the best prices possible but would have to mark up if we are the middleman.
CONVERSION SYSTEM PRICING TO INCLUDE TANK:	Cost + Freight	Pricing below is with you all completing the installations.	
COST PER SYSTEM FOR HARD WIRED SYSTEMS (V-8 CHARGER) \$ _____ BRAND	Cost	\$4,900.00  Prins	
COST PER SYSTEM FOR PLUG AND PLAY V6/V8 (F-150, F-250, EXPLORER, ETC) \$ _____ BRAND	Cost	\$5,800.00  Prins	
COST PER SYSTEM FOR PLUG AND PLAY V10 (E-450/F4-750) \$ _____ BRAND	Cost	\$7,000.00  Prins	

The submitted bids will be evaluated and a recommendation made at a later date.

March 24, 2026

City of Kingsport  
Procurement Department  
225 W. Center Street  
Kingsport, TN

Re: Propane AutoGas Contract

We appreciate being a service provider for the City of Kingsport and your AutoGas Program. Thank you for your long-term operations of a Propane AutoGas Program.

We would like to accept the opportunity to renew the current Propane AutoGas Contract with the City of Kingsport as listed below.

- The current contract pricing for propane fuel and AutoGas Systems remains the same.
- The current mark-up margin is 0.325 per gallon.
- This will be based on the laid-in propane price to Blossman Gas, located at 1121 Highway 19E Bypass in Elizabethton, TN. 37644.
- We will provide the laid-in cost/price to this location on the day(s) that we deliver propane to the City of Kingsport. And we will provide this cost/price when requested.
- The Prins AutoGas Systems, services and support for the City of Kingsport and your Propane AutoGas Program would remain the same.
- With the dates of: July 1, 2026 – June 30, 2027

Thank you for being a customer. Also, for this opportunity to continue as a service provider to the City of Kingsport. Please contact us if you have any questions or need any additional information from us.

Best regards,  
Kory Ball  
Blossman Gas  
Happy Fox  
Alliance AutoGas



**FLEET MAINTENANCE DEPARTMENT**  
**City of Kingsport, Tennessee**

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**To:** Nikisha Eichmann, Assistant Procurement Manager  
**From:** Steve Leonard, Fleet Manager  
**Date:** April 2, 2026  
**Re:** Propane Purchase Recommendation

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This memo will confirm my review to renew the current contract for propane fuel & propane conversion kits for FY27. It is my recommendation to extend the current purchasing contract to Blossman Gas.

Blossman Gas service and fuel delivery times have met our expectations in the past and are expected to in the future. There are no changes in mark-up percentage or cost for propane conversion kits.

Should you have any questions on this recommendation, please do not hesitate to contact me.

Thank you.



**AGENDA ACTION FORM**

**Consideration of a Resolution to Execute a Blanket Order to NAPA Auto Parts for Various Vehicle/Equipment Parts Utilizing Sourcewell Contract**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-104-2026  
Work Session: April 20, 2026  
First Reading: N/A  
Final Adoption: April 21, 2026  
Staff Work By: Steve Leonard  
Presentation By: R. McReynolds

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**Strategic Focus Area: Sustainable Infrastructure**

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**Recommendation:**  
Approve the Resolution

**Executive Summary:**  
If approved, this resolution authorizes the City Manager to execute a blanket order to NAPA Auto Parts for various vehicle/equipment parts utilizing Sourcewell Contract number 100124-GPC for approximately \$70,000.

It is our recommendation to utilize this contract through the current contract period of January 10, 2029. In utilizing this contract, there is a range of 46%-72% off list price depending on the item category. With Sourcewell, agencies can utilize competitively solicited contracts to help save time and resources while still meeting purchasing requirements. All cooperative purchasing contracts from Sourcewell have been competitively solicited by a lead public agency and meet rigorous cooperative standards and supplier commitments. Each supplier commits to delivering their best overall government pricing so that the City of Kingsport can buy with confidence.

Please see the attached Sourcewell Contract.

Funding is identified in Project/Account # 51150085013023

- Attachments:**  
1. Resolution  
2. Sourcewell Contract

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER TO NAPA AUTO PARTS UTILIZING SOURCEWELL COOPERATIVE PURCHASING AGREEMENT FOR VARIOUS VEHICLE AND EQUIPMENT PARTS FOR FLEET MAINTENANCE

WHEREAS, staff recommends the purchase of various vehicle and equipment parts from NAPA Auto Parts, utilizing Sourcewell Contract #100124-GPC, for use by the Fleet Maintenance Department; and

WHEREAS, the city is a member of Sourcewell Cooperative Purchasing Advantages, a cooperative purchasing group, which allows the city to purchase goods, services and equipment directly from holders of contracts with the cooperative as authorized by Tenn. Code Ann. §12-3-1205; and

WHEREAS, the various vehicle and equipment parts from NAPA Auto Parts is available pursuant to Sourcewell Contract #100124-GPC; and

WHEREAS, in order to purchase the various vehicle and equipment parts, a blanket purchase order needs to be issued to NAPA Auto Parts in the amount of approximately \$70,000.00; and

WHEREAS, funding for this equipment is available in project account # 51150085013023.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the city manager is authorized to execute a blanket purchase order to NAPA Auto Parts for the purchase of various vehicle and equipment parts, utilizing Sourcewell Cooperative Purchasing Agreement # #100124-GPC, for use by the Fleet Maintenance Department, in the amount of approximately \$70,000.00.

SECTION II. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort, and prosperity of the citizens of the city.

SECTION III. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

Item X6.

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ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

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RODNEY B. ROWLETT, III, CITY ATTORNEY





**MASTER AGREEMENT #100124**  
**CATEGORY: Aftermarket Vehicle Parts and Supplies**  
**SUPPLIER: Genuine Parts Company dba NAPA Auto Parts**

This Master Agreement (Agreement) is between Sourcewell, a Minnesota service cooperative located at 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Genuine Parts Company dba NAPA Auto Parts, 2999 Wildwood Parkway, Atlanta, GA 30339 (Supplier).

Sourcewell is a local government and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) offering a Cooperative Purchasing Program to eligible participating government entities.

Under this Master Agreement entered with Sourcewell, Supplier will provide Included Solutions to Participating Entities through Sourcewell's Cooperative Purchasing Program.

**Article 1:**  
**General Terms**

The General Terms in this Article 1 control the operation of this Master Agreement between Sourcewell and Supplier and apply to all transactions entered by Supplier and Participating Entities. Subsequent Articles to this Master Agreement control the rights and obligations directly between Sourcewell and Supplier (Article 2), and between Supplier and Participating Entity (Article 3), respectively. These Article 1 General Terms control over any conflicting terms. Where this Master Agreement is silent on any subject, Participating Entity and Supplier retain the ability to negotiate mutually acceptable terms.

- 1) **Purpose.** Pursuant to Minnesota law, the Sourcewell Board of Directors has authorized a Cooperative Purchasing Program designed to provide Participating Entities with access to competitively awarded cooperative purchasing agreements. To facilitate the Program, Sourcewell has awarded Supplier this cooperative purchasing Master Agreement following a competitive procurement process intended to meet compliance standards in accordance with Minnesota law and the requirements contained herein.
- 2) **Intent.** The intent of this Master Agreement is to define the roles of Sourcewell, Supplier, and Participating Entity as it relates to Sourcewell's Cooperative Purchasing Program.
- 3) **Participating Entity Access.** Sourcewell's Cooperative Purchasing Program Master Agreements are available to eligible public agencies (Participating Entities). A Participating Entity's authority to access Sourcewell's Cooperative Purchasing Program is determined through the laws of its respective jurisdiction.
- 4) **Supplier Access.** The Included Solutions offered under this Agreement may be made available to any Participating Entity. Supplier understands that a Participating Entity's use of this Agreement is at the Participating Entity's sole convenience. Supplier will educate its sales and service forces about Sourcewell eligibility requirements and required documentation. Supplier will be responsible for ensuring sales are with Participating Entities.

- 5) **Term.** This Agreement is effective upon the date of the final signature below. The term of this Agreement is four (4) years from the effective date. The Agreement expires at 11:59 P.M. Central Time on January 10, 2029, unless it is cancelled or extended as defined in this Agreement.
- a) **Extensions.** Sourcewell and Supplier may agree to up to three (3) additional one-year extensions beyond the original four-year term. The total possible length of this Agreement will be seven (7) years from the effective date.
- b) **Exceptional Circumstances.** Sourcewell retains the right to consider additional extensions as required under exceptional circumstances.
- 6) **Survival of Terms.** Notwithstanding the termination of this Agreement, the obligations of this Agreement will continue through the performance period of any transaction entered between Supplier and any Participating Entity before the termination date.
- 7) **Scope.** Supplier is awarded a Master Agreement to provide the solutions identified in (Solicitation #100124) to Participating Entities. In Scope solutions include:
- a) Aftermarket repair, replacement, and maintenance parts, supplies, and services for gasoline, diesel, compressed natural gas (CNG), propane, hybrid, and electric automobiles, sport utility vehicles (SUV), light duty trucks, medium duty trucks, heavy duty and vocational trucks, buses, and motorcycles.
- 8) **Included Solutions.** Supplier's Proposal to the above referenced RFP is incorporated into this Master Agreement. Only those Solutions included within Supplier's Proposal and within Scope (Included Solutions) are included within the Agreement and may be offered to Participating Entities.
- 9) **Indefinite Quantity.** This Master Agreement defines an indefinite quantity of sales to eligible Participating Entities.
- 10) **Pricing.** Pricing information (including Pricing and Delivery and Pricing Offered tables) for all Included Solutions within Supplier's Proposal is incorporated into this Master Agreement.
- 11) **Not to Exceed Pricing.** Suppliers may not exceed the prices listed in the current Pricing List on file with Sourcewell when offering Included Solutions to Participating Entities. Participating Entities may request adjustments to pricing directly from Supplier during the negotiation and execution of any transaction.
- 12) **Open Market.** Supplier's open market pricing process is included within its Proposal.
- 13) Supplier Representations:**
- i) **Compliance.** Supplier represents and warrants it will provide all Included Solutions under this Agreement in full compliance with applicable federal, state, and local laws and regulations.

ii) **Licenses.** As applicable, Supplier will maintain a valid status on all required federal, state, and local licenses, bonds, and permits required for the operation of Supplier's business with Participating Entities. Participating Entities may request all relevant documentation directly from Supplier.

iii) **Supplier Warrants.** Supplier warrants that all Included Solutions furnished under this Agreement are free from liens and security interests, and are subject to the terms of written warranties of the manufacturer of the applicable product within the Included Solutions, and Supplier shall use reasonable commercial efforts to assist the Participating Entity in processing all warranty claims that the Participating Entity may have against a manufacturer. The manufacturer's warranty will be the sole and exclusive remedy of the Participating Entity in connection with any claims concerning the Included Solutions supplied hereunder. ALL OTHER WARRANTIES, BOTH EXPRESS AND IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED. Copies of the manufacturers' warranties are available to the Participating Entity upon request. Supplier will pass through all available warranty benefits from the applicable manufacturer to the Participating Entity to the extent permitted by contract or law.

14) **Bankruptcy Notices.** Supplier certifies and warrants it is not currently in a bankruptcy proceeding. Supplier has disclosed all current and completed bankruptcy proceedings within the past seven years within its Proposal. Supplier must provide notice in writing to Sourcewell if it enters a bankruptcy proceeding at any time during the term of this Agreement.

15) **Debarment and Suspension.** Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota, the United States federal government, or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Agreement. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time during the term of this Agreement.

16) **Provisions for non-United States federal entity procurements under United States federal awards or other awards (Appendix II to 2 C.F.R § 200).** Participating Entities that use United States federal grant or other federal funding to purchase solutions from this Agreement may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Section, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when (i) a Participating Entity accesses Supplier's Included Solutions with United States federal funds and (ii) Supplier has provided its prior written consent.

i) **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all agreements that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. § 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing

regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference.

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

iii) **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708).** Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies, materials, or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Agreement. Supplier certifies that during the term of an award for all Agreements by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

iv) **RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT.** If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient

must comply with the requirements of 37 C.F.R. § 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all Agreements by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

v) **CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387).** Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Agreement it will comply with applicable requirements as referenced above.

vi) **DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689).** A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. § 180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

vii) **BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352).** Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

viii) **RECORD RETENTION REQUIREMENTS.** To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

ix) **ENERGY POLICY AND CONSERVATION ACT COMPLIANCE.** To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

- x) **BUY AMERICAN PROVISIONS COMPLIANCE.** To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.
- xi) **ACCESS TO RECORDS (2 C.F.R. § 200.336).** Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.
- xii) **PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322).** A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
- xiii) **FEDERAL SEAL(S), LOGOS, AND FLAGS.** The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.
- xiv) **NO OBLIGATION BY FEDERAL GOVERNMENT.** The U.S. federal government is not a party to this Agreement or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Agreement or any purchase by an authorized user.
- xv) **PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS.** The Contractor acknowledges that 31 U.S.C. § 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Agreement or any purchase by a Participating Entity.
- xvi) **FEDERAL DEBT.** The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.
- xvii) **CONFLICTS OF INTEREST.** The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Agreement or any aspect related to the anticipated work under this Agreement raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

xviii) **U.S. EXECUTIVE ORDER 13224.** The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

xix) **PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.** To the extent applicable, Supplier certifies that during the term of this Agreement it will comply with applicable requirements of 2 C.F.R. § 200.216.

xx) **DOMESTIC PREFERENCES FOR PROCUREMENTS.** To the extent applicable, Supplier certifies that during the term of this Agreement, Supplier will comply with applicable requirements of 2 C.F.R. § 200.322.

## **Article 2: Sourcewell and Supplier Obligations**

The Terms in this Article 2 relate specifically to Sourcewell and its administration of this Master Agreement with Supplier and Supplier's obligations thereunder.

- 1) **Authorized Sellers.** Supplier must provide Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers which may complete transactions of Included Solutions offered under this Agreement. Sourcewell may request updated information in its discretion, and Supplier agrees to provide requested information within a reasonable time.
- 2) **Product and Price Changes Requirements.** Supplier may request Included Solutions changes, additions, or deletions at any time. All requests must be made in writing by submitting a Sourcewell Price and Product Change Request Form to Sourcewell. At a minimum, the request must:
  - Identify the applicable Sourcewell Agreement number;
  - Clearly specify the requested change;
  - Provide sufficient detail to justify the requested change;
  - Individually list all Included Solutions affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
  - Include a complete restatement of Pricing List with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Included Solutions offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Agreement and will be incorporated by reference.

- 3) **Authorized Representative.** Supplier will assign an Authorized Representative to Sourcewell for this Agreement and must provide prompt notice to Sourcewell if that person is changed. The Authorized Representative will be responsible for:
  - Maintenance and management of this Agreement;
  - Timely response to all Sourcewell and Participating Entity inquiries; and
  - Participation in reviews with Sourcewell.

Sourcewell's Authorized Representative is its Chief Procurement Officer.

- 4) **Performance Reviews.** Supplier will perform a minimum of one review with Sourcewell per agreement year. The review will cover transactions to Participating Entities, pricing and terms, administrative fees, sales data reports, performance issues, supply chain issues, customer issues, and any other necessary information.
- 5) **Sales Reporting Required.** Supplier is required as a material element to this Master Agreement to report all completed transactions with Participating Entities utilizing this Agreement. Failure to provide complete and accurate reports as defined herein will be a material breach of the Agreement and Sourcewell reserves the right to pursue all remedies available at law including cancellation of this Agreement.
- 6) **Reporting Requirements.** Supplier must provide Sourcewell an activity report of all transactions completed utilizing this Agreement. Reports are due at least once each calendar quarter (Reporting Period). Reports must be received no later than 45 calendar days after the end of each calendar quarter. Supplier may report on a more frequent basis in its discretion. Reports must be provided regardless of the amount of completed transactions during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Sourcewell Participating Entity Account Number;
- Transaction Description;
- Transaction Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Transaction was invoiced/sale was recognized as revenue by Supplier.

If collected by Supplier, the Report may include the following fields as available:

- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;

- 7) **Administrative Fee.** In consideration for the support and services provided by Sourcewell, Supplier will pay an Administrative Fee to Sourcewell on all completed transactions to Participating Entities utilizing this Agreement. Supplier will include its Administrative Fee within its proposed pricing. Supplier may not directly charge Participating Entities to offset the Administrative Fee.
- 8) **Fee Calculation.** Supplier's Administrative Fee payable to Sourcewell will be calculated as a stated percentage (listed in Supplier's Proposal) of all completed transactions utilizing this Master Agreement within the preceding Reporting Period. For certain categories, a flat fee may be proposed. The Administrative Fee will be stated in Supplier's Proposal.



- 9) **Fee Remittance.** Supplier will remit fee to Sourcewell no later than 45 calendar days after the close of the preceding calendar quarter in conjunction with Supplier's Reporting Period obligations defined herein. Payments should note the Supplier's name and Sourcewell-assigned Agreement number in the memo; and must be either mailed to Sourcewell above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions.
- 10) **Noncompliance.** Sourcewell reserves the right to seek all remedies available at law for unpaid or underpaid Administrative Fees due under this Agreement. Failure to remit payment, delinquent payments, underpayments, or other deviations from the requirements of this Agreement may be deemed a material breach and may result in cancellation of this Agreement and disbarment from future Agreements.
- 11) **Audit Requirements.** Pursuant to Minn. Stat. § 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell and the Minnesota State Auditor for a minimum of six years from the end of this Agreement. Supplier agrees to fully cooperate with Sourcewell in auditing transactions under this Agreement to ensure compliance with pricing terms, correct calculation and remittance of Administrative Fees, and verification of transactions as may be requested by a Participating Entity or Sourcewell.
- 12) **Assignment, Transfer, and Administrative Changes.** Supplier may not assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of Sourcewell. Such consent will not be unreasonably withheld. Sourcewell reserves the right to unilaterally assign all or portions of this Agreement within its sole discretion to address corporate restructurings, mergers, acquisitions, or other changes to the Responsible Party and named in the Agreement. Any prohibited assignment is invalid. Upon request Sourcewell may make administrative changes to agreement documentation such as name changes, address changes, and other non-material updates as determined within its sole discretion.
- 13) **Amendments.** Any material change to this Agreement must be executed in writing through an amendment and will not be effective until it has been duly executed by the parties.
- 14) **Waiver.** Failure by Sourcewell to enforce any right under this Agreement will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right.
- 15) **Complete Agreement.** This Agreement represents the complete agreement between the parties for the scope as defined herein. Supplier and Sourcewell may enter into separate written agreements relating specifically to transactions outside of the scope of this Agreement.
- 16) **Relationship of Sourcewell and Supplier.** This Agreement does not create a partnership, joint venture, or any other relationship such as employee, independent contractor, master-servant, or principal-agent.
- 17) **Indemnification.** Supplier must indemnify, defend, save, and hold Sourcewell, including their agents and employees, harmless from any claims or causes of action, including reasonable attorneys' fees incurred by Sourcewell, arising out of any negligent act or omission or intentional misconduct in the

performance of this Agreement by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by such negligence or intentional misconduct. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

18) **Data Practices.** Supplier and Sourcewell acknowledge Sourcewell is subject to the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13. As it applies to all data created and maintained in performance of this Agreement, Supplier may be subject to the requirements of this chapter.

19) **Grant of License.**

a) **During the term of this Agreement:**

i) **Supplier Promotion.** Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising, promotional materials, and informational sites for the purpose of marketing Sourcewell's Agreement with Supplier.

ii) **Sourcewell Promotion.** Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising, promotional materials, and informational sites for the purpose of marketing Supplier's Agreement with Sourcewell.

b) **Limited Right of Sublicense.** The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, partners, or agents (collectively "Permitted Sublicensees") in advertising, promotional, or informational materials for the purpose of marketing the Parties' relationship. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this section by any of their respective sublicensees.

c) **Use; Quality Control.**

i) Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

ii) Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Each party may make written notice to the other regarding misuse under this section. The offending party will have 30 days of the date of the written notice to cure the issue or the license/sublicense will be terminated.

d) **Termination.** Upon the termination of this Agreement for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

- 20) **Venue and Governing law between Sourcewell and Supplier Only.** The substantive and procedural laws of the State of Minnesota will govern this Agreement between Sourcewell and Supplier. Venue for all legal proceedings arising out of this Agreement between Sourcewell and Supplier will be in court of competent jurisdiction within the State of Minnesota. This section does not apply to any dispute between Supplier and Participating Entity. This Agreement reserves the right for Supplier and Participating Entity to negotiate this term to within any transaction documents.
- 21) **Severability.** If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Agreement is capable of being performed, it will not be affected by such determination or finding and must be fully performed.
- 22) **Insurance Coverage.** At its own expense, Supplier must maintain valid insurance policy(ies) during the performance of this Agreement with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:
- a) **Commercial General Liability Insurance.** Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Agreement.
- \$1,500,000 each occurrence Bodily Injury and Property Damage
  - \$1,500,000 Personal and Advertising Injury
  - \$2,000,000 aggregate for products liability-completed operations
  - \$2,000,000 general aggregate
- b) **Certificates of Insurance.** Prior to execution of this Agreement, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Agreement. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or provided to in an alternative manner as directed by Sourcewell. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf. Failure of Supplier to maintain the required insurance and documentation may constitute a material breach.
- c) **Additional Insured Endorsement and Primary and Non-contributory Insurance Clause.** Supplier agrees to list Sourcewell, including its officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier to the extent of Supplier's indemnity obligations herein. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds but only to the extent of Supplier's indemnity obligations herein.

- d) **Waiver of Subrogation.** Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Agreement or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.
- e) **Umbrella/Excess Liability/SELF-INSURED RETENTION.** The limits required by this Agreement can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.
- 23) **Termination for Convenience.** Sourcewell or Supplier may terminate this Agreement upon 60 calendar days' written notice to the other Party. Termination pursuant to this section will not relieve the Supplier's obligations under this Agreement for any transactions entered with Participating Entities through the date of termination, including reporting and payment of applicable Administrative Fees.
- 24) **Termination for Cause.** Sourcewell may terminate this Agreement upon providing written notice of material breach to Supplier. Notice must describe the breach in reasonable detail and state the intent to terminate the Agreement. Upon receipt of Notice, the Supplier will have 30 calendar days in which it must cure the breach. Termination pursuant to this section will not relieve the Supplier's obligations under this Agreement for any transactions entered with Participating Entities through the date of termination, including reporting and payment of applicable Administrative Fees.

**Article 3:  
Supplier Obligations to Participating Entities**

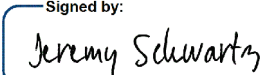
The Terms in this Article 3 relate specifically to Supplier and a Participating Entity when entering transactions utilizing the General Terms established in this Master Agreement. Article 1 General Terms control over any conflict with this Article 3. Where this Master Agreement is silent on any subject, Participating Entity and Supplier retain the ability to negotiate mutually acceptable terms.

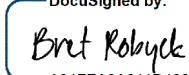
- 1) **Quotes to Participating Entities.** Suppliers are encouraged to provide all pricing information regarding the total cost of acquisition when quoting to a Participating Entity. Suppliers and Participating Entities are encouraged to include all cost specifically associated with or included within the Suppliers proposal and Included Solutions within transaction documents.
- 2) **Shipping, Delivery, Acceptance, Rejection, and Warranty.** Supplier's proposal may include proposed terms relating to shipping, delivery, inspection, and acceptance/rejection and other relevant terms of tendered Solutions. Supplier and Participating Entity may negotiate final terms appropriate for the specific transaction relating to non-appropriation, shipping, delivery, inspection, acceptance/rejection of tendered Solutions, and warranty coverage for Included Solutions. Such terms may include, but are not limited to, costs, risk of loss, proper packaging, inspection rights and timelines, acceptance or rejection procedures, and remedies as mutually agreed include notice requirements, replacement, return or exchange procedures, and associated costs.

- 3) **Applicable Taxes.** Participating Entity is responsible for notifying supplier of its tax-exempt status and for providing Supplier with any valid tax-exemption certification(s) or related documentation.
- 4) **Ordering Process and Payment.** Supplier’s ordering process and acceptable forms of payment are included within its Proposal. Participating Entities will be solely responsible for payment to Supplier and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.
- 5) **Transaction Documents.** Participating Entity may require the use of its own forms to complete transactions directly with Supplier utilizing the terms established in this Agreement. Supplier’s standard form agreements may be offered as part of its Proposal. Supplier and Participating Entity may complete and document transactions utilizing any type of transaction documents as mutually agreed. In any transaction document entered utilizing this Agreement, Supplier and Participating Entity must include specific reference to this Master Agreement by number and to Participating Entity’s unique Sourcewell account number.
- 6) **Additional Terms and Conditions Permitted.** Participating Entity and Supplier may negotiate and include additional terms and conditions within transaction documentation as mutually agreed. Such terms may supplant or supersede this Master Agreement when necessary and as solely determined by Participating Entity. Sourcewell has expressly reserved the right for Supplier and Participating Entity to address any necessary provisions within transaction documents not expressly included within this Master Agreement, including but not limited to transaction cancellation, dispute resolution, governing law and venue, non-appropriation, insurance, defense and indemnity, force majeure, and other material terms as mutually agreed.
- 7) **Subsequent Agreements and Survival.** Supplier and Participating Entity may enter into a separate agreement to facilitate long-term performance obligations utilizing the terms of this Master Agreement as mutually agreed. Such agreements may provide for a performance period extending beyond the full term of this Master Agreement as determined in the discretion of Participating Entity.
- 8) **Participating Addendums.** Supplier and Participating Entity may enter a Participating Addendum or similar document extending and supplementing the terms of this Master Agreement to facilitate adoption as may be required by a Participating Entity.

Sourcewell

Genuine Parts Company  
dba NAPA Auto Parts

Signed by:  
  
 By: \_\_\_\_\_  
 C0FD2A139D06489...  
 Jeremy Schwartz  
 Title: Chief Procurement Officer  
 Date: 1/9/2025 | 5:34 AM CST

DocuSigned by:  
  
 By: \_\_\_\_\_  
 A34FEA2A641D422...  
 Bret Robyck  
 Title: Sr. Vice President  
 Date: 1/8/2025 | 3:33 PM CST



# RFP 100124 - Aftermarket Vehicle Parts and Supplies

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## Vendor Details

Company Name: Genuine Parts Company dba NAPA auto Parts  
Does your company conduct business under any other name? If yes, please state: NAPA Auto Parts  
Address: 2999 Wildwood Parkway  
Atlanta, Georgia 30339  
Contact: Don Lachance  
Email: don\_lachance@genpt.com  
Phone: 404-386-4157  
Fax: 404-386-4157  
HST#: 580254510

## Submission Details

Created On: Tuesday August 13, 2024 07:35:16  
Submitted On: Friday September 27, 2024 14:12:03  
Submitted By: Don Lachance  
Email: don\_lachance@genpt.com  
Transaction #: 7c568b36-caba-405c-ad6c-adc50f0b6edb  
Submitter's IP Address: 136.228.217.83

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**Specifications**

**Table 1: Proposer Identity & Authorized Representatives (Not Scored)**

**General Instructions** (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond “N/A” if the question does not apply to you (preferably with an explanation).

Table 1 Specific Instructions. Sourcewell requires identification of all parties responsible for providing Solutions under a resulting master agreement(s) (Responsible Supplier). Proposers are strongly encouraged to include all potential Responsible Suppliers including any corporate affiliates, subsidiaries, D.B.A., and any other authorized entities within a singular proposal. All information required under this RFP must be included for each Responsible Supplier as instructed. Proposers with multiple Responsible Supplier options may choose to respond individually as distinct entities, however each response will be evaluated individually and only those proposals recommended for award may result in a master agreement award. Unawarded entities will not be permitted to later be added to an existing master agreement through operation of Proposer’s corporate organization affiliation.

Line Item	Question	Response *
1	Provide the legal name of the Proposer authorized to submit this Proposal.	Genuine Parts Company dba NAPA Auto Parts 2999 Wildwood Parkway Atlanta Georgia 30339
2	In the event of award, is this entity the Responsible Supplier that will execute the master agreement with Sourcewell? Y or N.	Yes
3	Identify all subsidiaries, D.B.A., authorized affiliates, and any other entity that will be responsible for offering and performing delivery of Solutions within this Proposal (i.e. Responsible Supplier(s) that will execute a master agreement with Sourcewell).	NAPA Auto Parts locations Nationwide. All 6000 NAPA Auto Parts Stores will delivery solutions for this contract. Genuine Parts Company dba NAPA Auto Parts Headquarters will facilitate the management of the administrative fees, reports and legal documents needed for the contract.
4	Provide your CAGE code or Unique Entity Identifier (SAM):	DZ8RD2EBBMK5
5	Provide your NAICS code applicable to Solutions proposed.	423120
6	Proposer Physical Address:	Genuine Parts Company 2999 Wildwood Parkway Atlanta Ga. 30339
7	Proposer website address (or addresses):	www.genpt.com
8	Proposer’s Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the “Proposer’s Assurance of Compliance” on behalf of the Proposer):	Bret Robyck Sr. Vice President 2999 Wildwood Parkway Atlanta Ga. 30339 Bret_Robyck@genpt.com 678-934-5166
9	Proposer’s primary contact for this proposal (name, title, address, email address & phone):	Don Lachance National Sales manager Government Fleet 2999 Wildwood Parkway Atlanta Ga. 30339 Don_lachance@genpt.com 404-386-4157
10	Proposer’s other contacts for this proposal, if any (name, title, address, email address & phone):	N/A

**Table 2A: Financial Viability and Marketplace Success (50 Points)**

Line Item	Question	Response *
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11	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested Solutions.	<p>Genuine Parts Company, founded in 1928, is a Fortune 200 (NYSE: GPC) service organization engaged in the distribution of automotive replacement parts, industrial replacement parts and electrical/electronic materials.</p> <p>In 1928, Carlyle Fraser founded GPC with the purchase of Motor Parts Depot in Atlanta, Georgia for \$40,000. He then renamed the parts store Genuine Parts Company. The original GPC store had annual sales of \$75,000 and had only six employees.</p> <p>Over the last 96 years, GPC, in relationship with NAPA, has grown rapidly as the number of independent car repair garage shops has increased. From the beginning, GPC stressed swift, reliable service to outflank the competition.</p> <p>GPC has continued to grow through the acquisition of other companies in the automotive and industrial industries. Today, the Company serves tens of thousands of customers from more than 3,600 operations in the United States, Canada, Mexico, Australia, New Zealand, Indonesia, Singapore, France, the U.K., Germany, Poland, the Netherlands, Belgium, and China and has approximately 50,000 employees and annual revenues exceeding \$21 billion.</p> <p>With more than 96 years of distribution expertise, GPC's commitment, and reputation for just-in-time service position us as a critical partner in our customers' success.</p>	*
12	What are your company's expectations in the event of an award?	<p>Our expectations are to engage our 6,000+ company owned and independent NAPA stores and 52 distribution centers across the US to train their sales team on the benefits of our Sourcewell contract and how to reach out to current and potential members regarding their aftermarket parts needs. Additionally, we plan to service Sourcewell members with national coverage (U.S.) in the category by providing them new equipment to meet their shop equipment needs.</p> <p>NAPA Canada is under the GPC umbrella, but operates as a separate entity. We feel that Canadian Sourcewell Members can utilize this response. Pricing will be different in terms of the currency and other variables. NAPA Canada also partners with Rural Municipalities Association (RMA), a sister cooperative, on certain contracts in Canada.</p> <p>Between NAPA US and NAPA Canada, we attend dozens of industry events each year that allow us to promote our solutions and our contracting options through Sourcewell. The Sourcewell partnership will be a large part of our marketing and promotional focus over the life of the contract.</p>	*
13	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response. DO NOT PROVIDE ANY TAX INFORMATION OR PERSONALLY IDENTIFIABLE INFORMATION.	<p>GPC has had 96 years of profitable growth and 65 years straight of increased dividends to our Stock Holders. Our company results are made public and are posted under the Investor page at <a href="http://www.genpt.com">www.genpt.com</a>. We have also included our 2023 Annual Report in the attached documents for this RFP.</p>	*
14	What is your US market share for the Solutions that you are proposing?	<p>NAPA Auto parts has a 9% market share of the overall Automotive parts sales in the US.</p>	*
15	What is your Canadian market share for the Solutions that you are proposing?	<p>NAPA Auto parts has approximately 6% of the Canadian Automotive parts market.</p>	*
16	Disclose all current and completed bankruptcy proceedings for Proposer and any included possible Responsible Party within the past seven years. Proposer must provide notice in writing to Sourcewell if it enters a bankruptcy proceeding at any time during the pendency of this RFP evaluation.	<p>None, There have been no Bankruptcy proceedings for Genuine Parts Company dba NAPA Auto Parts</p>	*

17	<p>How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer the question that best applies to your organization, either a) or b).</p> <p>a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned?</p> <p>b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?</p>	<p>Our company is both a distributor/dealer/reseller and a service provider with respect to this contract and is authorized to act as such for the products and services proposed in this RFP.</p> <p>a) Distributor/Dealer/Reseller: GPC/NAPA has an internal supply chain of NAPA branded aftermarket parts and supplies that we distribute through our 52 distribution centers and 6,000+ retail stores in the US and eight distribution centers and 600+ retail locations in Canada. These stores are a mix of company-owned and independent locations that exclusively are authorized to distribute aftermarket NAPA branded parts.</p> <p>The NAPA catalog of parts contains more than 565,000 SKUs of automotive parts, supplies, tools and equipment. Our network of 52 distribution centers and 6,000 retail stores (4100 independent and 1,900 company) are the only authorized distributor and reseller of the parts that we propose in this RFP.</p> <p>Our 4,100 independent stores will all be bound by this agreement and will be authorized to sell per our Sourcwell contract, should we be awarded.</p> <p>b) Not only is NAPA a distributor of parts, but we leverage our distribution chain that gives nightly access to inventory at all distribution centers, parts delivery services, and our relationships with vendors that allow Sourcwell customers to order directly when needed to support their fleets.</p>	*
18	<p>If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.</p>	<p>GPC has all the licenses necessary to purchase, warehouse, transport and distribute for the commerce contemplated in this RFP. We hold these licenses and certifications in Canada, all 50 States in the US, Guam, Mexico, Australia, and Europe for the products we distribute and services we provide throughout these countries.</p>	*
19	<p>Disclose all current and past debarments or suspensions for Proposer and any included possible Responsible Party within the past seven years. Proposer must provide notice in writing to Sourcwell if it enters a debarment or suspension status any time during the pendency of this RFP evaluation.</p>	<p>GPC has not been suspended or disbarred from the delivery of parts or services outlined in this RFP.</p>	*
20	<p>Describe any relevant industry awards or recognition that your company has received in the past five years.</p>	<p>In 2021 NAPA Auto Parts automotive division and our Integration business operations combined to win the 2021 Legacy award with Sourcwell.</p> <p>In 2019, Jett Kuntz, Vice President of NAPA IBS, was awarded the Sourcwell Pioneer award at Sourcwell's H20 conference for his vision, commitment and drive to grow our current contracts with Sourcwell. In the last five years, our contracts have grown exponentially through Jett's and the NAPA Fleet team's commitment to cooperative purchasing. In their press release announcing the award, Sourcwell stated:</p> <p>"Jett has supported Sourcwell's mission beyond cooperative purchasing. He shows great respect for other people in a manner that is rarely as authentic and genuine. He is committed to the cause, confident in supporting what they commit to, and willing to go where others cannot see a way. And like the other Sourcwell Pioneers, he has always been willing to share information and ideas with fellow vendors to help them grow their contracts. He was part of our 1st Vendor Advisory Committee and remains an active committee member helping guide our growth and represent the vendor voice as we plan for Sourcwell's future." Our parts supply business is also awarded with the successes of our customers. Over the past decades our NAPA customers have received hundreds of local and national awards. In Government Fleet Magazine's 2019 Leading Fleet Awards, dozens of fleet organizations received awards of operational excellence and have attributed part of their success to NAPA. These awards are given to the best fleets for their use of industry best practices, forward-thinking initiatives and in many cases revolutionary contracting solutions. This is one of the highest honors in government fleet business.</p>	*
21	<p>What percentage of your sales are to the governmental sector in the past three years?</p>	<p>In the past three years, we have exceeded 15% percent of our Automotive Fleet Parts Group sales in the government sector.</p>	*
22	<p>What percentage of your sales are to the education sector in the past three years?</p>	<p>Of our government business, approximately 12 percent of our sales are in the education market (K-12, Higher Education).</p>	*

23	List all state, cooperative purchasing agreements that you hold. What is the annual sales volume for each of these agreement over the past three years?	Sourcewell-Aftermarket Parts and IBS \$160,000,000 NASPO ValuePoint -Aftermarket Parts, Tools & Equipment \$56,000,000 E&I Educational Cooperative \$1,000,000 Texas BuyBoard - Aftermarket Parts Oils & Lubricants \$1,000,000 Axia \$1,000,000 ST of GA \$15,000,000 St of TN \$6,000,000 ST of WA \$10,500,000 ST of NJ \$6,800,000 ST of MA \$6,500,000 ST of VA \$4,500,000 ST of LA \$4,600,000 ST of CA \$5,800,000 ST of WV \$4,000,000 ST of CT \$3,000,000
24	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	GPC/NAPA holds no GSA schedules at this time.

**Table 2B: References/Testimonials**

**Line Item 25.** Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *
State of California	Yolanda Tutt Department of General Services Procurement Division	279-946-8401
State of Georgia	Mary Zirock Chief Procurement Officer	404-631-1218 mzirock@dot.ga.gov
City of Sacramento, CA	Mark Stevens Fleet Manager	916-808-5869 mstevens@cityofsacramento.org

**Table 3: Ability to Sell and Deliver Solutions (150 Points)**

Describe your company’s capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *
26	Sales force.	Total Estimated U.S. & Canada GPC Employees = 51,000 We have a national Sourcewell sales initiative managed through Don Lachance, NAPA’s government fleet sales manager. Our 52 distribution centers also have dedicated Territory Sales Managers, Commercial Sales Managers and Wholesale Managers, comprising 400+ sellers directly in the market. Finally, our 6,000+ NAPA stores have their own direct sales teams to help promote Sourcewell opportunities. All in, NAPA has more than 7,000 people who have a responsibility to promote and sell the Sourcewell contract in the U.S. and Canada.

27	Describe the network of Authorized Sellers who will deliver Solutions, including dealers, distributors, resellers, and other distribution methods.	<p>GPC in 2024 owns and operates 52 distribution centers located throughout the United States that have return privileges with most of their suppliers, which protects GPC from inventory obsolescence.</p> <p>These distribution centers are located in 40 states and service approximately 1,900 domestic company-owned NAPA AUTO PARTS stores located in 45 states and approximately 4,100 independently owned NAPA AUTO PARTS stores located in all 50 states. NAPA stores, in turn, sell to a wide variety of customers in the automotive aftermarket. Collectively, these independent automotive parts stores account for approximately 55% of the total U.S. APG sales and 20% of GPC's overall total sales.</p> <p>When a Sourcewell member customer orders a part, directly or online, the first resource to fulfill that request will be the nearest NAPA servicing store. If the part is in stock, it will be delivered to the customer within an agreed upon time frame, and maybe included in a daily/nightly shuttle delivery. If the part is not in stock at the nearest store, secondary and tertiary NAPA stores will be sourced from and the part will be included in a one-off or scheduled delivery. In situations where the part is not available at any nearby NAPA stores, our Distribution Centers carry millions of dollars of inventory that can be used to fulfill the request. As a final resort, we can always contact the part manufacturer directly to explore direct sourcing options. In all situations, there is a local team of sourcing experts who are dedicated to fulfilling all requests by Sourcewell members</p>	*
28	Service force.	<p>As mentioned in our response to Question #26, we have more than 51,000 people dedicated to ensuring the parts Sourcewell customers need are available and delivered on time across the US and Canada.</p> <p>From a product availability standpoint, having 52 DCs enables NAPA to provide product as close to the customer as possible in most states including Alaska, Hawaii, and most US Territories. This is facilitated through the DC delivery process of deliveries to all 6000 stores a minimum of 5 times per week. NAPA uses a process of vehicle registration and product data to stock our DCs and stores by ZIP code. This ensures that we have a market specific product mix in each of our stores. NAPA 's DCs have on average \$6 -\$ IOM in inventory. Store sizes vary in size and scope, but with 6,000 in the US alone, we have one of the best store footprints in the automotive aftermarket. NAPA has 6000 thousand stores with between 2 and 6 delivery vehicles per store servicing the Sourcewell members and hundreds of tractor trailers delivering to the stores each night.</p> <p>Our personnel in each distribution center provide a comprehensive mixture of sales and product specialists that are available to service Sourcewell members. The list below illustrates the positions and the individuals focused on the sales and services contemplated in this RFP:</p> <ul style="list-style-type: none"> <li>• Sales Manager</li> <li>• District Manager</li> <li>• Wholesale Manager</li> <li>• Business development Managers</li> <li>• Major Account Government Sales Manager</li> <li>• Territory Sales Managers 3 to 5</li> <li>• Business Development managers (Outside Sales Representative) one per GPC owned store, 2 to 25, depending on the number of company-owned stores</li> <li>• Store Sales Counter people</li> <li>• Independent NAPA store owners, outside sales, and counter people</li> </ul> <p>In total, there are nearly 10,000 people involved in the distribution of parts to, and customer satisfaction of, all of our Sourcewell member partners.</p> <p>The following is a look at the overall process flow for selling and managing Sourcewell contracts, along with which teams are involved at each stage:</p> <ol style="list-style-type: none"> <li>1. NAPA HQ team sets standard operating procedures.</li> <li>2. Sales force promotes the contract to customers.</li> <li>3. Service force executes contracts and opens and manages sites.</li> <li>4. Marketing team conducts regular business reviews to promote contract retention.</li> <li>5. HQ team ensures compliance, reporting and overall growth</li> </ol>	*
29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	<p>All orders will go through the local servicing NAPA stores. Via Electronic ordering, phone, fax or a walk in visit to our NAPA store. Orders and returns will follow the same process through the servicing NAPA store.</p>	*

30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	<p>Our customer service program begins when the customer places an order and stays involved throughout the lifecycle of each order and the overall contract. When customers place an order directly with their servicing NAPA store, online via NAPA ProLink, or through a punch-out in their enterprise system, customer service functionality is built into the process to address questions and issues as they arise. When it comes to delivery times, NAPA's standard metrics are as follows:</p> <ul style="list-style-type: none"> <li>• In-Stock Parts Ordered Delivered within 60 minutes or less</li> <li>• Non-Stocked Parts Ordered Delivered the next day</li> <li>• Rare or Special Parts Ordered Delivered within 2 days</li> </ul> <p>NAPA has a special delivery feature that other providers do not offer. In the case of a special order part that is not available at local stores or distribution centers, Sourcewell members can access ordering from the manufacturer directly through NAPA Xpress, a function of our ProLink online cataloging portal.</p> <p>For example, if a city requires a one-off starter for an uncommon police vehicle and the local NAPA store and distribution center network does not have the part in stock, they can use NAPA Xpress to connect to that starter's manufacturer and have the part shipped directly to them, even next day, via UPS.</p> <p>NAPA Xpress is also available when ordering from a store via phone – the ordering member just needs to request direct to customer shipping.</p> <p>Finally, our customer service program continues after the purchase to support warranty claims on qualified products, as well as core credit and return processing. In the case of such types of return transactions, NAPA's local team is there to facilitate the process with the local NAPA DC or directly with product manufacturers to get each Sourcewell member the parts they need and the credits they are owed.</p>
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities.	<p>GPC/NAPA is a current Sourcewell contract holder and is able and willing to provide all parts and services expressed in this RFP. We have a mix of company-owned and independent NAPA stores across the country that are fully bought in on participating in any agreement that arises from this proposal. While it is up to the individual independent stores to decide whether or not to participate, any store that elects to do so will generally do so under the terms proposed and agreed upon here.</p> <p>We have outlined our service and distribution network in several questions so far, so we would like to discuss our ability to promote this contract, if awarded. We have learned that educating our dealer locations on the specifics of the Sourcewell contract and their responsibilities to seek out lists of target Sourcewell contracting agencies is the first line of success for NAPA and Sourcewell.</p> <p>We also have a headquarters support network that helps us stay on track with our commitments to Sourcewell and its members by monitoring contract activity and promoting the cooperative purchasing message across our entire enterprise.</p> <p>The ability to provide these products and services starts and ends with effective communication and execution of the program to our 6,000 stores that deliver the value to Sourcewell members daily.</p>
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	<p>NAPA Auto Parts (UAP Inc.) has a wealth of resources, both in the field and in the office across Canada to implement large agreements such as requested by Sourcewell. We have resources at our head office in Montreal as well as in each region including the Pacific/West, Ontario, Quebec and the Atlantic. NAPA will allocate the necessary resources to ensure Sourcewell's needs are met.</p> <p>Across Canada, we have over 4,800 full-time direct employees servicing our stores, distribution centers and offices. We have a mix of company-owned and independent NAPA stores across the country that are fully bought in on participating in any agreement that arises from this proposal. While it is up to the individual independent stores to decide whether or not to participate, any store that elects to do so will generally do so under the terms proposed and agreed upon here.</p> <p>The NAPA Auto Parts Division is a network made up of automotive parts and accessories stores and paint and body product stores. We have nearly 600 NAPA Auto Parts stores across Canada and over 50 NAPA CMAX Paint and Body Shop Supply Stores.</p> <p>It also includes 8 distribution centers across Canada including the Atlantic, Quebec, Ontario, West and Pacific regions. Including 1 logistic center in Long Sault, Ontario. Napa will be supporting the Sourcewell contract amongst 4 regions across Canada: Atlantic, Quebec, Ontario and the Western region. NAPA Canada also partners with Rural Municipalities Association (RMA), a sister cooperative, on certain contracts in Canada.</p>
33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed agreement.	<p>NAPA has a strong presence in every region and is fully capable of serving the entire US and Canadian geographical locations described in this RFP of current and future members and represented associations. NAPA has a national presence from coast to coast across both the US and Canada. Thanks to our 6,000-store US and 600-store Canadian network and our strategic distribution center locations, we can meet all members' needs in a short amount of time, wherever they are operating</p>
34	Identify any account type of Participating Entity which will not have full access to your Solutions if awarded an agreement, and the reasoning for this.	<p>NAPA stores will cover all 50 states and all areas in those states with same to next day service. NAPA also services all 10 provinces in Canada through this contract with 600 NAPA Canada/UAP stores that can offer the same services at the Canadian pricing provided in this RFP</p>

35	Define any specific requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	There are no general contract restrictions that apply to any location in the US that NAPA services, including Hawaii, Alaska and US Territories.	*
36	Will Proposer extend terms of any awarded master agreement to nonprofit entities?	Depending on the entity and there qualifications as a non-profit we can extend terms to non-profits but many Master agreements do not offer contract abilities and pricing to non-profits as Sourcewell does. We rely on Sourcewell for most of our Non-profit Master agreements.	*

**Table 4: Marketing Plan (100 Points)**

Line Item	Question	Response *
37	Describe your marketing strategy for promoting this opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	<p>NAPA's general marketing program strategy to promote the contract nationally will be to provide a full array of marketing flyers, sales sheets, and announcements through announcement bulletin utilization for both the new award and updates during the contract period. The implementation of those aspects will bring visibility to the Sourcewell member in our stores through the mobilization of our field sales force.</p> <p>Specific training videos have already been put in place in support of the contract we currently have to train sales management, store owners, outside salespeople, and store employees. This training will directly increase the marketability of the contract throughout our sales organization. Co-branding of our logos will be incorporated on these pieces to inform the recipients of our "regular" marketing collateral to inform that NAPA is a Sourcewell contract holder. If awarded, Sourcewell contract details will be communicated through our national bulletin process.</p> <p>This program bulletin communicates to all 6,000 stores, Field Sales Management, and all direct sales teams the specifics of the new contract, the contract pricing, and the intent of the program through the contract award.</p> <p>Once published, the bulletin will be available through our internal website entitled NAPA Connect. This site is where all stores and field management go to see and understand all the national account programs that NAPA provides to its stores. If awarded, Sourcewell will continue to be classified in our national account programs.</p> <p>NAPA has a great deal of system or legacy knowledge built into our culture based on the number of years that we have enjoyed the contractual relationship, but our communication will not take that for granted.</p> <p>NAPA has a national team dedicated to marketing and growing our most important contracts, including everything Sourcewell. In addition to training this team on selling the value of our Sourcewell contract, we have headquarters-driven digital and print marketing efforts as well. Below are several examples of our available marketing materials and efforts and samples will be provided as attached documents.</p> <ul style="list-style-type: none"> <li>• Salesforce.com – customer relationship management software that has been customized to track communications, lead progress, contract status, success metrics and more for Sourcewell prospects and existing customers. This allows our sales team to sell the program more efficiently.</li> <li>• Print Materials – marketing materials available to our sales team and customers include Sourcewell customer case studies, Sourcewell benefits and process flyers, customer information packet content and more.</li> <li>• Presentation Materials – our team has access to a predeveloped suite of digital content and presentation materials (PowerPoint slides) that promote the benefits of implementing Sourcewell contracts.</li> <li>• Video Content – we are in the process of developing specific video content that discusses Sourcewell opportunities with existing IBS customers using the contract. These videos will be available for use in presentations, on our website, on social media and more.</li> <li>• Fleet Industry Events – NAPA sales and marketing experts attend more than 50 industry events across the US and Canada each year and we make specific efforts to promote the Sourcewell contract at each one where it applies. Some of the most significant industry events we attend on a regular basis include:                      National Events                      o NAFA I&amp;E <a href="http://www.NAFA.org">www.NAFA.org</a>                      o Government Fleet Expo (GFX) <a href="http://www.governmentfleetexpo.com">www.governmentfleetexpo.com</a>                      o Fleet-Con presented by Fleet Pros <a href="http://www.FleetPros.org">www.FleetPros.org</a>                      Regional Events                      o Florida Association of Government Fleet Administrators (FLAGFA) <a href="http://www.FLAGFA.org">www.FLAGFA.org</a>                      o Georgia Association of Pupil Transportation (GAPT) <a href="http://www.GAPTonline.org">www.GAPTonline.org</a></li> </ul>

38	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	<p>NAPA Marketing employs a team of experts dedicated to effectively driving web traffic to various NAPA websites that promote our products and contract opportunities. The team uses search engine optimization strategies, including site metadata, to reach the widest possible audience of qualified decision makers for Sourcewell entity prospects and current members.</p> <p>Social media, such as LinkedIn, is an avenue we use to both network with fleet decision makers who we can educate about Sourcewell and promote events that we will be participating in. We further participate on event websites, in digital newsletters and email blasts and mobile apps. We also promote customer and vendor awards that tie into our Sourcewell offering to grow awareness and interest in the contract. All social media efforts are tracked so we can optimize our performance with respect to driving interest in this contract.</p>	*
39	In your view, what is Sourcewell's role in promoting agreements arising out of this RFP? How will you integrate a Sourcewell-awarded agreement into your sales process?	<p>We feel it is our job to educate our sales team on Sourcewell and make it an integral part of the way they sell our aftermarket solutions to governments. The materials and tools we provide to our team have been developed specifically to this end and every applicable customer we meet with is presented the Sourcewell contract option. While we will continue to drive the success of this partnership, there are clearly defined ways in which Sourcewell can help the marketing effort:</p> <ul style="list-style-type: none"> <li>• Marketing Materials – Sourcewell can provide materials that help train our specialists and educate our customers on the benefits and procurement process of using Sourcewell contracts.</li> <li>• Continuing Education – provide our team with access to Sourcewell knowledge through online training, live and digital seminars, trade show involvement and personal consulting via phone calls with your team.</li> <li>• Government Contacts – supply direct access to government fleet and procurement decisionmakers who have expressed interest to you in the Sourcewell contract.</li> <li>• Legislation – continue to drive legislative approval across the US and Canada for the ability to adopt Sourcewell contracts</li> </ul>	*
40	Are your Solutions available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	<p>Yes, our products are available through e-procurement and other digital platforms and we have a large number of government customers using these ordering vehicles today. The following are a few of the most common digital methods used to order from us:</p> <ul style="list-style-type: none"> <li>• NAPA Online: Our primary online ordering portal, <a href="http://www.NAPAOnline.com">www.NAPAOnline.com</a> offers a catalog of more than 560,000 parts and supplies that are available to Sourcewell members today. Ordering online allows stock and hot-shot orders to be placed by an agency and fulfilled through the local servicing NAPA store or distribution center in the most timely way possible.</li> <li>• NAPA ProLink: NAPA ProLink is another exclusive online ordering and messaging system for customer shops to order NAPA branded parts from our stores or distribution centers. It gives the customer direct digital access to our catalog of more than 560,000 SKUs, all available on this contract.</li> <li>• Enterprise E-Procurement: NAPA has the capability to provide digital cataloging through punchouts and EDI interfaces placed directly within a customer's enterprise procurement system. On our e-commerce website, <a href="http://www.NAPAIBIZ.com">www.NAPAIBIZ.com</a>, we show companies that use large eProcurement programs how to register with NAPA to access our NAPA catalog. Platforms supported include Ariba, SAP, Oracle, Epicor, Ketersa, Jaggaer, Proactis/Perfect Commerce, Coupa and more. We also offer digital warehousing solutions with JD Edwards and Manhattan products.</li> </ul>	*

**Table 5A: Value-Added Attributes (100 Points)**

Line Item	Question	Response *	
41	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	<p>Product training on all diagnostics available through NAPA AutoTech program and available online at <a href="http://www.NAPATraining.com">www.NAPATraining.com</a>. This is a fee-based training comprehensive program for classroom and web. Training / maintenance offered by most NAPA suppliers, much at no cost. No training is standard as expertise will vary from one employee to another, all training is to be scheduled and discussed. All NAPA Tools &amp; Equipment suppliers offer suggested maintenance procedures for products sold. This would include proper installations, safety procedures and contacts for on-site installations. NAPA provides training on many levels.</p> <p>Technician Training:</p> <ol style="list-style-type: none"> <li>a. Designed for the professional technician.</li> <li>b. Provided by professional certified trainers</li> <li>c. Shop Management Training</li> <li>d. Designed for the professional technician, shop managers</li> <li>e. Provided by professional certified trainers</li> </ol>	*

<p>42</p>	<p>Describe any technological advances that your proposed Solutions offer.</p>	<p>NAPA's proposal covers multiple technological advances in the following:</p> <ul style="list-style-type: none"> <li>• Electronic Ordering</li> <li>• Product Information</li> <li>• Diagnostic Repair</li> <li>• eProcurement</li> <li>• Audit process</li> <li>• Mechanical Shop and Body Shop Estimators</li> <li>• System integration, Shop management integration, ordering - NAPA currently integrates with dozens of shop management programs</li> <li>• ProLink is one of the industry's best electronic ordering interfaces. It provides catalog lookups, part images, and job "kits", recalls last and common orders, and loads specific vehicles (which are perfect with fleets with the same type vehicles) and more.</li> <li>• ProLink shows parts price and availability at the local NAPA store, as well as the store's supplying DC ProLink can be used to compare contract price with that of list so that price verification can be utilized at the time of ordering eliminates the need for calling and faxing; ordering is done online.</li> </ul> <p>NAPA can work with government agencies to provide special pricing on Mitchell On Demand:</p> <ul style="list-style-type: none"> <li>• This is a web and PC based program that aids Sourcewell members to estimate repairs for authorization.</li> <li>• Provide OE repair procedures and diagnostic aids.</li> <li>• Track labor and supplies to a specific asset.</li> <li>• Color wiring diagrams</li> <li>• Technical specifications that include optional Medium and Heavy Duty applications</li> <li>• Flow Charts</li> <li>• Technical Service Bulletins</li> <li>• Maintenance Schedule</li> </ul>
<p>43</p>	<p>Describe any "green" initiatives that relate to your company or to your Solutions, and include a list of the certifying agency for each.</p>	<p>Our full Corporate Sustainability Plan will be provided as an attachment to this proposal. It is also available on our Sustainability page on <a href="http://www.genpt.com">www.genpt.com</a>.</p> <p>Environmental stewardship is an integral part of who we are and how we do business. Our commitment to protect and preserve the environment focuses on high-impact areas where we can make a measurable difference for our teammates, suppliers, customers, communities and investors.</p> <p>RCI-Safe Solutions -Our Sustainability partner - has officially launched GPC's sustainability awareness efforts. Look for GPC's new GROW program to highlight specific environmental efforts made by employees. The GROW program focuses on targeted campaigns that emphasize personal responsibility and spotlights GPC's environmental heroes. GROW promotes a renewed approach of how to Reduce, Reuse and Recycle.</p> <p>GPC has the following priorities in place in terms of our Green Program</p> <ul style="list-style-type: none"> <li>• Reduce Air Emissions/Efficient Delivery Routing</li> <li>• Identify Pollution Prevention Opportunities</li> <li>• Communicate the Message</li> <li>• Practice Water Conservation</li> <li>• Reduce Fuel Consumption</li> <li>• Minimize Operational Waste</li> <li>• Implement Energy Conservation</li> <li>• Provide Green Products and Services</li> </ul> <p>NAPA Markets and Sells Many Green Initiative Products</p> <ul style="list-style-type: none"> <li>• Smart Washers</li> <li>• Challenger Water In-Ground Lifts</li> <li>• 3M lead free wheel weight system</li> <li>• Schumacher solar battery charger/maintainers</li> <li>• Energy Logic - waste oil burners</li> <li>• Vortex waterborne auto paint - no solvents</li> <li>• Valvoline Next Gen oil - made with recycled oil</li> <li>• Recycled Batteries, remanufactured electrical and steering components</li> </ul> <p>NAPA also has a detailed sustainability plan that is monitored and reported on annually. One of the three pillars of this plan is environmental sustainability and some of the results we have achieved are as follow:</p> <p>NAPA Fleet Management</p> <ul style="list-style-type: none"> <li>• Recycles more than 20 tons of tires annually</li> <li>• Recycles more than 3,500 gallons of oil annually</li> </ul> <p>General Recycling</p> <ul style="list-style-type: none"> <li>• More than 7,800 lbs. of cardboard annually</li> <li>• More than 6,400 lbs. of other waste annually</li> </ul> <p>Energy Efficiency</p> <ul style="list-style-type: none"> <li>• More than 750 lighting retrofits completed that reduced more than 52 million lbs. of CO2</li> </ul>



44	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the Solutions included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	<p>Please see our complete Sustainability guide attached to this RFP response.</p> <p>At this time, our sustainability reporting is aligned to SASB and TCFD frameworks. We continue monitoring the regulatory landscape in the U.S. and internationally, including the recent proposed rule from the U.S. Securities and Exchange Commission (SEC) to mandate standardized ESG disclosures for public companies, as well as the Corporate Sustainability Reporting Directive (CSRD) rules in Europe. We will update our approaches and reporting to comply with regulatory changes as they occur. <a href="http://www.genpt.com">ustainability page at www.genpt.com</a>.</p>
45	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	<p>GPC has the capability to offer the following custom and unique value adds.</p> <ul style="list-style-type: none"> <li>• Integrated Business Solutions: existing Sourcewell Contract</li> <li>• Motion Industries ~4,800,000 SKUs of MRO and Industrial components and supplies to 150,000 MRO and OEM Customers through 10 distribution centers, through ~470 branches and 53 Service Centers, <a href="http://www.motionindustries.com">www.motionindustries.com</a> <ul style="list-style-type: none"> <li>o NAPA Filters - <a href="http://www.napafilters.com">www.napafilters.com</a>,</li> <li>o NAPA Heavy Duty - <a href="http://www.napaonline.com">www.napaonline.com</a></li> <li>o NAPA Undercar, <a href="http://www.napaonline.com">www.napaonline.com</a></li> <li>o NAPA Electrical Sales and Under hood, <a href="http://www.napaonline.com">www.napaonline.com</a></li> <li>o Martin Senour~ Paint, <a href="http://www.martinsenour.com">www.martinsenour.com</a></li> <li>o Balkamp, <a href="http://www.balkamp.com">www.balkamp.com</a></li> <li>o NAPA Tools and Equipment, <a href="http://www.napaonline.com">www.napaonline.com</a></li> <li>o NAPA Brakes, <a href="http://www.napabrakes.com">www.napabrakes.com</a></li> <li>o NAPA Heating and Cooling, <a href="http://www.napabeltshose.com">www.napabeltshose.com</a></li> </ul> </li> <li>• NAPA TRACS- Total Repair Automotive Computer System – powerful estimating, technical information and shop management solutions – <a href="http://www.napatracs.com">www.napatracs.com</a></li> <li>• IBIZ – described above <a href="http://www.napaibiz.com">www.napaibiz.com</a></li> <li>• NAPA AutoCare Centers, <a href="http://www.napaautocare.com">www.napaautocare.com</a></li> </ul> <p>Largest network of independently owned automotive technicians in the US. ~15,000 automobile, truck, and collision centers</p> <p>MIC- Market Place Inventory Classification This is the process that uses RL Polk data and additional registrations of fleet and leased vehicles in all NAPA markets to determine proper stocking levels in stores and DCs. This means less downtime at the Sourcewell Member's repair facility due to NAPA having more and more of the right parts on the shelves.</p> <p>Mitchell 1, and Mitchell On Demand - Described above – <a href="http://www.mitchell1.com">www.mitchell1.com</a> As mentioned, one of the most unique features of our service is the ability to integrate a customer's fleet software/work order management system into our inventory platform. This kind of integration seamlessly shares data between the two interfaces and allows work order, parts order, vehicle status, billing, reporting and other data to pass automatically between the two. This increases technician productivity and data accuracy by letting the customer know exactly where their parts are and attaching every part ordered to a specific unit and work order. Some of our integrations even perform automated invoice reconciliation, extending the benefits beyond the shop and into customer administrative and accounting departments. Some examples of our most successful integrations with third-party software systems available today include AssetWorks (FA, M5), Faster, RTA, Dossier, Chevin and many more.</p>

**Table 5B: Value-Added Attributes**

Line Item	Question	Certification	Offered	Comment
46	Select any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation and a listing of dealerships, HUB partners or resellers if available. Select all that apply.		<input type="radio"/> Yes <input checked="" type="radio"/> No	<p>Genuine Parts Company is a publicly traded corporation. Thus, we are not a WMBE or SBE. However, expanding opportunities for small and women and minority owned businesses is important at NAPA. A strength of the NAPA capabilities for this RFP is that we are not all corporate stores centered around a large corporate office, but we are a collection of thousands of small businesses that can support the Sourcewell contract and its members' purchasing goals.</p> <p>Our main distribution and sales channel to Sourcewell members and prospective members will be through our 6,000 retail outlets, 4,500 of which are independently owned and operated NAPA Automotive and Truck Parts stores. Based on the size and geography of these locations, many may be qualified as SBEs, WBEs, DBEs and some in HUB Zones.</p> <p>As a corporation overall, we still maintain strict guidelines on diversity and inclusion in our operations.</p> <p>Our commitment to—and appreciation for—diversity and inclusion at Genuine Parts Company is a part of everything we do. You can see it every time we interact with customers, collaborate with colleagues and partner with members of the community.</p> <p>Across our Company, we value diversity and benefit from the exceptional insights, talents and experiences of our workforce. We believe that by embracing the differences and similarities of each individual, the work environment improves for our employees and enhances our overall business performance</p>
47		Minority Business Enterprise (MBE)	<input type="radio"/> Yes <input checked="" type="radio"/> No	
48		Women Business Enterprise (WBE)	<input type="radio"/> Yes <input checked="" type="radio"/> No	
49		Disabled-Owned Business Enterprise (DOBE)	<input type="radio"/> Yes <input checked="" type="radio"/> No	
50		Veteran-Owned Business Enterprise (VBE)	<input type="radio"/> Yes <input checked="" type="radio"/> No	
51		Service-Disabled Veteran-Owned Business (SDVOB)	<input type="radio"/> Yes <input checked="" type="radio"/> No	
52		Small Business Enterprise (SBE)	<input type="radio"/> Yes <input checked="" type="radio"/> No	
53		Small Disadvantaged Business (SDB)	<input type="radio"/> Yes <input checked="" type="radio"/> No	
54		Women-Owned Small Business (WOSB)	<input type="radio"/> Yes <input checked="" type="radio"/> No	

**Table 6: Pricing (400 Points)**

Provide detailed pricing information in the questions that follow below.

Line Item	Question	Response *
55	Describe your payment terms and accepted payment methods.	Payment Terms are net 30 days, Payment methods are Check, ACH, or credit card

Item X6.

56	Describe any leasing or financing options available for use by educational or governmental entities.	NA	*
57	Describe any standard transaction documents that you propose to use in connection with an awarded agreement (order forms, terms and conditions, service level agreements, etc.). Upload all template agreements or transaction documents which may be proposed to Participating Entities.	A copy of our Invoice document that is used on all transactions has been uploaded to the Documents section of this RFP. Standard documents or forms for ordering are also offered on our Prolink site for electronic ordering, and are included in the Prolink site that the customer will use and have a secure login and password specific to each user. NAPA can adapt and customize the process per the request of the entity.	*
58	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcwell participating entities for using this process?	Yes, NAPA accepts P-card payment with no additional charge to the end user.	*
59	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcwell Discounted price) on all of the items that you want Sourcwell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	NAPA's pricing model is a product category discount off list price. As NAPA has with previous contracts, we will continue to offer a competitive nationwide ceiling price for Sourcwell members. NAPA's list prices on individual products shall increase and decrease throughout the term of the contract. The pricing profile/methodology category Discount percentage shall, however, remain firm. NAPA passes on both price increases and decreases it receives from its suppliers on to the Members. NAPA cannot provide written notice to Sourcwell every time an individual product increases in price. The attached Sourcwell 9074 Price Profile will be implemented at the store level to all members that choose to utilize the Sourcwell contract. This pricing will be available at all company-owned and independent NAPA stores across the US. The pricing provided by NAPA Canada differs from that provided by NAPA US but is based off of a similar model and will apply across Canada as the US pricing does across the US. A copy of the List less Discount sheet attached.	*
60	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	As a list less discount percentage for parts by category for over 560,000 parts the discount range is 46% to 72% off list price depending on the item category.	*
61	Describe any quantity or volume discounts or rebate programs that you offer.	Special volume discounts and/or rebates may be offered on an individual basis, depending on the individual circumstances and the potential volume of the Sourcwell member. NAPA may offer special one-off pricing for volume or stocking orders if requested by the Sourcwell member. These prices will be handled on an individual basis and they will not exceed the contract price.	*
62	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "non-contracted items". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	NAPA agrees to deliver from time-to-time sourced goods and services to be sourced and shall include all actual net costs including our actual cost and inbound shipping, plus a maximum 25 percent additional margin. This cost plus will be calculated and agreed upon between the Sourcwell member and the local NAPA store on a case-by-case basis	*
63	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	Generally, parts and equipment are provided at the cost specified in our pricing list. NAPA does not charge Sourcwell members freight costs for standard stocking parts. Additional costs may be incurred for items outside of hard parts, such as special order shipping, training, equipment installation, etc. but these are typically nonstandard line items.	*
64	If freight, delivery, or shipping is an additional cost to the Sourcwell participating entity, describe in detail the complete freight, shipping, and delivery program.	As stated in Question 63, freight is not charged on NAPA parts, barring special requests or orders. However, if a part needs to be expedited for an emergency situation, the process is very simple. The agency lets us know the timeframe of the need, NAPA reaches out to our freight partners to estimate the cost, NAPA informs the agency of the charge and, with approval from the customer, we will agree to ship the part. In this case, the freight charge will be added to the invoice for that part as a separate line item for complete transparency.	*

65	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	<p>As we have a local presence in Alaska and Hawaii, there are no different terms or programs for these regions than in the continental US. Customer delivery distance from the servicing store will affect freight charges, but not differently in those regions. Exchange and returns are the same.</p> <p>In Canada, deliveries of products will be made free of charge. Freight charges may apply to garage equipment and emergency orders of automotive parts and accessories in which case Sourcwell members will have first agreed to the additional freight charges.</p> <p>Additional shipping costs are determined on case-by-case basis and are dependant on the items being shipped. It typically affects larger items (i.e. hoists) where costs are determined at the time of sale.</p> <p>NAPA works with our supplier network to provide a delivery method to "Drop Ship". In certain circumstances, such as large quantities or large products, it is a method we can offer to Sourcwell members. Offshore shipping will be established as "as needed" and agreed to by the NAPA store and the Sourcwell Member</p>	*
66	Describe any unique distribution and/or delivery methods or options offered in your proposal.	<p>NAPA has a special delivery feature that is exclusive to NAPA stores. In the case of a special order part that is not available at local stores or distribution centers, Sourcwell members can access ordering from the manufacturer directly through NAPA Xpress, a function of our ProLink online cataloging portal.</p> <p>For example, if a city requires a one-off starter for an uncommon police vehicle and the local NAPA store and distribution center network does not have the part in stock, they can use NAPA Xpress to connect to that starter's manufacturer and have the part shipped directly to them, even next day, via UPS.</p> <p>NAPA Xpress is also available when ordering from a store via phone – the ordering member just needs to request direct to customer shipping. The huge advantage of this program for Sourcwell members is that it harnesses access to inventories not only at local NAPA stores and distribution networks across the entire country, but through our manufacturers as well, all with one click or call</p>	*
67	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed agreement with Sourcwell. This process includes ensuring that Sourcwell participating entities obtain the proper pricing.	<p>NAPA self-audits both our contract pricing to Sourcwell members and our sales reporting and administrative fee paid to Sourcwell each quarter.</p> <p>Contract Price Compliance Self Audit: NAPA has developed programming that will at the end of every quarter take the sales by Sourcwell members and compare them to the profile price. This new programming will enable for exception reporting to be accomplished so that NAPA will ensure that each equipment order is in contract compliance.</p> <p>Quarterly Sales Reporting and Administrative Fee Self Audit: To ensure that NAPA reports all sales under the contract each quarter and that NAPA remits the proper administrative fee to Sourcwell, a quarterly process has been instigated to ensure that all entities under contract have been flagged and reported appropriately</p>	*
68	If you are awarded an agreement, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the agreement.	<p>Currently and if awarded NAPA uses a special system called TAMS within all 6000 NAPA stores that is turned on for each Sourcwell entity that utilizes this contract. They are given an account# and registered in our RAM system to track all daily sales transactions that are placed. All sales are measured month to date and year to date over previous time periods to track success and growth.</p>	*
69	Provide a proposed Administration Fee payable to Sourcwell. The Fee is in consideration for the support and services provided by Sourcwell. The proposed Administrative Fee will be payable to Sourcwell on all completed transactions to Participating Entities utilizing this Agreement. The Administrative Fee will be calculated as a stated percentage, or flat fee as may be applicable, of all completed transactions utilizing this Master Agreement within the preceding Reporting Period defined in the agreement.	<p>U.S. Operations: NAPA will pay Sourcwell 2% of net qualified purchases for the entire contract period (if awarded). NAPA shall issue contract fees to Sourcwell on a quarterly basis based on total qualified net sales of all registered Sourcwell members that NAPA US operations sell to for that period. The 2% administrative fee on all purchases shall be paid to Sourcwell within forty-five (45) days after the end of each calendar quarter.</p> <p>Canadian Operations: On any direct Sourcwell contracts in Canada, not involving any other associations or cooperative contracts, NAPA Canada will pay Sourcwell the same 2 percent administrative fee on all qualified NAPA parts purchases. The administrative fee on all purchases shall be paid to Sourcwell within forty-five (45) days after the end of each calendar quarter</p>	*

**Table 7: Pricing Offered**

Line Item	The Pricing Offered in this Proposal is: *	Comments
70	The pricing offered is as good as or better than pricing typically offered through existing cooperative contracts, state contracts, or agencies.	Yes, The pricing offered in this proposal is as good or better than than pricing typically offered through existing cooperative contracts.

**Table 8A: Depth and Breadth of Offered Solutions (200 Points)**

Line Item	Question	Response *
71	Provide a detailed description of all the Solutions offered, including used, offered in the proposal.	<p>NAPA distributes replacement parts (other than body parts) for substantially all motor vehicle makes and models in service in the United States, including imported vehicles, trucks, SUVs, buses, motorcycles, recreational vehicles and farm vehicles. In addition, GPC distributes replacement parts for small engines, farm equipment and heavy-duty equipment.</p> <p>Our inventories also include accessory items for such vehicles and equipment, and supply items used by a wide variety of government customers in the automotive aftermarket, such as cities, counties, states, K-12 districts and higher education institutions. We offer light-, medium- and heavy-duty parts for municipal departments like police, fire, sanitation and public works as well as people transportation parts used in universities and public transit agencies. No matter the part, we are able to provide the supply chain to get Sourcewell members the products they need when they need them.</p> <p>Please see our NAPA product line card included as a supplemental upload titled: Marketing Materials.</p> <p>NAPA has 52 distribution centers that service 6,000+ retail stores nationwide. They contain more than \$1 billion of fleet parts and other replenishment inventory for our network nationally. NAPA stocks more than 560,000 aftermarket parts and items with same day and next day delivery. We can provide inventory, distribution, and local support in any area of the US and our network is available 365 days each year to get Sourcewell members parts efficiently.</p> <p>Our network starts with the 4,100 local, small business NAPA stores that support your members in the areas where they operate. This helps us place a strong emphasis on supporting local businesses. In addition, we have the strength of our 1,500-store corporate-owned distribution network backing up the NAPA program across the country. These stores have the financial support of NAPA headquarters and are key hubs in providing reliable staffing and distribution to Sourcewell members. All our stores, regardless of ownership, can source and stock the products that your agencies need.</p> <p>Within these stores are tens of thousands of fully trained employees who are familiar with the processes of servicing large cooperative and other major accounts. They provide full support to government agencies ordering from them today and are ready to take on the increased business that this contract would bring. When it comes to ordering, parts orders may be placed via phone, email, walk-in or electronically depending on the individual agencies' preferences and capabilities. Advance orders may either be held for will-call pickups or delivered via an agreed upon supply schedule. Our program is designed to allow each Sourcewell member the ability to do business in the ways that suit them best. Sales receipts for all orders include all the information that would be provided on an invoice, including account number, item descriptions, quantities, price, PO# if requested by the individual member and date and time of order</p> <p>NAPA offers custom orders and can source almost any OEM or Aftermarket part worldwide. Our store create custom hoses and hydraulics for an array of vehicles. Some NAPA stores still offer machine services to refurbish some parts.</p>
72	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	<p>NAPA is able to provide all product categories listed in Table 14B, including:</p> <ul style="list-style-type: none"> <li>• Air conditioning, heating, cooling, and climate control</li> <li>• Alternators, starters, batteries, electrical, and ignition systems</li> <li>• Bearings - ball and roller</li> <li>• Belts, hoses, gaskets, and seals</li> <li>• Brakes</li> <li>• Bumpers, body, cab, and chassis parts</li> <li>• Emission and exhaust</li> <li>• Engine and drive train</li> <li>• Filters - oil, fuel, air, and transmission</li> <li>• Oils and lubricants - regular and synthetic</li> <li>• Pumps - fuel and water</li> <li>• Safety and security systems</li> <li>• Interior and exterior parts and accessories</li> <li>• Lamps, lighting, mirrors, and wiring</li> <li>• Pumps - fuel and water</li> <li>• Suspension, shocks, struts, and steering</li> <li>• Wipers and washers</li> <li>• Heating and cooling (engine)</li> <li>• Vehicle paint and primer</li> <li>• Tools and equipment</li> <li>• Heavy Duty parts</li> </ul>

**Table 8B: Depth and Breadth of Offered Solutions**

**General Instructions** (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Category or Type	Offered *	Comments
73	Air conditioning, heating, and other climate control	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide *
74	Electrical (alternators, starters, batteries, ignition systems, etc.)	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide. Including New and Remanufactured products. *
75	Automotive bearings (wheel, roller ball, etc.)	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide *
76	Automotive belts, hoses, gaskets, and seals	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks high quality Gates Brand Belts and Belts in all stores and all Distribution centers. *
77	System components (brakes, rotors, calipers, lines, ABS, etc.)	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds and levels of Brakes, Pads and Rotors in this category at all 6000 NAPA Auto Parts Store Nationwide and offers good better and best options for the user as well as Heavy duty truck parts. *
78	Body and crash (parts, bumpers, cab, chassis, door, panels, etc.)	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide
79	Exhaust systems and emission parts	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide.
80	Engine and drive train (Internal Combustion Engine)	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide.
81	Engine and drive train (Hybrid, EV, etc.)	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide.
82	Engine heating and cooling	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide.
83	Filters (oil, fuel, air, transmission, etc.)	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide. NAPA also offers Good better and best items in this category and recommends using Fleet focused products for best durability.
84	Oils and lubricants (regular, synthetic, blend)	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide as well as NAPA branded oils and lubricants.
85	Pumps (fuel, fluids, water, etc.)	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide. New and Remanufactured pumps are available.

- [Pricing](#) - NAPA Pricing Category Description 9074-Sourcewell.docx - Tuesday September 17, 2024 12:22:53
- [Financial Strength and Stability](#) - GPC 2023 Annual Report (1).pdf - Tuesday September 17, 2024 12:00:57
- [Marketing Plan/Samples](#) - Sourcewell Announcement Government Agencies (2).pdf - Tuesday September 17, 2024 12:07:27
- [WMBE/MBE/SBE or Related Certificates](#) - 2023 GPC Sustainability Report\_FINAL.pdf - Tuesday September 17, 2024 12:02:24
- [Standard Transaction Document Samples](#) - Order invoice Sample-NAPA.pdf - Friday September 27, 2024 14:04:20
- [Requested Exceptions](#) - RFP\_100124\_Master\_Agreement\_Aftermarket\_Vehicle\_Parts\_\_Supplies (1).docx - Wednesday August 21, 2024 10:42:12
- [Upload Additional Document](#) - 2023 GPC Sustainability Report\_FINAL.pdf - Tuesday September 17, 2024 11:53:34



## Addenda, Terms and Conditions

### PROPOSER AFFIDAVIT OF COMPLIANCE

I certify that I am an authorized representative of Proposer and have authority to submit the foregoing Proposal:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for award.
3. The Proposer certifies that:
  - (1) The prices in this Proposal have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other Proposer or competitor relating to-
    - (i) Those prices;
    - (ii) The intention to submit an offer; or
    - (iii) The methods or factors used to calculate the prices offered.
  - (2) The prices in this Proposal have not been and will not be knowingly disclosed by the Proposer, directly or indirectly, to any other Proposer or competitor before award unless otherwise required by law; and
  - (3) No attempt has been made or will be made by Proposer to induce any other concern to submit or not to submit a Proposal for the purpose of restricting competition.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest is created when a current or prospective supplier is unable to render impartial service to Sourcewell due to the supplier's: a. creation of evaluation criteria during performance of a prior agreement which potentially influences future competitive opportunities to its favor; b. access to nonpublic and material information that may provide for a competitive advantage in a later procurement competition; c. impaired objectivity in providing advice to Sourcewell.
5. Proposer will provide to Sourcewell Participating Entities Solutions in accordance with the terms, conditions, and scope of a resulting master agreement.
6. The Proposer possesses, or will possess all applicable licenses or certifications necessary to deliver Solutions under any resulting master agreement.
7. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
8. Proposer its employees, agents, and subcontractors are not:
  1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
  2. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or
  3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Bret Robyck, Sr. Vice President, Genuine Parts Company dba NAPA Auto Parts

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the obligations contemplated in the solicitation proposal.

Yes  No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "I have reviewed this addendum" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
<b>Addendum_6_Aftermarket Vehicle Parts and Supplies_RFP100124_DRAFT</b> Wed September 18 2024 09:27 AM	<input checked="" type="checkbox"/>	1
<b>Addendum_5_Aftermarket Vehicle Parts and Supplies_RFP100124_DRAFT</b> Mon September 9 2024 04:03 PM	<input checked="" type="checkbox"/>	2
<b>Addendum_4_Aftermarket Vehicle Parts and Supplies_RFP100124</b> Wed September 4 2024 01:26 PM	<input checked="" type="checkbox"/>	1
<b>Addendum_3_Aftermarket Vehicle Parts and Supplies_RFP100124</b> Mon August 19 2024 07:25 AM	<input checked="" type="checkbox"/>	2
<b>Addendum_2_Aftermarket Vehicle Parts and Supplies_RFP100124</b> Fri August 16 2024 07:54 AM	<input checked="" type="checkbox"/>	1
<b>Addendum_1_Aftermarket Vehicle Parts and Supplies_RFP100124</b> Wed August 14 2024 08:43 AM	<input checked="" type="checkbox"/>	2

86	Safety and security systems	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide.
87	Vehicle interior/exterior parts and accessories	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide.
88	Electrical systems (lamps, lighting, mirrors, wiring, etc.)	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide.
89	Stabilization system components (suspension, shocks, struts, leaf, camber, swing arm, ball/UV joints, etc.)	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide.
90	Control systems components (transmission, differential, traction, etc.)	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide.
91	Windshield (wipers and windshield washer components)	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide.
92	Vehicle paint and primer	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide.
93	Tires, OEM vehicle parts, and garage and fleet maintenance equipment, tools, and supplies as described in RFP	<input checked="" type="radio"/> Yes <input type="radio"/> No	NAPA stocks several different kinds of products in this category at all 6000 NAPA Auto Parts Store Nationwide.

**Exceptions to Terms, Conditions, or Specifications Form**

Only those Proposer Exceptions to Terms, Conditions, or Specifications that have been accepted by Sourcewell have been incorporated into the contract text.

**Documents**

**Ensure your submission document(s) conforms to the following:**

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.
3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.
4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."



**AGENDA ACTION FORM**

**Consideration of a Resolution Authorizing the Mayor to Sign the Pepsi Amendment for the City of Kingsport, Kingsport Aquatic Center**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-112-2026  
Work Session: April 20, 2026  
First Reading: N/A  
Final Adoption: April 21, 2026  
Staff Work By: Wendy Terrazas  
Presentation By: Michael Borders

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**Strategic Focus Area: 3. Exceptional Cultural & Recreational Opportunities**

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**Recommendation:**  
Approve the Resolution

**Executive Summary:**  
If approved, the Kingsport Aquatic Center's (KAC) agreement with Pepsi will be extended for an additional five-year term, now expiring on February 28, 2031.

The City originally entered into an agreement with Pepsi for exclusive pouring rights in 2013, with an amendment in June 2023, now expiring in May 2026, that included annual marketing support, annual support funds, rebates on product purchases, and the provision of equipment. This amendment continues key elements of that agreement while updating financial terms and extending the partnership.

Notably, the Marketing Support of \$2,500 per year will continue throughout the newly extended term. The agreement now includes Annual Support Funds of up to \$2,000 per year for the extended term. Determination of Annual Support Funds will be based on maintaining the annual volume threshold of 1,300 cases per year. There is no longer a cash amount tied to the existing term.

Additionally, the rebate structure has been updated to provide increased returns on qualifying packaged products, further supporting operational revenue.

This amendment reflects a continued partnership with Pepsi while maintaining support for programming, operations, and guest experience at the Kingsport Aquatic Center.

- Attachments:**
- 1. Resolution
  - 2. Amendment

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING THE SECOND AMENDMENT TO THE AGREEMENT WITH PEPSICO BEVERAGE SALES, LLC FOR SALES AT THE KINGSPORT AQUATIC CENTER; AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

WHEREAS, on April 2, 2013, the board approved Resolution No.: 2013-152 authorizing the mayor to sign an agreement with Pepsi Beverages Company or Bottling Group, LLC, sometimes referred to as PepsiCo, for pouring rights at the Kingsport Aquatic Center (KAC) for a period of ten years; and

WHEREAS, on June 20, 2026, the board approved Resolution No.: 2023-286 authorizing the mayor to sign an amendment to the agreement with Pepsi Beverages Company or Bottling Group, LLC, sometimes referred to as PepsiCo, for pouring rights at the Kingsport Aquatic Center (KAC) to extend the agreement for three years; and

WHEREAS, staff recommends amending the agreement again to extend it for a period of five years and update the financial terms to continue the marketing support as well as extending the Annual Support Funds to continue for the period of the extended term; and

WHEREAS, the second amendment amends the determination of Annual Support Funds to be based on maintaining the annual volume threshold of 1,300 cases per year.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the second amendment to the agreement with PepsiCo Beverage Sales, LLC for the Kingsport Aquatic Center, is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the second amendment to the agreement with PepsiCo Beverage Sales, LLC for the Kingsport Aquatic Center, to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution, said amendment being generally as follows:

**SECOND AMENDMENT**

**THIS SECOND AMENDMENT** (this "**Amendment**") effective as of March 1, 2026 (the "**Effective Date**") by and between **PEPSICO BEVERAGE SALES, LLC**, a Delaware limited liability company, and its affiliates and/or their respective subsidiaries collectively comprising Pepsi Beverages Company, with an office located at 700 Anderson Hill Road, Purchase, NY 10577 ("**Pepsi**") and the **CITY OF KINGSPORT, TENNESSEE**, a municipal corporation of the state of Tennessee, with its principal place of business at 415 Broad Street Kingsport, Tennessee 37660 for its Kingsport Aquatic Center ("**Customer**").

**WHEREAS**, Pepsi and Customer are parties to the Foodservice Beverage Sales Agreement commencing on June 1, 2013 (as amended a first time on June 26, 2023, the "**Agreement**"); and

**WHEREAS**, Pepsi and Customer wish to modify certain terms of the Agreement and memorialize the same in writing.

**NOW, THEREFORE**, in consideration of these premises and the covenants herein contained, it is hereby agreed that, as of the Effective Date, the Agreement is hereby amended as set forth below. As used in this Amendment, capitalized terms defined in the Agreement and not otherwise defined in this Amendment, shall have the respective meanings assigned thereto in the Agreement.

1. Pepsi and Customer agree to extend the Term for an additional five year period, expiring on February 28, 2031.
2. For the purpose of clarity, the Marketing Support of \$2,500 per Year, as defined in Section 7(B) of the Agreement, will continue through the newly extended Term.
3. As of the Effective Date, Section 7(C) of the Agreement is hereby deleted in its entirety, and replaced with the following:

**“(C) Annual Support Funds.** In each of Years fourteen (14) through eighteen (18), Pepsi agrees to provide Customer with annual support funds in the amounts set forth below, not to exceed five (5) consecutive payments (the **“Annual Support Funds”**). The Annual Support Funds will be paid to Customer within sixty (60) days after the end of each applicable Year.

Applicable Agreement Year	For This Date Range	Amount of Annual Support Funds*
#14	March 1, 2026 through February 28, 2027	\$2,000
#15	March 1, 2027 through February 29, 2028	\$2,000
#16	March 1, 2028 through February 28, 2029	\$2,000
#17	March 1, 2029 through February 28, 2030	\$2,000
#18	March 1, 2030 through February 28, 2031	\$2,000
*Based on the Customer reaching at least 95% of the Annual Cases Threshold, as further defined below		

Customer acknowledges and agrees that each Annual Support Fund, payable to Customer herein, will be adjusted based on the number of Cases purchased from Pepsi during the applicable Year, as compared to an annual Case threshold, provided Customer’s volume maintains 95% of existing baseline volume of 1,300 Cases (**“Annual Cases Threshold”**). Therefore, if during any Year the number of Cases purchased from Pepsi falls below 95% of the Annual Cases Threshold, then the Annual Support Funds payable at the end of that Year will be reduced by a percentage equal to the percentage decrease between the Annual Cases Threshold and the actual number of Cases sold during such Year. For example, if the total Annual Support Fund is equal \$1,000 and the Annual Cases Threshold is 500 Cases, and during Year 14 the actual Cases sold is 250 Units, then the total Annual Support Funds payable at the end of Year 14 will be \$500 (reduced by 50%). The Annual Support Funds are deemed earned upon payment.”

4. As of the Effective Date, Section 7(D) of the Agreement is hereby deleted in its entirety, and replaced with the following:

**“(D) Rebates.** Each Year throughout the Term, Pepsi agrees to calculate the total number of eligible Cases and Gallons purchased by each of the applicable Facilities from Pepsi pursuant to this Agreement and will provide Customer with rebates calculated based on applicable rates set forth below (the **“Rebates”**). The Rebates, as applicable, will be paid by Pepsi within sixty (60) days after the end of each Year.

Rebates Rates	Eligible Products
\$3.00/Case	24-pack Cases of 20oz Packaged Products
\$1.50/Case	12-pack Cases of 12oz Poppi, 18.5oz Lipton Pure Leaf, 15.2oz Dole, 700mL Gatorade, 20oz Gatorade Water, and 12oz Celsius Packaged Products

5. As of the Effective Date, the following new funding item, the Renewal Support Funds, is hereby as Section 7(F) of the Agreement is hereby:

**(F) Renewal Support Funds.** Pepsi shall provide Customer with renewal support funds in the amount of Ten Thousand Dollars (\$10,000), payable to the Customer to be used at the Facility for programs for the Facility within sixty (60) days of the signing of this Agreement by both parties (the **“Renewal Support Funds”**). The Renewal Support Funds are earned by the Customer over the five Year renewal Term (March 1, 2026 through February 28, 2031). In the event Pepsi terminates this

Agreement due to the Customer's failure to cure a breach hereof, the unearned Renewal Support Funds will be repaid to Pepsi pursuant to the terms of Section 10(B)(1) herein.

6. As of the Effective Date, the following is hereby added to the end of Section 10(B)(1):

"With regard to the Renewal Support Funds, the amount of such reimbursement shall be determined by multiplying the Renewal Support Funds by a fraction, the numerator of which is the number of months expected to remain in the Term at the time such termination occurs and the denominator of which is the higher of 60 or the number of months expected to comprise the Term (expected length of Term shall be calculated based on volume trends as of the time of termination and the Volume Threshold)."

7. Each party represents and warrants to the other that it has the authority to enter into and perform under this Amendment; and that the execution and performance under this Amendment will not violate any agreements with, or rights of, any third party. This Amendment may be amended or modified only by a writing signed by each of the parties.

**8. Except as may be expressly set forth herein, all terms and conditions of the Agreement shall remain in full force and effect.**

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION II. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the amendment/agreement set out herein that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION III. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

SECTION IV. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April, 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY

**SECOND AMENDMENT**

**THIS SECOND AMENDMENT** (this “*Amendment*”) effective as of March 1, 2026 (the “*Effective Date*”) by and between **PEPSICO BEVERAGE SALES, LLC**, a Delaware limited liability company, and its affiliates and/or their respective subsidiaries collectively comprising Pepsi Beverages Company, with an office located at 700 Anderson Hill Road, Purchase, NY 10577 (“*Pepsi*”) and the **CITY OF KINGSPORT, TENNESSEE**, a municipal corporation of the state of Tennessee, with its principal place of business at 415 Broad Street Kingsport, Tennessee 37660 for its Kingsport Aquatic Center (“*Customer*”).

**WHEREAS**, Pepsi and Customer are parties to the Foodservice Beverage Sales Agreement commencing on June 1, 2013 (as amended a first time on June 26, 2023, the “*Agreement*”); and

**WHEREAS**, Pepsi and Customer wish to modify certain terms of the Agreement and memorialize the same in writing.

**NOW, THEREFORE**, in consideration of these premises and the covenants herein contained, it is hereby agreed that, as of the Effective Date, the Agreement is hereby amended as set forth below. As used in this Amendment, capitalized terms defined in the Agreement and not otherwise defined in this Amendment, shall have the respective meanings assigned thereto in the Agreement.

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#18	March 1, 2030 through February 28, 2031	\$2,000

\*Based on the Customer reaching at least 95% of the Annual Cases Threshold, as further defined below

Customer acknowledges and agrees that each Annual Support Fund, payable to Customer herein, will be adjusted based on the number of Cases purchased from Pepsi during the applicable Year, as compared to an annual Case threshold, provided Customer’s volume maintains 95% of existing baseline volume of 1,300 Cases (“*Annual Cases Threshold*”). Therefore, if during any Year the number of Cases purchased from Pepsi falls below 95% of the Annual Cases Threshold, then the Annual Support Funds payable at the end of that Year will be reduced by a percentage equal to the percentage decrease between the Annual Cases Threshold and the actual number of Cases sold



during such Year. For example, if the total Annual Support Fund is equal \$1,000 and the Annual Cases Threshold is 500 Cases, and during Year 14 the actual Cases sold is 250 Units, then the total Annual Support Funds payable at the end of Year 14 will be \$500 (reduced by 50%). The Annual Support Funds are deemed earned upon payment.”

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Rebates Rates	Eligible Products
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\$1.50/Case	12-pack Cases of 12oz Poppi, 18.5oz Lipton Pure Leaf, 15.2oz Dole, 700mL Gatorade, 20oz Gatorade Water, and 12oz Celsius Packaged Products

5. As of the Effective Date, the following new funding item, the Renewal Support Funds, is hereby as Section 7(F) of the Agreement is hereby:

(F) **Renewal Support Funds.** Pepsi shall provide Customer with renewal support funds in the amount of Ten Thousand Dollars (\$10,000), payable to the Customer to be used at the Facility for programs for the Facility within sixty (60) days of the signing of this Agreement by both parties (the "Renewal Support Funds"). The Renewal Support Funds are earned by the Customer over the five Year renewal Term (March 1, 2026 through February 28, 2031). In the event Pepsi terminates this Agreement due to the Customer's failure to cure a breach hereof, the unearned Renewal Support Funds will be repaid to Pepsi pursuant to the terms of Section 10(B)(1) herein.

6. As of the Effective Date, the following is hereby added to the end of Section 10(B)(1):

“With regard to the Renewal Support Funds, the amount of such reimbursement shall be determined by multiplying the Renewal Support Funds by a fraction, the numerator of which is the number of months expected to remain in the Term at the time such termination occurs and the denominator of which is the higher of 60 or the number of months expected to comprise the Term (expected length of Term shall be calculated based on volume trends as of the time of termination and the Volume Threshold).”

7. Each party represents and warrants to the other that it has the authority to enter into and perform under this Amendment; and that the execution and performance under this Amendment will not violate any agreements with, or rights of, any third party. This Amendment may be amended or modified only by a writing signed by each of the parties.

**8. Except as may be expressly set forth herein, all terms and conditions of the Agreement shall remain in full force and effect.**

*(Signatures to appear on the following page)*

**IN WITNESS WHEREOF**, Pepsi and Customer have caused this Amendment to be executed by the authorized persons set forth below.

**PEPSICO BEVERAGE SALES, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**CITY OF KINGSPORT, TENNESSEE**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



## AGENDA ACTION FORM

### Consideration of a Resolution to Award the Bid to Thomas Construction Co., Inc. for the Watauga St Improvements Phase 1 Project, and Authorize the Mayor to Sign all Applicable Documents

To: Board of Mayor and Aldermen  
 From: Chris McCartt, City Manager *CM*

Action Form No.:	AF-110-2026	Final Adoption:	April 21, 2026
Work Session:	April 20, 2026	Staff Work By:	H. Clabaugh
First Reading:	N/A	Presentation By:	R. McReynolds

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### Strategic Focus Area: Sustainable Infrastructure

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**Recommendation:**  
 Approve the resolution.

**Executive Summary:**  
 If approved, this resolution authorizes entering into a contract with Thomas Construction Co., Inc. to complete subgrade, utility, asphalt paving, and other associated improvements to Watauga Street from the Gibson Mill Road Roundabout to Linville Street.

Bids were opened on March 26, 2026, for the Watauga Street Improvements Ph 1 project. This project consists of subgrade, utility, asphalt paving, other associated improvements and all related appurtenances to improve Watauga Street. The project shall be completed by November 30, 2026.

City staff reviewed the bids and recommend awarding the contract to the apparent low bidder, Thomas Construction Co., Inc., in the amount of \$1,793,821.00.

Base Bid:	\$ 1,793,821.00
Contingency (6%):	\$ 107,629.26
Engineering, Admin., Inspection (14%):	<u>\$ 266,203.04</u>
Total Project Costs:	\$ 2,167,653.30

Funding is being provided by: Series 2026 A Bond Issuance. Project account/charge numbers will be established/identified by budget ordinance.

- Attachments:**
1. Resolution
  2. Bid Opening Minutes
  3. Bid Tabulation
  4. Location Map

Item X8.

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AWARDING THE BID FOR WATAUGA STREET IMPROVEMENTS PHASE 1 PROJECT TO THOMAS CONSTRUCTION COMPANY AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, bids were opened March 26, 2026, for the Watauga Street Improvements Phase 1 project for the complete subgrade, utility, asphalt paving, and other associated improvements to Watauga Street from the Gibson Mill Road Roundabout to Linville Street; and

WHEREAS, the project will consist of the subgrade, utility, asphalt paving, other associated improvements and all related appurtenances to improve Watauga Street, with a project completion date estimated to be November 30, 2026; and

WHEREAS, upon review of the bids, the board finds Thomas Construction Company is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to enter into an agreement with Thomas Construction Company at an estimated cost of \$1,793,821.00; and

WHEREAS, funding is being provided by: Series 2026 A Bond Issuance, and project account/charge numbers will be established/identified by budget ordinance.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the bid for the Watauga Street Improvements Phase 1 project for the complete subgrade, utility, asphalt paving, and other associated improvements to Watauga Street from the Gibson Mill Road Roundabout to Linville Street, will consist of the subgrade, utility, asphalt paving, other associated improvements and all related appurtenances to improve Watauga Street, with a project completion date estimated to be November 30, 2026, at an estimated cost of \$1,793,821.00 is awarded to Thomas Construction Company and the mayor is authorized to execute an agreement for same and all documents necessary and proper to effectuate the purpose of the agreement.

SECTION II. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the public.

SECTION III. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April, 2026.

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PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

BID OPENING  
MINUTES  
March 26, 2026  
4:00 P.M.

Present: Brent Morelock, Procurement Manager; Nikisha Eichmann, Assistant Procurement Manager

The Bid Opening was held in the Conference Room 436, 4<sup>th</sup> Floor, City Hall.

The Procurement Manager opened with the following bids:

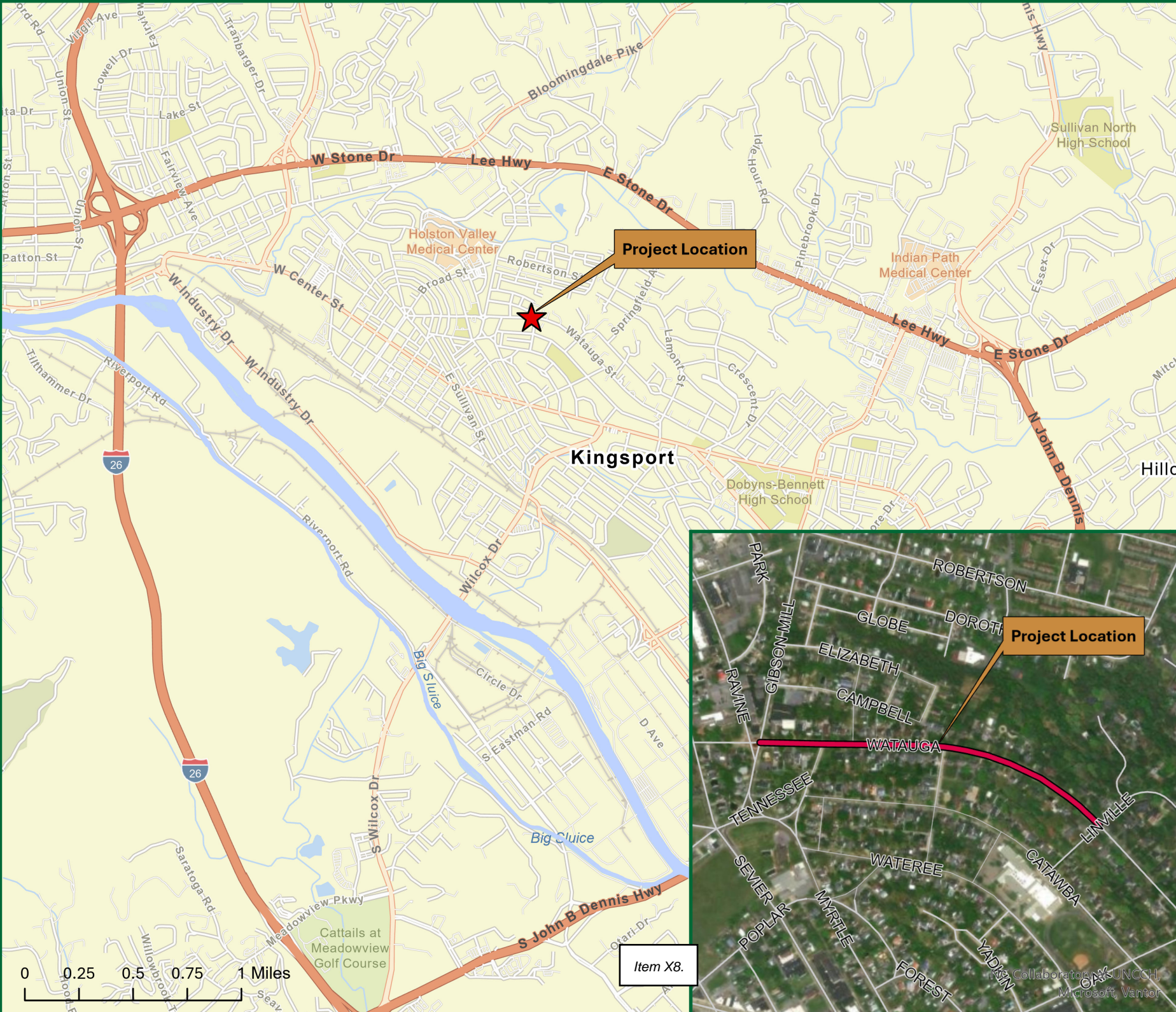
2026 Watauga Street Improvements – Phase 1	
Vendor:	Total Cost:
Glass Machinery & Excavation	\$1,830,769.00
Thomas Construction Co., Inc.	\$1,793,821.00
American Environmental LLC	\$1,866,786.00

The submitted bids will be evaluated and a recommendation made at a later date.

BID TABULATION FOR 2023-C28 Watauga St Rehab

ITEM N	QTY.	UNIT	DESCRIPTION	CITY OF KINGSPORT ESTIMATE		Glass Machinery & Excavation, Inc		Thomas Construction		American Environmental	
				UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
1	1	LS	MOBILIZATION	\$ 50,000.00	\$ 50,000.00	\$ 400,000.00	\$ 400,000.00	\$ 77,000.00	\$ 77,000.00	\$ 92,000.00	\$ 92,000.00
2	1	LS	TRAFFIC CONTROL	\$ 25,000.00	\$ 25,000.00	\$ 38,000.00	\$ 38,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,700.00	\$ 12,700.00
3	1	LS	SOIL & EROSION CONTROL & SEEDING	\$ 25,000.00	\$ 25,000.00	\$ 30,125.00	\$ 30,125.00	\$ 19,500.00	\$ 19,500.00	\$ 17,100.00	\$ 17,100.00
4	2880	LF	6" DETACHED CURB	\$ 45.00	\$ 129,600.00	\$ 19.00	\$ 54,720.00	\$ 41.00	\$ 118,080.00	\$ 48.00	\$ 138,240.00
5	480	SF	CONCRETE SIDEWALK & RAMP	\$ 20.00	\$ 9,600.00	\$ 32.25	\$ 15,480.00	\$ 8.00	\$ 3,840.00	\$ 38.60	\$ 18,528.00
6	1	EA	TRAFFIC SPEED TABLE	\$ 5,000.00	\$ 5,000.00	\$ 8,500.00	\$ 8,500.00	\$ 24,000.00	\$ 24,000.00	\$ 6,670.00	\$ 6,670.00
7	2300	LF	THERMOPLASTIC STRIPING - DOUBLE YELLOW	\$ 4.00	\$ 9,200.00	\$ 5.00	\$ 11,500.00	\$ 12.00	\$ 27,600.00	\$ 4.70	\$ 10,810.00
8	6	EA	DETECTABLE WARNING SURFACE	\$ 300.00	\$ 1,800.00	\$ 1,750.00	\$ 10,500.00	\$ 460.00	\$ 2,760.00	\$ 450.00	\$ 2,700.00
9	1	LS	LANDSCAPING ALLOWANCE	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
10	1	LS	TDOT BITUMINOUS INDEX ALLOWANCE	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
11	1334	SY	COLD PLANE ASPHALT (MILL) - PER DETAIL	\$ 9.00	\$ 12,006.00	\$ 12.00	\$ 16,008.00	\$ 17.00	\$ 22,678.00	\$ 13.50	\$ 18,009.00
12	1334	SY	GEOTECHNICAL PAVING FABRIC	\$ 6.00	\$ 8,004.00	\$ 14.00	\$ 18,676.00	\$ 12.00	\$ 16,008.00	\$ 7.50	\$ 10,005.00
13	70	T	0.75"-1.0" TDOT 307 LEVELING COURSE	\$ 190.00	\$ 13,300.00	\$ 157.00	\$ 10,990.00	\$ 360.00	\$ 25,200.00	\$ 240.00	\$ 16,800.00
14	130	T	1.5" ASPHALT TOPPING TDOT D-MIX	\$ 195.00	\$ 25,350.00	\$ 178.50	\$ 23,205.00	\$ 280.00	\$ 36,400.00	\$ 260.00	\$ 33,800.00
15	4893	SY	DEMOLISH/REMOVE EXISTING ROADWAY AND SUBGRADE	\$ 30.00	\$ 146,790.00	\$ 12.00	\$ 58,716.00	\$ 20.00	\$ 97,860.00	\$ 40.00	\$ 195,720.00
16	4893	SY	BIAXIAL GEOGRID	\$ 7.00	\$ 34,251.00	\$ 12.00	\$ 58,716.00	\$ 4.00	\$ 19,572.00	\$ 8.00	\$ 39,144.00
17	3350	T	12" CRUSHED STONE ROAD BASE	\$ 60.00	\$ 201,000.00	\$ 44.00	\$ 147,400.00	\$ 47.00	\$ 157,450.00	\$ 65.00	\$ 217,750.00
18	1125	T	4" ASPHALT BINDER - TDOT BM2	\$ 180.00	\$ 202,500.00	\$ 157.00	\$ 176,625.00	\$ 198.00	\$ 222,750.00	\$ 240.00	\$ 270,000.00
19	450	T	1.5" ASPHALT TOPPING TDOT D-MIX	\$ 190.00	\$ 85,500.00	\$ 178.50	\$ 80,325.00	\$ 276.00	\$ 124,200.00	\$ 260.00	\$ 117,000.00
20	665	LF	12" HDPE STORM SEWER	\$ 80.00	\$ 53,200.00	\$ 115.00	\$ 76,475.00	\$ 96.00	\$ 63,840.00	\$ 80.00	\$ 53,200.00
21	25	LF	18" HDPE STORM SEWER	\$ 110.00	\$ 2,750.00	\$ 120.00	\$ 3,000.00	\$ 154.00	\$ 3,850.00	\$ 235.00	\$ 5,875.00
22	18	LF	24" HDPE STORM SEWER	\$ 120.00	\$ 2,160.00	\$ 126.00	\$ 2,268.00	\$ 212.00	\$ 3,816.00	\$ 350.00	\$ 6,300.00
23	20	LF	30" HDPE STORM SEWER	\$ 130.00	\$ 2,600.00	\$ 138.00	\$ 2,760.00	\$ 273.00	\$ 5,460.00	\$ 350.00	\$ 7,000.00
24	50	CY	FLOWABLE FILL (TRENCHES) - SEE DETAIL (SECTION 31 23 33)	\$ 160.00	\$ 8,000.00	\$ 315.00	\$ 15,750.00	\$ 273.00	\$ 13,650.00	\$ 220.00	\$ 11,000.00
25	25	T	CRUSHED STONE BACKFILL (TRENCHES)	\$ 60.00	\$ 1,500.00	\$ 54.00	\$ 1,350.00	\$ 41.00	\$ 1,025.00	\$ 56.40	\$ 1,410.00
26	4	EA	CATCH BASIN (SECTION 33 40 00)	\$ 6,000.00	\$ 24,000.00	\$ 4,500.00	\$ 18,000.00	\$ 5,562.00	\$ 22,248.00	\$ 5,300.00	\$ 21,200.00
27	3	EA	CURB DROP INLET (SECTION 33 40 00)	\$ 6,000.00	\$ 18,000.00	\$ 4,500.00	\$ 13,500.00	\$ 6,900.00	\$ 20,700.00	\$ 7,000.00	\$ 21,000.00
28	2	EA	COMBINATION CURB INLET/CATCH BASIN (SECTION 33 40 00)	\$ 6,000.00	\$ 12,000.00	\$ 3,800.00	\$ 7,600.00	\$ 5,200.00	\$ 10,400.00	\$ 4,700.00	\$ 9,400.00
29	1	EA	JUNCTION BOX (SECTION 33 40 00)	\$ 5,000.00	\$ 5,000.00	\$ 3,400.00	\$ 3,400.00	\$ 5,400.00	\$ 5,400.00	\$ 3,625.00	\$ 3,625.00
30	1800	LF	8" PVC GRAVITY SEWER PIPE	\$ 110.00	\$ 198,000.00	\$ 116.00	\$ 208,800.00	\$ 98.00	\$ 176,400.00	\$ 100.00	\$ 180,000.00
31	1200	LF	6" PVC SEWER	\$ 100.00	\$ 120,000.00	\$ 110.00	\$ 132,000.00	\$ 70.00	\$ 84,000.00	\$ 85.00	\$ 102,000.00
32	70	T	CRUSHED STONE BACKFILL (TRENCHES)	\$ 60.00	\$ 4,200.00	\$ 54.00	\$ 3,780.00	\$ 41.00	\$ 2,870.00	\$ 60.00	\$ 4,200.00
33	40	EA	SEWER LATERAL ASSEMBLIES	\$ 600.00	\$ 24,000.00	\$ 250.00	\$ 10,000.00	\$ 190.00	\$ 7,600.00	\$ 400.00	\$ 16,000.00
34	40	EA	CLEANOUT ASSEMBLIES @ LATERALS	\$ 750.00	\$ 30,000.00	\$ 250.00	\$ 10,000.00	\$ 1,107.00	\$ 44,280.00	\$ 1,200.00	\$ 48,000.00
35	7	EA	STANDARD SEWER MANHOLES	\$ 6,000.00	\$ 42,000.00	\$ 3,200.00	\$ 22,400.00	\$ 5,060.00	\$ 35,420.00	\$ 5,800.00	\$ 40,600.00
36	6	EA	SERVICE LINE - CONNECT TO EXISTING METERS 3/4" & 1" COPPER SERV - DIRECTIONAL DRILL	\$ 3,000.00	\$ 18,000.00	\$ 7,500.00	\$ 45,000.00	\$ 8,375.00	\$ 50,250.00	\$ 2,950.00	\$ 17,700.00
37	22	EA	SERVICE LINE - CONNECT TO EXISTING METERS 3/4" & 1" COPPER SERV - DIG & REPLACE	\$ 3,000.00	\$ 66,000.00	\$ 2,500.00	\$ 55,000.00	\$ 8,750.00	\$ 192,500.00	\$ 2,250.00	\$ 49,500.00
38	100	SY	DEMOLISH/REMOVE EXISTING ROADWAY & SUBGRADE - PER DETAIL	\$ 30.00	\$ 3,000.00	\$ 18.00	\$ 1,800.00	\$ 28.29	\$ 2,829.00	\$ 35.00	\$ 3,500.00
39	100	SY	BIAXIAL GEOGRID	\$ 7.00	\$ 700.00	\$ 14.00	\$ 1,400.00	\$ 3.90	\$ 390.00	\$ 8.00	\$ 800.00
40	500	T	12" CRUSHED STONE ROAD BASE	\$ 60.00	\$ 30,000.00	\$ 44.00	\$ 22,000.00	\$ 49.99	\$ 24,995.00	\$ 65.00	\$ 32,500.00
<b>ACTUAL TOTALS</b>				<b>\$ 1,664,011.00</b>	<b>\$ 1,664,011.00</b>	<b>\$ 1,830,769.00</b>	<b>\$ 1,830,769.00</b>	<b>\$ 1,793,821.00</b>	<b>\$ 1,793,821.00</b>	<b>\$ 1,866,786.00</b>	<b>\$ 1,866,786.00</b>

Item X8.



**Project Location Map**  
**Watauga Street Improvements Phase 1:**  
**Gibson Mill Roundabout To Linville Street**  
**City Of Kingsport**

Collaborators: UNCC, Microsoft, Vantor





**AGENDA ACTION FORM**

**Consideration of Approval of Offer for Right-of-Ways and Easements for the Reedy Creek Trunk Sewer Replacement Project (Clinchfield to Gibson Mill)**

To: Board of Mayor and Aldermen  
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-108-2026  
 Work Session: April 20, 2026  
 First Reading: N/A  
 Final Adoption: April 21, 2026  
 Staff Work By: R. Trent; W. Stallard  
 Presentation By: R. McReynolds

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**Strategic Focus Area: Sustainable Infrastructure**

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**Recommendation:**  
 Approve the offers.

**Executive Summary:**

If approved, this action would authorize the Property Acquisition Agent to proceed with obtaining permanent and temporary easements for the construction of the Reedy Creek Trunk Sewer Replacement Project (Clinchfield to Gibson Mill). Seven properties require easements for this project.

The Reedy Creek Trunk Sewer Replacement project is a culmination of efforts to carry out key aspects of the Wastewater System Master Plan developed in 2009. The entire project includes approximately 21,000 linear feet of 36" sewer line replacement beginning at Lovedale Drive and ending near the west side of John B. Dennis Highway (SR 93). The overall project will increase capacity while reducing infiltration and inflow with new infrastructure and will be broken down into several phases.

This phase of work will start near Clinchfield Dr and continue past Gibson Mill Rd and includes approximately 2,800 linear feet of 36" sewer main.

In order to proceed with the construction of this phase of the project, the Utilities Department has requested rights-of-way and easements across affected properties. Appraisals have been prepared in accordance with the City of Kingsport's Real Property Acquisition Policies & Procedures and indicate the fair market value as per the attached property owners.

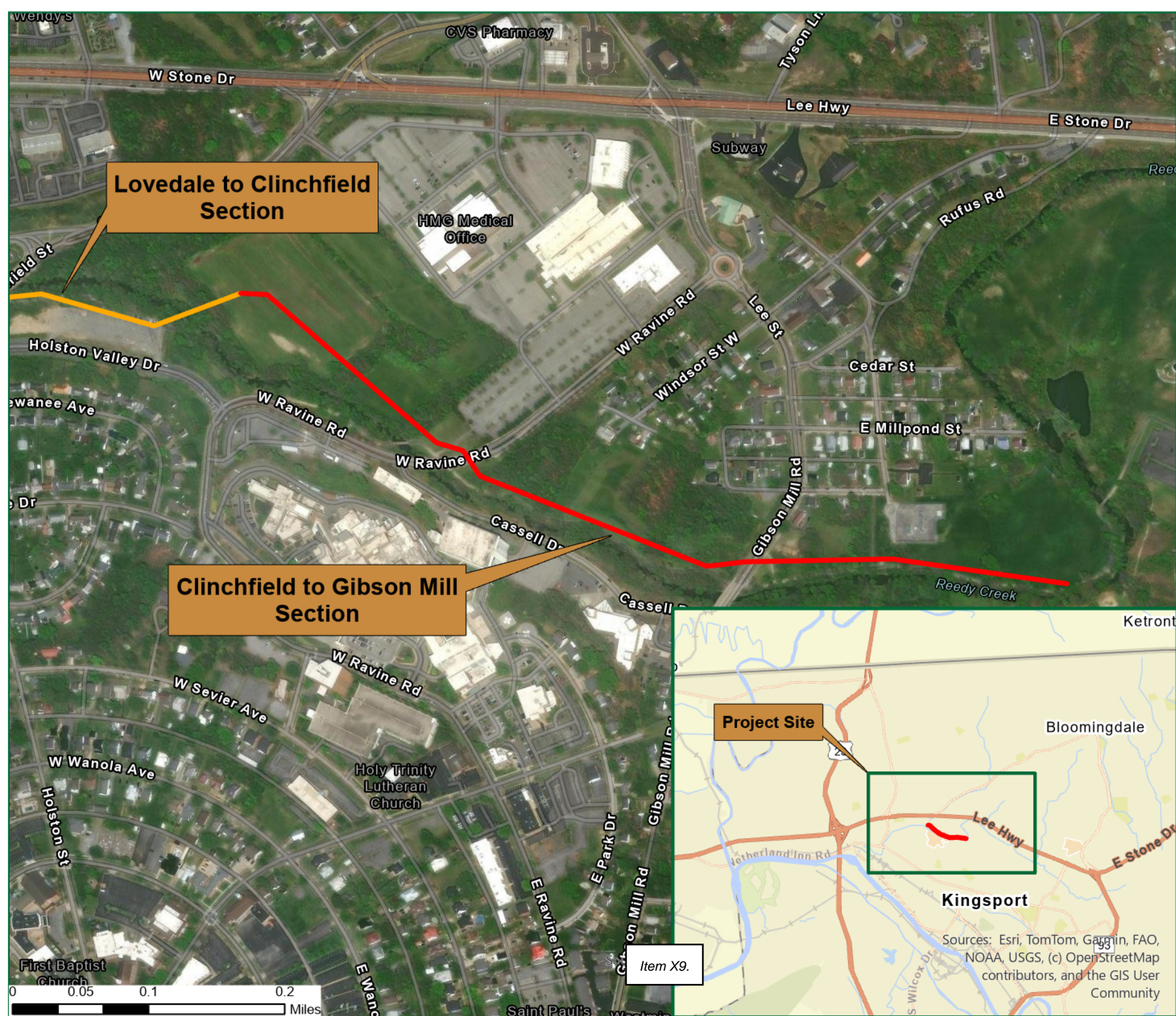
These easements will be funded under #SW2410.

**Attachments:**

1. Project Location Map

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

<u>Tax Map/Parcel</u>	<u>Property Owner/s</u>	<u>Easement Area</u>	<u>Appraised Value</u>
046G; A; 001.05	Wellmont Health System 400 N. State of Franklin Johnson City, TN 37604	Perm. 5,381 sq. ft. Temp. 3,577 sq. ft.	\$1,937.00 \$966.00
046G; A; 015.00	Holston Valley Hospital, Inc. 400 N. State of Franklin Johnson City, TN 37604	Perm. 10,664 sq. ft. Temp. 5,827 sq. ft.	\$1,109.00 \$455.00
046G; A; 031.00	Clinton T. Bellamy c/o Lucille Peters 4504 Chicksaw Road Kingsport, TN 37664	Perm. 1,574 sq. ft. Temp. 467 sq. ft.	\$957.00 \$213.00
046G; C; 033.00	Matthew Todd Klepper 105 E. Millpond Street Kingsport, TN 37660	Perm. 6,115 sq. ft. Temp. 2,345 sq. ft.	\$1,052.00 \$303.00
046G; C; 036.00	Justin & Bridget Adams 1920 Brookside Lane Kingsport, TN 37660	Perm. 6,704 sq. ft. Temp. 3,455 sq. ft.	\$4,076.00 \$1,578.00
046G; A; 012.00	Allyn Hood 151 Clay Street Kingsport, TN 37660	Perm. 5,440 sq. ft. Temp. 3,725 sq. ft.	\$979.00 \$503.00
046G; A; 013.00	Chris Kendrick 2701 Flyway Avenue Anchorage, AK 99516	Perm. 4,450 sq. ft. Temp. 2,966 sq. ft.	\$801.00 \$400.00



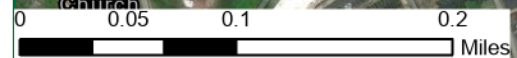
**Lovedale to Clinchfield Section**

**Clinchfield to Gibson Mill Section**

**Project Site**

Item X9.

Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community



**Project Location Map  
Reedy Creek Sewer Line Project (Clinchfield to Gibson Mill)  
City of Kingsport**



**AGENDA ACTION FORM**

**Consideration of a Resolution Awarding the Bid to CAASI Flow Control for the Purchase of Valves and Associated Parts for the Wastewater Treatment Plant.**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-109-2026  
Work Session: April 20, 2026  
First Reading: N/A  
Final Adoption: April 21, 2026  
Staff Work By: Tom Hensley  
Presentation By: Ryan McReynolds

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**Strategic Focus Area: 2. Sustainable Infrastructure**

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**Recommendation:**  
Approve the Resolution

**Executive Summary:**  
If approved, this resolution authorizes the award of the bid to CAASI Flow Control in the amount of \$120,604 for the purchase of valves and associated equipment to be installed by in-house maintenance staff at the wastewater treatment plant.

The wastewater plant influent pump house requires replacement of inoperable valves to ensure reliability and support routine maintenance tasks. The current valves are estimated to be over 50 years old.

The CAASI Flow Control bid of \$120,604 provides all the necessary parts for the in-house maintenance staff to complete the work. Utilizing in-house maintenance will result in an estimated \$150,000 savings.

Funds are available in O&M Budget 412-5003-501-9004.

- Attachments:**
- 1. Resolution
  - 2. Bid tab

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR TO CAASI FLOW CONTROL FOR THE PURCHASE OF VALVES AND ASSOCIATED PARTS FOR THE WASTEWATER TREATMENT PLANT

WHEREAS, bids were opened on March 24, 2026 for the purchase of valves and associated equipment to be installed by in-house maintenance staff at the wastewater treatment plant; and

WHEREAS, upon review of the bids, the board finds CAASI Flow Control is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to purchase valves and associated equipment to be installed by in-house maintenance staff at the wastewater treatment plant from CAASI Flow Control at an estimated cost of \$120,604.00; and

WHEREAS, funds are available in O&M Budget 412-5003-501-9004.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the bid for the purchase of valves and associated equipment to be installed by in-house maintenance staff at the wastewater treatment plant at an estimated cost of \$120,604.00 is awarded to CAASI Flow Control.

SECTION II. That the city manager is authorized to execute a purchase order to CAASI Flow Control, for the purchase of valves and associated equipment to be installed by in-house maintenance staff at the wastewater treatment plant in the amount of \$120,604.00.

SECTION III. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

SECTION IV. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April, 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY

BID OPENING MINUTES

March 24, 2026

4:00 P.M.

Present: Brent Morelock, Procurement Manager; Nikisha Eichmann, Assistant Procurement Manager

The Bid Opening was held in the Conference Room # 436, 4th Floor, City Hall

The Procurement Manager opened with the following bids:

Main Pump House Valves									
Vendor	14-inch Check Valve, Flange 150#, Lever and Weight	14-inch Plug Valve, Flange 150#, hub or wheel actuator, no extension	14-inch Flange Gasket Kits 1/8	16-inch x 14-inch Flanged 125# Ductile Iron Concrete Full Body Reducer	16-inch Flange Gasket Kits 1/8	24-inch Mechanical Joint Wedge Restraint For Ductile Iron Pipe	24-inch Class 350 Ductile Iron Pipe per foot	24-inch Full Port Mechanical Joint Plug Valve bury rated (15' Minimum), hub actuator, no extension	24-inch x 15-inch Mechanical Joint Long Sleeve
Core & Main	\$9,763.52	\$6,548.49	\$188.08	\$1,292.49	\$205.17	\$620.96	\$175.88	\$34,313.87	\$1,411.75
Consolidated Pipe & Supply	\$7,985.00	\$6,730.00	\$76.00	\$1,535.00	\$101.00	\$671.50	\$179.77	\$31,505.00	\$1,658.00
Technology International	\$6,150.00	\$6,400.00						\$23,750.00	
CAASI Flow Control	\$4,655.50	\$5,492.25	\$122.25	\$1,055.50	\$161.15	\$755.50		\$20,222.00	\$978.00
Southern Pipe & Supply	\$10,522.90	\$7,057.81	\$53.33	\$1,364.29	\$68.89	\$641.66	\$179.80	\$36,982.72	\$1,474.50
Ferguson Enterprises	\$7,062.98	\$5,776.33	\$66.04	\$1,333.19	\$87.64	\$627.03	\$3,513.60	\$26,737.24	\$1,440.87

The submitted bids will be evaluated and a recommendation made at a later date.

Item X10.



**AGENDA ACTION FORM**

**Consideration of a Resolution Authorizing the Mayor to Enter into an Interlocal Agreement with the Town of Mount Carmel for the City of Kingsport to Provide Residential Automated Garbage Collection**

To: Board of Mayor and Aldermen  
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-92-2026  
 Work Session: April 20, 2026  
 First Reading: N/A  
 Final Adoption: April 21, 2026  
 Staff Work By: Committee  
 Presentation By: Ryan McReynolds

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**Strategic Focus Area: 2. Sustainable Infrastructure**

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**Recommendation:**  
 Approve the Resolution

**Executive Summary:**  
 If approved the City will enter into an interlocal agreement to provide garbage collection services to the Town of Mount Carmel for three years.

**PROPOSED MOUNT CARMEL GARBAGE FEE**

DATES	PROPOSED FEE (per cart)	MONTHLY COSTS	ANNUAL COSTS
July 1, 2026 - June 30, 2027	\$13.00	\$28,275.00	\$339,300.00
July 1, 2027 - June 30, 2028	\$14.00	\$30,450.00	\$365,400.00
July 1, 2028 - June 30, 2029	\$15.00	\$32,625.00	\$391,500.00

Since 2007, the City of Kingsport has provided garbage collection service to the town of Mount Carmel. The City of Kingsport proposes to extend that service through a three year agreement with Mount Carmel that raises the monthly rate in year one from \$10.50 to \$13.00 per cart. This contract covers garbage collection service only. These proposed rates allow the City of Kingsport to cover expected costs. Please note that this rate does not cover tipping fees, as the Hawkins County property tax covers residential garbage tipping.

- Attachments:**
- Resolution
  - Interlocal Agreement

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN INTER-LOCAL AGREEMENT TO PROVIDE RESIDENTIAL AUTOMATED GARBAGE COLLECTION SERVICES TO THE TOWN OF MOUNT CARMEL, TENNESSEE

WHEREAS, the city would like to enter into an inter-local cooperation agreement with the Town of Mount Carmel to provide residential automated garbage collection for the town: and,

WHEREAS, from July 1, 2026 through June 30, 2027, the monthly rate of \$13.00 per cart, will bring a monthly revenue of \$28,275.00, and a yearly revenue of \$339,300.00 and the contract covers garbage collection service only; and

WHEREAS, from July 1, 2027 through June 30, 2028, the monthly rate of \$14.00 per cart, will bring a monthly revenue of \$30,450.00, and a yearly revenue of \$365,400.00 and the contract covers garbage collection service only; and

WHEREAS, from July 1, 2028 through June 30, 2029, the monthly rate of \$15.00 per cart, will bring a monthly revenue of \$32,625.00, and a yearly revenue of \$391,500.00 and the contract covers garbage collection service only; and

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Interlocal Agreement between the city and the Town of Mount Carmel for residential automated garbage collection, for the time periods set out above, is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized and directed to execute, in a form approved by the city attorney, an Inter-Local Agreement for residential automated garbage collection to serve the Town of Mount Carmel, to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution, said agreement being as follows:

**INTERLOCAL AGREEMENT**

This Interlocal Agreement is entered into this the \_\_\_\_ day of \_\_\_\_\_, 2026, by and between the TOWN OF MOUNT CARMEL, hereinafter referred to as the "Mt. Carmel", and the CITY OF KINGSPORT, hereinafter referred to as "Kingsport", both chartered municipalities of the State of Tennessee.

WITNESSETH:

WHEREAS, the Parties are authorized to enter into this Agreement pursuant to Tennessee Code Annotated §§ 5-1-113; 5-1-114; and 12-9-101 et seq. and to provide for interlocal agreements and cooperation; and

WHEREAS, it is deemed in the public interest for the parties hereto to enter into an interlocal mutual aid agreement for certain Residential Refuse collection services.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the Parties agree as follows:

1. Kingsport will furnish all personnel, labor, equipment, trucks and all other items necessary to provide Residential Refuse collection as defined herein within the corporate limits of Mount Carmel at pricing shown in Table 1. Cost is based per month for 2,175 Carts in the city limits of Mount



Carmel, subject to adjustments provided for herein. Kingsport will provide curbside collection service for the collection of Residential Refuse to each Residential Unit one (1) time per week. Carts will be placed at curbside by 6:00 a.m. on the designated collection day. Residential Refuse must be placed in the ninety-six (96) gallon Cart provided by Kingsport to be collected by Kingsport.

TABLE 1: MOUNT CARMEL GARBAGE FEE

DATES	PROPOSED FEE (per cart)	MONTHLY COSTS	ANNUAL COSTS
July 1, 2026 - June 30, 2027	\$13.00	\$28,275.00	\$339,300.00
July 1, 2027 - June 30, 2028	\$14.00	\$30,450.00	\$365,400.00
July 1, 2028 - June 30, 2029	\$15.00	\$32,625.00	\$391,500.00

2. Kingsport will furnish all personnel, labor, equipment, trucks and all other items necessary to provide service for three (3) eight yard dumpsters at the following Mount Carmel locations: City Hall, Police Station, and Sewer Plant. Each dumpster shall be serviced once a week at the convenience of City of Kingsport. The fee for this service is included in the proposed cart fee in Table 1. Only Garbage and Rubbish as defined in Section 22. of this agreement shall be permissible in the dumpsters identified herein. Mount Carmel shall bear responsibility for securing the dumpsters against the deposit of impermissible materials. City of Kingsport reserves the right to refuse to service any of the aforementioned dumpsters which contain impermissible materials.

3. The term of this Agreement will commence on July 1, 2026 and end on June 30, 2029.

4. Mt. Carmel will pick up or caused to be picked up Bags, Bulky Waste, Bundled Items, Construction Debris, Dead Animals, Rubbish, and any other trash, Garbage or items for disposal that are not Residential Refuse and that are not contained in the Cart provided by Kingsport.

5. The work under this Interlocal Agreement does not include the collection and disposal of any increased volume resulting from a flood, tornado, high winds, electrical storms or other act of God over which Kingsport has no control. In the event of such a flood, tornado, high winds, electrical storms or other act of God, Kingsport and Mt. Carmel will negotiate the payment to be made to Kingsport. Further, if Mt. Carmel and Kingsport reach such agreement, then Mt. Carmel will grant to Kingsport variances in routes and schedules as deemed necessary by Kingsport.

6. Kingsport has provided 2,175 Carts at 96 gallons at no charge for the collection of Residential Refuse. Only the Carts supplied by Kingsport will be used for this collection. These Carts will remain the property of Kingsport, except as otherwise provided in this section. Carts will be assigned to properties by serial number stamped on each Cart.

7. The current site for the disposal of the Residential Refuse collected hereunder is the BFI landfill in the Carter's Valley Community. This site is available pursuant to an agreement between Hawkins County, Tennessee and BFI to which neither Kingsport or Mt. Carmel is a party. In the event the agreement is ever modified such that it is no longer available free of charge, the cost hereunder will be re-negotiated.

8. Each Cart will be placed at curbside for collection. Kingsport may indicate the location for the placement of a Cart. Curbside refers to that portion of right-of-way fronting the residential dwelling and adjacent to paved or traveled streets. Carts will be placed as close to the roadway as practicable without interfering with or endangering the movement of vehicles or pedestrians. When construction work is being performed in the right-of-way, Cart will be placed as close as practicable to an access point for the collection vehicle. Kingsport may decline to collect any Cart not placed in accordance with this section.

9. Mt. Carmel agrees to impose the same restrictions and requirements on the citizens of Mt. Carmel who are serviced by this Interlocal Agreement as Kingsport imposes on its citizens for Residential Refuse collection, and Mt. Carmel agrees it will take the action necessary to enforce such requirements, including but not limited to the requirements for automated Residential Refuse collection. This includes but is not limited to the requirement that the customer pay for a replacement Cart when the Cart is no longer reasonable usable, damaged beyond reasonable use, stolen or lost or if the customer wants an additional Cart.

10. Collection of garbage will not start before 6:00 a.m. or continue after 6:00 p.m. on the same day. Exceptions to collection hours will be effected only upon the mutual agreement of the respective public works directors of Mt. Carmel and Kingsport, or when Kingsport reasonably determines that an exception is necessary in order to complete collection on an existing collection route due to unusual circumstances.

11. Collection routes will be established by Kingsport. Kingsport will submit a map designating the collection routes to Mt. Carmel for its approval, which will not be unreasonably withheld. Kingsport may from time to time propose to Mt. Carmel changes in routes or days of collection.

12. Kingsport observes certain holidays that may alter the scheduled pick up days. Kingsport has the right to alter the scheduled pick up days due to the observance of a holiday, but Kingsport will

provide collection service at least once per week. The current holidays include: New Year's Day, Martin Luther King's birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Day, and at the discretion of Kingsport board of mayor and aldermen other days. Kingsport may decide to observe any or all of the above-mentioned holidays by suspension of collection service on the holiday, but such decision in no manner relieves Kingsport of its obligation to provide collection service at least once per week.

13. The beginning Cart count for this Agreement is 2,175 Carts. A new Cart count will be established for every twenty-five (25) additional Carts provided. The monthly charge set out in paragraph 1 will increase by the figure shown in Table 1 per Cart per month upon the establishment of a new Cart count, or at the newly established rate determined in accordance with section 20 herein. In no event will the Cart count be reduced.

14. Kingsport will bill Mt. Carmel for services rendered within ten (10) days following the end of the month and Mt. Carmel will pay Kingsport on or before the 25th day following the end of such month. Such billing and payment will be based on the rates set out herein with permitted adjustments. Kingsport will be entitled to payment for services rendered regardless of whether or not Mt. Carmel collects from the customer for such services.

15. Apartment complexes or condominiums with more than six (6) units will not be considered residential units and the owners must make their own arrangements for collection and disposal.

16. All complaints will be made directly to Kingsport Streets Sanitation Division at 229-9451 between 8:00 a.m. and 3:00 p.m. Monday through Friday. In the case of alleged missed scheduled collections, Kingsport will investigate and, if such allegations are verified, will arrange for the collection of the Refuse not collected within 24 hours after the complaint is received. However, in no event will Kingsport be required to collect any item not contained in the Cart.

17. Kingsport will provide an adequate number of vehicles for regular collection services. All vehicles and other equipment will be kept in good repair, appearance, and in a sanitary condition at all times. Only truck bodies specifically constructed by a recognized manufacturer of this type of specialized equipment for handling of garbage will be acceptable. Each vehicle will have clearly visible on each side a designation showing the vehicle is Kingsport's vehicle.

18. Kingsport will maintain local telephone service where it can be contacted. A person will be available from 8:00 a.m. to 4:30 p.m. on regularly scheduled collection days. Kingsport Streets and Sanitation Division has a present address and phone number as follows:

609 Industry Drive  
Kingsport, Tennessee 37660  
423-229-9451

19. Mt. Carmel will notify all Producers at Residential Units about complaint procedures, regulations, and day(s) for scheduled refuse collection by posting such notification on the Carts.

20. Kingsport's employees will be the responsibility of Kingsport, although nothing herein will be construed to waive any governmental immunity, including such as set forth in the Governmental Tort Liability Act. Appropriate protective clothing or equipment for Kingsport's employees is Kingsport's responsibility. Kingsport's employees will deal with customers and citizens in a courteous manner and will avoid abusive and obscene language or behavior.

21. The fees which may be charged by Kingsport will be increased or decreased at any time upon ninety (90) days notice to Mt. Carmel for additional rate and price adjustments due to any changes in responsibility of bearing disposal cost, an increase in the number of Residential Units, such as Mt. Carmel growth or annexation, and changes in the location of disposal sites. Any change in Kingsport's cost of operations such as revised laws, ordinances, or regulations will constitute the right of Kingsport to negotiate with Mt. Carmel an increase to cover these additional operating expenses.

22. Either party may terminate for convenience the collection of municipal waste provided for in Paragraph 2 upon sixty (60) days written notice to the other party.

23. For all purposes of this Agreement unless the context shall otherwise require, the terms set forth in this Section whenever capitalized in this Agreement will have the indicated meanings:

Bags – Bags will mean a bag made of plastic approximately two (2) feet in diameter and no more than four (4) feet in length and be of sufficient strength to contain the weight of the contents without breaking open. Such plastic bags must be securely tied and will contain only leaves and yard trimmings.

Bulky Waste – Bulky Waste will mean stoves, refrigerators (if certification is attached that freon has been reclaimed), water tanks, washing machines, furniture and other waste materials other than Construction Debris, Dead Animals, Hazardous Waste or Stable Matter with weights or volumes greater than those allowed for Containers.

Bundled Items – Bundled items will mean tree, shrub and brush trimmings or newspapers and magazines securely tied together forming an easily handled package not exceeding ten feet in length or 5" inches in diameter.

Construction Debris – Construction Debris will mean waste building materials resulting from construction, remodeling, repair or demolition operations, specifically excluding dirt and rock.

Cart - A receptacle with a capacity of ninety-six (96) gallons supplied and owned by Kingsport.

Dead Animals – Mt. Carmel will continue to pick up Dead Animals. Dead Animals means animals or portions thereof equal that have expired from any cause, except those slaughtered or killed for human use.

Disposal Site - A Refuse depository including but not limited to sanitary landfills, transfer stations, incinerators, materials recycling facilities and waste processing/separation centers licensed, permitted or approved to receive for processing or final disposal of Refuse by all governmental bodies and agencies having jurisdiction and requiring such licenses, permits or approvals.

Garbage - Every accumulation of waste (animal, vegetable and/or other matter) that results from the preparation, processing, consumption, dealing in, handling, packing, canning, storage, transportation, decay or decomposition of meats, fish, fowl, birds, fruits, grains or other animal or vegetable matter (including, but not by way of limitation, used tin cans and other food containers; and all putrescible or easily decomposable waste animal or vegetable matter which is likely to attract flies or rodents), except (in all cases) any matter included in the definition of Bags, Bulky Waste, Bundle, Construction Debris, Dead Animals, Hazardous Waste, Rubbish, Stable Matter, or Special Waste.

Hazardous Waste - Any chemical, compound, mixture, substance or article which is designated by the United States Environmental Protection Agency or appropriate agency of the State to be "hazardous" as that term is defined by or pursuant to Federal or State Law.

Producer - An occupant of a Residential Unit who generates Refuse.

Refuse - This term will refer to Residential Refuse generated by a Producer at a Residential Unit.

Residential Refuse - All Garbage generated by a Producer at a Residential Unit.

Residential Unit - A dwelling within the corporate limits of Mt. Carmel occupied by a person or group of persons comprising not more than six dwelling units. A Residential Unit will be deemed occupied when either water or domestic light and power services are being supplied thereto. A condominium dwelling or an apartment complex whether of single or multi-level construction, consisting of six or less contiguous or separate single-family dwelling units, will be treated as a Residential Unit, except that each single-family dwelling within any such Residential Unit will be billed separately as a Residential Unit.

Rubbish – Rubbish will mean all waste wood, wood products, tree trimmings, grass cuttings, dead plants, weeds, leaves, dead trees or branches thereof, chips, shavings, sawdust, printed matter, paper, pasteboard, rags, straw, used and discarded clothing, used and discarded shoes and boots, combustible waste pulp and other products such as are used for packaging, or wrapping crockery and glass, ashes, cinders, floor sweepings, glass, mineral or metallic substances, and any and all other waste materials not included in the definition of Bulky Waste, Construction Debris, Dead Animals, Garbage, Hazardous Waste or Stable Matter.

Special Waste - Any solid waste which requires special processing, handling or disposal techniques which are different from the techniques normally utilized for handling or disposal or contains an added element of expense to transport or dispose of or requires approval from any State agency. Examples of Special Waste may include, but are not limited to: oil, gas, paint, paint cans, biohazardous waste, white goods, tires, mining wastes, fly ash, combustion ash, sludges, drilling fluids and drill cuttings, asbestos, industrial wastes, liquid wastes, infectious wastes and residue, pollution control residue, debris or contaminated soil and water from the cleanup or a spill.

24. Neither party will be liable to the other or be deemed to be in breach of this Agreement for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God or the public enemy, terrorism, severe weather, thunderstorms, severe wind, significant fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, or Governmental Authorities approval delays which are not caused by any act or omission by either party. The party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay.

25. No amendment to this Interlocal Agreement will be made except upon the written consent of the parties.

26. In the event that any provision or portion of this Interlocal Agreement is found to be invalid or unenforceable, then such provision or portion thereof will be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of any of this Interlocal Agreement will not affect the validity or enforceability of any other provision or portion of the Interlocal Agreement.

27. Upon the occurrence of an alleged default, or a dispute or disagreement between the parties hereto arising out of or in connection with any term or provision of this Agreement or, the subject matter hereof, or the interpretation or enforcement hereof (the "Dispute"), the parties will engage in informal, good faith discussions and attempt to resolve the Dispute. In connection therewith, upon written notice of either party, each of the parties will appoint a designated officer whose task it will be to meet for the purpose of attempting to resolve such Dispute. The designated officers will meet as often as the parties will deem to be reasonably necessary. Such officers will discuss the Dispute. If the parties are unable to resolve the Dispute in accordance with this paragraph, and in the event that either of the parties concludes in good faith that amicable resolution through continued negotiation with respect to the Dispute is not reasonably likely, then the parties may mutually agree to submit to nonbinding mediation. If the matter is not resolved by mediation either party will have the right, at its sole option, without further demand or notice, to take whatever action at law or in equity may appear necessary or desirable to enforce its rights including, but not limited to, the suspension or termination of this agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate original counterparts, each of which constitutes an original.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement set out herein that do not substantially alter the material provisions of the amendment, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION IV. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April, 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY

# INTERLOCAL AGREEMENT

This Interlocal Agreement is entered into this the \_\_\_\_ day of \_\_\_\_\_, 2026, by and between the TOWN OF MOUNT CARMEL, hereinafter referred to as the “Mt. Carmel”, and the CITY OF KINGSPORT, hereinafter referred to as “Kingsport”, both chartered municipalities of the State of Tennessee.

WITNESSETH:

WHEREAS, the Parties are authorized to enter into this Agreement pursuant to Tennessee Code Annotated §§ 5-1-113; 5-1-114; and 12-9-101 et seq. and to provide for interlocal agreements and cooperation; and

WHEREAS, it is deemed in the public interest for the parties hereto to enter into an interlocal mutual aid agreement for certain Residential Refuse collection services.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the Parties agree as follows:

1. Kingsport will furnish all personnel, labor, equipment, trucks and all other items necessary to provide Residential Refuse collection as defined herein within the corporate limits of Mount Carmel at pricing shown in Table 1. Cost is based per month for 2,175 Carts in the city limits of Mount Carmel, subject to adjustments provided for herein. Kingsport will provide curbside collection service for the collection of Residential Refuse to each Residential Unit one (1) time per week. Carts will be placed at curbside by 6:00 a.m. on the designated collection day. Residential Refuse must be placed in the ninety-six (96) gallon Cart provided by Kingsport to be collected by Kingsport.

**TABLE 1: MOUNT CARMEL GARBAGE FEE**

DATES	PROPOSED FEE (per cart)	MONTHLY COSTS	ANNUAL COSTS
July 1, 2026 - June 30, 2027	\$13.00	\$28,275.00	\$339,300.00
July 1, 2027 - June 30, 2028	\$14.00	\$30,450.00	\$365,400.00
July 1, 2028 - June 30, 2029	\$15.00	\$32,625.00	\$391,500.00

2. Kingsport will furnish all personnel, labor, equipment, trucks and all other items necessary to provide service for three (3) eight yard dumpsters at the following Mount Carmel locations: City Hall, Police Station, and Sewer Plant. Each dumpster shall be serviced once a week at the convenience of City of Kingsport. The fee for this service is included in the proposed cart fee in Table 1. Only Garbage and Rubbish as defined in Section 22. of this agreement shall be permissible in the dumpsters identified herein. Mount Carmel shall bear responsibility for securing the dumpsters against the deposit of impermissible materials. City of Kingsport reserves the right to refuse to service any of the aforementioned dumpsters which contain impermissible materials.

3. The term of this Agreement will commence on July 1, 2026 and end on June 30, 2029.
4. Mt. Carmel will pick up or caused to be picked up Bags, Bulky Waste, Bundled Items, Construction Debris, Dead Animals, Rubbish, and any other trash, Garbage or items for disposal that are not Residential Refuse and that are not contained in the Cart provided by Kingsport.
5. The work under this Interlocal Agreement does not include the collection and disposal of any increased volume resulting from a flood, tornado, high winds, electrical storms or other act of God over which Kingsport has no control. In the event of such a flood, tornado, high winds, electrical storms or other act of God, Kingsport and Mt. Carmel will negotiate the payment to be made to Kingsport. Further, if Mt. Carmel and Kingsport reach such agreement, then Mt. Carmel will grant to Kingsport variances in routes and schedules as deemed necessary by Kingsport.
6. Kingsport has provided 2,175 Carts at 96 gallons at no charge for the collection of Residential Refuse. Only the Carts supplied by Kingsport will be used for this collection. These Carts will remain the property of Kingsport, except as otherwise provided in this section. Carts will be assigned to properties by serial number stamped on each Cart.
7. The current site for the disposal of the Residential Refuse collected hereunder is the BFI landfill in the Carter's Valley Community. This site is available pursuant to an agreement between Hawkins County, Tennessee and BFI to which neither Kingsport or Mt. Carmel is a party. In the event the agreement is ever modified such that it is no longer available free of charge, the cost hereunder will be re-negotiated.
8. Each Cart will be placed at curbside for collection. Kingsport may indicate the location for the placement of a Cart. Curbside refers to that portion of right-of-way fronting the residential dwelling and adjacent to paved or traveled streets. Carts will be placed as close to the roadway as practicable without interfering with or endangering the movement of vehicles or pedestrians. When construction work is being performed in the right-of-way, Cart will be placed as close as practicable to an access point for the collection vehicle. Kingsport may decline to collect any Cart not placed in accordance with this section.
9. Mt. Carmel agrees to impose the same restrictions and requirements on the citizens of Mt. Carmel who are serviced by this Interlocal Agreement as Kingsport imposes on its citizens for Residential Refuse collection, and Mt. Carmel agrees it will take the action necessary to enforce such requirements, including but not limited to the requirements for automated Residential Refuse collection. This includes but is not limited to the requirement that the customer pay for a replacement Cart when the Cart is no longer reasonable usable, damaged beyond reasonable use, stolen or lost or if the customer wants an additional Cart.

10. Collection of garbage will not start before 6:00 a.m. or continue after 6:00 p.m. on the same day. Exceptions to collection hours will be effected only upon the mutual agreement of the respective public works directors of Mt. Carmel and Kingsport, or when Kingsport reasonably determines that an exception is necessary in order to complete collection on an existing collection route due to unusual circumstances.

11. Collection routes will be established by Kingsport. Kingsport will submit a map designating the collection routes to Mt. Carmel for its approval, which will not be unreasonably withheld. Kingsport may from time to time propose to Mt. Carmel changes in routes or days of collection.

12. Kingsport observes certain holidays that may alter the scheduled pick up days. Kingsport has the right to alter the scheduled pick up days due to the observance of a holiday, but Kingsport will provide collection service at least once per week. The current holidays include: New Year's Day, Martin Luther King's birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Day, and at the discretion of Kingsport board of mayor and aldermen other days. Kingsport may decide to observe any or all of the above-mentioned holidays by suspension of collection service on the holiday, but such decision in no manner relieves Kingsport of its obligation to provide collection service at least once per week.

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22. Either party may terminate for convenience the collection of municipal waste provided for in Paragraph 2 upon sixty (60) days written notice to the other party.

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materials other than Construction Debris, Dead Animals, Hazardous Waste or Stable Matter with weights or volumes greater than those allowed for Containers.

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24. Neither party will be liable to the other or be deemed to be in breach of this Agreement for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God or the public enemy, terrorism, severe weather, thunderstorms, severe wind, significant fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, or Governmental Authorities approval delays which are not caused by any act or omission by either party. The party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay.

25. No amendment to this Interlocal Agreement will be made except upon the written consent of the parties.

26. In the event that any provision or portion of this Interlocal Agreement is found to be invalid or unenforceable, then such provision or portion thereof will be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of any of this Interlocal Agreement will not affect the validity or enforceability of any other provision or portion of the Interlocal Agreement.

27. Upon the occurrence of an alleged default, or a dispute or disagreement between the parties hereto arising out of or in connection with any term or provision of this Agreement or, the subject matter hereof, or the interpretation or enforcement hereof (the "Dispute"), the parties will engage in informal, good faith discussions and attempt to resolve the Dispute. In connection therewith, upon written notice of either party, each of the parties will appoint a designated officer whose task it will be to meet for the purpose of attempting to resolve such Dispute. The designated officers will meet as often as the parties will deem to be reasonably necessary. Such officers will discuss the Dispute. If the parties are unable to resolve the Dispute in accordance with this paragraph, and in the event that either of the parties concludes in good faith that amicable resolution through continued negotiation with respect to the Dispute is not reasonably likely, then the parties may mutually agree to submit to nonbinding mediation. If the matter is not resolved by mediation either party will have the right, at its sole option, without further demand or notice, to take whatever action at law or in equity may appear necessary or desirable to

enforce its rights including, but not limited to, the suspension or termination of this agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate original counterparts, each of which constitutes an original.

**Town of Mount Carmel, Tennessee**

**City of Kingsport, Tennessee**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Paul W. Montgomery, Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Attest:

Attest:

\_\_\_\_\_  
Mount Carmel City Recorder

\_\_\_\_\_  
Angela Marshall, Deputy City Recorder

Approved as to form:

Approved as to form:

\_\_\_\_\_  
Mount Carmel City Attorney

\_\_\_\_\_  
Rodney B. Rowlett, III, City Attorney



**AGENDA ACTION FORM**

**Consideration of a Resolution to Enter into an Agreement with CDM Smith to Provide Engineering Services for the WWTP Blower Replacement Basis of Design Report**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-113-2026  
Work Session: April 20, 2026  
First Reading: N/A  
Final Adoption: April 21, 2026  
Staff Work By: Will Stallard  
Presentation By: Ryan McReynolds

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**Strategic Focus Area: Sustainable Infrastructure**

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**Recommendation:**

Approve the Resolution

**Executive Summary:**

If approved, this resolution would authorize an agreement with CDM Smith for \$279,000.00 to provide a Basis of Design Report for the Wastewater Treatment Plant (WWTP) Blower Replacement Project.

The City of Kingsport operates the Wastewater Treatment Plant under permit from TDEC. The blowers provide the oxygen necessary for biological treatment. The electrical equipment (1980) and blowers (1980/2016) have reached the end of their useful life. Repair parts for the electrical equipment are obsolete, and the blowers vary in size and manufacture. The project will include installing new energy-efficient blowers and replacing the existing medium-voltage switchgear with low-voltage switchgear, reducing risk, improving resiliency, and lowering operating costs.

Multiple alternatives will be evaluated to determine the best fit for the City with respect to long-term operation, maintenance, and cost. The final report will specify the best option and lead directly into a final design.

City staff recommends entering into this agreement with CDM Smith for \$279,000, in accordance with the attached proposal.

Project funding resides in SW2411.

**Attachments:**

- 1. Resolution
- 2. CDM Smith Basis of Design Engineering Proposal
- 3. Location Map

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

Item X12.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING AN AGREEMENT WITH CDM SMITH FOR ENGINEERING SERVICES FOR THE WATER/WASTEWATER TREATMENT PLANT BLOWER REPLACEMENT BASIS OF DESIGN REPORT; AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

WHEREAS, the city operates the Wastewater Treatment Plant under permit from TDEC, and the blowers provide the oxygen necessary for biological treatment; and

WHEREAS, the electrical equipment (1980) and blowers (1980/2016) have reached the end of their useful life and repair parts for the electrical equipment are obsolete, and the blowers vary in size and manufacture; and

WHEREAS, the city would like to enter into an agreement with CDM Smith to provide a Basis of Design Report for the Wastewater Treatment Plant (WWTP) Blower Replacement Project; and

WHEREAS, the project will include installing new energy-efficient blowers and replacing the existing medium-voltage switchgear with low-voltage switchgear, reducing risk, improving resiliency, and lowering operating costs; and

WHEREAS, the cost of the report is estimated to be \$279,000.00 and project funding resides in SW2411.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the agreement with CDM Smith for updated Basis of Design Report for the Wastewater Treatment Plant (WWTP) Blower Replacement Project, is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the agreement with CDM Smith for Basis of Design Report for the Wastewater Treatment Plant (WWTP) Blower Replacement Project, to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution.

SECTION III. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

SECTION IV. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April, 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER  
APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY



1100 Marion Street, Suite 300  
Knoxville, Tennessee 37921  
tel: 865.963.4300  
fax: 865.963.5311

March 23, 2026

Will Stallard  
Water Services Division  
City of Kingsport  
1113 Konnarock Road  
Kingsport, TN 37664

Subject: Proposal for Professional Services for the Wastewater Treatment Plant Aeration Blower Improvements

Dear Mr. Stallard:

CDM Smith is pleased to present our proposal for Professional Engineering services for the Wastewater Treatment Plant Aeration Blower Improvements project. This proposal includes engineering services to assess alternatives and provide the basis of design for upgrading the plant's aeration blowers.

## Background

The City of Kingsport (City) owns and operates the Kingsport Wastewater Treatment Plant (WWTP). The aeration blowers are vital parts of the Kingsport wastewater treatment system. As described in the recent *Kingsport WWTP Master Plan*, the installed blowers are approaching the end of their useful lives and are in need of replacement. This project generally consists of the replacement of the aeration blowers and associated electrical equipment.

The project will be implemented in a phased approach with tasks as follows:

- Task 1 – Alternatives Analysis and Improvements Selection (Basis of Design)
- Task 2 – Final Design
- Task 3 – Permitting
- Task 4 – Bidding Services
- Task 5 – General Services During Construction

This proposal is for Task 1 services and can be amended for future phase services based on the final recommended scope of improvements. A detailed description of the Task 1 scope of services is as follows.



## Scope of Services and Schedule

### ***Task 1 – Alternatives Analysis and Improvements Selection (Basis of Design)***

**Task 1.1 – Project Kick-off Meeting** – CDM Smith will conduct an in-person meeting with City staff to finalize project goals and critical success factors, develop project alternatives, define project constraints, and establish the project schedule. A site visit to the WWTP will take place following the meeting. Other topics to be discussed include, but are not limited to:

- Design Criteria
- Sources and availability of data/information
- Initial risk discussion
- Permitting
- Future permit limits and future flows/loadings

**Task 1.2 – Data Collection and Review** – Available data and information will be obtained and distributed to the project team for review. Information will include, but not be limited to:

- Existing Drawings
- Influent and effluent flows and wastewater characteristic data

**Task 1.3 – Alternatives Definition** – CDM Smith will define alternatives and then proceed with the alternatives evaluation. Alternatives definition will include:

- Land/building use and location of new facilities
- Preliminary sizing of major mechanical equipment
- Horizontal and vertical alignment of new aeration piping
- Connections to new and existing facilities
- Power Supply requirements
- System Controls
- Redundancy/reliability provisions
- Building or structural modifications necessary for new equipment
- Construction methods



**Task 1.4 – Existing System Aeration Evaluation** – CDM Smith will evaluate the existing diffuser and aeration blower system under current and future flow and loading scenarios. Key considerations include the reuse of the existing diffusers, possible permit changes, and the desire to reduce the aeration blower voltage to 480V. The Biowin model previously developed by CDM Smith will be updated for current flows and loadings and utilized for this project.

**Task 1.5 – Basis of Design** – CDM Smith will document the basis of design for the new and/or rehabilitated facilities. These facilities will include the aeration blower and diffuser system.

*Task 1.5.1 (Aeration Blower System)*

The existing aeration system is supplied air with a single high speed turbo blower and three (3) multistage centrifugal blowers. The turbo blower performs well but is not sized to handle current peak demands. The multistage centrifugal blowers are beyond their useful life, are not all fully operational, and are powered with medium voltage motors. The City desires to replace the existing blower system with a solution that will provide long-term reliability while also reducing the motor voltage to 480V. The City also desires to consider options for blower replacement that consider the potential for future nutrient limits.

This task will include a review of blower technologies and the costs and benefits of each, with the replacement blowers included in conceptual layouts. Blower technologies that will be evaluated include multistage centrifugal, single-stage centrifugal with variable-vane control, positive displacement, and high-efficiency “turbo” blowers. Blower technologies will be compared based on their relative ability to meet the design conditions, relative operations and maintenance requirements, predicted energy efficiency, and equipment costs. It is assumed that an in-person meeting to discuss blower technologies will be held to reduce the number of alternatives to two (2).

**Task 1.6 – Power Distribution and Controls Evaluation** – CDM Smith will evaluate the existing power distribution and system controls for each alternative and provide recommendations to achieve desired reliability, redundancy, and operational control for each alternative. Preliminary electrical single line diagrams and P&IDs will be developed for each alternative.

**Task 1.7 – Alternatives Evaluation** – Each alternative will be evaluated in terms of implementation feasibility, constructability, and operability to meet the City’s goals and objectives. Maintenance of plant operations during construction will be considered, as well as construction and operational phase risks for each alternative. Structural, Architectural, and HVAC considerations will be included as well.

Using the results of the aforementioned tasks, each of the feasible alternatives will be refined to enable preliminary capital cost estimating and evaluation of non-cost factors, including implementation feasibility, identified risks, and future improvements. Preliminary results will be presented to City staff in an in-person workshop-style meeting with the goal of ranking the

alternatives. The CDM Smith project team will develop preliminary life cycle cost estimates for up to two of the top ranked alternatives.

**Task 1.8 – Permitting Analysis** – CDM Smith will identify permits needed for each alternative and determine permit application requirements. Permitting agencies will be contacted to confirm and identify potential concerns.

**Task 1.9 – Basis of Design Report (BODR)/Presentation** – CDM Smith will prepare and submit a draft BODR documenting the results of Tasks 1.1 – 1.8. Key members of the team will present the results to City Staff in an in-person workshop-style meeting with the goal of selecting the recommended alternative and developing a project delivery plan, including a schedule. The document will provide a conceptual-level alternatives analysis with a recommendation of the selected alternative for upgrading the aeration blowers. CDM Smith will prepare general arrangement site plan and process mechanical drawings. Following the workshop meeting, CDM Smith will issue meeting minutes to document the selected improvement alternative for implementation of future Tasks 2-5. Comments from the workshop will be incorporated into a final BODR.

**Task 1.10 – Project Management, QA/QC, Project Meetings** – Project management tasks include:

- Internal project team communications
- Internal quality assurance/quality control reviews
- Up to two additional meetings with City staff (in addition to the workshop meeting in Tasks 1.7 and 1.9)
- Monthly project management administration, invoicing, and progress reporting

**Assumptions:**

- CDM Smith will develop up to two (2) aeration blower alternatives.
- No HVAC or Architectural Drawings are included in this phase. A structural condition assessment, along with an HVAC and architectural improvement site visit, will be completed and documented in the BODR for the blower building.
- No topographical survey or geotechnical scope is included in this proposal.
- The City shall be responsible for, and CDM Smith may rely upon, the accuracy and completeness of all requirements, programs, instructions, reports, data, and other information furnished by the City to CDM Smith pursuant to this Agreement. CDM Smith may use such requirements, programs, instructions, reports, data, and information in



Mr. Will Stallard  
March 23, 2026  
Page 5

performing or furnishing services under this Agreement. CDM Smith’s scope of work does not include verifying City Provided Information for accuracy or completeness. The City may request an independent review of City Provided Information by CDM Smith pursuant to a mutually agreed amendment to this Agreement. CDM Smith shall be entitled to an adjustment in price and schedule to the extent that any corrective action in CDM Smith’s Services arises out of inaccurate City Provided Information.

### Time of Completion

Task Description	Completion Dates
Task 1 – Alternatives Analysis and Improvements Selection	5 Months from NTP
Task 2 – Final Design	TBD
Task 3 – Permitting	TBD
Task 4 – Bidding Services	TBD
Task 5 – General Services During Construction	TBD

### Payment and Compensation

The City of Kingsport shall compensate the Engineer for providing services set forth herein in accordance with the terms of the Agreement. Invoicing for the work shall be monthly on a lump sum percentage of work completed basis. A status report will accompany each progress invoice.

The total Contract amount shall not exceed **\$279,000** without written amendment to this authorization.

On behalf of the entire CDM Smith organization, I want to express our appreciation for the opportunity to work with the City on this important project. If you have any questions about this proposal, or any matter, please do not hesitate to contact me.

Very truly yours,

Daniel Unger, P.E., PMP, Assoc. DBIA  
Principal  
CDM Smith



**Project Location Map  
WWTP Blower Replacement Project  
City of Kingsport**



**AGENDA ACTION FORM**

**Consideration of a Resolution Authorizing the City Manager to Execute a Purchase Order for Band Uniforms for Dobyys-Bennett High School from Fred J. Miller Inc.**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-115-2026  
Work Session: April 20, 2026  
First Reading: N/A  
Final Adoption: April 21, 2026  
Staff Work By: Committee  
Presentation By: David Frye

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**Strategic Focus Area: World-Class Education**

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**Recommendation:**

Approve the Resolution

**Executive Summary:**

If approved, the City would utilize the BuyBoard Cooperative Purchasing Agreement to purchase band uniforms for Dobyys-Bennett High School from Fred J. Miller Inc. (BuyBoard Contract 773-25) for a total purchase price of \$93,850.00.

The City benefits from using cooperative purchasing contracts with the confidence we are receiving competitive pricing and knowing the products awarded have already been through the procurement process of the lead agency. Also, utilizing cooperative procurement agreements often leads to increased efficiency by decreasing the amount of time it takes from requisition entry to product receipt.

Funding will be from the General-Purpose School Fund.

The Board of Education approved this purchase on April 14, 2026.

**Attachments:**

- 1. Resolution
- 2. Quote
- 3. BuyBoard Award Documents
- 4. BuyBoard Invitation to Bid

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE PURCHASE OF BAND  
UNIFORMS FROM FRED J MILLER INC UTILIZING  
BUYBOARD CONTRACT 773-25

WHEREAS, staff recommends purchasing band uniforms from Fred J. Miller Inc. using the BuyBoard Contract 773-25; and

WHEREAS, the city has been a member of BuyBoard, a cooperative purchasing group, since June 2014; and

WHEREAS, pursuant to Tenn. Code Ann. § 12-3-1205, the city can purchase goods and services under existing contracts made by leading agencies in a cooperative purchasing group; and

WHEREAS, by utilizing the BuyBoard agreement 773-25 with Fred J. Miller Inc., the city can purchase band uniforms for Dobyns-Bennett High School for a total cost of \$93,850.00; and

WHEREAS, funding for this project will be from the General-Purpose School Fund; and

WHEREAS, the Board of Education approved this purchase on April 14, 2026.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMAN AS FOLLOWS:

SECTION I. That the City Manager is authorized to execute a purchase order for band uniforms from Fred J. Miller Inc. utilizing BuyBoard Contract 773-25 for a total purchase price of \$93,850.00, which will be funded by the General Purpose School Fund, and to execute any and all documents necessary and proper to effectuate the purpose of this resolution.

SECTION II. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort, and prosperity of the citizens of the city.

SECTION III. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY



**Fred J. Miller Inc.**  
 8765 Washington Church Rd  
 Miamisburg Ohio, 45342  
 TOLL FREE: 800-444-3524

**Full Order Cesario Uniform Quote  
 Dobyys Bennett High School (TN)**

Quote #: FJM20460  
 Buy Board / Co-Op ID

**Bill To:**  
 Dobyys Bennett High School

1801 East Center Street  
 Kingsport, TN. 37664

**Ship To:**  
 Dobyys Bennett High School (TN)

1801 East Center Street,  
 Kingsport, TN. 37664  
 lcook@k12k.com

Item & Description	Quantity	List Price	Amount
<b>Cesario Jacket</b> Custom Cesario Jacket	400	\$ 215.00	\$ 86,000.00
<b>Cesario Bib Pants</b> Black Bib Pants	75	\$ 78.00	\$ 5,850.00
<b>Shipping</b>	1	\$ 2,000.00	\$ 2,000.00

<b>Sub Total</b>	<b>\$ 93,850.00</b>
Discount	\$ 0.00
Tax	<b>\$ 0.00</b>
<b>Grand Total</b>	<b>\$ 93,850.00</b>

**Terms & Conditions**

To begin production, we require a 50% deposit or a school purchase order, completed sizing charts, and final prototype approval. **Delivery is estimated at 180–210 days.** The balance is due upon completion. To pay your deposit, call **1-800-444-3524**.

For questions, contact your sales rep.

Thank you!

Mike N. Miller  
 Executive Vice President  
 937-434-1121  
 www.fjminc.com



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*Item X13.*



Electronic Delivery

Mike Miller  
Fred J. Miller, Inc.  
8765 Washington Church Road  
Miamisburg, OH 45342

Welcome to BuyBoard!

**Re:** *Notice of The Local Government Purchasing Cooperative Contract Award*; Proposal Invitation No. 773-25, Uniforms and Accessories.

Congratulations, The Local Government Purchasing Cooperative (Cooperative) has awarded your company a BuyBoard® contract based on the above-referenced Proposal Invitation. The contract is effective for an initial one-year term of July 1, 2025, through June 30, 2026, and may be subject to two possible one-year renewals. Please refer to the Proposal Invitation for the contract documents, including the General Terms and Conditions of the Contract.

To review the items your company has been awarded, please review Proposal Tabulation No. 773-25 at: [www.buyboard.com/vendor](http://www.buyboard.com/vendor). Only items marked as awarded to your company are included in this contract award, and only those awarded items may be sold through the BuyBoard contract. All sales must comply with the contract terms and must be at or below the awarded pricing as set forth in the General Terms and Conditions.

A list of Cooperative members is available on the [buyboard.com](http://buyboard.com) website. In addition, the BuyBoard Administrator's vendor relations staff is available to assist you in locating available BuyBoard informational resources and answering questions you may have as an awarded BuyBoard vendor.

On behalf of the Cooperative, we appreciate your interest in the Cooperative and we are looking forward to your participation in the program. If you have any questions, feel free to contact me at [bids@buyboard.com](mailto:bids@buyboard.com).

Sincerely,



Kristin Gardner, Bid Analyst  
Texas Association of School Boards, Inc.,  
Administrator for The Local Government Purchasing Cooperative



Electronic Delivery

Mike Miller  
Fred J. Miller, Inc.  
8765 Washington Church Road  
Miamisburg, OH 45342

Welcome to BuyBoard!

**Re:** *Notice of National Purchasing Cooperative Award*; Proposal Invitation No. 773-25, Uniforms and Accessories.

Congratulations, The National Purchasing Cooperative (National Cooperative) has awarded your company a BuyBoard® contract based on the above-referenced Proposal Invitation. The contract is effective for an initial one-year term of July 1, 2025, through June 30, 2026, and may be subject to two possible one-year renewals. Please refer to the Proposal Invitation for the contract documents, including the National Purchasing Cooperative Vendor Award Agreement and General Terms and Conditions of the Contract.

To review the items your company has been awarded, please review Proposal Tabulation No. 773-25 at [www.buyboard.com/vendor](http://www.buyboard.com/vendor). Only items marked as awarded to your company are included in this contract award, and only those awarded items may be sold through the BuyBoard contract. All sales must comply with the contract terms and must be at or below the awarded pricing as set forth in the General Terms and Conditions.

A list of National Cooperative members is available on the [buyboard.com](http://buyboard.com) website. In addition, the BuyBoard Administrator's vendor relations staff is available to assist you in locating available BuyBoard informational resources and answering questions you may have as an awarded BuyBoard vendor.

On behalf of the National Cooperative, we are looking forward to your participation in the program. If you have any questions, feel free to contact me at [bids@buyboard.com](mailto:bids@buyboard.com).

Sincerely,

Kristin Gardner, Bid Analyst  
Texas Association of School Boards, Inc.,  
Administrator for the National Purchasing Cooperative

v.01.03.2025

Item X13.

P.O. Box 400, Austin, Texas 78767-0400  
800.695.2919 • [buyboard.com](http://buyboard.com)





### PROPOSER'S ACCEPTANCE AND AGREEMENT

<b>Proposal Invitation Name</b> Uniforms and Accessories	<b>Proposal Due Date/Opening Date and Time</b> January 23, 2025, at 4:00 PM
<b>Proposal Invitation Number</b> 773-25	<b>Location of Proposal Opening</b> Texas Association of School Boards, Inc. BuyBoard Department 12007 Research Blvd. Austin, TX 78759
<b>Contract Term</b> July 1, 2025, through June 30, 2026, with two possible one-year renewals.	<b>Anticipated Cooperative Board Meeting Date</b> April 2025

*By signature below, the undersigned acknowledges and agrees that you are authorized to submit this Proposal, including making all acknowledgements, consents, and certifications herein, on behalf of Proposer and, to the best of your knowledge, the information provided is true, accurate, and complete.*

Fred J. Miller Inc.

Name of Proposing Company

12-5-2024

Date

8765 Washington Church Road

Street Address

*Mike Miller*

Signature of Authorized Company Official

Miamisburg, Ohio 45342

City, State, Zip

Mike Miller

Printed Name of Authorized Company Official

Type text here

800-444-3524

Telephone Number of Authorized Company Official

Vice President

Position or Title of Authorized Company Official

877-356-3291

Fax Number of Authorized Company Official

310852899

Federal ID Number

Item X13.



## PROPOSAL FORMS PART 1: COMPLIANCE FORMS

### INSTRUCTIONS:

Proposer must review and complete all forms in this Proposal Forms Part 1:

- Proposal Acknowledgements
- Felony Conviction Disclosure
- Resident/Nonresident Certification
- Debarment Certification
- Vendor Employment Certification
- No Boycott Verification
- No Excluded Nation or Foreign Terrorist Organization Certification
- Historically Underutilized Business Certification
- Acknowledgement of BuyBoard Technical Requirements
- Construction-Related Goods and Services Affirmation
- Deviation and Compliance
- Vendor Consent for Name Brand Use
- Confidential/Proprietary Information
- EDGAR Vendor Certification
- Compliance Forms Signature Page

**An authorized representative of Proposer *must initial in the bottom right corner of each page where indicated and complete and sign the Compliance Forms Signature Page.* Proposer's failure to fully complete, initial, and sign forms as required may result in your Proposal being rejected as non-responsive.**

### PROPOSAL ACKNOWLEDGEMENTS

The proposing company ("you" or "your") hereby acknowledges and agrees as follows:

1. You have carefully examined and understand all information and documentation associated with this Proposal Invitation, including the Instructions to Proposers, General Information, General Terms and Conditions, attachments/forms, appendices, item specifications, and line items (collectively "Requirements");
2. By your response ("Proposal") to this Proposal Invitation, you propose to supply the products or services submitted at the pricing quoted in your Proposal and in strict compliance with the Requirements, unless specific deviations or exceptions are noted in the Proposal;
3. By your Proposal, you acknowledge and certify all items set forth in the General Terms and Conditions, Section B.12 (Certifications), including all non-collusion certifications and certifications regarding legal, ethical, and other matters set forth therein.
4. Any and all deviations and exceptions to the Requirements have been noted in your Proposal on the required form and no others will be claimed;

Type text here

Initial: MM

Item X13.



5. If the Cooperative accepts any part of your Proposal and awards you a Contract, you will furnish all awarded products or services at the pricing quoted and in strict compliance with the Requirements (unless specific deviations or exceptions are noted on the required form and accepted by the Cooperative), including without limitation the Requirements related to:
  - a. conducting business with Cooperative members, including offering pricing to members that is the best you offer compared to similarly situated customers in similar circumstances;
  - b. payment of a service fee in the amount specified and as provided for in this Proposal Invitation;
  - c. the **possible** award of a piggy-back contract by the National Purchasing Cooperative or nonprofit entity, in which event you will offer the awarded products and services in accordance with the Requirements; and
  - d. submitting price sheets or catalogs in the proper format as required by the Cooperative as a prerequisite to activation of your Contract;
6. You have clearly identified on the included form any information in your Proposal that you believe to be confidential or proprietary or that you do not consider to be public information subject to public disclosure under the Texas Public Information Act or similar public information law;
7. The individual submitting this Proposal is duly authorized to enter into the contractual relationship represented by this Proposal Invitation on your behalf and bind you to the Requirements, and such individual (and any individual signing a form or Proposal document) is authorized and has the requisite knowledge to provide the information and make the representations and certifications required in the Requirements;
8. You have carefully reviewed your Proposal, and certify that all information provided is true, complete, and accurate to the best of your knowledge, and you authorize the Cooperative to take such action as it deems appropriate to verify such information; and
9. Any misstatement, falsification, or omission in your Proposal, whenever or however discovered, will be grounds for disqualifying you from consideration for a contract award under this Proposal Invitation, termination of a contract award, or any other remedy or action provided for in the General Terms and Conditions or by law.

## FELONY CONVICTION DISCLOSURE

**Subsection (a) of Section 44.034 of the Texas Education Code (Notification of Criminal History of Contractor)** states: "A person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony."

**Section 44.034 further states in Subsection (b):** "A school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract."

*Please check (✓) one of the following:*

- My company is a publicly-held corporation. (Advance notice requirement does not apply to publicly-held corporation.)
- My company is not owned or operated by anyone who has been convicted of a felony.
- My company is owned/operated by the following individual(s) who has/have been convicted of a felony:

Name of Felon(s): \_\_\_\_\_

Details of Conviction(s): \_\_\_\_\_

Initial: MM

Item X13.



### RESIDENT/NONRESIDENT CERTIFICATION

Chapter 2252, Subchapter A, of the Texas Government Code establishes certain requirements applicable to proposers who are not Texas residents. Under the statute, a "resident" proposer is a person whose principal place of business is in Texas, including a contractor whose ultimate parent company or majority owner has its principal place of business in Texas. A "nonresident" proposer is a person who is not a Texas resident. Please indicate the status of your company as a "resident" proposer or a "nonresident" proposer under these definitions.

Please check (v) one of the following:

- I certify that my company is a **Resident Proposer.**
- I certify that my company is a **Nonresident Proposer.**

If your company is a Nonresident Proposer, you must provide the following information for your resident state (the state in which your company's principal place of business is located):

Fred J. Miller Inc.	8765 Washington Church Road	
Company Name	Address	
Miamisburg	Ohio	45342
City	State	Zip Code

- A. Does your resident state require a proposer whose principal place of business is in Texas to under-price proposers whose resident state is the same as yours by a prescribed amount or percentage to receive a comparable contract?
- Yes     No
- B. What is the prescribed amount or percentage? \$ \_\_\_\_\_ or 0 %

### DEBARMENT CERTIFICATION

By signature on the Compliance Forms Signature Page, I certify that neither my company nor an owner or principal of my company has been debarred, suspended or otherwise made ineligible for participation in Federal Assistance programs under Executive Order 12549, "Debarment and Suspension," as described in the Federal Register and Rules and Regulations. Neither my company nor an owner or principal of my company is currently listed on the government-wide exclusions in SAM, debarred, suspended, or otherwise excluded by agencies or declared ineligible under any statutory or regulatory authority. My company agrees to immediately notify the Cooperative and all Cooperative members with pending purchases or seeking to purchase from my company if my company or an owner or principal is later listed on the government-wide exclusions in SAM, or is debarred, suspended, or otherwise excluded by agencies or declared ineligible under any statutory or regulatory authority.

### VENDOR EMPLOYMENT CERTIFICATION

Section 44.031(b) of the Texas Education Code establishes certain criteria that a school district must consider when determining to whom to award a contract. Among the criteria for certain contracts is whether the vendor or the vendor's ultimate parent or majority owner (i) has its principal place of business in Texas; or (ii) employs at least 500 people in Texas. If neither your company nor the ultimate parent company or majority owner has its principal place of business in Texas, does your company, ultimate parent company, or majority owner employ at least 500 people in Texas?

Please check (v) one of the following:

- Yes     No

Initial: MJM

Item X13.



## NO BOYCOTT VERIFICATION

A Texas governmental entity may not enter into a contract with a value of \$100,000 or more that is to be paid wholly or partly from public funds with a company (excluding a sole proprietorship) that has 10 or more full-time employees for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel and will not boycott Israel during the term of the contract (TEX. GOV'T CODE Ch. 2271), (2) does not boycott energy companies and will not boycott energy companies during the term of the contract (TEX. GOV'T CODE Ch. 2276), and (3) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association (TEX. GOV'T CODE Ch. 2274). Accordingly, this certification form is included to the extent required by law.

"Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. TEX. GOV'T CODE §808.001(1).

"Boycott energy company" means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company: (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by Paragraph (A). TEX. GOV'T CODE §809.001(1).

"Discriminate against a firearm entity or firearm trade association" means, (A) with respect to the entity or association, to: (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; and (B) does not include: (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship: (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association. TEX. GOV'T CODE §2274.001(3).

By signature on the Compliance Forms Signature Page, to the extent applicable, I certify and verify that Vendor does not boycott Israel, boycott energy companies, or discriminate against a firearm entity or firearm trade association and will not do so during the term of any contract awarded under this Proposal Invitation, that this certification is true, complete and accurate, and that I am authorized by my company to make this certification.

Initial: MM

Item X13.



## NO EXCLUDED NATION OR FOREIGN TERRORIST ORGANIZATION CERTIFICATION

Chapter 2252 of the Texas Government Code provides that a Texas governmental entity may not enter into a contract with a company engaged in active business operations with Sudan, Iran, or a foreign terrorist organization – specifically, any company identified on a list prepared and maintained by the Texas Comptroller under Texas Government Code §§806.051, 807.051, or 2252.153. (A company that the U.S. Government affirmatively declares to be excluded from its federal sanctions regime relating to Sudan, Iran, or any federal sanctions regime relating to a foreign terrorist organization is not subject to the contract prohibition.)

By signature on the Compliance Forms Signature Page, I certify and verify that Vendor is not on the Texas Comptroller’s list identified above; that this certification is true, complete and accurate; and that I am authorized by my company to make this certification.

## HISTORICALLY UNDERUTILIZED BUSINESS CERTIFICATION

A Proposer that has been certified as a Historically Underutilized Business (also known as a Minority/Women Business Enterprise or “MWBE” and all referred to in this form as a “HUB”) is encouraged to indicate its HUB certification status when responding to this Proposal Invitation. The BuyBoard website will indicate HUB certifications for awarded Vendors that properly indicate and document their HUB certification on this form. *(Please check (✓) all that apply)*

- I certify that my company has been certified as a HUB in the following categories:
  - Minority Owned Business**
  - Women Owned Business**
  - Service-Disabled Veteran Owned Business (veteran defined by 38 U.S.C. §101(2), who has a service-connected disability as defined by 38 U.S.C. § 101(16), and who has a disability rating of 20% or more as determined by the U. S. Department of Veterans Affairs or Department of Defense)**

**Certification Number:** \_\_\_\_\_

**Name of Certifying Agency:** \_\_\_\_\_

- My company has **NOT** been certified as a HUB.

## ACKNOWLEDGEMENT OF BUYBOARD TECHNICAL REQUIREMENTS

Vendor shall review the BuyBoard Technical Requirements included in this Proposal Invitation. By signature on the Compliance Forms Signature Page, the undersigned affirms that Proposer has obtained a copy of the BuyBoard Technical Requirements, has read and understands the requirements, and certifies that Vendor is able to meet and will comply with those requirements except as follows: *[List and explain BuyBoard Technical Requirements, if any, to which your company cannot or will not comply.]*

N/A Will Comply

Note: In accordance with the General Terms and Conditions of the Contract, to the extent Vendor is awarded a Contract under this Proposal Invitation but is unable or unwilling to meet the applicable BuyBoard Technical Requirements, the information available on the BuyBoard for Vendor’s awarded products or services may be limited, potentially placing Vendor at a disadvantage and impacting the ability of Cooperative members to search, find, review, and purchase Vendor’s awarded products and services on the BuyBoard website. Further, to the extent Vendor has acknowledged ability to meet and comply with the BuyBoard Technical Requirements, any subsequent failure or refusal by Vendor to promptly provide information upon request to the Cooperative administrator in accordance with those technical requirements may be deemed an event of default under the Contract.

Initial: WJW

Item X13.





## CONSTRUCTION-RELATED GOODS AND SERVICES AFFIRMATION

The Cooperative issued the BuyBoard Procurement and Construction-Related Goods and Services Advisory for Texas Members ("Advisory"), which provides information specifically relevant to the procurement of construction-related goods and services by Texas Cooperative members. The Advisory, available at [buyboard.com/Vendor/Resources.aspx](http://buyboard.com/Vendor/Resources.aspx), provides an overview of certain legal requirements that are potentially relevant to a Cooperative member's procurement of construction or construction-related goods and services, including those for projects that may involve or require architecture, engineering or independent testing services. A copy of the Advisory can also be provided upon request. Because many BuyBoard contracts include goods or installation services that might be considered construction-related, Proposer must make this Construction Related-Goods and Services Affirmation regardless of type of goods or services associated with this Proposal Invitation.

A contract awarded under this Proposal Invitation covers only the specific goods and/or services awarded by the Cooperative. As explained in the Advisory ("Advisory"), **Texas law prohibits the procurement of architecture or engineering services through a purchasing cooperative. This Proposal Invitation and any Contract awarded thereunder does not include such services. Architecture or engineering services must be procured by a Cooperative member separately, in accordance with the Professional Services Procurement Act (Chapter 2254 of the Texas Government Code) and other applicable law and local policy.**

By signature on the Compliance Forms Signature Page, Proposer affirms that Proposer has obtained a copy of the Advisory, has read and understands the Advisory, and is authorized by Proposer to make this affirmation. If Proposer sells construction-related goods or services to a Cooperative member under a Contract awarded under this Proposal Invitation, Proposer will comply with the Advisory and applicable legal requirements, make a good faith effort to make its Cooperative member customers or potential Cooperative member customers aware of such requirements, and provide a Cooperative member with a copy of the Advisory before accepting the member's Purchase Order or other agreement for construction-related goods or services.

Initial: WJM

Item X13.



## DEVIATION AND COMPLIANCE

If your company intends to deviate from the General Terms and Conditions, Proposal Specifications or other requirements associated with this Proposal Invitation, you MUST list all such deviations on this form, and provide complete and detailed information regarding the deviations on this form or an attachment to this form. **Prior to completing this form, Vendor shall review the General Terms and Conditions section B.4 (Deviations from Item Specifications and General Terms and Conditions). Please note that, as provided in section B.4, certain provisions of the General Terms and Conditions are NOT subject to deviation, and certain deviations will be deemed rejected without further action by the Cooperative. Any attempted deviation, whether directly or indirectly, to provisions identified in this Proposal Invitation as not subject to deviation shall be deemed rejected by the Cooperative and, unless otherwise withdrawn by Vendor, may result in Vendor’s Proposal being rejected in its entirety.**

The Cooperative will consider any deviations in its contract award decision and reserves the right to accept or reject a proposal based upon any submitted deviation.

In the absence of any deviation identified and described in accordance with the above, your company must fully comply with the General Terms and Conditions, Proposal Specifications and all other requirements associated with this Proposal Invitation if awarded a Contract under this Proposal Invitation. A deviation will not be effective unless accepted by the Cooperative. The Cooperative, by and through the Cooperative administrator, may, in its sole discretion, seek clarification from and/or communicate with Proposer(s) regarding any submitted deviation, consistent with general procurement principles of fair competition. The Cooperative reserves the right to accept or reject a Proposal based upon any submitted deviation.

*Please check (✓) one of the following:*

- No;** Deviations
- Yes;** Deviations

List and fully explain any deviations you are submitting:

No Deviations

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Item X13.



## VENDOR CONSENT FOR NAME BRAND USE

BuyBoard members seeking to make purchases using a Contract awarded under this Proposal Invitation may view information regarding awarded Vendors, including but not limited to product catalogs, pricelists, pricing, and Proposals, through the BuyBoard website. To improve and enhance the experience of BuyBoard members seeking to procure goods and services under the Contract utilizing the BuyBoard website, any Vendor logo, product images, and similar brand and trademark information provided by Vendor for purposes of the Contract ("Vendor Information") may be posted on the BuyBoard website.

**You acknowledge that, by submitting your Proposal, unless you specifically opt out below, you consent to use of your company's Vendor Information on the BuyBoard website if awarded a Contract.** You further acknowledge that whether, where, and when to include the Vendor Information on the BuyBoard website shall be at the sole discretion of the BuyBoard Administrator. Vendor retains, however, the right of general quality control over the BuyBoard Administrator's authorized display of proprietary Vendor Information. Neither the BuyBoard nor its administrator will be responsible for the use or distribution of Vendor Information by BuyBoard members or any other third party using the BuyBoard website. This Vendor Consent shall be effective for the full term of the Contract, including renewals, unless Vendor provides a signed, written notice revoking consent to [contractadmin@buyboard.com](mailto:contractadmin@buyboard.com). BuyBoard shall have up to thirty days from the date of receipt of a termination or revocation of a Vendor Consent to remove Vendor information from the BuyBoard website.

This Vendor Consent is subject to the Terms and Conditions of the Contract, including, but not limited to, those terms pertaining to Disclaimer of Warranty and Limitation of Liability, Indemnification, and Intellectual Property Infringement.

Vendor logo files must be submitted in one of the formats set forth in the BuyBoard Technical Requirements. Proposers are requested to submit this information with Vendor's Proposal. (This consent shall not authorize use of your company's Vendor Information by BuyBoard if your company is not awarded a Contract.)

### OPT OUT:

If your company wishes to opt out of the Vendor Consent for Name Brand Use, you must check the opt out box below. ***DO NOT select this box unless your company is opting out of this Vendor Consent for Name Brand Use.***

By checking this box, Vendor hereby declines to provide consent for use of Vendor Information (as defined herein) on the BuyBoard website. **By opting out, Vendor acknowledges and agrees that, if Vendor is awarded a Contract under this Proposal Invitation, information available on the BuyBoard for Vendor's awarded products or services may be limited, potentially placing Vendor at a disadvantage and impacting the ability of Cooperative members to search, find, review, and purchase Vendor's awarded products and services on the BuyBoard website.**

Initial: MM

Item X13.



## CONFIDENTIAL/PROPRIETARY INFORMATION

### A. Public Disclosure Laws

All Proposals, forms, documentation, catalogs, pricelists, or other materials submitted by Vendor to the Cooperative in response to this Proposal Invitation, may be subject to the disclosure requirements of the Texas Public Information Act (Texas Government Code chapter 552.001, *et. seq.*) or similar disclosure law. Proposer must clearly identify on this form any information in its Proposal (including forms, documentation, or other materials submitted with the Proposal) that Proposer considers proprietary or confidential. If Proposer fails to properly identify the information, the Cooperative shall have no obligation to notify Vendor or seek protection of such information from public disclosure should a member of the public or other third party request access to the information under the Texas Public Information Act or similar disclosure law. When required by the Texas Public Information Act or other disclosure law, Proposer may be notified of any third-party request for information in a Proposal that Proposer has identified in this form as proprietary or confidential.

Does your Proposal (including forms, documentation, catalogs, pricelists, or other materials submitted with the Proposal) contain information which Vendor considers proprietary or confidential?

Please check (✓) one of the following:

**NO**, I certify that none of the information included with this Proposal is considered confidential or proprietary.

**YES**, I certify that this Proposal contains information considered confidential or proprietary and all such information is specifically identified on this form.

If you responded "YES", you must clearly identify below the specific information you consider confidential or proprietary. List each page number, form number, or other information sufficient to make the information readily identifiable. The Cooperative and Cooperative administrator shall not be responsible for a Proposer's failure to clearly identify information considered confidential or proprietary. Further, by submitting a Proposal, Proposer acknowledges that the Cooperative and Cooperative administrator will disclose information when required by law, even if such information has been identified herein as information Vendor considers confidential or proprietary.

Confidential / Proprietary Information:

N/A

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(Attach additional sheets if needed.)

Type text here

Initial: MAJM

Item X13.



**B. Copyright Information**

Does your Proposal (including forms, documentation, pricelists, catalogs, or other materials submitted with the Proposal) contain copyright information?

*Please check (✓) one of the following:*

**NO**, Proposal (including forms, documentation, pricelists, catalogs, or other materials submitted with the Proposal) does not contain copyright information.

**YES**, Proposal (including forms, documentation, pricelists, catalogs, or other materials submitted with the Proposal) does contain copyright information.

If you responded "YES", clearly identify below the specific documents or pages containing copyright information.

Copyright Information: N/A

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*(Attach additional sheets if needed.)*

**C. Consent to Release Confidential/Proprietary/Copyright Information to BuyBoard Members**

BuyBoard members (Cooperative and nonprofit members) seeking to make purchases through the BuyBoard may wish to view information included in the Proposals of awarded Vendors. If you identified information on this form as confidential, proprietary, or subject to copyright, and you are awarded a BuyBoard contract, your acceptance of the BuyBoard contract award constitutes your consent to the disclosure of such information to BuyBoard members, including posting of such information on the secure BuyBoard website for members. Note: Neither the Cooperative nor Cooperative administrator will be responsible for the use or distribution of information by BuyBoard members or any other party.

**D. Consent to Release Proposal Tabulation**

Notwithstanding anything in this Confidential/Proprietary Information form to the contrary, by submitting a Proposal, Vendor consents and agrees that, upon Contract award, the Cooperative may publicly release, including posting on the public BuyBoard website, a copy of the proposal tabulation and award information for the Contract including Vendor name; proposed catalog/pricelist name(s); proposed percentage discount(s), hourly labor rate(s), or other specified pricing; and Vendor award or non-award information.

Initial: MM

Item X13.



## EDGAR VENDOR CERTIFICATION (2 CFR Part 200 and Appendix II)

When a Cooperative member seeks to procure goods and services using funds under a federal grant or contract, specific federal laws, regulations, and requirements may apply in addition to those under state law. This includes, but is not limited to, the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200 (sometimes referred to as the "Uniform Guidance" or new "EDGAR"). All Vendors submitting a Proposal must complete this EDGAR Certification Form regarding Vendor's willingness and ability to comply with certain requirements which *may* be applicable to specific Cooperative member purchases using federal grant funds. Completed forms will be made available to Cooperative members for their use while considering their purchasing options when using federal grant funds. Cooperative members may also require Vendors to enter into ancillary agreements, in addition to the terms and conditions of the BuyBoard contract, to address the member's specific contractual needs, including contract requirements for a procurement using federal grants or contracts.

*For each of the items below, Vendor should certify Vendor's agreement and ability to comply, where applicable, by having Vendor's authorized representative check the applicable boxes, initial each page, and sign the Compliance Forms Signature Page. If you fail to complete any item in this form, the Cooperative will consider and may list the Vendor's response on the BuyBoard as "NO," the Vendor is unable or unwilling to comply. A "NO" response to any of the items may, if applicable, impact the ability of a Cooperative member to purchase from the Vendor using federal funds.*

### 1. Vendor Violation or Breach of Contract Terms:

Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 USC 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

Provisions regarding Vendor default are included in the BuyBoard General Terms and Conditions, including Section E.18, Remedies for Default and Termination of Contract. Any Contract award will be subject to such BuyBoard General Terms and Conditions, as well as any additional terms and conditions in any Purchase Order or Cooperative member ancillary contract agreed upon by Vendor and the Cooperative member which must be consistent with and protect the Cooperative member at least to the same extent as the BuyBoard Terms and Conditions. The remedies under the Contract are in addition to any other remedies that may be available under law or in equity. By submitting a Proposal, you agree to these Vendor violation and breach of contract terms.

**YES**, I agree.                       **NO**, I do not agree.

### 2. Termination for Cause or Convenience:

For any Cooperative member purchase or contract in excess of \$10,000 made using federal funds, you agree that the following term and condition shall apply:

*The Cooperative member may terminate or cancel any Purchase Order under this Contract at any time, with or without cause, by providing seven (7) business days advance written notice to the Vendor. If this Agreement is terminated in accordance with this Paragraph, the Cooperative member shall only be required to pay Vendor for goods or services delivered to the Cooperative member prior to the termination and not otherwise returned in accordance with Vendor's return policy. If the Cooperative member has paid Vendor for goods or services not yet provided as of the date of termination, Vendor shall immediately refund such payment(s).*

If an alternate provision for termination of a Cooperative member purchase for cause and convenience, including the manner by which it will be effected and the basis for settlement, is included in the Cooperative member's Purchase Order or ancillary agreement agreed to by the Vendor, the Cooperative member's provision shall control.

**YES**, I agree.                       **NO**, I do not agree.                      Initial: MAJ

Item X13.



### 3. Equal Employment Opportunity:

Except as otherwise provided under 41 CFR Part 60, all Cooperative member purchases or contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 shall be deemed to include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

The equal opportunity clause provided under 41 CFR 60-1.4(b) is hereby incorporated by reference. Vendor agrees that such provision applies to any Cooperative member purchase or contract that meets the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 and Vendor agrees that it shall comply with such provision.

YES, I agree.

NO, I do not agree.

### 4. Davis-Bacon Act:

When required by Federal program legislation, Vendor agrees that, for all Cooperative member prime construction contracts/purchases in excess of \$2,000, Vendor shall comply with the Davis-Bacon Act (40 USC 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, Vendor is required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determinate made by the Secretary of Labor. In addition, Vendor shall pay wages not less than once a week.

Current prevailing wage determinations issued by the Department of Labor are available at [www.sam.gov](http://www.sam.gov). Vendor agrees that, for any purchase to which this requirement applies, the award of the purchase to the Vendor is conditioned upon Vendor's acceptance of the wage determination.

Vendor further agrees that it shall also comply with the Copeland "Anti-Kickback" Act (40 USC 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.

YES, I agree.

NO, I do not agree.

### 5. Contract Work Hours and Safety Standards Act:

Where applicable, for all Cooperative member contracts or purchases in excess of \$100,000 that involve the employment of mechanics or laborers, Vendor agrees to comply with 40 USC 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 USC 3702 of the Act, Vendor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week.

The requirements of 40 USC 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

YES, I agree.

NO, I do not agree.

Initial: WJM



**6. Right to Inventions Made Under a Contract or Agreement:**

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

Vendor agrees to comply with the above requirements when applicable.

**YES**, I agree.  **NO**, I do not agree.

**7. Clean Air Act and Federal Water Pollution Control Act:**

Clean Air Act (42 USC 7401-7671q.) and the Federal Water Pollution Control Act (33 USC 1251-1387), as amended – Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 USC 7401-7671q.) and the Federal Water Pollution Control Act, as amended (33 USC 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

When required, Vendor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act.

**YES**, I agree.  **NO**, I do not agree.

**8. Debarment and Suspension:**

Debarment and Suspension (Executive Orders 12549 and 12689) – A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1966 Comp. p. 189) and 12689 (3 CFR Part 1989 Comp. p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Vendor certifies that Vendor is not currently listed on the government-wide exclusions in SAM, is not debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549. Vendor further agrees to immediately notify the Cooperative and all Cooperative members with pending purchases or seeking to purchase from Vendor if Vendor is later listed on the government-wide exclusions in SAM, or is debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549.

**YES**, I agree.  **NO**, I do not agree.

**9. Byrd Anti-Lobbying Amendment:**

Byrd Anti-Lobbying Amendment (31 USC 1352) - Vendors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. As applicable, Vendor agrees to file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 USC 1352).

**YES**, I agree.  **NO**, I do not agree.

Initial: MM

Item X13.





**10. Procurement of Recovered Materials:**

For Cooperative member purchases utilizing Federal funds, Vendor agrees to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act where applicable and provide such information and certifications as a Cooperative member may require to confirm estimates and otherwise comply. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery, and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

**YES**, I agree.  **NO**, I do not agree.

**11. Domestic Preferences for Procurements:**

Where appropriate and consistent with law, 2 CFR §200.322 contains certain considerations for domestic preferences for procurements which may be applicable to Cooperative members using federal funds. When required by a Cooperative member, Vendor agrees to provide such information or certification as may reasonably be requested by the Cooperative member regarding Vendor's products, including whether goods, products, or materials are produced in the United States.

**YES**, I agree.  **NO**, I do not agree.

**12. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment**

2 CFR §200.216 prohibits expending federal loan or grant funds to procure or obtain covered telecommunications equipment or services. To the extent applicable and when required by a Cooperative member, Vendor agrees to provide such information or certification as may reasonably be requested by the Cooperative member to confirm whether any telecommunications equipment or services provided by Vendor is covered telecommunications equipment or services under 2 CFR §200.216.

**YES**, I agree.  **NO**, I do not agree.

**13. General Compliance and Cooperation with Cooperative Members:**

In addition to the foregoing specific requirements, Vendor agrees, in accepting any Purchase Order from a Cooperative member, it shall make a good faith effort to work with Cooperative members to provide such information and to satisfy such requirements as may apply to a particular Cooperative member purchase or purchases including, but not limited to, applicable recordkeeping and record retention requirements.

**YES**, I agree.  **NO**, I do not agree.

Initial: MM

Item X13.



## COMPLIANCE FORMS SIGNATURE PAGE

By initialing pages and by signature below, I certify that I have reviewed the following forms; that the information provided therein is true, complete, and accurate; and that I am authorized by my company to make all certifications, consents, acknowledgements, and agreements contained herein:

- Proposal Acknowledgements
- Felony Conviction Disclosure
- Debarment Certification
- Resident/Nonresident Certification
- Vendor Employment Certification
- No Boycott Verification
- No Excluded Nation or Foreign Terrorist Organization Certification
- Historically Underutilized Business Certification
- Construction-Related Goods and Services Affirmation
- Acknowledgement of BuyBoard Technical Requirements
- Deviation and Compliance
- Vendor Consent for Name Brand Use
- Confidential/Proprietary Information
- EDGAR Vendor Certification

Fred J. Miller Inc.

Company Name

*Mike Miller*

Signature of Authorized Company Official

Mike N. Miller/Executive Vice President

Printed Name and Title

12-5-2024

Date



## PROPOSAL FORMS PART 2: VENDOR INFORMATION FORMS

### INSTRUCTIONS:

Proposer must completely and accurately provide all information requested in the following Vendor Information Forms or your Proposal may be rejected as non-responsive:

- Vendor Business Name
- Vendor Contact Information
- Federal and State/Purchasing Cooperative Experience
- Governmental References
- Company Profile
- Texas Regional Service Designation
- State Service Designation
- National Purchasing Cooperative Vendor Award Agreement (*Vendors serving outside Texas only*)
- Local/Authorized Seller Listings
- Manufacturer Dealer Designation
- Proposal Invitation Questionnaire

To the extent any information requested is not applicable to your company, you must so indicate on the form.

### VENDOR BUSINESS NAME

By submitting a Proposal, Vendor is seeking to enter into a legal contract with the Cooperative. As such, Vendor must be an individual or legal business entity capable of entering into a binding contract.

#### Name of Proposing Company:

Fred J. Miller Inc.

*(List the legal name of the company seeking to contract with the Cooperative. Do NOT list an assumed name, dba, aka, etc. here. Such information may be provided below. If you are submitting a joint proposal with another entity to provide the same proposed goods or services, each submitting entity should complete a separate vendor information form. Separately operating legal business entities, even if affiliated entities, which propose to provide goods or services separately must submit their own Proposals.)*

Please check (✓) one of the following:

Type of Business:  Individual/Sole Proprietor  Corporation  Limited Liability Company  Partnership  
 Other (Specify: \_\_\_\_\_)

State of Incorporation (if applicable): Ohio

Federal Employer Identification Number: 310852899  
*(Vendor must include a completed IRS W-9 form with their Proposal)*

Name by which Vendor, if awarded, wishes to be identified on the BuyBoard: *(Note: If different than the Name of Proposing Company listed above, only valid trade names (dba, aka, etc.) of the Proposing Company may be used and a copy of your Assumed Name Certificate(s), if applicable, must be attached.)* Fred J. Miller Inc.

# Request for Taxpayer Identification Number and Certification

Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Give form to the  
 requester. Do not  
 send to the IRS.

**Before you begin.** For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.) <b>Fred J. Miller Inc.</b>	
	2 Business name/disregarded entity name, if different from above.	
	3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes.  <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C corporation <input checked="" type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate  <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) _____ <b>Note:</b> Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.  <input type="checkbox"/> Other (see instructions) _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  Exempt payee code (if any) _____  Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____  <i>(Applies to accounts maintained outside the United States.)</i>
	3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . <input type="checkbox"/>	
	5 Address (number, street, and apt. or suite no.). See instructions. <b>8765 Washington Church Road</b>	Requester's name and address (optional)
	6 City, state, and ZIP code <b>Miamisburg, Ohio 45342</b>	
	7 List account number(s) here (optional)	

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

<b>Social security number</b>									
or									
<b>Employer identification number</b>									
3	1	-	0	8	5	2	8	9	9

**Note:** If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

**Part II Certification**

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person	Date <b>12/5/2024</b>
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**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

**What's New**

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

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## VENDOR CONTACT INFORMATION

**Vendor shall provide the requested Vendor Contact Information in the electronic proposal submission system including contract, purchase order, RFQ, and invoice contacts (or, if submitting a hard copy Proposal, timely request and complete the Vendor Contact Information form in accordance with the Instructions to Proposers).**

### FEDERAL AND STATE/PURCHASING COOPERATIVE EXPERIENCE

The Cooperative strives to provide Cooperative members with the best services and products at the best prices available from Vendors with the technical resources and ability to serve Cooperative members. Please respond to the following questions.

- Provide the dollar value of sales to or through purchasing cooperatives at or based on an established catalog or market price during the previous 12-month period or the last fiscal year: \$ Over \$100K. (The period of the 12-month period is 1-1-2023 / 1-1-2024). In the event that a dollar value is not an appropriate measure of the sales, provide and describe your own measure of the sales of the item(s).
- By submitting a proposal, you agree that, based on your written discounting policies, the discounts you offer the Cooperative are equal to or better than the best price you offer other purchasing cooperatives for the same items under equivalent circumstances.
- Provide the information requested below for other purchasing cooperatives for which Proposer currently serves, or in the past has served, as an awarded vendor. Rows should be added to accommodate as many purchasing cooperatives as required.

PURCHASING GROUP	CURRENT VENDOR? (Y/N)	FORMER VENDOR (Y/N)? – IF YES, LIST YEARS AS VENDOR	AWARDED COMMODITY CATEGORY(IES)
1. Federal General Services Administration	NO		
2. T-PASS (State of Texas)	NO		
3. OMNIA Partners	NO		
4. Sourcwell (NJPA)	NO		
5. E&I Cooperative	NO		
6. Houston-Galveston Area Council (HGAC)	NO		
7. Choice Partners	NO		
8. The Interlocal Purchasing System (TIPS)	NO		
9. Other	NO		

MY COMPANY DOES NOT CURRENTLY HAVE ANY OF THE ABOVE OR SIMILAR TYPE CONTRACTS.

#### CURRENT BUYBOARD VENDORS

If you are a current BuyBoard vendor in the same contract category as proposed in this Proposal Invitation, indicate the discount for your current BuyBoard contract and the proposed discount in this Proposal. Explain any difference between your current and proposed discounts.

Current Discount (%): 0%

Proposed Discount (%): 0%

Explanation: It depends on design and quantity

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### GOVERNMENTAL REFERENCES

For your Proposal to be considered, you must supply a minimum of five (5) individual governmental entity references. The Cooperative may contact any and all references provided as part of the Proposal evaluation. Provide the information requested below, including the existing pricing/discounts you offer each customer. The Cooperative may determine whether pricing/discounts are fair and reasonable by comparing pricing/discounts stated in your Proposal with the pricing/discounts you offer other governmental customers. Attach additional pages if necessary.

	Entity Name	Contact	Phone#	Email Address	Discount	Quantity/ Volume
1.	Hebron HS	Andy Sealy	469-633-5800	sealya@lisd.net	0%	300
2.	Moe & Gene Johnson HS	Joni Perez	512-632-6022	joni.perez@hayscisd.net	0%	300
3.	Liberty HS	Jamie Weaver	469-633-5800	weaverja@friscoisd.org	0%	325
4.	Plano HS	Jason Lewis	940-781-6426	jason.lewis@pisd.edu	0%	320
5.	Pearland HS	Ryan Demkovich	281-997-3219	demkovichr@pearlandisd.org	0%	275

Do you ever modify your written policies or standard governmental sales practices as identified in the above chart to give better discounts (lower pricing) than indicated? **YES**  **NO**  If YES, please explain:

It depends on the quantity & accessories are ordered.

### COMPANY PROFILE

Information on awarded Cooperative Contracts is available to Cooperative Members on the BuyBoard website. If your company is awarded a Contract under this Proposal Invitation, please provide a brief company description that you would like to have included with your company profile on the BuyBoard website. **Submit your company profile in a separate file, in Word format, with your Proposal.** (Note: Vendor is solely responsible for any content provided for inclusion on the BuyBoard website. The Cooperative reserves the right to exclude or remove any content in its sole discretion, with or without prior notice, including but not limited to any content deemed by the Cooperative to be inappropriate, irrelevant to the Contract, inaccurate, or misleading.)



8765 Washington Church Rd.  
 Miamisburg, Ohio 45342

Phone: 937.434.1121  
 Toll Free: 800.444.3524  
 Fax: 877.356.3291  
 Web: www.fjminc.com

**FJM, Inc. Company Overview**

Fred J. Miller, Inc. is a family owned corporation located in Miamisburg, Ohio that was incorporated in 1974 for servicing the pageantry activity. Having been a Band Director, Mr. Miller along with his wife Marlene, were also associated with several other pageantry activities. It was a natural for Mr. and Mrs. Miller enter into a business that would service the artistic aspirations of young people.

In 1959 Fred J. Miller Summer Clinics were formed. This is a training program for band front units (flags lines, rifle squads, drum majors, dance lines and baton twirlers). Today these clinics are still continuing during the summer in 24 states. These are held on College campuses in the different states in which they are located. This also keeps us well in touch with the activity of marching band.

During the ensuing years, their children Mary Lynn, Mark and Mike joined the corporation after they had been participants and had teaching careers. From the beginning the focus has been QUALITY, DESIGN, AND SERVICE.

A management team and production staff has been formed that focuses on all the same goals. All new hires and present staff are constantly trained in their skill. Quality is always stressed and is never an option but a requirement.

We have several designers headed by Michael J. Cesario, who is the foremost creative designer of marching band uniforms today. His background is Head of the Theater Arts Department at Purchase College in New York and was named Professor Emeritus by that institution. Our head draper or pattern maker, John Yuille also was a professor of Costume Construction and Pattern Making at Purchase College for 25 years until January of 2007.

FJM has produced band uniforms for over thirty years. We have gained a market share in an industry that has been dominated, for many decades by only a handful of companies. Clearly, this is because we were the first to introduce a washable uniform. A uniform that exhibits distinctive design, holds its shape, fits the body, is durable and still has the feel of an athletic garment that moves in tandem with the demands of a marching band in the 21<sup>st</sup> century. This is the only type of uniform that we build.

Our team here at FJM has successfully built hundreds of sets of uniforms for high schools and colleges all over the United States and several foreign countries. Many of our customers have ordered their second set of uniforms, which certainly indicates satisfaction. We have many very long-term employees (approximately 150) who are dedicated to what we do. Our Production Manager and the majority of our Supervisors have had similar positions at other companies. They have combined their experience and ours to develop strong and caring teams of associates. If there is a skill that is lacking, we see that they receive the necessary training.

**Cesario™**  
 uniform collection

concert wear

drumline

colorguard

field equipment

summer clinics

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**FJM | the image makers**



In October of 2005 we moved into a new 25,000 square foot facility to create efficient work areas that are both comfortable and conducive to producing a healthy and happy work environment. We use all the latest equipment. Our CAD and cutting system has been developed and manufactured by Gerber Technology, Inc. This system maintains complete pattern and cutting accuracy. Our embroidery machines, sewing machines and pressing equipment are all up to date and continually maintained.

Customer service is our highest priority before the project and after. We contact our uniform clients annually and encourage them all to contact us at any time for assistance or help.

FJM continues to be financially solid with no history of liens, claims, judgements, lawsuits or debt. There has also never been an instance where our proposed services/products were terminated on the basis of breach or default.

This gives you the specifics of our historical background. We also invite you to visit our facility if any of you are ever in the Dayton area.

**Please note that FJM is a privately held company and the financial information is not available to the public.**

8765 Washington Church Rd.  
Miamisburg, Ohio 45342

Phone: 937.434.1121  
Toll Free: 800.444.3524  
Fax: 877.356.3291  
Web: [www.fjminc.com](http://www.fjminc.com)

**Cesario™**  
uniform collection

concert wear

drumline

colorguard

field equipment

summer clinics

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**FJM | the image makers**

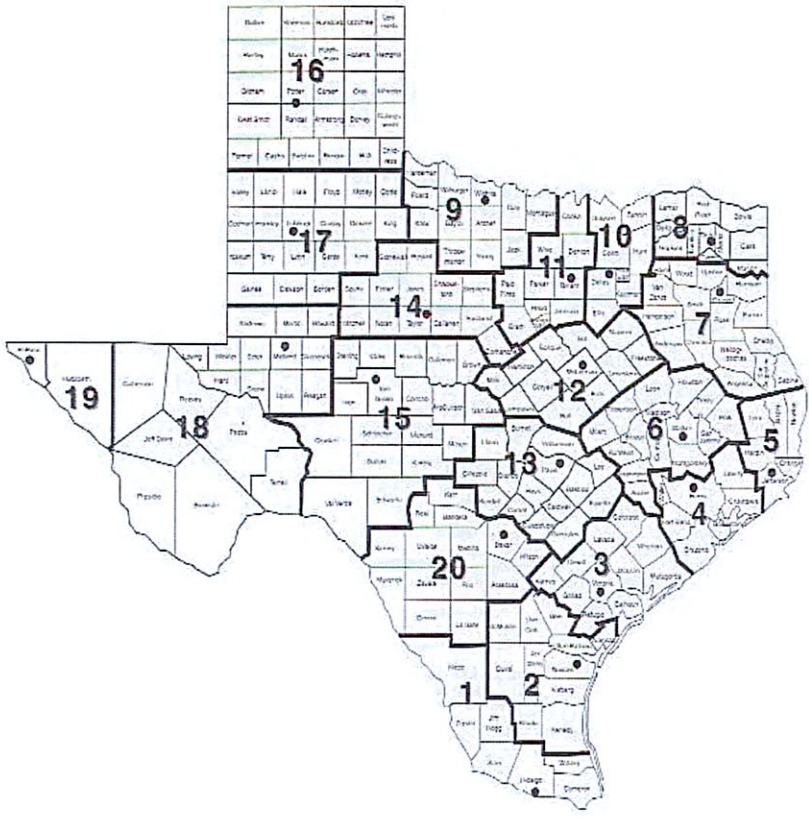


## TEXAS REGIONAL SERVICE DESIGNATION

*This form must be completed in the electronic proposal submission system (or, if submitting a hard copy Proposal, timely request and complete the form in accordance with the Instructions to Proposers).*

The Cooperative (referred to as "Texas Cooperative" in this form and in the State Service Designation form) offers vendors the opportunity to service its members throughout the entire State of Texas. In the electronic proposal submission system, you must indicate if you will service Texas Cooperative members statewide or, if you do not plan to service all Texas Cooperative members statewide, you **must** indicate the specific regions you will service. If you propose to serve different regions for different products or services included in your Proposal, you must complete and submit a separate Texas Regional Service Designation form for each group of products and clearly indicate the products or services to which the designation applies. **(Additional forms can be obtained by contacting [bids@buyboard.com](mailto:bids@buyboard.com) at least five (5) business days prior to the Proposal Due Date.)** *By designating a region or regions, you are certifying that you are authorized and willing to provide the proposed products and services in those regions. Designating regions in which you are either unable or unwilling to provide the specified products and services shall be grounds for either rejection of your Proposal or, if awarded, termination of your Contract.* Additionally, if you do not plan to service Texas Cooperative members (i.e., if you will service only states other than Texas), you must so indicate on the form in the electronic proposal submission system.

### Regional Education Service Centers



#### Region and Headquarters

- 1 Edinburg
- 2 Corpus Christi
- 3 Victoria
- 4 Houston
- 5 Beaumont
- 6 Huntsville
- 7 Kilgore
- 8 Mount Pleasant
- 9 Wichita Falls
- 10 Richardson
- 11 Fort Worth
- 12 Waco
- 13 Austin
- 14 Abilene
- 15 San Angelo
- 16 Amarillo
- 17 Lubbock
- 18 Midland
- 19 El Paso
- 20 San Antonio



## STATE SERVICE DESIGNATION

***This form must be completed in the electronic proposal submission system (or, if submitting a hard copy Proposal, timely request and complete the in accordance with the Instructions to Proposers).***

As set forth in the Proposal Invitation, it is the Cooperative’s intent that other governmental entities in the United States have the opportunity to purchase goods or services awarded under the Contract, subject to applicable state law, through a piggy-back award or similar agreement through the National Purchasing Cooperative BuyBoard. If you plan to service the entire United States or only specific states, *you must complete the State Service Designation information in the electronic proposal submission system. (Note: If you plan to service Texas Cooperative members, be sure that you complete the Texas Regional Service Designation form.) In addition to this form, to be considered for a piggy-back award by the National Purchasing Cooperative, you must have an authorized representative sign the National Purchasing Cooperative Vendor Award Agreement that follows this page.*

If you serve different states for different products or services included in your Proposal, you must complete and submit a separate State Service Designation form for each group of products and clearly indicate the products or services to which the designation applies. **(Additional forms can be obtained by contacting [bids@buyboard.com](mailto:bids@buyboard.com) at least five (5) business days prior to the Proposal Due Date.)** *By designating a state or states, you are certifying that you are authorized and willing to provide the proposed products and services in those states. Designating states in which you are either unable or unwilling to provide the specified products and services shall be grounds for either rejection of your Proposal or, if awarded, termination of your Contract.*

- ✓ I will service all states in the United States. We will service all states in the United States
- I will not service all states in the United States.

Type text here

- |   |                |
|---|----------------|
| Alabama   | Montana        |
| Alaska  | Nebraska       |
| Arizona   | Nevada         |
| Arkansas  | New Hampshire  |
| California (Public Contract Code 20118 & 20652) | New Jersey     |
| Colorado  | New Mexico     |
| Connecticut                                     | New York       |
| Delaware  | North Carolina |
| District of Columbia                            | North Dakota   |
| Florida   | Ohio           |
| Georgia   | Oklahoma       |
| Hawaii  | Oregon         |
| Idaho   | Pennsylvania   |
| Illinois  | Rhode Island   |
| Indiana   | South Carolina |
| Iowa  | South Dakota   |
| Kansas  | Tennessee      |
| Kentucky  | Texas          |
| Louisiana                                       | Utah           |
| Maine   | Vermont        |
| Maryland  | Virginia       |
| Massachusetts                                   | Washington     |
| Michigan  | West Virginia  |
| Minnesota                                       | Wisconsin      |
| Mississippi                                     | Wyoming        |
| Missouri  |                |



## NATIONAL PURCHASING COOPERATIVE VENDOR AWARD AGREEMENT

In accordance with the Terms and Conditions associated with this Proposal Invitation, a contract awarded under this Proposal Invitation may be "piggy-backed" by another governmental entity. The National Purchasing Cooperative is an intergovernmental purchasing cooperative formed by certain school districts outside of Texas to serve its members throughout the United States. If you agree to be considered for a piggy-back award by the National Purchasing Cooperative, you agree to the following terms and agree to serve National Purchasing Cooperative members in the states you have indicated on the State Service Designation form, in your Proposal.

### **By signing this form, Proposer (referred to in this Agreement as "Vendor") agrees as follows:**

1. Vendor acknowledges that if The Local Government Purchasing Cooperative ("Texas Cooperative") awards Vendor a contract under this Proposal Invitation ("Underlying Award"), the National Purchasing Cooperative ("National Cooperative") may - but is not required to - "piggy-back" on or re-award all or a portion of that Underlying Award ("Piggy-Back Award"). By signing this National Cooperative Vendor Award Agreement ("Agreement"), Vendor accepts and agrees to be bound by any such Piggy-Back Award as provided for herein.
2. In the event National Cooperative awards Vendor a Piggy-Back Award, the National Cooperative Administrator ("BuyBoard Administrator") will notify Vendor in writing of such Piggy-Back Award, which award shall commence on the effective date stated in the Notice and end on the expiration date of the Underlying Award, subject to annual renewals as authorized in writing by the BuyBoard Administrator. Vendor agrees that no further signature or other action is required of Vendor in order for the Piggy-Back Award and this Agreement to be binding upon Vendor. Vendor further agrees that no interlineations or changes to this Agreement by Vendor will be binding on National Cooperative, unless such changes are agreed to by its BuyBoard Administrator in writing.
3. Vendor agrees that it shall offer its goods and services to National Cooperative members at the same pricing and same general terms and conditions, subject to applicable state laws in the state of purchase, as required by the Underlying Award. However, nothing in this Agreement prevents Vendor from offering National Cooperative members better (i.e., lower) competitive pricing and more favorable terms and conditions than those in the Underlying Award.
4. Vendor hereby agrees and confirms that it will serve those states it has designated on the State Service Designation Form of this Proposal Invitation. Any changes to the states designated on the State Service Designation Form must be approved in writing by the BuyBoard Administrator.
5. Vendor agrees to pay National Cooperative the service fee provided for in the Underlying Award based on the amount of purchases generated from National Cooperative members through the Piggy-Back Award. Vendor shall remit payment to National Cooperative on such schedule as it specifies (which shall not be more often than monthly). Further, upon request, Vendor shall provide National Cooperative with copies of all purchase orders generated from National Cooperative members, vendor invoices, and/or such other documentation regarding those purchase orders as the Cooperative's administrators may require in their reasonable discretion for purposes of reviewing and verifying purchase activity. Vendor further agrees that National Cooperative shall have the right, upon reasonable written notice, to review Vendor's records pertaining to purchases made by National Cooperative members in order to verify the accuracy of service fees.
6. Vendor agrees that the Underlying Award, including its General Terms and Conditions, are adopted by reference to the fullest extent such provisions can reasonably apply to the post-proposal/contract award phase. The rights and responsibilities that would ordinarily inure to the Texas Cooperative pursuant to the Underlying Award shall inure to National Cooperative; and, conversely, the rights and responsibilities that would ordinarily inure to Vendor in the Underlying Award shall inure to Vendor in this Agreement. Vendor recognizes and agrees that Vendor and National Cooperative are the only parties to this Agreement, and that nothing in this Agreement has application to other third parties, including the Texas Cooperative. In the event of conflict between this Agreement and the terms of the Underlying Award, the terms of this Agreement shall control, and then only to the extent necessary to reconcile the conflict.



7. This Agreement shall be governed and construed in accordance with the laws of the State of Texas and venue for any dispute shall lie in the federal district court of Travis County, Texas.

8. Vendor acknowledges and agrees that the award of a Piggy-Back Award is within the sole discretion of National Cooperative, and that this Agreement does not take effect unless and until National Cooperative awards Vendor a Piggy-Back Award and the BuyBoard Administrator notifies Vendor in writing of such Piggy-Back Award as provided for herein.

WHEREFORE, by signing below Vendor agrees to the foregoing and warrants that it has the authority to enter into this Agreement.

Fred J Miller Inc  
\_\_\_\_\_  
Name of Vendor

No. 773-25 Uniforms and Accessories  
\_\_\_\_\_  
Proposal Invitation Number

*Mike Miller*  
\_\_\_\_\_  
Signature of Authorized Company Official

Mike N. Miller  
\_\_\_\_\_  
Printed Name of Authorized Company Official

12-5-2024

\_\_\_\_\_  
Date



### LOCATION/AUTHORIZED SELLER LISTINGS

If you have more than one location/authorized seller that will service a Contract awarded under this Proposal Invitation, please list each location/authorized seller below. If additional sheets are required, please duplicate this form as necessary. NOTE: Awarded Vendors shall remain responsible for all aspects of the Contract, including processing of Purchase Orders, and shall be responsible for the performance of all locations and authorized sellers under and in accordance with the Contract. *If you are a product manufacturer and wish to designate Designated Dealers as defined in the General Terms and Conditions to receive Cooperative member Purchase Orders on your behalf, you must complete the Manufacturer Designated Dealer form.*

Location/Authorized Seller Name	Contact Information (Mailing Address, Phone, Fax, Email)	
Leander, TX	Jason Littleton	2620 Great Owl Pass Leander, TX 78641

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### MANUFACTURER DEALER DESIGNATION

If Vendor is a manufacturer that sells products through a dealer network and wishes to designate a dealer or multiple dealers ("Designated Dealers") to receive Cooperative member Purchase Orders on Vendor's behalf, you must complete this form for each dealer you wish to designate.

Regardless of any Designated Dealers submitted by Vendor, Vendor specifically agrees and acknowledges that any such designations are for Vendor's convenience only and shall not, if Vendor is awarded a Contract, relieve Vendor of any obligations under the Contract, including payment of Cooperative service fees on all Purchase Orders submitted to Vendor or any Designated Dealer. In accordance with the General Terms and Conditions, an awarded Vendor shall remain responsible and liable for all of its obligations under the Contract and the performance of both Vendor and any of Vendor's Designated Dealers under and in accordance with the Contract and remain subject to all remedies for default thereunder, including, but not limited to suspension and termination of Vendor's Contract for nonpayment of service fees.

If awarded, Vendor authorizes the Cooperative, in its sole discretion, to list any Vendor Designated Dealers in the BuyBoard system and to receive Purchase Orders directly from Cooperative members on behalf of Vendor. To the extent a Vendor with Designated Dealers receives a Purchase Order directly, it shall be the responsibility of Vendor to appropriately process such Purchase Order in accordance with the Contract, including but not limited to timely forwarding such Purchase Order to a Designated Dealer for processing.

The Cooperative reserves the right, in its sole discretion, to refuse addition of, or request removal of, any Designated Dealer, and Vendor agrees to immediately require such Designated Dealer to cease accepting Purchase Orders or otherwise acting on Vendor's behalf under the Contract. Further, the Cooperative administrator shall be authorized to remove or suspend any or all Designated Dealers from the BuyBoard at any time in its sole discretion.

If you wish to designate a dealer to service a contract awarded under this Proposal Invitation, please list the Designated Dealer below. If you wish to designate multiple dealers, please duplicate this form as necessary.

Type text here N/A

Designated Dealer Name	Designated Dealer Contact Person
Designated Dealer Address	
City	State          Zip Code
Phone Number	Fax Number
Email address	Designated Dealer Tax ID Number* ( <b>*attach W-9</b> )

Item X13.



## PROPOSAL INVITATION QUESTIONNAIRE

The Cooperative will use your responses to the questions below in evaluating your Proposal and technical and financial resources to provide the goods and perform the services ("Work") under the BuyBoard contract contemplated by this Proposal Invitation ("Contract"). Proposers must fully answer each question, numbering your responses to correspond to the questions/numbers below. Proposers must complete below or attach your responses to this questionnaire and submit in one document with your Proposal. **You must submit the questionnaire and responses with your Proposal or the Proposal will not be considered.**

1. List the number of years Proposer has been in business and former business names (if applicable). Note whether your company is currently for sale or involved in any transaction that would significantly alter its business or result in acquisition by another entity.

51 Years/ Our Company is NOT for sale.

2. Describe the resources Proposer has to manage staff and successfully perform the Work contemplated under this Contract. State the number and summarize the experience of company personnel who may be utilized for the Work, including those who will be available to Cooperative members for assistance with project development, technical issues, and product selection for Work associated with this Contract.

We have a 150 employees from sewing, cutting & administration. We have managers and supervisors for each area of our

manufacturing process. We are a family owned business which the family is still involved in the day to day operations.

Our clients can directly to a owner at any time. We have long time employees that have been with us for 34 years.

Everyone in our company is highly skilled in there department. They go through a yearly training process. We have very little turn over.

3. **Marketing Strategy:** For your Proposal to be considered, you must submit the Marketing Strategy you will use if the Cooperative accepts all or part of your Proposal. (*Example: Explain how your company will initially inform Cooperative members of your BuyBoard Contract, and how you will continue to support the BuyBoard for the duration of the Contract term.*) Attach additional pages if necessary.

Every High School and College we deal with we tell them right from the beginning of the process that we are BuyBoard approved.

We also have a sign when provided at all of the convention we attend that we are a BuyBoard member. We are very proud to be a member

of the BuyBoard. Belonging to the BuyBoard streamlines the process with our clients and speeds up the delivery of the items and uniforms

they are needing. Being a BuyBoard member is the number one priority of our marketing strategy.



4. Describe Proposer's financial capability to perform the Contract. State or describe the firm's financial strength and rating, bonding capacity, and insurance coverage limits. State whether the firm, or any of the firm's past or present owners, principal shareholders or stockholders, or officers, have been a debtor party to a bankruptcy, receivership, or insolvency proceeding in the last 7 years, and identify any such debtor party by name and relationship to or position with your firm.

Our financial strength is very healthy. We carry very little debt. We are a member of the Better Business Bureau and have the highest rating

you can with them. None of our owners have every been in bankruptcy.

5. Does your company have any outstanding financial judgments and/or is it currently in default on any loan or financing agreement? If so, provide detailed information on the nature of such items and prospects for resolution.

N/A

6. List all contracts, if any, in the last 10 years on which Proposer has defaulted, failed to complete or deliver the work, or that have been terminated for any reason. For each such contract, provide the project name, scope, value and date and the name of the procuring entity. Fully explain the circumstances of the default, failure to complete or deliver the work, or termination.

N/A

7. List all litigation or other legal proceedings (including arbitration proceedings), if any, in the last 10 years brought against your firm, or any of the firm's past or present owners, principal shareholders or stockholders, officers, agents or employees, that relate to or arise from a contract similar to this Contract or the Work contemplated under this Contract. Provide the style of the lawsuit or proceeding (name of parties and court or tribunal in which filed), nature of the claim, and resolution or current status.

N/A





## REQUIRED FORMS CHECKLIST

(Please check (✓) the following)

- Reviewed/Completed: **Proposer's Acceptance and Agreement**

### PROPOSAL FORMS PART 1: COMPLIANCE FORMS

- Reviewed/Completed: **Proposal Acknowledgements**
- Reviewed/Completed: **Felony Conviction Disclosure**
- Reviewed/Completed: **Resident/Nonresident Certification**
- Reviewed/Completed: **Debarment Certification**
- Reviewed/Completed: **Vendor Employment Certification**
- Reviewed/Completed: **No Boycott Verification**
- Reviewed/Completed: **No Excluded Nation or Foreign Terrorist Organization Certification**
- Reviewed/Completed: **Historically Underutilized Business Certification**
- Reviewed/Completed: **Acknowledgement of BuyBoard Technical Requirements**
- Reviewed/Completed: **Construction-Related Goods and Services Affirmation**
- Reviewed/Completed: **Deviation and Compliance**
- Reviewed/Completed: **Vendor Consent for Name Brand Use**
- Reviewed/Completed: **Confidential/Proprietary Information**
- Reviewed/Completed: **EDGAR Vendor Certification**
- Reviewed/Completed: **Compliance Forms Signature Page**

### PROPOSAL FORMS PART 2: VENDOR INFORMATION FORMS

- Reviewed/Completed: **Vendor Business Name**
- Reviewed/Completed: **Vendor Contact Information** *(complete in electronic proposal submission system)*
- Reviewed/Completed: **Federal and State/Purchasing Cooperative Experience**
- Reviewed/Completed: **Governmental References**
- Reviewed/Completed: **Company Profile**
- Reviewed/Completed: **Texas Regional Service Designation** *(complete in electronic proposal submission system)*
- Reviewed/Completed: **State Service Designation** *(complete in electronic proposal submission system)*
- Reviewed/Completed: **National Purchasing Cooperative Vendor Award Agreement** *(Vendors serving outside Texas only)*
- Reviewed/Completed: **Local/Authorized Seller Listings**
- Reviewed/Completed: **Manufacturer Dealer Designation**
- Reviewed/Completed: **Proposal Invitation Questionnaire**
- Reviewed/Completed: **Proposal Specifications** *Discount (%) off Catalog/Pricelist and/or other required pricing information including Catalogs/Pricelists (or no bid response) must be submitted with the Proposal or the Proposal will not be considered.*



## PROPOSAL SPECIFICATION SUMMARY

The categories and items specified for this Proposal Invitation are summarized below. For full Proposal Specifications, you must review and complete the Proposal Specification information in the electronic proposal submission system in accordance with the Instructions to Proposers (or, if submitting a hard copy Proposal, timely request and complete the Proposal Specification Form in accordance with the Instructions to Proposers).

**PROPOSAL NOTE:** Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. *No paper catalogs or manufacturer/vendor websites will be accepted.*

### **Section I: UNIFORMS FOR PURCHASE - PERFORMANCE RELATED UNIFORMS**

1. Discount (%) off catalog/pricelist for **Purchase of Band Uniforms, Related Supplies, and Accessories.**
2. Discount (%) off catalog/pricelist for **Purchase of Flag Corps Uniforms, Related Supplies, and Accessories.**
3. Discount (%) off catalog/pricelist for **Purchase of Formal Wear for Bands and Orchestra, Related Supplies, and Accessories** (dresses, tuxedos, jackets, pants).
4. Discount (%) off catalog/pricelist for **Purchase of Show Choir Wear, Related Supplies, and Accessories.**
5. Discount (%) off catalog/pricelist for **Purchase of Cheerleading Uniforms, Related Supplies, and Accessories.**
6. Discount (%) off catalog/pricelist for **Purchase of Drill Team Uniforms, Related Supplies, and Accessories.**
7. Discount (%) off catalog/pricelist for **Purchase of Dancewear, Related Supplies, and Accessories.**
8. Discount (%) off catalog/pricelist for **Purchase of All Other Performance Related Uniforms, Related Supplies, and Accessories not listed above** (no athletic/sport team uniforms).

### **Section II: UNIFORMS FOR PURCHASE - WORK RELATED UNIFORMS**

9. Discount (%) off catalog/pricelist for **Purchase of Public Safety** (police, fire, EMS, security, and other related public safety) **Uniforms, Related Supplies, and Accessories.**
10. Discount (%) off catalog/pricelist for **Purchase of Custodial and Maintenance Uniforms, Related Supplies, and Accessories.**
11. Discount (%) off catalog/pricelist for **Purchase of Food Service Uniforms, Related Supplies, and Accessories.**
12. Discount (%) off catalog/pricelist for **Purchase of Medical and Nursing Uniforms, Related Supplies, and Accessories.**
13. Discount (%) off catalog/pricelist for **Purchase of Business/Career Apparel Uniforms, Related Supplies, and Accessories.**
14. Discount (%) off catalog/pricelist for **Purchase of Student Uniforms, Related Supplies, and Accessories.**
15. Discount (%) off catalog/pricelist for **Purchase of ARC Rated/Flame Resistant Uniforms, Related Supplies, and Accessories.**
16. Discount (%) off catalog/pricelist for **Purchase of Industrial Towels.**
17. Discount (%) off catalog/pricelist for **Purchase of All Other Work Related Uniforms, Related Supplies, and Accessories not listed above.**

### **Section III: RENTAL UNIFORMS - WORK RELATED UNIFORMS AND OTHER INDUSTRIAL PRODUCTS**

18. Discount (%) off catalog/pricelist for **Rental of Public Safety** (police, fire, EMS, security, etc.) **Uniforms, Related Supplies, and Accessories.**
19. Discount (%) off catalog/pricelist for **Rental of Custodial and Maintenance Uniforms** (Industrial Shirt and Pant; long and short sleeve; various colors/styles, 100% cotton/synthetic blend), **Related Supplies, and Accessories.**
20. Discount (%) off catalog/pricelist for **Rental of Food Service Uniforms, Related Supplies, and Accessories.**
21. Discount (%) off catalog/pricelist for **Rental of Medical and Nursing Uniforms, Related Supplies, and Accessories.**
22. Discount (%) off catalog/pricelist for **Rental of Business/Career Apparel Uniforms** (Executive Shirt and Pant; long and short sleeve; various colors/styles, 100% cotton/synthetic blend), **Related Supplies, and Accessories.**



23. Discount (%) off catalog/pricelist for **Rental of ARC Rated/Flame Resistant Uniforms, Related Supplies and Accessories.**
24. Discount (%) off catalog/pricelist for **Rental of Industrial Towels.**
25. Discount (%) off catalog/pricelist for **Rental of Industrial Mats** (various sizes and colors, with or without logo).
26. Discount (%) off catalog/pricelist for **Rental of Industrial Mop Service** (treated/untreated; various sizes).
27. Discount (%) off catalog/pricelist for **Add-ons/Fees for Uniform Rental Agreements** (name tags, prep, emblem, environmental/energy, initial set up, swing suit, minimum stop size, image guard. and deposit charges/fees).
28. Discount (%) off catalog/pricelist for **Rental of All Other Work Related Uniforms, Related Supplies, and Accessories** not listed above.
29. Discount (%) off catalog/pricelist for **Rental of All Other Industrial Uniforms, Related Products, Supplies and Accessories** not listed above.

## Fred J. Miller, Inc. Information

Contact: Mike N. Miller  
Address: 8765 Washington Church Rd.  
          Miamisburg, OH 45342  
Phone: (800) 444-3524  
Fax: (877) 356-3291  
Email: mike.miller@fjminc.com  
Web Address: www.fjminc.com

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

Mike N. Miller

Signature

Submitted at 1/7/2025 08:58:06 AM (CT)

mike.miller@fjminc.com

Email

## Requested Attachments

**BuyBoard Proposal Invitation No. 773-25, Uniforms and Accessories** BuyBoard Proposal 2025.pdf

**REQUIRED**-In PDF format, upload all COMPLETED and FILLED in proposal invitation documents available for download at [www.buyboard.com](http://www.buyboard.com/vendor) [buyboard.com](http://www.buyboard.com/vendor) [vendor](http://www.buyboard.com/vendor) including any additional pages, as necessary. NOTICE: DO NOT complete proposal forms in internet browser. No data will be stored. Download file to computer and complete proposal forms prior to submitting. (**DO NOT** password protect uploaded files.)

**Manufacturer Catalog(s) and/or Product Price list(s)** BuyBoard Pricing 2025 Complete.pdf

**REQUIRED**-In Excel or PDF format, upload manufacturer catalog(s) and/or product price list(s) in accordance with proposal invitation instructions. Vendors shall submit catalog(s)/price list(s) with their Proposal response or Proposal will not be considered. No paper catalogs or manufacturer/vendor websites will be accepted. File size must not exceed 250MB. (**DO NOT** password protect uploaded files.)

**Exceptions and/or Detailed Information Related to Discount % and/or** No response

### Hourly Labor Rate Proposed

In PDF format and if necessary, vendor shall attach detailed information regarding exceptions to pricing and/or discount percentage and define the services that are proposed to be provided. NOTE: IF DETAILED INFORMATION IS NOT SUBMITTED, PROPOSAL MAY NOT BE CONSIDERED. (**DO NOT** password protect uploaded files.)

**Company Profile** FJM Company Overview.pdf

**REQUIRED**-Information on awarded Cooperative Contracts is available to Cooperative Members on the BuyBoard website. If your company is awarded a Contract under this Proposal Invitation, please provide a brief company description that you would like to have included with your company profile on the BuyBoard website. Submit your company profile in a separate file, in **Word format**, with your Proposal. (Note: Vendor is solely responsible for any content provided for inclusion on the BuyBoard website. The Cooperative reserves the right to exclude or remove any content in its sole discretion, with or without prior notice, including but not limited to any content deemed by the Cooperative to be inappropriate, irrelevant to the Contract, inaccurate, or misleading.) **DO NOT** password protect uploaded files.)

**REQUIRED**-In PDF format, upload W-9 form.  
(**DO NOT** password protect uploaded files.)

## Response Attachments

### **What Makes A Cesario So Unique.doc**

What makes a Cesario Uniform Unique

### **Cesario Warranty.docx**

Cesario marching band warranty

## Bid Attributes

<b>1</b>	<b>Federal Identification Number</b> Federal Identification Number <input type="text" value="310852899"/>
<b>2</b>	<b>No Boycott Verification/No Excluded Nation or Foreign Terrorist Organization Certification/Historically Underutilized Business Certification</b> No Boycott Verification/No Excluded Nation or Foreign Terrorist Organization Certification/Historically Underutilized Business Certification

**3 No Boycott Certification**

A Texas governmental entity may not enter into a contract with a value of \$100,000 or more that is to be paid wholly or partly from public funds with a company (excluding a sole proprietorship) that has 10 or more full-time employees for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel and will not boycott Israel during the term of the contract (TEX. GOV'T CODE Ch. 2271), (2) does not boycott energy companies and will not boycott energy companies during the term of the contract (TEX. GOV'T CODE Ch. 2276), and (3) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association (TEX. GOV'T CODE Ch. 2274). Accordingly, this certification form is included to the extent required by law.

“Boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. TEX. GOV'T CODE §808.001(1).

“Boycott energy company” means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company: (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by Paragraph (A). TEX. GOV'T CODE §809.001(1).

“Discriminate against a firearm entity or firearm trade association” means, (A) with respect to the entity or association, to: (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; and (B) does not include: (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship: (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association. TEX. GOV'T CODE §2274.001(3).

By signature on the Compliance Forms Signature Page, to the extent applicable, I certify and verify that Vendor does not boycott Israel, boycott energy companies, or discriminate against a firearm entity or firearm trade association and will not do so during the term of any contract awarded under this Proposal Invitation, that this certification is true, complete and accurate, and that I am authorized by my company to make this certification.

Yes

**4 No Excluded Nation or Foreign Terrorist Organization Certification**

Chapter 2252 of the Texas Government Code provides that a Texas governmental entity may not enter into a contract with a company engaged in active business operations with Sudan, Iran, or a foreign terrorist organization – specifically, any company identified on a list prepared and maintained by the Texas Comptroller under Texas Government Code §§806.051, 807.051, or 2252.153. (A company that the U.S. Government affirmatively declares to be excluded from its federal sanctions regime relating to Sudan, Iran, or any federal sanctions regime relating to a foreign terrorist organization is not subject to the contract prohibition.)

By signature on the Compliance Forms Signature Page, I certify and verify that Vendor is not on the Texas Comptroller’s list identified above; that this certification is true, complete and accurate; and that I am authorized by my company to make this certification.

Yes

**5 Historically Underutilized Business Certification**  
A Proposer that has been certified as a Historically Underutilized Business (also known as a Minority/Women Business Enterprise or "MWBE" and all referred to in this form as a "HUB") is encouraged to indicate its HUB certification status when responding to this Proposal Invitation. The BuyBoard website will indicate HUB certifications for awarded Vendors that properly indicate and document their HUB certification on this form.

**I certify that my company has been certified as a MWBE/HUB in the following categories:** *(Please check all that apply)*

**6 Minority Owned Business**  
Minority Owned Business  
 *Minority Owned Business*

**7 Women Owned Business**  
Women Owned Business  
 *Women Owned Business*

**8 Service-Disabled Veteran Owned Business**  
Service-Disabled Veteran Owned Business (veteran defined by 38 U.S.C. §101(2), who has a service-connected disability as defined by 38 U.S.C. § 101(16), and who has a disability rating of 20% or more as determined by the U. S. Department of Veterans Affairs or Department of Defense)  
 *Service-Disabled Veteran Owned Business*

**9 Certification Number**  
Certification Number

**10 Name of Certifying Agency**  
Certifying Agency

**11 Non-MWBE/HUB**  
My company has NOT been certified as a MWBE/HUB  
 *Non-HUB*

**12 Vendor General Contact Information**  
Proposal/Contract General Contact Information

**13 Vendor Proposal/Contract Contact - First Name**  
Vendor Proposal/Contract Contact - First Name

**14 Vendor Proposal/Contract Contact - Last Name**  
Vendor Proposal/Contract Contact - Last Name

**15 Vendor Proposal/Contract Contact E-mail Address**  
Vendor Proposal/Contract Contact E-mail Address

1 6	<b>Vendor Proposal/Contract Mailing Address</b> Vendor Proposal/Contract Mailing Address 8765 Washington Church Road
1 7	<b>Vendor Proposal/Contact Mailing Address - City</b> Vendor Proposal/Contact Mailing Address - City Miamisburg
1 8	<b>Vendor Proposal/Contact Mailing Address - State</b> Vendor Proposal/Contact Mailing Address - State (Abbreviate State Name) OH
1 9	<b>Vendor Proposal/Contact Mailing Address - Zip Code</b> Vendor Proposal/Contact Mailing Address - Zip Code 45342
2 0	<b>Vendor Proposal/Contact Phone Number</b> Vendor Proposal/Contact Phone Number (xxx-xxx-xxxx) 937-434-1121
2 1	<b>Vendor Proposal/Contact Extension Number</b> Vendor Proposal/Contact Extension Number 1206
2 2	<b>Company Website</b> Company Website (www.XXXXX.com) www.fjminc.com
2 3	<b>Purchase Orders Contact Information</b> All Purchase Orders from Cooperative members will be available through the Internet. Vendors need Internet access and at least one e-mail address so that notification of new orders can be sent to the Internet contact when a new purchase order arrives. An information guide will be provided to Vendors to assist them with retrieving their orders.  <b>Please select options below for receipt of Purchase Orders and provide the requested information:</b>  <ul style="list-style-type: none"> <li>I will use the internet to receive Purchase Orders at the following address</li> </ul> <input type="checkbox"/> Yes
2 4	<b>Purchase Order E-mail Address</b> Purchase Order E-mail Address mike.miller@fjminc.com
2 5	<b>Purchase Order Contact - First Name</b> Purchase Order Contact - First Name Mike



<b>26</b>	<b>Purchase Order Contact - Last Name</b> Purchase Order Contact - Last Name <input type="text" value="Miller"/>
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<b>27</b>	<b>Purchase Order Contact Phone Number</b> Purchase Order Contact Phone Number (xxx-xxx-xxxx) <input type="text" value="937-434-1121"/>
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<b>28</b>	<b>Purchase Order Contact Extension Number</b> Purchase Order Contact Extension Number <input type="text" value="1206"/>
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<b>29</b>	<b>Alternate Purchase Order E-mail Address</b> Alternate Purchase Order E-mail Address <input type="text" value="mark.miller@fjminc.com"/>
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<b>30</b>	<b>Alternate Purchase Order Contact - First Name</b> Alternate Purchase Order Contact - First Name <input type="text" value="Mark"/>
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<b>31</b>	<b>Alternate Purchase Order Contact - Last Name</b> Alternate Purchase Order Contact - Last Name <input type="text" value="Miller"/>
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<b>32</b>	<b>Alternate Purchase Order Contact Phone Number</b> Alternate Purchase Order Contact Phone Number (xxx-xxx-xxxx) <input type="text" value="937-434-1121"/>
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<b>33</b>	<b>Alternate Purchase Order Contact Extension Number</b> Alternate Purchase Order Contact Extension Number <input type="text" value="1205"/>
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<b>34</b>	<b>Purchase Orders Contact Information</b> All Purchase Orders from Cooperative members will be available through the Internet. Vendors need Internet access and at least one e-mail address so that notification of new orders can be sent to the Internet contact when a new purchase order arrives. An information guide will be provided to Vendors to assist them with retrieving their orders.  <b>Please select options below for receipt of Purchase Orders and provide the requested information:</b> <ul style="list-style-type: none"><li>• Purchase Orders may be received by the Designated Dealer(s) identified on my company's Dealer Designation form as provided to the Cooperative administrator. I understand that my company shall remain responsible for the Contract and the performance of all Designated Dealers under and in accordance with the Contract.</li></ul> <input type="text" value="Yes"/>
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<b>35</b>	<b>Request for Quotes (RFQ)</b> Cooperative members will send RFQs to you by e-mail. Please provide e-mail addresses for the receipt of RFQs:
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36	<b>Request for Quote (RFQ) E-mail Address</b> Request for Quote (RFQ) E-mail Address mike.miller@fjminc.com
37	<b>Request for Quote (RFQ) Contact - First Name</b> Request for Quote (RFQ) Contact - First Name Mike
38	<b>Request for Quote (RFQ) Contact - Last Name</b> Request for Quote (RFQ) Contact - Last Name Miller
39	<b>Request for Quote (RFQ) Contact Phone Number</b> Request for Quote (RFQ) Contact Phone Number (xxx-xxx-xxxx) 937-434-1121
40	<b>Request for Quote (RFQ) Contact Extension Number</b> Request for Quote (RFQ) Contact Extension Number 1206
41	<b>Alternate Request for Quote (RFQ) E-mail Address</b> Alternate Request for Quote (RFQ) E-mail Address mark.miller@fjminc.com
42	<b>Alternate Request for Quote (RFQ) Contact - First Name</b> Alternate Request for Quote (RFQ) Contact - First Name Mark
43	<b>Alternate Request for Quote (RFQ) Contact - Last Name</b> Alternate Request for Quote (RFQ) Contact - Last Name Miller
44	<b>Alternate Request for Quote (RFQ) Contact Phone Number</b> Alternate Request for Quote (RFQ) Contact Phone Number (xxx-xxx-xxxx) 937-434-1121
45	<b>Alternate Request for Quote (RFQ) Contact Extension Number</b> Alternate Request for Quote (RFQ) Contact Extension Number 1205
46	<b>Invoices</b> Your company will be billed monthly for the service fee due under a Contract awarded under this Proposal Invitation. <b>All invoices are available on the BuyBoard website and e-mail notifications will be sent when they are ready to be retrieved.</b>

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4 7	<b>Invoices</b> Please choose <u>only one (1)</u> of the following options for receipt of invoices and provide the requested information:  (a) Service fee invoices and related communications should be provided directly to my company at:  or  (b) In lieu of my company, I request and authorize all service fee invoices to be provided directly to the following billing agent: <i>If Vendor authorizes a billing agent to receive and process service fee invoices, in accordance with the General Terms and Conditions of the Contract, Vendor specifically acknowledges and agrees that nothing in that designation shall relieve Vendor of its responsibilities and obligations under the Contract including, but not limited to, payment of all service fees under any Contract awarded Vendor.</i> <input type="text" value="Service fee invoices and notices direct to company"/>
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4 8	<b>Invoice Company Name</b> Invoice Company Name <input type="text" value="Fred J. Miller Inc."/>
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4 9	<b>Invoice Company Department Name</b> Invoice Company Department Name <input type="text" value="Accounts Receivable"/>
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5 0	<b>Invoice Contact - First Name</b> Invoice Contact - First Name <input type="text" value="Amber"/>
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5 1	<b>Invoice Contact - Last Name</b> Invoice Contact - Last Name <input type="text" value="Waugh"/>
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5 2	<b>Invoice Mailing Address</b> Invoice Mailing Address (P.O. Box or Street Address) <input type="text" value="8765 Washington Church Road"/>
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5 3	<b>Invoice Mailing Address - City</b> Invoice Mailing Address - City <input type="text" value="Miamisburg"/>
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5 4	<b>Invoice Mailing Address - State</b> Invoice Mailing Address - State (Abbreviate State Name) <input type="text" value="OH"/>
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5 5	<b>Invoice Mailing Address - Zip Code</b> Invoice Mailing Address (Zip Code) <input type="text" value="45342"/>
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56	<b>Invoice Contact Phone Number</b> Invoice Contact Phone Number (xxx-xxx-xxxx)	937-434-1121
57	<b>Invoice Contact Extension Number</b> Invoice Contact Extension Number	1100
58	<b>Invoice Contact Fax Number</b> Invoice Contact Fax Number (xxx-xxx-xxxx)	877-356-3291
59	<b>Invoice Contact E-mail Address</b> Invoice Contact E-mail	amber.waugh@fjminc.com
60	<b>Invoice Contact Alternate E-mail Address</b> Invoice Contact Alternate E-mail Address	mark.miller@fjminc.com
61	<b>Billing Agent Company Name</b> Billing Agent Company Name	N/A
62	<b>Billing Agent Department Name</b> Billing Agent Department Name	N/A
63	<b>Billing Agent Contact - First Name</b> Billing Agent Contact - First Name	N/A
64	<b>Billing Agent Contact - Last Name</b> Billing Agent Contact - Last Name	N/A
65	<b>Billing Agent Mailing Address</b> Billing Agent Mailing Address (P.O. Box or Street Address)	N/A
66	<b>Billing Agent Mailing Address - City</b> Billing Agent Mailing Address - City	N/A
67	<b>Billing Agent Mailing Address - State</b> Billing Agent Mailing Address - State (Abbreviate State Name)	N/A

68	<b>Billing Agent Mailing Address - Zip Code</b> Billing Agent Mailing Address - Zip Code <input type="text" value="N/A"/>
69	<b>Billing Agent Contact Phone Number</b> Billing Agent Contact Phone Number (xxx-xxx-xxxx) <input type="text" value="N/A"/>
70	<b>Billing Agent Contact Extension Number</b> Billing Agent Contact Extension Number <input type="text" value="N/A"/>
71	<b>Billing Agent Fax Number</b> Billing Agent Fax Number <input type="text" value="N/A"/>
72	<b>Billing Agent Contact E-mail Address</b> Billing Agent Contact E-mail Address <input type="text" value="N/A"/>
73	<b>Billing Agent Alternative E-mail Address</b> Billing Agent Alternative E-mail Address <input type="text" value="N/A"/>
74	<b>Shipping Via</b> Common Carrier, Company Truck, Prepaid and Add to Invoice, or Other <input type="text" value="Prepaid and Add to Invoice"/>
75	<b>Payment Terms</b> <i>Note: Vendor payment terms must comply with the BuyBoard General Terms and Conditions and the Texas Prompt Payment Act (Texas Government Code Ch. 2251).</i> <input type="text" value="Once items received they have a Net 30"/>
76	<b>Vendor's Internal/Assigned Reference/Quote Number</b> Vendor's Internal/Assigned Reference/Quote Number <input type="text" value="N/A"/>
77	<b>State or Attach Return Policy</b> Note: Only return requirements and processes will be deemed part of Vendor's return policy. Any unrelated contract terms, terms of sale, or other information not specifically related to return requirements and processes included in Vendor's return policy shall not apply to any awarded Contract unless specifically included as a deviation in the Deviation and Compliance Form and accepted by the Cooperative. <input type="text" value="There are no returns on custom made items. In-Stock items they have 30 days to return."/>
78	<b>Electronic Payments</b> Are electronic payments acceptable to your company? <input type="text" value="Yes"/>

7 9	<b>Credit Card Payments</b> Are credit card payments acceptable to your company? <input type="text" value="No"/>
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8 0	<b>Texas Regional Service Designation</b> <b>Texas Regional Service Designation - Refer to Form in Proposal Invitation</b>  The Cooperative (referred to as "Texas Cooperative" in this form and in the State Service Designation form) offers vendors the opportunity to service its members throughout the entire State of Texas. If you do not plan to service all Texas Cooperative members statewide, you <b>must</b> indicate the specific regions you will service on this form. If you propose to serve different regions for different products or services included in your Proposal, you must complete and submit a separate Texas Regional Service Designation form for each group of products and clearly indicate the products or services to which the designation applies. <b>By designating a region or regions, you are certifying that you are authorized and willing to provide the proposed products and services in those regions. Designating regions in which you are either unable or unwilling to provide the specified products and services shall be grounds for either rejection of your Proposal or, if awarded, termination of your Contract.</b> Additionally, if you do not plan to service Texas Cooperative members (i.e., if you will service only states other than Texas), you must so indicate on this form.
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8 1	<b>Company Name</b> Company Name <input type="text" value="Fred J. Miller Inc."/>
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8 2	<b>Texas Regional Service Designation</b> Select only one of the following options. If you select "I will NOT serve all Regions of Texas", you must then check the individual Regions you wish to serve. <input type="text" value="I will serve all Regions of Texas"/>
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8 3	<b>Region 1</b> Region 1 - Edinburg <input type="checkbox"/> Region 1
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8 4	<b>Region 2</b> Region 2 - Corpus Christi <input type="checkbox"/> Region 2
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8 5	<b>Region 3</b> Region 3 - Victoria <input type="checkbox"/> Region 3
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8 6	<b>Region 4</b> Region 4 - Houston <input type="checkbox"/> Region 4
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8 7	<b>Region 5</b> Region 5 - Beaumont <input type="checkbox"/> Region 5
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8 8	<b>Region 6</b> Region 6 - Huntsville <input type="checkbox"/> Region 6
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8 9	<b>Region 7</b> Region 7 - Kilgore <input type="checkbox"/> <i>Region 7</i>
9 0	<b>Region 8</b> Region 8 - Mount Pleasant <input type="checkbox"/> <i>Region 8</i>
9 1	<b>Region 9</b> Region 9 - Wichita Falls <input type="checkbox"/> <i>Region 9</i>
9 2	<b>Region 10</b> Region 10 - Richardson <input type="checkbox"/> <i>Region 10</i>
9 3	<b>Region 11</b> Region 11 - Fort Worth <input type="checkbox"/> <i>Region 11</i>
9 4	<b>Region 12</b> Region 12 - Waco <input type="checkbox"/> <i>Region 12</i>
9 5	<b>Region 13</b> Region 13 - Austin <input type="checkbox"/> <i>Region 13</i>
9 6	<b>Region 14</b> Region 14 - Abilene <input type="checkbox"/> <i>Region 14</i>
9 7	<b>Region 15</b> Region 15 - San Angelo <input type="checkbox"/> <i>Region 15</i>
9 8	<b>Region 16</b> Region 16 - Amarillo <input type="checkbox"/> <i>Region 16</i>
9 9	<b>Region 17</b> Region 17 - Lubbock <input type="checkbox"/> <i>Region 17</i>
1 0 0	<b>Region 18</b> Region 18 - Midland <input type="checkbox"/> <i>Region 18</i>

1 0 1	<b>Region 19</b> Region 19 - El Paso <input type="checkbox"/> Region 19
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1 0 2	<b>Region 20</b> Region 20 - San Antonio <input type="checkbox"/> Region 20
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1 0 3	<b>State Service Designation</b> <b>State Service Designation - Refer to Form in Proposal Invitation.</b>  As set forth in the Proposal Invitation, it is the Cooperative's intent that other governmental entities in the United States have the opportunity to purchase goods or services awarded under the Contract, subject to applicable state law, through a piggy-back award or similar agreement through the National Purchasing Cooperative BuyBoard. If you plan to service the entire United States or only specific states, you must complete this form accordingly. <i>(Note: If you plan to service Texas Cooperative members, be sure that you complete the Texas Regional Service Designation form.) In addition to this form, to be considered for a piggy-back award by the National Purchasing Cooperative, you must have an authorized representative sign the National Purchasing Cooperative Vendor Award Agreement that follows this form.</i>  If you serve different states for different products or services included in your Proposal, you must complete and submit a separate State Service Designation form for each group of products and clearly indicate the products or services to which the designation applies. <i>By designating a state or states, you are certifying that you are authorized and willing to provide the proposed products and services in those states. Designating states in which you are either unable or unwilling to provide the specified products and services shall be grounds for either rejection of your Proposal or, if awarded, termination of your Contract.</i>
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1 0 4	<b>Company Name</b> Company Name <input type="text" value="Fred J. Miller Inc."/>
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1 0 5	<b>State Service Designation</b> <b>Select only one of the following options. If you select "I will NOT serve all States", you must then check the individual States you wish to serve.</b>  <input type="text" value="I will serve all states in the United States"/>
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1 0 6	<b>Alabama</b> Alabama <input type="checkbox"/> Alabama
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1 0 7	<b>Alaska</b> Alaska <input type="checkbox"/> Alaska
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1 0 8	<b>Arizona</b> Arizona <input type="checkbox"/> Arizona
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1 0 9	<b>Arkansas</b> Arkansas <input type="checkbox"/> Arkansas
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1 1 0	<b>California</b> California (Public Contract Code 20118 & 20652) <input type="checkbox"/> <i>California</i>
1 1 1	<b>Colorado</b> Colorado <input type="checkbox"/> <i>Colorado</i>
1 1 2	<b>Connecticut</b> Connecticut <input type="checkbox"/> <i>Connecticut</i>
1 1 3	<b>Delaware</b> Delaware <input type="checkbox"/> <i>Delaware</i>
1 1 4	<b>District of Columbia</b> District of Columbia <input type="checkbox"/> <i>District of Columbia</i>
1 1 5	<b>Florida</b> Florida <input type="checkbox"/> <i>Florida</i>
1 1 6	<b>Georgia</b> Georgia <input type="checkbox"/> <i>Georgia</i>
1 1 7	<b>Hawaii</b> Hawaii <input type="checkbox"/> <i>Hawaii</i>
1 1 8	<b>Idaho</b> Idaho <input type="checkbox"/> <i>Idaho</i>
1 1 9	<b>Illinois</b> Illinois <input type="checkbox"/> <i>Illinois</i>
1 2 0	<b>Indiana</b> Indiana <input type="checkbox"/> <i>Indiana</i>
1 2 1	<b>Iowa</b> Iowa <input type="checkbox"/> <i>Iowa</i>

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1 2 2	<b>Kansas</b> Kansas <input type="checkbox"/> <i>Kansas</i>
1 2 3	<b>Kentucky</b> Kentucky <input type="checkbox"/> <i>Kentucky</i>
1 2 4	<b>Louisiana</b> Louisiana <input type="checkbox"/> <i>Louisiana</i>
1 2 5	<b>Maine</b> Maine <input type="checkbox"/> <i>Maine</i>
1 2 6	<b>Maryland</b> Maryland <input type="checkbox"/> <i>Maryland</i>
1 2 7	<b>Massachusetts</b> Massachusetts <input type="checkbox"/> <i>Massachusetts</i>
1 2 8	<b>Michigan</b> Michigan <input type="checkbox"/> <i>Michigan</i>
1 2 9	<b>Minnesota</b> Minnesota <input type="checkbox"/> <i>Minnesota</i>
1 3 0	<b>Mississippi</b> Mississippi <input type="checkbox"/> <i>Mississippi</i>
1 3 1	<b>Missouri</b> Missouri <input type="checkbox"/> <i>Missouri</i>
1 3 2	<b>Montana</b> Montana <input type="checkbox"/> <i>Montana</i>
1 3 3	<b>Nebraska</b> Nebraska <input type="checkbox"/> <i>Nebraska</i>

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1 3 4	<b>Nevada</b> Nevada <input type="checkbox"/> <i>Nevada</i>
1 3 5	<b>New Hampshire</b> New Hampshire <input type="checkbox"/> <i>New Hampshire</i>
1 3 6	<b>New Jersey</b> New Jersey <input type="checkbox"/> <i>New Jersey</i>
1 3 7	<b>New Mexico</b> New Mexico <input type="checkbox"/> <i>New Mexico</i>
1 3 8	<b>New York</b> New York <input type="checkbox"/> <i>New York</i>
1 3 9	<b>North Carolina</b> North Carolina <input type="checkbox"/> <i>North Carolina</i>
1 4 0	<b>North Dakota</b> North Dakota <input type="checkbox"/> <i>North Dakota</i>
1 4 1	<b>Ohio</b> Ohio <input type="checkbox"/> <i>Ohio</i>
1 4 2	<b>Oklahoma</b> Oklahoma <input type="checkbox"/> <i>Oklahoma</i>
1 4 3	<b>Oregon</b> Oregon <input type="checkbox"/> <i>Oregon</i>
1 4 4	<b>Pennsylvania</b> Pennsylvania <input type="checkbox"/> <i>Pennsylvania</i>
1 4 5	<b>Rhode Island</b> Rhode Island <input type="checkbox"/> <i>Rhode Island</i>

1 4 6	<b>South Carolina</b> South Carolina <input type="checkbox"/> <i>South Carolina</i>
1 4 7	<b>South Dakota</b> South Dakota <input type="checkbox"/> <i>South Dakota</i>
1 4 8	<b>Tennessee</b> Tennessee <input type="checkbox"/> <i>Tennessee</i>
1 4 9	<b>Texas</b> Texas <input type="checkbox"/> <i>Texas</i>
1 5 0	<b>Utah</b> Utah <input type="checkbox"/> <i>Utah</i>
1 5 1	<b>Vermont</b> Vermont <input type="checkbox"/> <i>Vermont</i>
1 5 2	<b>Virginia</b> Virginia <input type="checkbox"/> <i>Virginia</i>
1 5 3	<b>Washington</b> Washington <input type="checkbox"/> <i>Washington</i>
1 5 4	<b>West Virginia</b> West Virginia <input type="checkbox"/> <i>West Virginia</i>
1 5 5	<b>Wisconsin</b> Wisconsin <input type="checkbox"/> <i>Wisconsin</i>
1 5 6	<b>Wyoming</b> Wyoming <input type="checkbox"/> <i>Wyoming</i>

## Bid Lines

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**1 Section I: UNIFORMS FOR PURCHASE - PERFORMANCE RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of Band Uniforms, Related Supplies, and Accessories.** **Catalog/Price list MUST be included or proposal will not be considered.**

Total:

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

**2 Section I: UNIFORMS FOR PURCHASE - PERFORMANCE RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of Flag Corps Uniforms, Related Supplies, and Accessories.** **Catalog/Price list MUST be included or proposal will not be considered.**

Total:

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

**3 Section I: UNIFORMS FOR PURCHASE - PERFORMANCE RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of Formal Wear for Bands and Orchestra, Related Supplies, and Accessories** (dresses, tuxedos, jackets, pants). **Catalog/Price list MUST be included or proposal will not be considered.**

Total:

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

**4 Section I: UNIFORMS FOR PURCHASE - PERFORMANCE RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of Show Choir Wear, Related Supplies, and Accessories.** **Catalog/Price list MUST be included or proposal will not be considered.**

Total:

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

**5 Section I: UNIFORMS FOR PURCHASE - PERFORMANCE RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of Cheerleading Uniforms, Related Supplies, and Accessories**. **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

**6 Section I: UNIFORMS FOR PURCHASE - PERFORMANCE RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of Drill Team Uniforms, Related Supplies, and Accessories**. **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

**7 Section I: UNIFORMS FOR PURCHASE - PERFORMANCE RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of Dancewear, Related Supplies, and Accessories.**  
**Catalog/Price list MUST be included or proposal will not be considered.**

Total:  0%

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

*NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".*

Images

**8 Section I: UNIFORMS FOR PURCHASE - PERFORMANCE RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of All Other Performance Related Uniforms, Related Supplies, and Accessories not listed above** (no athletic/sport team uniforms). **Catalog/Price list MUST be included or proposal will not be considered.**

Total:  0%

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

*NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".*

Images



9 **Section II: UNIFORMS FOR PURCHASE - WORK RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of Public Safety** (police, fire, EMS, security, and other related public safety) **Uniforms, Related Supplies, and Accessories**. **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

10 **Section II: UNIFORMS FOR PURCHASE - WORK RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of Custodial and Maintenance Uniforms, Related Supplies, and Accessories**. **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

Item X13.

1  
1

**Section II: UNIFORMS FOR PURCHASE - WORK RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of Food Service Uniforms, Related Supplies, and Accessories.** **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

1  
2

**Section II: UNIFORMS FOR PURCHASE - WORK RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of Medical and Nursing Uniforms, Related Supplies, and Accessories.** **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

Item X13.

1  
3

**Section II: UNIFORMS FOR PURCHASE - WORK RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of Business/Career Apparel Uniforms, Related Supplies, and Accessories.** **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

1  
4

**Section II: UNIFORMS FOR PURCHASE - WORK RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of Student Uniforms, Related Supplies, and Accessories.** **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

Item X13.

1  
5

**Section II: UNIFORMS FOR PURCHASE - WORK RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of ARC Rated/Flame Resistant Uniforms, Related Supplies, and Accessories.** **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

1  
6

**Section II: UNIFORMS FOR PURCHASE - WORK RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of Industrial Towels.** **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

Item X13.

1  
7

**Section II: UNIFORMS FOR PURCHASE - WORK RELATED UNIFORMS**

Discount (%) off catalog/price list for **Purchase of All Other Work Related Uniforms, Related Supplies, and Accessories not listed above.** **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

1  
8

**Section III: RENTAL UNIFORMS - WORK RELATED UNIFORMS AND OTHER INDUSTRIAL PRODUCTS**

Discount (%) off catalog/price list for **Rental of Public Safety** (police, fire, EMS, security, etc.) **Uniforms, Related Supplies, and Accessories.** **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

Item X13.

**1** **Section III: RENTAL UNIFORMS - WORK RELATED UNIFORMS AND OTHER INDUSTRIAL PRODUCTS**

**9** Discount (%) off catalog/price list for **Rental of Custodial and Maintenance Uniforms** (Industrial Shirt and Pant; long and short sleeve; various colors/styles, 100% cotton/synthetic blend), **Related Supplies, and Accessories**. **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. No paper catalogs or manufacturer/vendor websites will be accepted.*

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

*NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".*

No response

**2** **Section III: RENTAL UNIFORMS - WORK RELATED UNIFORMS AND OTHER INDUSTRIAL PRODUCTS**

**0** Discount (%) off catalog/price list for **Rental of Food Service Uniforms, Related Supplies, and Accessories**. **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. No paper catalogs or manufacturer/vendor websites will be accepted.*

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

*NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".*

No response

Item X13.

2  
1

**Section III: RENTAL UNIFORMS - WORK RELATED UNIFORMS AND OTHER INDUSTRIAL PRODUCTS**

Discount (%) off catalog/price list for **Rental of Medical and Nursing Uniforms, Related Supplies, and Accessories**. **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

2  
2

**Section III: RENTAL UNIFORMS - WORK RELATED UNIFORMS AND OTHER INDUSTRIAL PRODUCTS**

Discount (%) off catalog/price list for **Rental of Business/Career Apparel Uniforms** (Executive Shirt and Pant; long and short sleeve; various colors/styles, 100% cotton/synthetic blend), **Related Supplies, and Accessories**. **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

**2** **Section III: RENTAL UNIFORMS - WORK RELATED UNIFORMS AND OTHER INDUSTRIAL PRODUCTS**  
**3** Discount (%) off catalog/price list for **Rental of ARC Rated/Flame Resistant Uniforms, Related Supplies and Accessories.** **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

**2** **Section III: RENTAL UNIFORMS - WORK RELATED UNIFORMS AND OTHER INDUSTRIAL PRODUCTS**  
**4** Discount (%) off catalog/price list for **Rental of Industrial Towels.** **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response



2  
5

**Section III: RENTAL UNIFORMS - WORK RELATED UNIFORMS AND OTHER INDUSTRIAL PRODUCTS**

Discount (%) off catalog/price list for **Rental of Industrial Mats** (various sizes and colors, with or without logo). **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

2  
6

**Section III: RENTAL UNIFORMS - WORK RELATED UNIFORMS AND OTHER INDUSTRIAL PRODUCTS**

Discount (%) off catalog/price list for **Rental of Industrial Mop Service** (treated/untreated; various sizes). **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

2  
7

**Section III: RENTAL UNIFORMS - WORK RELATED UNIFORMS AND OTHER INDUSTRIAL PRODUCTS**

Discount (%) off catalog/price list for **Add-ons/Fees for Uniform Rental Agreements** (name tags, prep, emblem, environmental/energy, initial set up, swing suit, minimum stop size, image guard. and deposit charges/fees). **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

2  
8

**Section III: RENTAL UNIFORMS - WORK RELATED UNIFORMS AND OTHER INDUSTRIAL PRODUCTS**

Discount (%) off catalog/price list for **Rental of All Other Work Related Uniforms, Related Supplies, and Accessories** not listed above. **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

**NOTE:** Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

Item X13.

2  
9

**Section III: RENTAL UNIFORMS - WORK RELATED UNIFORMS AND OTHER INDUSTRIAL PRODUCTS**

Discount (%) off catalog/price list for **Rental of All Other Industrial Uniforms, Related Products, Supplies and Accessories** not listed above. **Catalog/Price list MUST be included or proposal will not be considered.**

**No Bid**

Item Notes: *PROPOSAL NOTE: Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.***

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor's must list one specific percentage discount for each manufacturer and/or catalog/price list listed

**Item Attributes**

**1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage**

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

No response

**Response Total: \$0.00**



8765 Washington Church Rd.  
Miamisburg, Ohio 45342

Phone: 937.434.1121  
Toll Free: 800.444.3524  
Fax: 877.356.3291  
Web: www.fjminc.com

## **LIMITED LIFETIME WARRANTY** ***FJM/CESARIO BAND UNIFORMS*** **INFORMATION**

The Cesario Marching Band Collection, available exclusively from Fred J. Miller, Inc., is made up of lightweight, washable Uniforms constructed for easy garment care and maintenance. The Collection is structured for flexibility, long life, and durability.

This Limited Lifetime Warranty covers any defects in materials or workmanship under normal use. Fred J. Miller, Inc. will repair or replace, at no charge, uniforms that prove defective because of improper materials or workmanship, under normal use and maintenance. Proper uniform care must be employed, according to care documents provided at time of purchase.

This Limited Warranty does not cover any problem that is caused by conditions or malfunctions not resulting from defects in materials or workmanship, or any longevity or damage problems with sequins or acrylic mirrors. Items constructed with sequins or novelty fabrics require extra care due to the nature of the textiles.

To obtain this warranty service, please contact our office so that we can best determine the nature of the problem and the most appropriate solution for you.

Further questions? Call 800.444.3524.

Thank you!

**Mike Miller**  
**Executive Vice President**  
**Fred J. Miller, Inc.**

Item X13.

**Cesario™**  
uniform collection

concert wear

drumline

colorguard

field equipment

summer clinics

**FJM | the image makers**



Responding vendors must read all sections of this Proposal Invitation carefully.  
Even if your company has submitted proposals on previous BuyBoard proposal invitations, terms and requirements may have changed.

## NOTICE OF PROPOSAL INVITATION

The Local Government Purchasing Cooperative d/b/a BuyBoard® (Cooperative), 12007 Research Blvd., Austin, Texas 78759 is a statewide purchasing cooperative for school districts, junior colleges, cities, counties, and other political subdivisions. The Texas Association of School Boards, Inc. (TASB), a Texas nonprofit corporation, 12007 Research Blvd., Austin, Texas 78759, serves as the Cooperative's administrator. The Cooperative is endorsed by TASB, the Texas Municipal League (TML), a Texas unincorporated nonprofit association, 1821 Rutherford Lane, Austin, Texas 78754, and the Texas Association of Counties (TAC), a Texas nonprofit association, 1204 San Antonio, Austin, Texas 78701.

The Cooperative's contracts for commodities and services are available to the members of TASB, TML, and TAC, and other local governmental entities that are members of the Cooperative and eligible to purchase through a government purchasing cooperative or interlocal contract. TASB, the Cooperative administrator, provides an online marketplace to the Cooperative known as the BuyBoard which enables members to review available contracts and make purchases of awarded commodities and services electronically.

The Cooperative is soliciting sealed proposals for products, supplies, services and/or equipment as set forth in this Proposal Invitation on behalf of all present and future members of the Cooperative. There may be over 1,000 Texas public school districts and junior colleges, over 900 municipalities, 400 counties, and numerous other political subdivisions (i.e. river authorities, special districts, public housing authorities, etc.) participating in the Cooperative at any given time. Awarded products and services may also be available to the administrator's nonprofit entity BuyBoard subscribers and, in the event of a piggyback award, members of the National Purchasing Cooperative located throughout the United States as further explained in the Proposal Invitation.

Completed sealed proposals for **Proposal No. 773-25 for Uniforms and Accessories** must be received ***on or before 4:00 PM January 23, 2025***, either by submitting the Proposal electronically through the Cooperative's designated website or by hard copy submission as set out in the Instructions to Proposers. **Late proposals will not be accepted.**

**Unless a different time period is stated in the General Information document for this Proposal Invitation, questions, requests for information or clarification, or comments regarding this Proposal Invitation, including the specifications, must be submitted in writing, addressed as indicated below, and received by the Cooperative administrator no later than the 10<sup>th</sup> business day before the Proposal Due Date. The Cooperative will respond only to written questions.**

The Local Government Purchasing Cooperative  
**Attn:** TASB Asst. Division Director, Cooperative Procurement  
12007 Research Blvd.  
Austin, TX 78759  
**E-Mail:** bids@buyboard.com

## PROPOSAL INVITATION NO. 773-25

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## INSTRUCTIONS TO PROPOSERS

### Electronic Proposal Submission

The Cooperative requests that Vendors submit Proposals electronically in accordance with the instructions herein via the link available on the following website:

- [buyboard.com/vendor](http://buyboard.com/vendor)

There is no cost to the Vendor to register or use the electronic proposal submission option. To the extent a vendor is unable to submit a Proposal electronically through the proposal website, instructions for hard copy submissions are provided below.

#### *Before you submit*

- In order to submit a Proposal electronically, you must have a working registered vendor username and password to login. If you do not have a registered vendor username and password, you may obtain one by registering at [buyboard.com/vendor](http://buyboard.com/vendor). **Note to existing BuyBoard vendors: The registered vendor login used for electronic proposal submission is NOT the same as your existing login used to check purchase orders or similar vendor information under awarded contracts.** Vendors are highly encouraged to ensure you have a working vendor login well in advance of the submission deadline.
- Vendor is responsible for ensuring it has the technical capability to submit its Proposal via electronic submission.
- Browser requirements can be found at <https://buyboard.ionwave.net/BrowserCompatibility.html>.
- VENDOR SHALL BE SOLELY RESPONSIBLE FOR ENSURING TIMELY SUBMISSION OF VENDOR'S PROPOSAL. Neither the Cooperative nor the Cooperative administrator shall be responsible for equipment or software failure, internet or website downtime, corrupt or unreadable data, or other technical issues that may cause delay or non-delivery of a Proposal or inaccessibility of the submitted data. Accordingly, Vendors are highly encouraged to prepare and allow for sufficient time to familiarize itself with the electronic submission requirements and to address any technical or data issues prior to the Proposal Due Date.

#### *How to submit Proposal electronically*

- Login using your registered vendor login at [buyboard.com/vendor](http://buyboard.com/vendor) under the "Register/Login/Submit Proposal" link.
- The page will open to the list of "Available Bids."
- Click on the applicable Proposal Invitation number under the "My Invitations" or "Other Bid Opportunities" section to view this Proposal Invitation request.
- **Review and follow all instructions on the webpage.**
- **VENDOR INFORMATION** – Select the "Attributes" tab to locate the Vendor Contact Information fields required to be completed and submitted.
  - Vendors must respond to each item by providing the information requested. **If you fail to complete any of the line items, you will receive an error and will be unable to submit your Proposal.**
- **PROPOSAL SPECIFICATIONS** – Select the "Line Items" tab to locate the Proposal Specifications.
  - Input all required proposal pricing information (discount (%) off catalog/pricelist, line item pricing, hourly labor rates, and/or other related pricing information) as specified.



- Vendors must respond to each line item by either providing the information requested in the specifications, adding alternates to provide additional information (as necessary), or by indicating no bid. **If you fail to complete any of the line items, you will receive an error and will be unable to submit your Proposal.**
- Vendors proposing various manufacturer product lines per line item on the Proposal Specification Form must submit the information as follows or the Proposal may not be considered:
  - i. Manufacturers shall be listed in alphabetical order
  - ii. Vendor must list one specific percentage discount for each manufacturer listed. Use the “Add Alternates” option as needed to add additional manufacturers.
- **PROPOSAL DOCUMENTS** - To upload your Proposal documents, select the “Response Attachments” tab and upload a **signed, complete** copy of your Proposal in **searchable PDF format**, including all required proposal documents (Proposal Forms, and any other documents required by the Proposal Invitation). **Electronic Catalogs/Pricelists must be submitted with the Proposal in the format required by these Instructions to Proposers or it will not be considered.**
- **PROPOSAL SUBMISSION** - Select the “Response Submission” tab to submit the Proposal.
  - If an error or multiple errors occur, the system will display the location of the error(s).
  - Go to the problem area and correct the errors. You must go to the specific tab(s) that contain(s) the error(s) to review the error detail and correct the error(s). **Your submission will not be submitted until all errors are corrected.**
  - Once all errors are corrected, proceed to the “Response Submission” tab to submit the response.

***How to submit hard copy Proposal – Paper copies will NOT be accepted***

While the Cooperative requests electronic submission of Proposals through the designated website, any Vendor without the technical capability or wishing to submit a hard copy Proposal may do so in accordance with the following instructions:

- Contact BuyBoard staff at [bids@buyboard.com](mailto:bids@buyboard.com) to request a copy of the Proposal Specification Form and other forms not included in this packet in hard copy form **at least five (5) business days prior to the Proposal Due Date.**
- Submit the signed, completed Proposal in a sealed envelope or carton properly marked with the Proposal Invitation number and Proposal submittal date and time and containing all required proposal documents (including forms, completed Proposal Specification Form, and any other documents required by the Proposal Invitation). The Proposal must be submitted in **electronic, searchable PDF format on a USB flash drive, CD or DVD. Paper copies will NOT be accepted.**
- **The Proposal Specification Form and Electronic Catalogs/Pricelists must be submitted with the Proposal in the format required by these Instructions to Proposers or it will not be considered.**
  - Vendors proposing various manufacturer product lines per line item on the Proposal Specification Form must submit the information as follows or the Proposal may not be considered:
    - a. Manufacturers shall be listed in alphabetical order
    - b. Vendor must list one specific percentage discount for each manufacturer listed.
- Any hard copy electronic Proposals must be delivered via hand delivery or U.S. Mail to the address below so as to be received on or before the Proposal Due Date and time:

The Local Government Purchasing Cooperative  
12007 Research Blvd.  
Austin, TX 78759

**VENDOR SHALL BE SOLELY RESPONSIBLE FOR ENSURING TIMELY SUBMISSION OF VENDOR'S PROPOSAL.** Neither the Cooperative nor the Cooperative administrator shall be responsible for Proposals delivered late by the United States Postal Service or any other delivery or courier service. Further, neither the Cooperative nor the Cooperative administrator shall be responsible for Proposals delivered in a corrupt or unreadable electronic format.

*Faxed and/or emailed Proposals will NOT be accepted.*

## REQUIREMENTS FOR VENDOR CATALOGS/PRICELISTS IN PROPOSALS

**Note:** The following instructions set forth the requirements for Vendor catalogs/pricelists submitted with Proposals for proposal evaluation purposes. If awarded a Contract, Vendor may be required to resubmit catalogs/pricelists in the format described in the BuyBoard Technical Requirements as detailed further in the Proposal Invitation.

**Electronic catalogs/pricelists must be submitted with Vendor's Proposal in the required format (whether submitted electronically through the designated website or in hard copy format via mail or hand delivery) or the Proposal will not be considered.** The following is required of all Vendor catalog(s)/pricelist(s) submitted to the Cooperative for evaluation with the Proposal:

Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with **Excel or searchable PDF** preferred. No paper catalogs or manufacturer/vendor websites will be accepted.

**Below is a sample chart**, with examples of data for each field, showing the data fields that Vendors **MUST** include in each submitted pricelist/catalog with the Proposal:

BuyBoard Specification Item No. Category	Part/Item Number	Item Description	MSRP/List Price (before BuyBoard Discount)
1	1234	Desk	\$50.00
2	1235	Chair	\$20.00

The catalogs/pricelists must include all listed data fields (BuyBoard specification category, part/item number, item description, and list price) or the Proposal will not be considered. Catalogs and pricelists should contain only items that relate to the items requested in the specifications. Vendors are discouraged from including irrelevant or non-responsive information with their Proposal. The Cooperative reserves the right to deem a Proposal non-responsive if the Proposal, including catalogs or pricelists submitted with the Proposal, do not specifically relate to the intent of the Proposal Invitation or contain what the Cooperative deems to be, in its sole discretion, excessive irrelevant or non-responsive information, including information which makes it burdensome or impractical for the Cooperative to identify responsive products and pricing.

## WITHDRAWAL OR MODIFICATION OF PROPOSALS

Proposals may be withdrawn or modified prior to the Proposal Due Date and time, but only in accordance with section B.11 (Withdrawal or Modification of Proposal) of the General Terms and Conditions in this Proposal Invitation.

## GENERAL INFORMATION

### Proposal Invitation No. 773-25 – Uniforms and Accessories

**\*Please make sure that you have reviewed and completed all sections of this Proposal Invitation.**

1. Notice of Proposal Invitation and Instructions to Proposers
2. General Information
3. Proposal Forms
4. Proposal Specifications
5. General Terms and Conditions
6. BuyBoard Technical Requirements

#### PROPOSAL SUBMISSION INSTRUCTIONS

Proposal responses (including completed and signed Proposal Invitation forms, completed Proposal specifications, and pricelists/catalogs) must be submitted in electronic format in the manner prescribed in the Instructions to Proposers.

#### INTENT AND PURPOSE OF THE CONTRACT

The intent of this Proposal Invitation is to solicit sealed Proposals to establish a contract for various types of Uniforms and Accessories that may be procured by Cooperative members. Because individual members require different equipment, supplies, and/or services, this Proposal Invitation is a request for a discount off of catalog or price list for supplies, materials and equipment. Purchases can be made by a Cooperative member at any time during the Contract term. Except as provided in section E.4 of the General Terms and Conditions or otherwise in this Proposal Invitation, Vendor shall hold its Awarded Pricing firm during the Contract term. In the event of price decreases, such price decreases shall be allowed for all products.

#### TERM OF CONTRACT

The term of this contract will be from July 1, 2025, through June 30, 2026, with two possible one-year renewals.

As set forth in the General Terms and Conditions, an awarded Vendor has no right to or vested interest in contract renewal. The determination as to whether to renew or non-renew any Vendor Contract, in whole or in part, shall be in the sole discretion of the Cooperative.

**For purposes of this Proposal Invitation, a Vendor must generate a minimum of \$15,000 through the Contract during an annual contract term or may not be offered a renewal.** A Vendor's failure to generate this minimum amount may also be considered by the Cooperative as part of Vendor's past performance evaluation on future proposal invitations.

#### VALUE OF CONTRACT

**The estimated value of this contract is \$86,022,599;** however, this estimate is based on prior contracts for similar types of products and services and should not be construed to be a guaranty of either a minimum or maximum amount since usage may be dependent upon multiple factors including Cooperative members' actual needs and available funding.

## SERVICE FEE

An awarded Vendor under this Proposal Invitation must pay the Cooperative a service fee in the amount of 2% per Purchase Order generated from any contract awarded under this Proposal Invitation, and the service fee is to be included in the Awarded Pricing. Vendor agrees to pay this service fee and remit the fee to the Cooperative in Austin, Texas, promptly upon payment by the Cooperative member for any Purchase Order(s) and within 30 days of the date of each service fee invoice. As set forth in more detail in the General Terms and Conditions, an awarded Vendor will be required to provide the Cooperative with copies and/or reports of all Purchase Orders generated from Vendor's Contract(s) that Vendor receives directly from Cooperative members, Vendor Invoices, and/or such other documentation regarding Cooperative member purchases under any awarded Contract as the Cooperative administrator may require in its reasonable discretion. The Cooperative shall have the right, upon reasonable written notice, to review records of awarded Vendors pertaining to purchases under any awarded Contract to verify purchase activity under the Contract, the accuracy of service fees payable by Vendor, or as otherwise reasonably necessary for the administration of the Contract or when required by law.

## CONFIDENTIAL INFORMATION

Any information submitted by Proposer that Proposer considers to be confidential must be clearly identified as such on the Confidential/Proprietary Information Form.

## AWARD AND EVALUATION

All information required by this Proposal Invitation, including catalogs/pricelists where required by the Proposal Specifications, must be submitted with the Proposal or your Proposal will be deemed nonresponsive. Responsive Proposals will be evaluated, and any Contracts will be awarded based on the evaluation and award criteria as set out in Section C.2 of the General Terms and Conditions determined to provide best value to Cooperative members.

## COMPLIANCE WITH APPLICABLE LAWS

By submitting a Proposal, the Proposer certifies that Proposer has provided its valid, proper and correct business entity name and information in its Proposal, that such entity is operating in good standing with the proper authority from whatever state or local jurisdiction is required, and Proposer has obtained, and, if awarded, will continue to maintain during the entire term of this Contract, all permits, approvals, and/or licenses necessary for lawful performance of its obligations under this Contract. Proposer further certifies that, if awarded, Proposer will comply with all applicable state, federal, and local laws, rules, and regulations in regard to awarded products and/or services.

## BUYBOARD WEBSITE AND TECHNICAL REQUIREMENTS

Information on awarded Contracts, including awarded products and services under this Proposal Invitation, will be available to Cooperative members on the online marketplace platform utilized by the Cooperative: the BuyBoard. Vendors should review and confirm Vendor's ability to meet the BuyBoard Technical Requirements contained in Appendix I of this Proposal Invitation. The BuyBoard Technical Requirements may be updated from time to time as set forth in the General Terms and Conditions. To the extent a Vendor is awarded a Contract under this Proposal Invitation but is unable to meet the applicable BuyBoard Technical Requirements and provide the information in the format required by those requirements, Vendor acknowledges that the information available on the BuyBoard for Vendor's awarded products or services may be limited. This may place Vendor at a disadvantage and impact the ability of Cooperative members to search, find, review, and purchase Vendor's awarded products and services through the BuyBoard website. To improve and enhance the experience of Cooperative members seeking to procure goods and services, the Cooperative may also, in its sole discretion, provide Vendors with an opportunity to have Vendor's logo, product images, and similar brand and trademark information included in the BuyBoard online marketplace in relation to Awarded Items. Vendors shall review the BuyBoard Vendor Consent for Name Brand Use included with the Proposal Forms in this Proposal Invitation.



**PROFESSIONAL ENGINEERING AND OTHER PROFESSIONAL SERVICES EXCLUDED**

The scope of services in this Proposal Invitation and any resulting contract award do not include services that are required to be procured under the Professional Services Procurement Act (Chapter 2254 of the Texas Government Code), including without limitation architecture and professional engineering services.

**ADDITIONAL REQUIREMENTS FOR PURCHASES USING FEDERAL GRANT FUNDS (2 C.F.R. 200 UNIFORM GUIDANCE/EDGAR)**

When a Cooperative member seeks to procure goods and services using funds under a federal grant or contract, specific federal laws, regulations, and requirements may apply in addition to those under state law. This includes, but is not limited to, the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. 200 (sometimes referred to as the "Uniform Guidance" or new "EDGAR"). All Vendors submitting a Proposal must complete the EDGAR Vendor Certification Form contained in the Proposal Forms regarding their willingness and ability to comply with certain requirements which may be applicable to specific Cooperative member purchases using federal grant funds. This information will not be used for evaluation purposes but will be made available to Cooperative members for their use while considering their purchasing options when using federal grant funds. Cooperative members may also require Vendors to enter into ancillary agreements, in addition to the BuyBoard contract's general terms and conditions, to address the member's specific contractual needs, including contract requirements for a procurement using federal grants or contracts.



## PROPOSER'S ACCEPTANCE AND AGREEMENT

<b>Proposal Invitation Name</b> Uniforms and Accessories	<b>Proposal Due Date/Opening Date and Time</b> January 23, 2025, at 4:00 PM
<b>Proposal Invitation Number</b> 773-25	<b>Location of Proposal Opening</b> Texas Association of School Boards, Inc. BuyBoard Department 12007 Research Blvd. Austin, TX 78759
<b>Contract Term</b> July 1, 2025, through June 30, 2026, with two possible one-year renewals.	<b>Anticipated Cooperative Board Meeting Date</b> April 2025

*By signature below, the undersigned acknowledges and agrees that you are authorized to submit this Proposal, including making all acknowledgements, consents, and certifications herein, on behalf of Proposer and, to the best of your knowledge, the information provided is true, accurate, and complete.*

\_\_\_\_\_  
Name of Proposing Company

\_\_\_\_\_  
Date

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Signature of Authorized Company Official

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Printed Name of Authorized Company Official

\_\_\_\_\_  
Telephone Number of Authorized Company Official

\_\_\_\_\_  
Position or Title of Authorized Company Official

\_\_\_\_\_  
Fax Number of Authorized Company Official

\_\_\_\_\_  
Federal ID Number

Item X13.

## PROPOSAL FORMS PART 1: COMPLIANCE FORMS

### INSTRUCTIONS:

Proposer must review and complete all forms in this Proposal Forms Part 1:

- Proposal Acknowledgements
- Felony Conviction Disclosure
- Resident/Nonresident Certification
- Debarment Certification
- Vendor Employment Certification
- No Boycott Verification
- No Excluded Nation or Foreign Terrorist Organization Certification
- Historically Underutilized Business Certification
- Acknowledgement of BuyBoard Technical Requirements
- Construction-Related Goods and Services Affirmation
- Deviation and Compliance
- Vendor Consent for Name Brand Use
- Confidential/Proprietary Information
- EDGAR Vendor Certification
- Compliance Forms Signature Page

**An authorized representative of Proposer *must initial in the bottom right corner of each page* where indicated and complete and sign the Compliance Forms Signature Page. Proposer's failure to fully complete, initial, and sign forms as required may result in your Proposal being rejected as non-responsive.**

### PROPOSAL ACKNOWLEDGEMENTS

The proposing company ("you" or "your") hereby acknowledges and agrees as follows:

1. You have carefully examined and understand all information and documentation associated with this Proposal Invitation, including the Instructions to Proposers, General Information, General Terms and Conditions, attachments/forms, appendices, item specifications, and line items (collectively "Requirements");
2. By your response ("Proposal") to this Proposal Invitation, you propose to supply the products or services submitted at the pricing quoted in your Proposal and in strict compliance with the Requirements, unless specific deviations or exceptions are noted in the Proposal;
3. By your Proposal, you acknowledge and certify all items set forth in the General Terms and Conditions, Section B.12 (Certifications), including all non-collusion certifications and certifications regarding legal, ethical, and other matters set forth therein.
4. Any and all deviations and exceptions to the Requirements have been noted in your Proposal on the required form and no others will be claimed;

**Initial:** \_\_\_\_\_

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5. If the Cooperative accepts any part of your Proposal and awards you a Contract, you will furnish all awarded products or services at the pricing quoted and in strict compliance with the Requirements (unless specific deviations or exceptions are noted on the required form and accepted by the Cooperative), including without limitation the Requirements related to:
  - a. conducting business with Cooperative members, including offering pricing to members that is the best you offer compared to similarly situated customers in similar circumstances;
  - b. payment of a service fee in the amount specified and as provided for in this Proposal Invitation;
  - c. the **possible** award of a piggy-back contract by the National Purchasing Cooperative or nonprofit entity, in which event you will offer the awarded products and services in accordance with the Requirements; and
  - d. submitting price sheets or catalogs in the proper format as required by the Cooperative as a prerequisite to activation of your Contract;
6. You have clearly identified on the included form any information in your Proposal that you believe to be confidential or proprietary or that you do not consider to be public information subject to public disclosure under the Texas Public Information Act or similar public information law;
7. The individual submitting this Proposal is duly authorized to enter into the contractual relationship represented by this Proposal Invitation on your behalf and bind you to the Requirements, and such individual (and any individual signing a form or Proposal document) is authorized and has the requisite knowledge to provide the information and make the representations and certifications required in the Requirements;
8. You have carefully reviewed your Proposal, and certify that all information provided is true, complete, and accurate to the best of your knowledge, and you authorize the Cooperative to take such action as it deems appropriate to verify such information; and
9. Any misstatement, falsification, or omission in your Proposal, whenever or however discovered, will be grounds for disqualifying you from consideration for a contract award under this Proposal Invitation, termination of a contract award, or any other remedy or action provided for in the General Terms and Conditions or by law.

## FELONY CONVICTION DISCLOSURE

**Subsection (a) of Section 44.034 of the Texas Education Code (Notification of Criminal History of Contractor)** states: "A person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony."

**Section 44.034 further states in Subsection (b):** "A school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract."

*Please check (✓) one of the following:*

- My company is a publicly-held corporation. (Advance notice requirement does not apply to publicly-held corporation.)
- My company is not owned or operated by anyone who has been convicted of a felony.
- My company is owned/operated by the following individual(s) who has/have been convicted of a felony:

Name of Felon(s): \_\_\_\_\_

Details of Conviction(s): \_\_\_\_\_

**Initial:** \_\_\_\_\_



## RESIDENT/NONRESIDENT CERTIFICATION

Chapter 2252, Subchapter A, of the Texas Government Code establishes certain requirements applicable to proposers who are not Texas residents. Under the statute, a "resident" proposer is a person whose principal place of business is in Texas, including a contractor whose ultimate parent company or majority owner has its principal place of business in Texas. A "nonresident" proposer is a person who is not a Texas resident. Please indicate the status of your company as a "resident" proposer or a "nonresident" proposer under these definitions.

Please check (✓) one of the following:

- I certify that my company is a **Resident Proposer**.  
 I certify that my company is a **Nonresident Proposer**.

If your company is a Nonresident Proposer, you must provide the following information for your resident state (the state in which your company's principal place of business is located):

_____		_____	
Company Name		Address	
_____		_____	
City	State	Zip Code	

- A. Does your resident state require a proposer whose principal place of business is in Texas to under-price proposers whose resident state is the same as yours by a prescribed amount or percentage to receive a comparable contract?  
 Yes     No
- B. What is the prescribed amount or percentage? \$ \_\_\_\_\_ or \_\_\_\_\_ %

## DEBARMENT CERTIFICATION

By signature on the Compliance Forms Signature Page, I certify that neither my company nor an owner or principal of my company has been debarred, suspended or otherwise made ineligible for participation in Federal Assistance programs under Executive Order 12549, "Debarment and Suspension," as described in the Federal Register and Rules and Regulations. Neither my company nor an owner or principal of my company is currently listed on the government-wide exclusions in SAM, debarred, suspended, or otherwise excluded by agencies or declared ineligible under any statutory or regulatory authority. My company agrees to immediately notify the Cooperative and all Cooperative members with pending purchases or seeking to purchase from my company if my company or an owner or principal is later listed on the government-wide exclusions in SAM, or is debarred, suspended, or otherwise excluded by agencies or declared ineligible under any statutory or regulatory authority.

## VENDOR EMPLOYMENT CERTIFICATION

Section 44.031(b) of the Texas Education Code establishes certain criteria that a school district must consider when determining to whom to award a contract. Among the criteria for certain contracts is whether the vendor or the vendor's ultimate parent or majority owner (i) has its principal place of business in Texas; or (ii) employs at least 500 people in Texas. If neither your company nor the ultimate parent company or majority owner has its principal place of business in Texas, does your company, ultimate parent company, or majority owner employ at least 500 people in Texas?

Please check (✓) one of the following:

- Yes     No

Initial: \_\_\_\_\_

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## NO BOYCOTT VERIFICATION

A Texas governmental entity may not enter into a contract with a value of \$100,000 or more that is to be paid wholly or partly from public funds with a company (excluding a sole proprietorship) that has 10 or more full-time employees for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel and will not boycott Israel during the term of the contract (TEX. GOV'T CODE Ch. 2271), (2) does not boycott energy companies and will not boycott energy companies during the term of the contract (TEX. GOV'T CODE Ch. 2276), and (3) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association (TEX. GOV'T CODE Ch. 2274). Accordingly, this certification form is included to the extent required by law.

"Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. TEX. GOV'T CODE §808.001(1).

"Boycott energy company" means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company: (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by Paragraph (A). TEX. GOV'T CODE §809.001(1).

"Discriminate against a firearm entity or firearm trade association" means, (A) with respect to the entity or association, to: (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; and (B) does not include: (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship: (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association. TEX. GOV'T CODE §2274.001(3).

By signature on the Compliance Forms Signature Page, to the extent applicable, I certify and verify that Vendor does not boycott Israel, boycott energy companies, or discriminate against a firearm entity or firearm trade association and will not do so during the term of any contract awarded under this Proposal Invitation, that this certification is true, complete and accurate, and that I am authorized by my company to make this certification.

Initial: \_\_\_\_\_

## NO EXCLUDED NATION OR FOREIGN TERRORIST ORGANIZATION CERTIFICATION

Chapter 2252 of the Texas Government Code provides that a Texas governmental entity may not enter into a contract with a company engaged in active business operations with Sudan, Iran, or a foreign terrorist organization – specifically, any company identified on a list prepared and maintained by the Texas Comptroller under Texas Government Code §§806.051, 807.051, or 2252.153. (A company that the U.S. Government affirmatively declares to be excluded from its federal sanctions regime relating to Sudan, Iran, or any federal sanctions regime relating to a foreign terrorist organization is not subject to the contract prohibition.)

By signature on the Compliance Forms Signature Page, I certify and verify that Vendor is not on the Texas Comptroller's list identified above; that this certification is true, complete and accurate; and that I am authorized by my company to make this certification.

## HISTORICALLY UNDERUTILIZED BUSINESS CERTIFICATION

A Proposer that has been certified as a Historically Underutilized Business (also known as a Minority/Women Business Enterprise or "MWBE" and all referred to in this form as a "HUB") is encouraged to indicate its HUB certification status when responding to this Proposal Invitation. The BuyBoard website will indicate HUB certifications for awarded Vendors that properly indicate and document their HUB certification on this form. *(Please check (✓) all that apply)*

- I certify that my company has been certified as a HUB in the following categories:
- Minority Owned Business**       **Women Owned Business**  
 **Service-Disabled Veteran Owned Business (veteran defined by 38 U.S.C. §101(2), who has a service-connected disability as defined by 38 U.S.C. § 101(16), and who has a disability rating of 20% or more as determined by the U. S. Department of Veterans Affairs or Department of Defense)**

Certification Number: \_\_\_\_\_

Name of Certifying Agency: \_\_\_\_\_

- My company has **NOT** been certified as a HUB.

## ACKNOWLEDGEMENT OF BUYBOARD TECHNICAL REQUIREMENTS

Vendor shall review the BuyBoard Technical Requirements included in this Proposal Invitation. By signature on the Compliance Forms Signature Page, the undersigned affirms that Proposer has obtained a copy of the BuyBoard Technical Requirements, has read and understands the requirements, and certifies that Vendor is able to meet and will comply with those requirements except as follows: *[List and explain BuyBoard Technical Requirements, if any, to which your company cannot or will not comply.]*

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Note: In accordance with the General Terms and Conditions of the Contract, to the extent Vendor is awarded a Contract under this Proposal Invitation but is unable or unwilling to meet the applicable BuyBoard Technical Requirements, the information available on the BuyBoard for Vendor's awarded products or services may be limited, potentially placing Vendor at a disadvantage and impacting the ability of Cooperative members to search, find, review, and purchase Vendor's awarded products and services on the BuyBoard website. Further, to the extent Vendor has acknowledged ability to meet and comply with the BuyBoard Technical Requirements, any subsequent failure or refusal by Vendor to promptly provide information upon request to the Cooperative administrator in accordance with those technical requirements may be deemed an event of default under the Contract.

Initial: \_\_\_\_\_

## CONSTRUCTION-RELATED GOODS AND SERVICES AFFIRMATION

The Cooperative issued the BuyBoard Procurement and Construction-Related Goods and Services Advisory for Texas Members ("Advisory"), which provides information specifically relevant to the procurement of construction-related goods and services by Texas Cooperative members. The Advisory, available at [buyboard.com/Vendor/Resources.aspx](http://buyboard.com/Vendor/Resources.aspx), provides an overview of certain legal requirements that are potentially relevant to a Cooperative member's procurement of construction or construction-related goods and services, including those for projects that may involve or require architecture, engineering or independent testing services. A copy of the Advisory can also be provided upon request. Because many BuyBoard contracts include goods or installation services that might be considered construction-related, Proposer must make this Construction Related-Goods and Services Affirmation regardless of type of goods or services associated with this Proposal Invitation.

A contract awarded under this Proposal Invitation covers only the specific goods and/or services awarded by the Cooperative. As explained in the Advisory ("Advisory"), **Texas law prohibits the procurement of architecture or engineering services through a purchasing cooperative. This Proposal Invitation and any Contract awarded thereunder does not include such services. Architecture or engineering services must be procured by a Cooperative member separately, in accordance with the Professional Services Procurement Act (Chapter 2254 of the Texas Government Code) and other applicable law and local policy.**

By signature on the Compliance Forms Signature Page, Proposer affirms that Proposer has obtained a copy of the Advisory, has read and understands the Advisory, and is authorized by Proposer to make this affirmation. If Proposer sells construction-related goods or services to a Cooperative member under a Contract awarded under this Proposal Invitation, Proposer will comply with the Advisory and applicable legal requirements, make a good faith effort to make its Cooperative member customers or potential Cooperative member customers aware of such requirements, and provide a Cooperative member with a copy of the Advisory before accepting the member's Purchase Order or other agreement for construction-related goods or services.

Initial: \_\_\_\_\_

Item X13.



## DEVIATION AND COMPLIANCE

If your company intends to deviate from the General Terms and Conditions, Proposal Specifications or other requirements associated with this Proposal Invitation, you MUST list all such deviations on this form, and provide complete and detailed information regarding the deviations on this form or an attachment to this form. **Prior to completing this form, Vendor shall review the General Terms and Conditions section B.4 (Deviations from Item Specifications and General Terms and Conditions). Please note that, as provided in section B.4, certain provisions of the General Terms and Conditions are NOT subject to deviation, and certain deviations will be deemed rejected without further action by the Cooperative. Any attempted deviation, whether directly or indirectly, to provisions identified in this Proposal Invitation as not subject to deviation shall be deemed rejected by the Cooperative and, unless otherwise withdrawn by Vendor, may result in Vendor’s Proposal being rejected in its entirety.**

The Cooperative will consider any deviations in its contract award decision and reserves the right to accept or reject a proposal based upon any submitted deviation.

In the absence of any deviation identified and described in accordance with the above, your company must fully comply with the General Terms and Conditions, Proposal Specifications and all other requirements associated with this Proposal Invitation if awarded a Contract under this Proposal Invitation. A deviation will not be effective unless accepted by the Cooperative. The Cooperative, by and through the Cooperative administrator, may, in its sole discretion, seek clarification from and/or communicate with Proposer(s) regarding any submitted deviation, consistent with general procurement principles of fair competition. The Cooperative reserves the right to accept or reject a Proposal based upon any submitted deviation.

*Please check (✓) one of the following:*

- No;** Deviations
- Yes;** Deviations

List and fully explain any deviations you are submitting:

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**Initial:** \_\_\_\_\_

Item X13.

## VENDOR CONSENT FOR NAME BRAND USE

BuyBoard members seeking to make purchases using a Contract awarded under this Proposal Invitation may view information regarding awarded Vendors, including but not limited to product catalogs, pricelists, pricing, and Proposals, through the BuyBoard website. To improve and enhance the experience of BuyBoard members seeking to procure goods and services under the Contract utilizing the BuyBoard website, any Vendor logo, product images, and similar brand and trademark information provided by Vendor for purposes of the Contract ("Vendor Information") may be posted on the BuyBoard website.

**You acknowledge that, by submitting your Proposal, unless you specifically opt out below, you consent to use of your company's Vendor Information on the BuyBoard website if awarded a Contract.** You further acknowledge that whether, where, and when to include the Vendor Information on the BuyBoard website shall be at the sole discretion of the BuyBoard Administrator. Vendor retains, however, the right of general quality control over the BuyBoard Administrator's authorized display of proprietary Vendor Information. Neither the BuyBoard nor its administrator will be responsible for the use or distribution of Vendor Information by BuyBoard members or any other third party using the BuyBoard website. This Vendor Consent shall be effective for the full term of the Contract, including renewals, unless Vendor provides a signed, written notice revoking consent to [contractadmin@buyboard.com](mailto:contractadmin@buyboard.com). BuyBoard shall have up to thirty days from the date of receipt of a termination or revocation of a Vendor Consent to remove Vendor information from the BuyBoard website.

This Vendor Consent is subject to the Terms and Conditions of the Contract, including, but not limited to, those terms pertaining to Disclaimer of Warranty and Limitation of Liability, Indemnification, and Intellectual Property Infringement.

Vendor logo files must be submitted in one of the formats set forth in the BuyBoard Technical Requirements. Proposers are requested to submit this information with Vendor's Proposal. (This consent shall not authorize use of your company's Vendor Information by BuyBoard if your company is not awarded a Contract.)

### OPT OUT:

If your company wishes to opt out of the Vendor Consent for Name Brand Use, you must check the opt out box below. ***DO NOT select this box unless your company is opting out of this Vendor Consent for Name Brand Use.***

By checking this box, Vendor hereby declines to provide consent for use of Vendor Information (as defined herein) on the BuyBoard website. **By opting out, Vendor acknowledges and agrees that, if Vendor is awarded a Contract under this Proposal Invitation, information available on the BuyBoard for Vendor's awarded products or services may be limited, potentially placing Vendor at a disadvantage and impacting the ability of Cooperative members to search, find, review, and purchase Vendor's awarded products and services on the BuyBoard website.**

Initial: \_\_\_\_\_

Item X13.

## CONFIDENTIAL/PROPRIETARY INFORMATION

### A. Public Disclosure Laws

All Proposals, forms, documentation, catalogs, pricelists, or other materials submitted by Vendor to the Cooperative in response to this Proposal Invitation, may be subject to the disclosure requirements of the Texas Public Information Act (Texas Government Code chapter 552.001, *et. seq.*) or similar disclosure law. Proposer must clearly identify on this form any information in its Proposal (including forms, documentation, or other materials submitted with the Proposal) that Proposer considers proprietary or confidential. If Proposer fails to properly identify the information, the Cooperative shall have no obligation to notify Vendor or seek protection of such information from public disclosure should a member of the public or other third party request access to the information under the Texas Public Information Act or similar disclosure law. When required by the Texas Public Information Act or other disclosure law, Proposer may be notified of any third-party request for information in a Proposal that Proposer has identified in this form as proprietary or confidential.

Does your Proposal (including forms, documentation, catalogs, pricelists, or other materials submitted with the Proposal) contain information which Vendor considers proprietary or confidential?

Please check (✓) one of the following:

- NO**, I certify that none of the information included with this Proposal is considered confidential or proprietary.
- YES**, I certify that this Proposal contains information considered confidential or proprietary and all such information is specifically identified on this form.

If you responded "YES", you must clearly identify below the specific information you consider confidential or proprietary. List each page number, form number, or other information sufficient to make the information readily identifiable. The Cooperative and Cooperative administrator shall not be responsible for a Proposer's failure to clearly identify information considered confidential or proprietary. Further, by submitting a Proposal, Proposer acknowledges that the Cooperative and Cooperative administrator will disclose information when required by law, even if such information has been identified herein as information Vendor considers confidential or proprietary.

Confidential / Proprietary Information:

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(Attach additional sheets if needed.)

Initial: \_\_\_\_\_

## B. Copyright Information

Does your Proposal (including forms, documentation, pricelists, catalogs, or other materials submitted with the Proposal) contain copyright information?

Please check (✓) one of the following:

**NO**, Proposal (including forms, documentation, pricelists, catalogs, or other materials submitted with the Proposal) does not contain copyright information.

**YES**, Proposal (including forms, documentation, pricelists, catalogs, or other materials submitted with the Proposal) does contain copyright information.

If you responded "YES", clearly identify below the specific documents or pages containing copyright information.

Copyright Information: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*(Attach additional sheets if needed.)*

## C. Consent to Release Confidential/Proprietary/Copyright Information to BuyBoard Members

BuyBoard members (Cooperative and nonprofit members) seeking to make purchases through the BuyBoard may wish to view information included in the Proposals of awarded Vendors. If you identified information on this form as confidential, proprietary, or subject to copyright, and you are awarded a BuyBoard contract, your acceptance of the BuyBoard contract award constitutes your consent to the disclosure of such information to BuyBoard members, including posting of such information on the secure BuyBoard website for members. Note: Neither the Cooperative nor Cooperative administrator will be responsible for the use or distribution of information by BuyBoard members or any other party.

## D. Consent to Release Proposal Tabulation

Notwithstanding anything in this Confidential/Proprietary Information form to the contrary, by submitting a Proposal, Vendor consents and agrees that, upon Contract award, the Cooperative may publicly release, including posting on the public BuyBoard website, a copy of the proposal tabulation and award information for the Contract including Vendor name; proposed catalog/pricelist name(s); proposed percentage discount(s), hourly labor rate(s), or other specified pricing; and Vendor award or non-award information.

Initial: \_\_\_\_\_

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### 3. Equal Employment Opportunity:

Except as otherwise provided under 41 CFR Part 60, all Cooperative member purchases or contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 shall be deemed to include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

The equal opportunity clause provided under 41 CFR 60-1.4(b) is hereby incorporated by reference. Vendor agrees that such provision applies to any Cooperative member purchase or contract that meets the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 and Vendor agrees that it shall comply with such provision.

YES, I agree.  NO, I do not agree.

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### 4. Davis-Bacon Act:

When required by Federal program legislation, Vendor agrees that, for all Cooperative member prime construction contracts/purchases in excess of \$2,000, Vendor shall comply with the Davis-Bacon Act (40 USC 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, Vendor is required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determinate made by the Secretary of Labor. In addition, Vendor shall pay wages not less than once a week.

Current prevailing wage determinations issued by the Department of Labor are available at [www.sam.gov](http://www.sam.gov). Vendor agrees that, for any purchase to which this requirement applies, the award of the purchase to the Vendor is conditioned upon Vendor's acceptance of the wage determination.

Vendor further agrees that it shall also comply with the Copeland "Anti-Kickback" Act (40 USC 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.

YES, I agree.  NO, I do not agree.

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### 5. Contract Work Hours and Safety Standards Act:

Where applicable, for all Cooperative member contracts or purchases in excess of \$100,000 that involve the employment of mechanics or laborers, Vendor agrees to comply with 40 USC 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 USC 3702 of the Act, Vendor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week.

The requirements of 40 USC 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

YES, I agree.  NO, I do not agree.

Initial: \_\_\_\_\_

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**6. Right to Inventions Made Under a Contract or Agreement:**

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

Vendor agrees to comply with the above requirements when applicable.

- YES, I agree.  NO, I do not agree.
- 

**7. Clean Air Act and Federal Water Pollution Control Act:**

Clean Air Act (42 USC 7401-7671q.) and the Federal Water Pollution Control Act (33 USC 1251-1387), as amended – Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 USC 7401-7671q.) and the Federal Water Pollution Control Act, as amended (33 USC 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

When required, Vendor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act.

- YES, I agree.  NO, I do not agree.
- 

**8. Debarment and Suspension:**

Debarment and Suspension (Executive Orders 12549 and 12689) – A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1966 Comp. p. 189) and 12689 (3 CFR Part 1989 Comp. p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Vendor certifies that Vendor is not currently listed on the government-wide exclusions in SAM, is not debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549. Vendor further agrees to immediately notify the Cooperative and all Cooperative members with pending purchases or seeking to purchase from Vendor if Vendor is later listed on the government-wide exclusions in SAM, or is debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549.

- YES, I agree.  NO, I do not agree.
- 

**9. Byrd Anti-Lobbying Amendment:**

Byrd Anti-Lobbying Amendment (31 USC 1352) - Vendors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. As applicable, Vendor agrees to file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 USC 1352).

- YES, I agree.  NO, I do not agree.

Initial: \_\_\_\_\_

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**10. Procurement of Recovered Materials:**

For Cooperative member purchases utilizing Federal funds, Vendor agrees to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act where applicable and provide such information and certifications as a Cooperative member may require to confirm estimates and otherwise comply. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery, and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

YES, I agree.  NO, I do not agree.

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**11. Domestic Preferences for Procurements:**

Where appropriate and consistent with law, 2 CFR §200.322 contains certain considerations for domestic preferences for procurements which may be applicable to Cooperative members using federal funds. When required by a Cooperative member, Vendor agrees to provide such information or certification as may reasonably be requested by the Cooperative member regarding Vendor's products, including whether goods, products, or materials are produced in the United States.

YES, I agree.  NO, I do not agree.

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**12. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment**

2 CFR §200.216 prohibits expending federal loan or grant funds to procure or obtain covered telecommunications equipment or services. To the extent applicable and when required by a Cooperative member, Vendor agrees to provide such information or certification as may reasonably be requested by the Cooperative member to confirm whether any telecommunications equipment or services provided by Vendor is covered telecommunications equipment or services under 2 CFR §200.216.

YES, I agree.  NO, I do not agree.

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**13. General Compliance and Cooperation with Cooperative Members:**

In addition to the foregoing specific requirements, Vendor agrees, in accepting any Purchase Order from a Cooperative member, it shall make a good faith effort to work with Cooperative members to provide such information and to satisfy such requirements as may apply to a particular Cooperative member purchase or purchases including, but not limited to, applicable recordkeeping and record retention requirements.

YES, I agree.  NO, I do not agree.

Initial: \_\_\_\_\_

Item X13.

## COMPLIANCE FORMS SIGNATURE PAGE

By initialing pages and by signature below, I certify that I have reviewed the following forms; that the information provided therein is true, complete, and accurate; and that I am authorized by my company to make all certifications, consents, acknowledgements, and agreements contained herein:

- Proposal Acknowledgements
- Felony Conviction Disclosure
- Debarment Certification
- Resident/Nonresident Certification
- Vendor Employment Certification
- No Boycott Verification
- No Excluded Nation or Foreign Terrorist Organization Certification
- Historically Underutilized Business Certification
- Construction-Related Goods and Services Affirmation
- Acknowledgement of BuyBoard Technical Requirements
- Deviation and Compliance
- Vendor Consent for Name Brand Use
- Confidential/Proprietary Information
- EDGAR Vendor Certification

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Signature of Authorized Company Official

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Date

## PROPOSAL FORMS PART 2: VENDOR INFORMATION FORMS

### INSTRUCTIONS:

Proposer must completely and accurately provide all information requested in the following Vendor Information Forms or your Proposal may be rejected as non-responsive:

- Vendor Business Name
- Vendor Contact Information
- Federal and State/Purchasing Cooperative Experience
- Governmental References
- Company Profile
- Texas Regional Service Designation
- State Service Designation
- National Purchasing Cooperative Vendor Award Agreement (*Vendors serving outside Texas only*)
- Local/Authorized Seller Listings
- Manufacturer Dealer Designation
- Proposal Invitation Questionnaire

To the extent any information requested is not applicable to your company, you must so indicate on the form.

### VENDOR BUSINESS NAME

By submitting a Proposal, Vendor is seeking to enter into a legal contract with the Cooperative. As such, Vendor must be an individual or legal business entity capable of entering into a binding contract.

#### Name of Proposing Company:

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*(List the **legal** name of the company seeking to contract with the Cooperative. Do **NOT** list an assumed name, dba, aka, etc. here. Such information may be provided below. If you are submitting a joint proposal with another entity to provide the same proposed goods or services, each submitting entity should complete a separate vendor information form. Separately operating legal business entities, even if affiliated entities, which propose to provide goods or services separately must submit their own Proposals.)*

*Please check (✓) one of the following:*

**Type of Business:**     Individual/Sole Proprietor     Corporation     Limited Liability Company     Partnership  
                                  Other (Specify: \_\_\_\_\_)

**State of Incorporation** (if applicable): \_\_\_\_\_

**Federal Employer Identification Number:** \_\_\_\_\_

*(Vendor must include a completed **IRS W-9** form with their Proposal)*

**Name by which Vendor, if awarded, wishes to be identified on the BuyBoard:** *(Note: If different than the Name of Proposing Company listed above, only valid trade names (dba, aka, etc.) of the Proposing Company may be used and a copy of your Assumed Name Certificate(s), if applicable, must be attached.)* \_\_\_\_\_

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## VENDOR CONTACT INFORMATION

*Vendor shall provide the requested Vendor Contact Information in the electronic proposal submission system including contract, purchase order, RFQ, and invoice contacts (or, if submitting a hard copy Proposal, timely request and complete the Vendor Contact Information form in accordance with the Instructions to Proposers).*

### FEDERAL AND STATE/PURCHASING COOPERATIVE EXPERIENCE

The Cooperative strives to provide Cooperative members with the best services and products at the best prices available from Vendors with the technical resources and ability to serve Cooperative members. Please respond to the following questions.

1. Provide the dollar value of sales to or through purchasing cooperatives at or based on an established catalog or market price during the previous 12-month period or the last fiscal year: \$\_\_\_\_\_. (The period of the 12-month period is \_\_\_\_/\_\_\_\_). In the event that a dollar value is not an appropriate measure of the sales, provide and describe your own measure of the sales of the item(s).
2. By submitting a proposal, you agree that, based on your written discounting policies, the discounts you offer the Cooperative are equal to or better than the best price you offer other purchasing cooperatives for the same items under equivalent circumstances.
3. Provide the information requested below for other purchasing cooperatives for which Proposer currently serves, or in the past has served, as an awarded vendor. Rows should be added to accommodate as many purchasing cooperatives as required.

PURCHASING GROUP	CURRENT VENDOR? (Y/N)	FORMER VENDOR (Y/N)? – IF YES, LIST YEARS AS VENDOR	AWARDED COMMODITY CATEGORY(IES)
1. Federal General Services Administration			
2. T-PASS (State of Texas)			
3. OMNIA Partners			
4. Sourcewell (NJPA)			
5. E&I Cooperative			
6. Houston-Galveston Area Council (HGAC)			
7. Choice Partners			
8. The Interlocal Purchasing System (TIPS)			
9. Other			

MY COMPANY DOES NOT CURRENTLY HAVE ANY OF THE ABOVE OR SIMILAR TYPE CONTRACTS.

#### CURRENT BUYBOARD VENDORS

If you are a current BuyBoard vendor in the same contract category as proposed in this Proposal Invitation, indicate the discount for your current BuyBoard contract and the proposed discount in this Proposal. Explain any difference between your current and proposed discounts.

Current Discount (%): \_\_\_\_\_ Proposed Discount (%): \_\_\_\_\_

Explanation: \_\_\_\_\_

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## GOVERNMENTAL REFERENCES

For your Proposal to be considered, you must supply a minimum of five (5) individual governmental entity references. The Cooperative may contact any and all references provided as part of the Proposal evaluation. Provide the information requested below, including the existing pricing/discounts you offer each customer. The Cooperative may determine whether pricing/discounts are fair and reasonable by comparing pricing/discounts stated in your Proposal with the pricing/discounts you offer other governmental customers. Attach additional pages if necessary.

Entity Name	Contact	Phone#	Email Address	Discount	Quantity/ Volume
1.					
2.					
3.					
4.					
5.					

Do you ever modify your written policies or standard governmental sales practices as identified in the above chart to give better discounts (lower pricing) than indicated? YES  NO  If YES, please explain:

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## COMPANY PROFILE

Information on awarded Cooperative Contracts is available to Cooperative Members on the BuyBoard website. If your company is awarded a Contract under this Proposal Invitation, please provide a brief company description that you would like to have included with your company profile on the BuyBoard website. **Submit your company profile in a separate file, in Word format, with your Proposal.** (Note: Vendor is solely responsible for any content provided for inclusion on the BuyBoard website. The Cooperative reserves the right to exclude or remove any content in its sole discretion, with or without prior notice, including but not limited to any content deemed by the Cooperative to be inappropriate, irrelevant to the Contract, inaccurate, or misleading.)

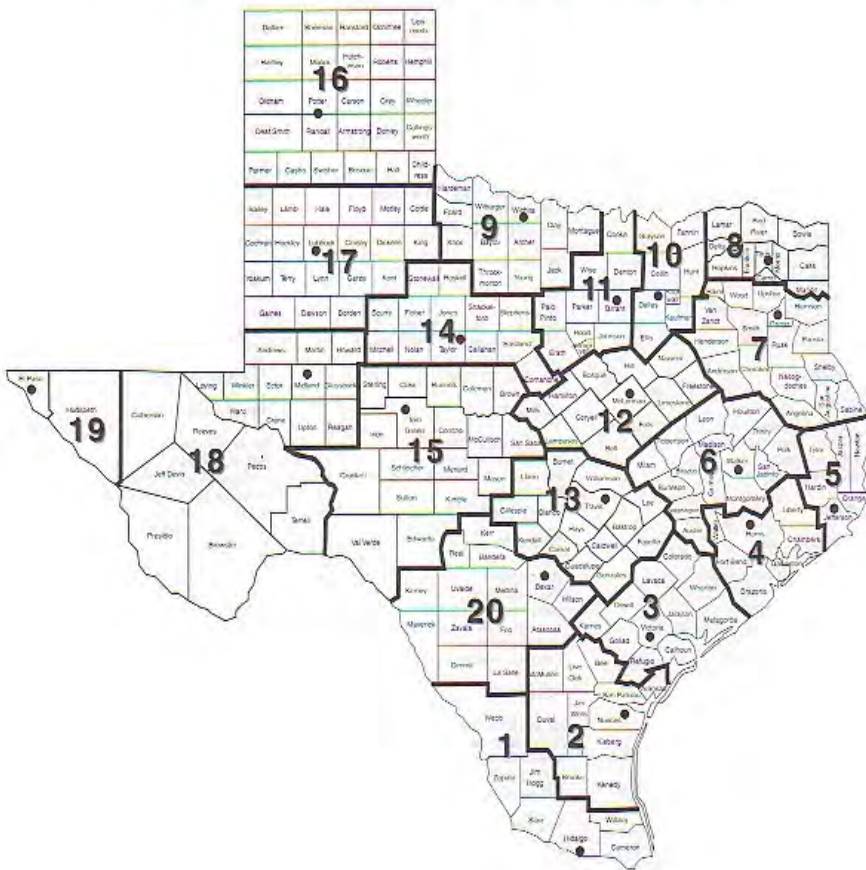


## TEXAS REGIONAL SERVICE DESIGNATION

***This form must be completed in the electronic proposal submission system (or, if submitting a hard copy Proposal, timely request and complete the form in accordance with the Instructions to Proposers).***

The Cooperative (referred to as "Texas Cooperative" in this form and in the State Service Designation form) offers vendors the opportunity to service its members throughout the entire State of Texas. In the electronic proposal submission system, you must indicate if you will service Texas Cooperative members statewide or, if you do not plan to service all Texas Cooperative members statewide, you **must** indicate the specific regions you will service. If you propose to serve different regions for different products or services included in your Proposal, you must complete and submit a separate Texas Regional Service Designation form for each group of products and clearly indicate the products or services to which the designation applies. **(Additional forms can be obtained by contacting [bids@buyboard.com](mailto:bids@buyboard.com) at least five (5) business days prior to the Proposal Due Date.)** **By designating a region or regions, you are certifying that you are authorized and willing to provide the proposed products and services in those regions. Designating regions in which you are either unable or unwilling to provide the specified products and services shall be grounds for either rejection of your Proposal or, if awarded, termination of your Contract.** Additionally, if you do not plan to service Texas Cooperative members (i.e., if you will service only states other than Texas), you must so indicate on the form in the electronic proposal submission system.

### Regional Education Service Centers



#### Region and Headquarters

- 1 Edinburg
- 2 Corpus Christi
- 3 Victoria
- 4 Houston
- 5 Beaumont
- 6 Huntsville
- 7 Kilgore
- 8 Mount Pleasant
- 9 Wichita Falls
- 10 Richardson
- 11 Fort Worth
- 12 Waco
- 13 Austin
- 14 Abilene
- 15 San Angelo
- 16 Amarillo
- 17 Lubbock
- 18 Midland
- 19 El Paso
- 20 San Antonio

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## STATE SERVICE DESIGNATION

***This form must be completed in the electronic proposal submission system (or, if submitting a hard copy Proposal, timely request and complete the in accordance with the Instructions to Proposers).***

As set forth in the Proposal Invitation, it is the Cooperative's intent that other governmental entities in the United States have the opportunity to purchase goods or services awarded under the Contract, subject to applicable state law, through a piggy-back award or similar agreement through the National Purchasing Cooperative BuyBoard. If you plan to service the entire United States or only specific states, *you must complete the State Service Designation information in the electronic proposal submission system. (Note: If you plan to service Texas Cooperative members, be sure that you complete the Texas Regional Service Designation form.) In addition to this form, to be considered for a piggy-back award by the National Purchasing Cooperative, you must have an authorized representative sign the National Purchasing Cooperative Vendor Award Agreement that follows this page.*

If you serve different states for different products or services included in your Proposal, you must complete and submit a separate State Service Designation form for each group of products and clearly indicate the products or services to which the designation applies. **(Additional forms can be obtained by contacting [bids@buyboard.com](mailto:bids@buyboard.com) at least five (5) business days prior to the Proposal Due Date.) By designating a state or states, you are certifying that you are authorized and willing to provide the proposed products and services in those states. Designating states in which you are either unable or unwilling to provide the specified products and services shall be grounds for either rejection of your Proposal or, if awarded, termination of your Contract.**

- I will service all states in the United States.
- I will not service all states in the United States.

Alabama  
Alaska  
Arizona  
Arkansas  
California (Public Contract Code 20118 & 20652)  
Colorado  
Connecticut  
Delaware  
District of Columbia  
Florida  
Georgia  
Hawaii  
Idaho  
Illinois  
Indiana  
Iowa  
Kansas  
Kentucky  
Louisiana  
Maine  
Maryland  
Massachusetts  
Michigan  
Minnesota  
Mississippi  
Missouri

Montana  
Nebraska  
Nevada  
New Hampshire  
New Jersey  
New Mexico  
New York  
North Carolina  
North Dakota  
Ohio  
Oklahoma  
Oregon  
Pennsylvania  
Rhode Island  
South Carolina  
South Dakota  
Tennessee  
Texas  
Utah  
Vermont  
Virginia  
Washington  
West Virginia  
Wisconsin  
Wyoming

## NATIONAL PURCHASING COOPERATIVE VENDOR AWARD AGREEMENT

In accordance with the Terms and Conditions associated with this Proposal Invitation, a contract awarded under this Proposal Invitation may be “piggy-backed” by another governmental entity. The National Purchasing Cooperative is an intergovernmental purchasing cooperative formed by certain school districts outside of Texas to serve its members throughout the United States. If you agree to be considered for a piggy-back award by the National Purchasing Cooperative, you agree to the following terms and agree to serve National Purchasing Cooperative members in the states you have indicated on the State Service Designation form, in your Proposal.

**By signing this form, Proposer (referred to in this Agreement as “Vendor”) agrees as follows:**

1. Vendor acknowledges that if The Local Government Purchasing Cooperative (“Texas Cooperative”) awards Vendor a contract under this Proposal Invitation (“Underlying Award”), the National Purchasing Cooperative (“National Cooperative”) may - but is not required to - “piggy-back” on or re-award all or a portion of that Underlying Award (“Piggy-Back Award”). By signing this National Cooperative Vendor Award Agreement (“Agreement”), Vendor accepts and agrees to be bound by any such Piggy-Back Award as provided for herein.

2. In the event National Cooperative awards Vendor a Piggy-Back Award, the National Cooperative Administrator (“BuyBoard Administrator”) will notify Vendor in writing of such Piggy-Back Award, which award shall commence on the effective date stated in the Notice and end on the expiration date of the Underlying Award, subject to annual renewals as authorized in writing by the BuyBoard Administrator. Vendor agrees that no further signature or other action is required of Vendor in order for the Piggy-Back Award and this Agreement to be binding upon Vendor. Vendor further agrees that no interlineations or changes to this Agreement by Vendor will be binding on National Cooperative, unless such changes are agreed to by its BuyBoard Administrator in writing.

3. Vendor agrees that it shall offer its goods and services to National Cooperative members at the same pricing and same general terms and conditions, subject to applicable state laws in the state of purchase, as required by the Underlying Award. However, nothing in this Agreement prevents Vendor from offering National Cooperative members better (i.e., lower) competitive pricing and more favorable terms and conditions than those in the Underlying Award.

4. Vendor hereby agrees and confirms that it will serve those states it has designated on the State Service Designation Form of this Proposal Invitation. Any changes to the states designated on the State Service Designation Form must be approved in writing by the BuyBoard Administrator.

5. Vendor agrees to pay National Cooperative the service fee provided for in the Underlying Award based on the amount of purchases generated from National Cooperative members through the Piggy-Back Award. Vendor shall remit payment to National Cooperative on such schedule as it specifies (which shall not be more often than monthly). Further, upon request, Vendor shall provide National Cooperative with copies of all purchase orders generated from National Cooperative members, vendor invoices, and/or such other documentation regarding those purchase orders as the Cooperative’s administrators may require in their reasonable discretion for purposes of reviewing and verifying purchase activity. Vendor further agrees that National Cooperative shall have the right, upon reasonable written notice, to review Vendor’s records pertaining to purchases made by National Cooperative members in order to verify the accuracy of service fees.

6. Vendor agrees that the Underlying Award, including its General Terms and Conditions, are adopted by reference to the fullest extent such provisions can reasonably apply to the post-proposal/contract award phase. The rights and responsibilities that would ordinarily inure to the Texas Cooperative pursuant to the Underlying Award shall inure to National Cooperative; and, conversely, the rights and responsibilities that would ordinarily inure to Vendor in the Underlying Award shall inure to Vendor in this Agreement. Vendor recognizes and agrees that Vendor and National Cooperative are the only parties to this Agreement, and that nothing in this Agreement has application to other third parties, including the Texas Cooperative. In the event of conflict between this Agreement and the terms of the Underlying Award, the terms of this Agreement shall control, and then only to the extent necessary to reconcile the conflict.



7. This Agreement shall be governed and construed in accordance with the laws of the State of Texas and venue for any dispute shall lie in the federal district court of Travis County, Texas.

8. Vendor acknowledges and agrees that the award of a Piggy-Back Award is within the sole discretion of National Cooperative, and that this Agreement does not take effect unless and until National Cooperative awards Vendor a Piggy-Back Award and the BuyBoard Administrator notifies Vendor in writing of such Piggy-Back Award as provided for herein.

WHEREFORE, by signing below Vendor agrees to the foregoing and warrants that it has the authority to enter into this Agreement.

\_\_\_\_\_  
Name of Vendor

\_\_\_\_\_  
Proposal Invitation Number

\_\_\_\_\_  
Signature of Authorized Company Official

\_\_\_\_\_  
Printed Name of Authorized Company Official

\_\_\_\_\_  
Date





## MANUFACTURER DEALER DESIGNATION

If Vendor is a manufacturer that sells products through a dealer network and wishes to designate a dealer or multiple dealers ("Designated Dealers") to receive Cooperative member Purchase Orders on Vendor's behalf, you must complete this form for each dealer you wish to designate.

Regardless of any Designated Dealers submitted by Vendor, Vendor specifically agrees and acknowledges that any such designations are for Vendor's convenience only and shall not, if Vendor is awarded a Contract, relieve Vendor of any obligations under the Contract, including payment of Cooperative service fees on all Purchase Orders submitted to Vendor or any Designated Dealer. In accordance with the General Terms and Conditions, an awarded Vendor shall remain responsible and liable for all of its obligations under the Contract and the performance of both Vendor and any of Vendor's Designated Dealers under and in accordance with the Contract and remain subject to all remedies for default thereunder, including, but not limited to suspension and termination of Vendor's Contract for nonpayment of service fees.

If awarded, Vendor authorizes the Cooperative, in its sole discretion, to list any Vendor Designated Dealers in the BuyBoard system and to receive Purchase Orders directly from Cooperative members on behalf of Vendor. To the extent a Vendor with Designated Dealers receives a Purchase Order directly, it shall be the responsibility of Vendor to appropriately process such Purchase Order in accordance with the Contract, including but not limited to timely forwarding such Purchase Order to a Designated Dealer for processing.

The Cooperative reserves the right, in its sole discretion, to refuse addition of, or request removal of, any Designated Dealer, and Vendor agrees to immediately require such Designated Dealer to cease accepting Purchase Orders or otherwise acting on Vendor's behalf under the Contract. Further, the Cooperative administrator shall be authorized to remove or suspend any or all Designated Dealers from the BuyBoard at any time in its sole discretion.

If you wish to designate a dealer to service a contract awarded under this Proposal Invitation, please list the Designated Dealer below. If you wish to designate multiple dealers, please duplicate this form as necessary.

\_\_\_\_\_  
Designated Dealer Name

\_\_\_\_\_  
Designated Dealer Contact Person

\_\_\_\_\_  
Designated Dealer Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Fax Number

\_\_\_\_\_  
Email address

\_\_\_\_\_  
Designated Dealer Tax ID Number\* (**\* attach W-9**)

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## PROPOSAL INVITATION QUESTIONNAIRE

The Cooperative will use your responses to the questions below in evaluating your Proposal and technical and financial resources to provide the goods and perform the services ("Work") under the BuyBoard contract contemplated by this Proposal Invitation ("Contract"). Proposers must fully answer each question, numbering your responses to correspond to the questions/numbers below. Proposers must complete below or attach your responses to this questionnaire and submit in one document with your Proposal. **You must submit the questionnaire and responses with your Proposal or the Proposal will not be considered.**

1. List the number of years Proposer has been in business and former business names (if applicable). Note whether your company is currently for sale or involved in any transaction that would significantly alter its business or result in acquisition by another entity.

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2. Describe the resources Proposer has to manage staff and successfully perform the Work contemplated under this Contract. State the number and summarize the experience of company personnel who may be utilized for the Work, including those who will be available to Cooperative members for assistance with project development, technical issues, and product selection for Work associated with this Contract.

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3. **Marketing Strategy:** For your Proposal to be considered, you must submit the Marketing Strategy you will use if the Cooperative accepts all or part of your Proposal. (*Example: Explain how your company will initially inform Cooperative members of your BuyBoard Contract, and how you will continue to support the BuyBoard for the duration of the Contract term.*) Attach additional pages if necessary.

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4. Describe Proposer’s financial capability to perform the Contract. State or describe the firm’s financial strength and rating, bonding capacity, and insurance coverage limits. State whether the firm, or any of the firm’s past or present owners, principal shareholders or stockholders, or officers, have been a debtor party to a bankruptcy, receivership, or insolvency proceeding in the last 7 years, and identify any such debtor party by name and relationship to or position with your firm.

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5. Does your company have any outstanding financial judgments and/or is it currently in default on any loan or financing agreement? If so, provide detailed information on the nature of such items and prospects for resolution.

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6. List all contracts, if any, in the last 10 years on which Proposer has defaulted, failed to complete or deliver the work, or that have been terminated for any reason. For each such contract, provide the project name, scope, value and date and the name of the procuring entity. Fully explain the circumstances of the default, failure to complete or deliver the work, or termination.

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7. List all litigation or other legal proceedings (including arbitration proceedings), if any, in the last 10 years brought against your firm, or any of the firm’s past or present owners, principal shareholders or stockholders, officers, agents or employees, that relate to or arise from a contract similar to this Contract or the Work contemplated under this Contract. Provide the style of the lawsuit or proceeding (name of parties and court or tribunal in which filed), nature of the claim, and resolution or current status.

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## PROPOSAL SPECIFICATION SUMMARY

The categories and items specified for this Proposal Invitation are summarized below. For full Proposal Specifications, you must review and complete the Proposal Specification information in the electronic proposal submission system in accordance with the Instructions to Proposers (or, if submitting a hard copy Proposal, timely request and complete the Proposal Specification Form in accordance with the Instructions to Proposers).

**PROPOSAL NOTE:** Vendors shall submit catalog(s)/pricelist(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/pricelist(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. *No paper catalogs or manufacturer/vendor websites will be accepted.*

### **Section I: UNIFORMS FOR PURCHASE - PERFORMANCE RELATED UNIFORMS**

1. Discount (%) off catalog/pricelist for **Purchase of Band Uniforms, Related Supplies, and Accessories.**
2. Discount (%) off catalog/pricelist for **Purchase of Flag Corps Uniforms, Related Supplies, and Accessories.**
3. Discount (%) off catalog/pricelist for **Purchase of Formal Wear for Bands and Orchestra, Related Supplies, and Accessories** (dresses, tuxedos, jackets, pants).
4. Discount (%) off catalog/pricelist for **Purchase of Show Choir Wear, Related Supplies, and Accessories.**
5. Discount (%) off catalog/pricelist for **Purchase of Cheerleading Uniforms, Related Supplies, and Accessories.**
6. Discount (%) off catalog/pricelist for **Purchase of Drill Team Uniforms, Related Supplies, and Accessories.**
7. Discount (%) off catalog/pricelist for **Purchase of Dancewear, Related Supplies, and Accessories.**
8. Discount (%) off catalog/pricelist for **Purchase of All Other Performance Related Uniforms, Related Supplies, and Accessories not listed above** (no athletic/sport team uniforms).

### **Section II: UNIFORMS FOR PURCHASE - WORK RELATED UNIFORMS**

9. Discount (%) off catalog/pricelist for **Purchase of Public Safety** (police, fire, EMS, security, and other related public safety) **Uniforms, Related Supplies, and Accessories.**
10. Discount (%) off catalog/pricelist for **Purchase of Custodial and Maintenance Uniforms, Related Supplies, and Accessories.**
11. Discount (%) off catalog/pricelist for **Purchase of Food Service Uniforms, Related Supplies, and Accessories.**
12. Discount (%) off catalog/pricelist for **Purchase of Medical and Nursing Uniforms, Related Supplies, and Accessories.**
13. Discount (%) off catalog/pricelist for **Purchase of Business/Career Apparel Uniforms, Related Supplies, and Accessories.**
14. Discount (%) off catalog/pricelist for **Purchase of Student Uniforms, Related Supplies, and Accessories.**
15. Discount (%) off catalog/pricelist for **Purchase of ARC Rated/Flame Resistant Uniforms, Related Supplies, and Accessories.**
16. Discount (%) off catalog/pricelist for **Purchase of Industrial Towels.**
17. Discount (%) off catalog/pricelist for **Purchase of All Other Work Related Uniforms, Related Supplies, and Accessories not listed above.**

### **Section III: RENTAL UNIFORMS - WORK RELATED UNIFORMS AND OTHER INDUSTRIAL PRODUCTS**

18. Discount (%) off catalog/pricelist for **Rental of Public Safety** (police, fire, EMS, security, etc.) **Uniforms, Related Supplies, and Accessories.**
19. Discount (%) off catalog/pricelist for **Rental of Custodial and Maintenance Uniforms** (Industrial Shirt and Pant; long and short sleeve; various colors/styles, 100% cotton/synthetic blend), **Related Supplies, and Accessories.**
20. Discount (%) off catalog/pricelist for **Rental of Food Service Uniforms, Related Supplies, and Accessories.**
21. Discount (%) off catalog/pricelist for **Rental of Medical and Nursing Uniforms, Related Supplies, and Accessories.**
22. Discount (%) off catalog/pricelist for **Rental of Business/Career Apparel Uniforms** (Executive Shirt and Pant; long and short sleeve; various colors/styles, 100% cotton/synthetic blend), **Related Supplies, and Accessories.**

23. Discount (%) off catalog/pricelist for **Rental of ARC Rated/Flame Resistant Uniforms, Related Supplies and Accessories.**
24. Discount (%) off catalog/pricelist for **Rental of Industrial Towels.**
25. Discount (%) off catalog/pricelist for **Rental of Industrial Mats** (various sizes and colors, with or without logo).
26. Discount (%) off catalog/pricelist for **Rental of Industrial Mop Service** (treated/untreated; various sizes).
27. Discount (%) off catalog/pricelist for **Add-ons/Fees for Uniform Rental Agreements** (name tags, prep, emblem, environmental/energy, initial set up, swing suit, minimum stop size, image guard. and deposit charges/fees).
28. Discount (%) off catalog/pricelist for **Rental of All Other Work Related Uniforms, Related Supplies, and Accessories** not listed above.
29. Discount (%) off catalog/pricelist for **Rental of All Other Industrial Uniforms, Related Products, Supplies and Accessories** not listed above.

## REQUIRED FORMS CHECKLIST

(Please check (✓) the following)

- Reviewed/Completed: **Proposer's Acceptance and Agreement**

### PROPOSAL FORMS PART 1: COMPLIANCE FORMS

- Reviewed/Completed: **Proposal Acknowledgements**
- Reviewed/Completed: **Felony Conviction Disclosure**
- Reviewed/Completed: **Resident/Nonresident Certification**
- Reviewed/Completed: **Debarment Certification**
- Reviewed/Completed: **Vendor Employment Certification**
- Reviewed/Completed: **No Boycott Verification**
- Reviewed/Completed: **No Excluded Nation or Foreign Terrorist Organization Certification**
- Reviewed/Completed: **Historically Underutilized Business Certification**
- Reviewed/Completed: **Acknowledgement of BuyBoard Technical Requirements**
- Reviewed/Completed: **Construction-Related Goods and Services Affirmation**
- Reviewed/Completed: **Deviation and Compliance**
- Reviewed/Completed: **Vendor Consent for Name Brand Use**
- Reviewed/Completed: **Confidential/Proprietary Information**
- Reviewed/Completed: **EDGAR Vendor Certification**
- Reviewed/Completed: **Compliance Forms Signature Page**

### PROPOSAL FORMS PART 2: VENDOR INFORMATION FORMS

- Reviewed/Completed: **Vendor Business Name**
- Reviewed/Completed: **Vendor Contact Information** *(complete in electronic proposal submission system)*
- Reviewed/Completed: **Federal and State/Purchasing Cooperative Experience**
- Reviewed/Completed: **Governmental References**
- Reviewed/Completed: **Company Profile**
- Reviewed/Completed: **Texas Regional Service Designation** *(complete in electronic proposal submission system)*
- Reviewed/Completed: **State Service Designation** *(complete in electronic proposal submission system)*
- Reviewed/Completed: **National Purchasing Cooperative Vendor Award Agreement** *(Vendors serving outside Texas only)*
- Reviewed/Completed: **Local/Authorized Seller Listings**
- Reviewed/Completed: **Manufacturer Dealer Designation**
- Reviewed/Completed: **Proposal Invitation Questionnaire**
- Reviewed/Completed: **Proposal Specifications Discount (%) off Catalog/Pricelist and/or other required pricing information including Catalogs/Pricelists (or no bid response) must be submitted with the Proposal or the Proposal will not be considered.**

## GENERAL TERMS AND CONDITIONS

### A. General Provisions

#### 1. Statement of Inclusion/Applicability

These General Terms and Conditions ("Terms and Conditions") apply to this Proposal Invitation and the proposing company's response to this Proposal Invitation. These Terms and Conditions are an integral part of any Contract which is awarded or Purchase Order which is issued in association with this Proposal Invitation.

#### 2. Organization and Section Titles

The provisions of these Terms and Conditions are generally organized according to the stages of the procurement process: proposal, evaluation, award, and performance. This organization of and the section titles used in these Terms and Conditions are for convenience and reference only, and in no way define, describe, extend, or limit the scope or intent of the provisions of any section of this document. Unless otherwise stated, any listing of factors or criteria in these Terms and Conditions does not constitute an order of preference or importance.

#### 3. Definitions

As used in this Proposal Invitation and associated documentation, the following terms have the meanings set out below unless the context requires otherwise, regardless of whether initial capitalization is consistently used. Words used in the singular include the plural, and words used in the plural include the singular. To the extent terms are defined or used differently in different Proposal Invitation documents, substance prevails over form:

"**Awarded Items**" has the meaning set for in section E.3 of the Terms and Conditions.

"**Awarded Pricing**" has the meaning set forth in section E.4 of the Terms and Conditions.

"**BuyBoard®**," "**the BuyBoard**," or "**BuyBoard website**" means the internet-based electronic commerce technology provided by the Cooperative Administrator, the Texas Association of School Boards, Inc. (TASB), to enable Cooperative members to purchase awarded goods and services electronically.

"**BuyBoard Administrator**" or "**Cooperative Administrator**" means the Texas Association of School Boards, Inc. (TASB), 12007 Research Blvd, Austin, Texas 78759.

"**Contract**" means the contract between the Cooperative and a successful Proposer (Vendor), which gives Vendor the opportunity to serve Cooperative members based on the Cooperative's acceptance of all or part of the Vendor's Proposal, and is comprised collectively of the following:

- (a) This Proposal Invitation;
- (b) Vendor's Proposal;
- (c) Notice of Award issued to Vendor by the Cooperative; and
- (d) Purchase Order between a Cooperative member and Vendor, and any additional terms, conditions, or instructions agreed to by Vendor and a Cooperative member that are consistent with these Terms and Conditions. (A Purchase Order between a Cooperative member and Vendor shall be deemed part of the Contract for the specific Cooperative member purchase only and for determination of the Service Fee as set forth in these Terms and Conditions. Purchase Order terms, including additional or supplemental terms, conditions, or instructions agreed to between a Vendor and a Cooperative member where permitted by these Terms and Conditions shall apply between the Cooperative member and Vendor as to the specific Cooperative member purchase only but shall not alter or affect the Terms and Conditions of the Contract as between the Cooperative in its own right and Vendor.)

"**Cooperative**" means The Local Government Purchasing Cooperative (which may also be referred to as "Texas Cooperative" herein), including when acting by and through the Cooperative Administrator, unless a distinction is made otherwise.

“**Cooperative member**” or “**member**” means a local governmental entity (e.g., school district, city or county) or other governmental entity that is a member of the Cooperative and is eligible to purchase through a governmental purchasing cooperative or interlocal contract. Although not eligible to be a member of the Cooperative, “Cooperative member” as used in these Terms and Conditions may include the Cooperative administrator’s non-profit entity subscribers when used in relation to a purchase from a non-profit subscriber.

“**Goods**” or “**Products**” (which terms are used interchangeably) means the goods, products, equipment or other commodities and/or services that are the subject of this Proposal Invitation.

“**Proposal Invitation**” means this Proposal Invitation and all associated documentation, including without limitation, these Terms and Conditions and any amendments hereto, additional terms and conditions specific to this Proposal Invitation, instructions, exhibits or attachments, forms, agreements, certifications, item specifications, appendices, and addenda.

“**Proposal**” means Proposer’s complete and correct response to this Proposal Invitation, including all information, forms, agreements, certifications and other documentation required by this Proposal Invitation, properly submitted by Proposer’s duly authorized representative.

“**Proposal Due Date**” means the date and time specified in the Proposal Invitation, or any addenda thereto, by which Vendors are required to submit Proposals for this Proposal Invitation.

“**Proposer**” or “**Vendor**” means the company or firm that submits a Proposal or, depending on the context, the proposing company to which the Cooperative awards a Contract under this Proposal Invitation. (For purposes of the forms associated with this Proposal Invitation, “you”, “your”, “I” or “my” refer to Proposer or Vendor, as applicable.)

“**Purchase Order**” means a Cooperative member’s fiscal form or other instrument which is used in making a purchase from Vendor under a Contract. A Purchase Order may include a written or electronic purchase order, record of an online order, record of a purchasing card (P card) purchase, or any other record or instrument used by a Cooperative member to document a Cooperative member’s authorized commitment to purchase awarded goods or services from a Vendor under a Contract.

“**Vendor Invoice**” means Vendor’s billing form or other instrument, written or electronic, documenting charges for goods or services delivered to the Cooperative member under a Purchase Order under a Contract.

## B. Proposal Requirements

### 1. Specifications

Unless otherwise specified, the specifications are intended to be non-proprietary, and should be construed as such. Catalog numbers, brand names, or manufacturer product or reference numbers used in the item specifications in this Proposal Invitation are intended to be descriptive, not restrictive. These references, as well as any approved brands and/or models listed, are intended to identify and indicate the type of product being sought and establish the level of quality desired. If any conflict exists in the item specifications between the product descriptions and any brand names or model or reference numbers used, the product descriptions will override the brand names or model number references.

In some cases, however, the Cooperative may find it advantageous in order to provide best value to Cooperative members to standardize equipment and/or supplies by manufacturer in order to achieve efficiencies in procurement, repair, and operation, to match existing stock, or to satisfy other requirements. In these limited cases, preference will be given to the specific products identified as approved brands and/or models, especially if all other evaluation factors are deemed to be equal. For this reason, where specific brands or models are identified, Proposer is encouraged to propose the exact item specified, in addition to an alternate brand or model with equal/equivalent functionality or features where **appropriate or necessary**.

In all cases, Proposals must identify the manufacturer, brand, model, etc., of the item being offered. For Proposals on “equal/equivalent” items other than the specified approved brand and/or model, Proposer must supply a complete description and sufficient data for the Cooperative to properly analyze the product being proposed, including its functionality and features. In order to conduct such analysis, the Cooperative may request samples for items other than approved brands and/or models. If the specification identifies a specific brand or model for any item and Proposer fails to identify the manufacturer, brand, model, etc., for that item, **the Cooperative will assume Proposer is proposing on the exact brand and model identified in the specification, and if awarded a contract, Vendor must furnish the exact brand name, model, etc., as specified. Substitutions will not be allowed after the contract is awarded**, except as provided for in section E.8 (Product Updates and Substitutions) of these Terms and Conditions.

The apparent silence of the specifications as to any detail, or the apparent omission from any specification of a detailed description concerning any point, will be interpreted to mean that only the best commercial practices will prevail, and the specification will be construed accordingly.

**NOTE:** Unless a different time period is stated in the General Information document of this Proposal Invitation, if Proposer discovers or suspects an error in any item specification in this Proposal Invitation, including that the specification is proprietary where not intended, Proposer must notify the Cooperative Administrator of the error in writing at [bids@buyboard.com](mailto:bids@buyboard.com) immediately, but in no event later than the 10<sup>th</sup> business day before the Proposal Due Date.

## 2. Proposal Pricing

Pricing must be provided in the form required by the specifications and in accordance with the Proposal Invitation.

Unless otherwise provided in the specifications, if the specifications require “Line Item” or unit pricing, the Proposal must include a specific not-to-exceed price for the unit of measure specified for that item. Proposer is responsible for clearly noting any differences in proposed packaging and/or units of measure as a deviation in accordance with section B.4 (Deviations from Item Specifications or General Terms and Conditions) of these Terms and Conditions.

Unless otherwise provided in the specifications, if the specifications require “discount from catalog” or “discount from pricelist” pricing, Proposer must quote the discount percentage to be applied to all items in each published catalog or pricelist included in the Proposal. Proposer must submit each catalog or published pricelist proposed with the Proposal in electronic format and in accordance with the requirements of the Proposal Invitation. Catalogs and pricelists should contain only items that relate to the items requested in the specifications. Vendors are discouraged from including irrelevant or non-responsive information with their Proposal. The Cooperative reserves the right to deem a Proposal non-responsive if the catalogs or pricelists submitted do not specifically relate to the intent of the Proposal Invitation or contain what the Cooperative deems, in its sole discretion, excessive irrelevant or non-responsive information, including information which makes it burdensome or impractical for the Cooperative to identify responsive products and pricing.

For installation, repair, and other services or labor, the specifications may require not-to-exceed labor rates or coefficient to be applied to a unit cost book. Proposers must provide pricing in the form required by the specifications and note any deviations in accordance with B.4 (Deviations from Item Specifications or General Terms and Conditions).

Proposer’s pricing must be equal to or better than pricing Proposer offers other similarly situated customers under similar circumstances, including those offered to other purchasing cooperatives. Pricing that is not considered equal or better could result in the Proposal being determined non-competitive and not considered for award.

Unless specified otherwise in this Proposal Invitation:

- (a) A “cost plus” Proposal will not be accepted;
- (b) Proposer will not include freight, transportation and delivery charges or costs, or sales tax in Proposal pricing. (Freight, transportation and delivery charges, if applicable, are to be pre-paid by the awarded Vendor and, subject to section E.5 (Packaging, Transportation, and Delivery) of these Terms and Conditions, included as a separate item on the invoice to the ordering Cooperative member);

- (c) Proposal pricing must include the service fee due pursuant to section E.12 (Service Fee) of these Terms and Conditions; and
- (d) Proposal pricing must be firm for acceptance and the Cooperative's period for acceptance will be at least 120 calendar days from the Proposal Due Date.

If Vendor is awarded a Contract, updates to pricing during the Contract term shall only be permitted in accordance with the requirements of section E.4 (Awarded Pricing) of these Terms and Conditions. Discount percentages off catalogs or pricelists must remain firm for the full Contract term.

### 3. Quality

Unless otherwise indicated in this Proposal Invitation, proposed products must be new and in first class condition, and must be warranted in the same manner and to the same extent as normally provided to other customers of Proposer. Additionally, proposed products must conform to the highest standards of manufacturing practice, including, for all tangible goods included in this Proposal Invitation, containers suitable for shipment and storage. Unless otherwise specified, "factory seconds," "refurbished", or otherwise inferior items are not acceptable. All services must comply with applicable industry standards.

### 4. Deviations from Item Specifications or General Terms and Conditions

Other than a deviation submitted in writing with the Proposal and **accepted by the Cooperative**, the Cooperative will hold Vendor accountable to the Cooperative and Cooperative members to perform in strict accordance with these Terms and Conditions and the item specifications as written. (For requirements for ancillary agreements between Cooperative members and Vendors for specific purchases, see section D.2 (Applicable Terms and Conditions; Ancillary Agreements).)

Vendor must clearly note and explain in detail any and all limitations, exceptions, qualifications, special conditions, or other deviations (collectively "deviations") from these Terms and Conditions or any of the item specifications in the Proposal on the Deviation and Compliance form (or an attachment thereto) at the time the Proposal is submitted. Deviations must be specific to these Terms and Conditions or the item specifications and clearly identify the specific section or item to which the deviation applies. The Cooperative shall not be deemed to have accepted, and a Contract shall not be subject to, any term or condition included in Vendor's Proposal which differs from these Terms and Conditions unless Vendor has specifically identified the deviation on the Deviation and Compliance form and the deviation is accepted by the Cooperative.

The submission of a deviation or deviations may place Vendor at a competitive disadvantage or otherwise prevent the Cooperative from considering the Proposal on the affected item(s).

**The following Terms and Conditions are not subject to deviation. Any attempted deviation by Vendor to such Terms and Conditions, whether directly or indirectly, shall be deemed rejected by the Cooperative and, unless otherwise withdrawn by Vendor, may result in Vendor's Proposal being rejected in its entirety:**

- (a) Section B.9, Requirements of the Texas Public Information Act; Confidential Information;
- (b) Section B.12, Certifications;
- (c) Section D.2, Applicable Terms and Conditions; Ancillary Agreements;
- (d) Section E.6.b, Payments;
- (e) Section E.11, BuyBoard Vendor Information and Reporting of Cooperative Member Purchases
- (f) Section E.12, Service Fee;
- (g) Section E.13, Disclaimer of Warranty and Limitation of Liability;
- (h) Section E.14, Sales Tax;
- (i) Section E.15, Use of BuyBoard Logo and Trade Name;
- (j) Section E.16, Indemnification;
- (k) Section E.17, Intellectual Property Infringement;
- (l) Section E.18, Remedies for Default and Termination of Contract;
- (m) Section E.19, Force Majeure;
- (n) Section F., Miscellaneous, including all subsections (F.1-F.12) thereto.

**Further, any deviation by Vendor which, directly or indirectly, seeks to add terms or requirements substantively similar to the following shall be deemed rejected by the Cooperative and, unless otherwise withdrawn by Vendor, may result in Vendor's Proposal being rejected in its entirety:**

- (a) Any deviation seeking to supersede these Terms and Conditions with Vendor's own agreement form, standard agreement, or terms and conditions;
- (b) Any deviation seeking to require the Cooperative, Cooperative Administrator, or any Cooperative member to indemnify or hold harmless Vendor.

The Cooperative may, in its sole discretion, seek clarification from and/or communicate with Vendor(s) regarding any submitted deviation(s), consistent with general procurement principles of fair competition. The Cooperative reserves the right to accept or reject a proposal based upon any submitted deviation.

#### **5. Addenda**

Any interpretation, correction or change to this Proposal Invitation will be made by written addendum, and updated information contained in an addendum will prevail over the information contained in the original Proposal Invitation or a previous addendum. The Cooperative, by and through the Cooperative Administrator, is the sole authority for the issuance of any addendum, and any communication related to this Proposal Invitation that is not from the Cooperative is invalid. Although the Cooperative may provide electronic notification when an addendum has been issued and the changes will be flagged, it is Vendor's responsibility to monitor the BuyBoard vendor website for possible addenda and incorporate any posted addendum into the Proposal. Vendor must acknowledge each addendum in accordance with the instructions accompanying the addendum.

#### **6. Samples**

For any commodities included in this Proposal Invitation, the Cooperative, by and through the Cooperative Administrator, or Cooperative member may request a product sample. Proposer must furnish the requested sample at no cost to the Cooperative, Cooperative Administrator, or requesting Cooperative member, as applicable. The Cooperative Administrator or requesting Cooperative member must receive the sample within such reasonable specified time as requested. The submitted sample must be labeled with the Proposal Invitation name and number, item number, product identification number, and Vendor's name. Vendor's failure to submit a sample when requested will result in the product in question not being considered for award to Vendor.

The Cooperative Administrator or Cooperative member may retain samples for a sufficient length of time for proper evaluation. If not destroyed or consumed during examination or testing and if Vendor has included a written return request with a submitted sample, the Cooperative Administrator or Cooperative member will return samples to Vendor at Vendor's expense. Notwithstanding the foregoing, the Cooperative Administrator or Cooperative member may permanently retain samples submitted by awarded Vendors for the purpose of determining that the quality and workmanship of awarded products delivered to Cooperative members is comparable to the samples. Neither the Cooperative, the Cooperative Administrator, nor a requesting Cooperative member will be liable for samples that are damaged, destroyed or consumed during examination or testing.

#### **7. Proposal on All or Certain Items; Service Regions**

Unless otherwise specified, Vendor may propose on any or all items. Vendor should answer all questions related to each item on which Vendor wishes to propose and indicate "No Bid" for those items on which Vendor does not wish to propose. Failure to complete any item in the specifications will be deemed a no bid on that item. The Cooperative will consider items individually and make awards on each item independently, except for related items for which compatibility will be an element of consideration. In such cases, small groups of items may be considered as a unit.

Vendor's Proposal shall specify the regions and/or states that Vendor proposes to serve by completing the appropriate Proposal forms. Vendor shall specify only those regions or states for which Vendor is authorized either under applicable law and/or by the manufacturer to sell the proposed products. If Vendor proposes multiple products, and the regions or states which the Vendor is able to serve and proposes to serve differ by product, Vendor must specify the specific regions or states by product in its Proposal.



A Vendor may not select a region or state in its Proposal where Vendor is unable or unauthorized to sell a proposed product. If it is determined that a Vendor is unable, unauthorized, or refuses to provide any awarded product(s) or service(s) in a region or state specified in Vendor's Proposal, such inability, lack of authorization, or refusal shall be an event of default and subject to all remedies up to and including termination of Vendor's Contract.

**8. "All or Nothing" Awards**

Unless otherwise indicated in this Proposal Invitation, "all or nothing" Proposals are **not** acceptable and will be rejected. Vendor must be willing to accept a partial award for any combination of the items or services proposed and must be willing to share the business with any other successful Proposers.

**9. Requirements of the Texas Public Information Act; Confidential Information**

**(a) Vendor Compliance**

**The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Proposal Invitation and any awarded Contract, and Vendor agrees that the Contract can be terminated if Vendor knowingly or intentionally fails to comply with a requirement of that subchapter.**

Pursuant to Texas Government Code Sections 552.371 and 552.372, to the extent the Contract or any Purchase Order thereunder has a stated expenditure of at least \$1 million in public funds for the purchase of goods or services by a governmental body or results in the expenditure of at least \$1 million in public funds for the purchase of goods or services by a governmental body in a fiscal year of the governmental body, Vendor shall:

- 1) preserve all contracting information, as defined in Texas Government Code Section 552.003 ("Contracting Information"), related to the Contract or any Cooperative member Purchase Order thereunder as provided by the records retention requirements applicable to the governmental body for the duration of the Contract (including any Purchase Order thereunder);
- 2) promptly provide to the Cooperative or Cooperative member, as applicable, any Contracting Information related to the Contract that is in the custody or possession of Vendor on request of the Cooperative or Cooperative member; and
- 3) on completion of the Contract (including any Purchase Order thereunder), either:
  - (A) provide at no cost to the Cooperative or Cooperative member, as applicable, all Contracting Information related to the Contract (including any Purchase Order) that is in the custody or possession of Vendor; or
  - (B) preserve the Contracting Information related to the Contract (including any Purchase Order thereunder) as provided by the record retention requirements applicable to the Cooperative or Cooperative member, as applicable.

The Cooperative may not accept a Proposal or award a Contract to a Vendor that the Cooperative has determined has knowingly or intentionally failed to comply with Texas Government Code Chapter 552, Subchapter J, in a previous Proposal or Contract unless the Cooperative determines and documents that Vendor has taken adequate steps to ensure future compliance with the requirements of said Subchapter.

**(b) Confidential/Proprietary Information**

**Proposer must clearly identify information in the Proposal that Proposer considers proprietary or confidential by completing the Confidential/Proprietary Information form. Further, for any other information provided by Vendor to the Cooperative after Contract award (updated catalogs or pricelists, Vendor information, etc.), Vendor shall clearly mark and identify any information that Vendor considers proprietary or confidential. The Cooperative will treat such information as confidential only to the extent allowable under the Texas Public Information Act (Chapter 552 of the Texas Government Code) or similar disclosure law.**

If Vendor fails to properly identify information that the Vendor considers proprietary or confidential, the Cooperative shall have no obligation to seek protection of such information from public disclosure should a member of the public or other third party request access to the information under the Texas Public Information Act or similar disclosure laws. **The Cooperative and its Administrator will not be responsible for Vendor's failure to clearly identify information Vendor considers confidential or proprietary.** Vendor may be notified of a third-party request for information that Proposer has identified in the Confidential/Proprietary Information form as proprietary or confidential when required by the Texas Public Information Act or similar disclosure law.

By submitting a Proposal, Vendor acknowledges that the Cooperative and the Cooperative Administrator will disclose information when required by law, even if such information has been identified herein as information Vendor considers confidential or proprietary.

#### 10. Certain Professional Services Excluded

Neither this Proposal Invitation nor any Contract includes services that are required to be procured under the Professional Services Procurement Act (Chapter 2254 of the Texas Government Code), including without limitation architecture and professional engineering services.

#### 11. Withdrawal or Modification of Proposal

Vendor may withdraw or modify a submitted Proposal **prior to the Proposal Due Date** and time specified in this Proposal Invitation. A Proposal may be withdrawn only in strict accordance with this section.

**Electronic Proposals Submissions:** A Proposal submitted electronically through a website designated by the Cooperative for submission of electronic proposals may be withdrawn or modified prior to the Proposal Due Date and time through the same electronic proposal submission website. Vendor's login to the electronic proposal submission website shall be used to verify Vendor's identity. Vendor shall be solely responsible for ensuring only authorized use of its login, following all website instructions, and ensuring that the Proposal is properly withdrawn or modified prior to the Proposal Due Date and time.

**Hard Copy Submissions:** If a Vendor submitted a Proposal in hard copy electronic format via mail or in person, rather than electronic submission through the designated website, Proposer must submit a written request to the Cooperative Administrator to withdraw the Proposal. The request to withdraw must be signed by an individual authorized to enter into contracts on Vendor's behalf and indicate the individual's title. If the Cooperative Administrator has any question or doubt regarding Vendor's identity or the identity of its Proposal, withdrawal will not be allowed. If the Cooperative Administrator, decides to allow the withdrawal, Vendor's duly authorized representative may be required to complete and sign a written receipt satisfactory to the Cooperative Administrator before the proposal will be released. The decision of the Cooperative Administrator relating to matters concerning withdrawal of a Proposal is final.

A Vendor may resubmit a withdrawn Proposal, or submit a new Proposal, up until the Proposal Due Date and time, provided any new submission meets the requirements of this Proposal Invitation. If Vendor resubmits a Proposal that was withdrawn and makes any change to any document in the Proposal package, the change must be made in accordance with the Cooperative's instructions for Proposal submissions, and Vendor will be deemed to have authorized such change.

**Proposals that are in the Cooperative's possession (including Proposals submitted through an electronic proposal submission website designated by the Cooperative) at the Proposal Due Date and time shall be deemed final, conclusive, and irrevocable; and no Proposal will be subject to withdrawal, amendment, or correction by a Vendor after the Proposal Due Date and time specified in this Proposal Invitation.** However, pursuant to section B.4 (Deviations from Item Specifications or General Terms and Conditions), the Cooperative reserves the right, in its sole discretion, to seek clarification, communicate and resolve issues around deviations that were submitted in a Proposal, consistent with general procurement principles of fair competition.

## 12. Certifications

The Proposer's Acceptance and Agreement and Proposal Acknowledgements forms, which are fundamental to and incorporated into this Proposal Invitation, require Vendor to certify to certain matters. Pursuant to and in accordance with such forms, and in addition to the matters set forth therein, Vendor certifies to the following with respect to this Proposal Invitation, the Proposal, and any Contract awarded under this Proposal Invitation.

### (a) Non-Collusion Certification

Vendor agrees and certifies to the following, and understands that the penalty for violating this non-collusion certification will be the immediate disqualification of Vendor's Proposal or, if the violation is revealed after Contract award, any remedies allowed by law or the Contract including termination of Vendor's Contract:

- 1) Neither Vendor nor any business entity represented by Vendor has received compensation for participation in the preparation of the item specifications or these Terms and Conditions related to this Proposal Invitation;
- 2) The Proposal has been arrived at independently and is submitted without collusion with any other Vendor, with any competitor or potential competitor, or with any other person or entity to obtain any information or gain any special treatment or favoritism that would in any way limit competition or give any Proposer an unfair advantage over any other Proposer with respect to the Proposal;
- 3) Vendor has not accepted, offered, conferred, or agreed to confer, and will not in the future accept, offer, confer, or agree to confer, any benefit or anything of value to any person or entity related to the Cooperative or any of its members in connection with any information or submission related to the Proposal, any recommendation, decision, vote, or award related to the Proposal, or the exercise of any influence or discretion concerning the sale, delivery, or performance of any product or service related to the Proposal;
- 4) Neither Vendor, nor any business entity represented by Vendor, nor anyone acting for such business entity, has violated the Federal Antitrust Laws or the antitrust laws of this State with regard to the Proposal, and the Proposal has not been knowingly disclosed, and will not be knowingly disclosed, to any other Proposer, competitor, or potential competitor prior to the opening of Proposals; and
- 5) No attempt has been or will be made to induce any other person or entity to submit or to not submit a Proposal.

### (b) Certification Regarding Ethics, Fair Competition, and Other Matters

Vendor agrees and certifies to the following:

- 1) Vendor has, or has the ability to obtain, such financial and other resources, including inventories, as may be required to fulfill all the responsibilities associated with the Proposal;
- 2) Vendor has a high degree of integrity and business ethics, and a satisfactory record of performance;
- 3) Vendor is an authorized dealer, distributor, or manufacturer for the products or services offered in the Proposal for each region or state Vendor proposes to serve in the Proposal;
- 4) Vendor has not been notified by any local, state, or federal agency with competent jurisdiction that its standing in any matters whatsoever would preclude it from submitting its Proposal and Vendor would in no other way whatsoever be disqualified to propose or receive any award or Contract related to this Proposal Invitation, and Vendor will comply with any reasonable request from the Cooperative to supply information sufficient to substantiate the foregoing representations;
- 5) Vendor has provided its valid, proper and correct business entity name and information in its Proposal, that such entity is operating in good standing with the proper authority from whatever state or local jurisdiction is required, and Vendor has obtained, and will continue to maintain during the entire term of the Contract, all permits, approvals, or licenses necessary for lawful performance of its obligations under this Contract;
- 6) The prices, prompt payment discount terms, delivery terms, distribution allowances and the quality and/or performance (including warranties) of the product or services offered in the Proposal are and will remain the same or better than those offered Vendor's similarly situated customers under similar circumstances, including those offered through other purchasing cooperatives;
- 7) All pricing offered in the Proposal is and will remain fair and reasonable considering general market pricing for similar goods or services. Vendor has not and will not seek to engage in price gouging or price manipulation including, but not limited to, submitting artificially low pricing in pricelists, catalogs, or other pricing submitted with the Proposal or quotes to Cooperative members in an attempt to secure a Contract or Purchase Order and subsequently attempting to increase such proposed pricing citing market pricing;

- 8) The products and services offered in the Proposal represent the full and complete products and services Vendor seeks to provide if awarded a Contract. If awarded, except as permitted by Section E.8 (Product Updates and Substitutions) of the Terms and Conditions, Vendor will be limited to awarded products and services included in the Proposal and will not seek to sell non-awarded items using the Contract.
- 9) The Proposal complies with all federal, state, and local laws concerning these types of products or services, and Vendor will continue to comply with any applicable federal, state, and local laws related to Vendor's activities in connection with the Contract;
- 10) Vendor will comply with any applicable prevailing wage rate requirements under the federal Davis-Bacon or state or local law, including Chapter 2258 of the Texas Government Code;
- 11) Vendor will maintain, at Vendor's expense, any insurance, including without limitation such workers' compensation insurance as may be required by state or local law or policy, necessary to protect the Cooperative and its members from all claims for bodily injury, death, or property damage that might arise from the performance by Vendor or its employees or its agents of any service under the Contract; however, the existence of such insurance does not relieve Vendor of full responsibility and liability for damages, injury, death, or loss as described or as otherwise provided for by law; and
- 12) Any false statement contained in the Proposal is a material breach of contract which will void the Proposal or any resulting Contract, and subject Vendor to removal from all proposal lists, and possible criminal prosecution.

### 13. Proposal Signatures

Vendor must submit its Proposal in strict accordance with the Cooperative's instructions, including having an officer duly authorized by Vendor execute the Proposal. By signing, the signatory warrants that he or she has read and agrees to the terms of the Proposal and is authorized to execute same as a legally binding act of Vendor. A facsimile or electronic signature will be deemed an original.

### 14. No Reimbursement

**Vendor understands and acknowledges the Cooperative will not reimburse or pay Vendor for any expenses Vendor incurs in preparing its Proposal or providing additional information required in connection with the Proposal.**

## C. Proposal Evaluation

### 1. General

A Proposal submitted in accordance with this Proposal Invitation will initially be considered for award; however, initial consideration of a Proposal will not constitute an assessment of its meeting the necessary qualifications, and a Proposal may be disqualified at any time during the evaluation process for failure to meet any other terms or conditions contained anywhere else in this Proposal Invitation.

### 2. Best Value Criteria

The Cooperative evaluates Proposals on the basis of best value to Cooperative members. In evaluating Proposals and determining best value for all Cooperative members, the Cooperative will consider the following criteria:

Best Value Criteria		Maximum Points
1	Price Competitiveness	45
2	Vendor Past Performance	15
3	Vendor Reputation for Goods and Services	15
4	Financial and Technical Resources	15
5	Capability of Servicing Cooperative Members	5
6	Any other relevant factor or requirement listed in this Proposal Invitation	5
TOTAL		100

The Cooperative's evaluation may include Vendor's responses to the forms and other attachments or information included with a Proposal or associated with this Proposal Invitation, including but not limited to Vendor's responses to the Proposal Invitation Questionnaire, as well as any other information at its disposal deemed relevant by the Cooperative in its sole discretion. Only responsive Proposals will be evaluated. Failure to include all required information may result in a Proposal being deemed non-responsive.

As a general matter, the Cooperative seeks to make competitive and indefinite quantity awards to Proposers that give the same or better discounts/pricing than they give their best governmental clients and can provide best value to Cooperative members. Proposers should provide competitive pricing that is the same or better than the pricing provided their best governmental clients. Each Proposal is evaluated on its own merit and determined to be fair and reasonable, including by comparing the price/discounts that Vendor offers other governmental clients.

If this Proposal Invitation requires discount pricing, discount practices may be examined and evaluated, in the Cooperative's sole discretion, based on historical data, sales information, discounts granted to other governmental clients, and/or other market research techniques. The Cooperative may award Contracts to multiple Proposers supplying comparable products or services, also known as a multiple award schedule, or award the Contract to a single Proposer. The Cooperative's decision to make multiple awards or a single award will be based upon the Cooperative's sole discretion regarding the type of award that provides best value to all Cooperative members.

In regard to Vendor past performance, among other factors, the Cooperative may consider a Vendor's breach of contractual obligation on any other active or prior Cooperative contract awarded to Vendor including, but not limited to, nonpayment of service fees by Vendor, its parent company or affiliates and/or Vendor's failure to generate any minimum amount specified in a prior-awarded Cooperative contract.

The Proposal Invitation may also require Proposers to provide certain information in the Proposal Forms for which the Cooperative does not evaluate the Proposer's responses as part of the award criteria set out in this Section C.2. The Cooperative requests such information because it may be relevant to federal, state or local procurement law or other requirements that apply to various Cooperative members. (Cooperative members may also require and request Vendors provide additional certifications and information to meet the Cooperative member's specific procurement requirements prior to making purchases under an awarded Contract.) This information, which will be made available to Cooperative members with respect to awarded Vendors, includes the following:

- (a) Resident/Nonresident Certification;
- (b) Vendor Employment Certification;
- (c) Historically Underutilized Business Certification
- (d) EDGAR Vendor Certification.

### 3. Cooperative Board Decision

The Cooperative reserves the right to waive any or all irregularities, formalities, or other technicalities and to be the sole and independent judge of quality and suitability of any products or services offered. The Cooperative may accept or reject a Proposal in its entirety or may reject any part of a Proposal without affecting the remainder of that Proposal and may award individual items in this Proposal Invitation in any combination or in any way that provides best value to Cooperative members based on the criteria set out in section C.2 (Best Value Criteria) of these Terms and Conditions. The Cooperative may use all means and information at the collective disposal of the Cooperative, Cooperative Administrator, and Cooperative members to evaluate Proposals. The final decision as to the best overall offer(s), including as to pricing and suitability of the proposed products or services to meet the needs of and provide best value to Cooperative members, rests solely with the Cooperative's Board of Trustees.

The Board's decision may be protested only in accordance with the Board's protest procedure policy, which is available from the Cooperative Administrator upon written request. Pursuant to the Board's protest procedure policy, a protest challenging the terms, conditions or form of notice of this Proposal Invitation and accompanying documentation must be received by the Cooperative no later than 5:00 p.m. CST the fifth business day before the Proposal opening date, and a protest challenging an award decision, including proposal evaluations, no later than 5:00 p.m. CST the fifth business day after the award is posted on the BuyBoard vendor website.

## D. Contract Award

### 1. Notice of Award and Related Matters

A Proposal is an offer by Vendor to contract with the Cooperative and Cooperative members in accordance with this Proposal Invitation, including without limitation the item specifications and these Terms and Conditions. A Proposal does not become a Contract unless and until the Proposal is accepted by the Cooperative through the issuance of a written Notice of Award to a successful Proposer, whereupon the Contract becomes binding and enforceable. The Contract may then be utilized by a Cooperative member by the member issuing a Purchase Order for the awarded products or services. Vendor must honor all Purchase Orders issued by Cooperative members during the Contract term in accordance with these Terms and Conditions. The Cooperative may maintain Vendor's contract documents in electronic format for the duration of the Contract term.

The Cooperative reserves the right to allow awarded Vendors to add additional service regions, at the Awarded Pricing, to the Vendor's Contract during the Contract term.

As provided for in detail in section E.11 (BuyBoard Vendor Information and Reporting of Cooperative Member Purchases), all Purchase Orders must be processed through the BuyBoard. All deliveries and financial transactions related to the Purchase Order will occur directly between Vendor and the ordering Cooperative member. As provided for in detail in section E.11(c) (Vendor Invoices), Vendor must provide copies of Vendor Invoices for Cooperative member purchases to the Cooperative Administrator.

### 2. Applicable Terms and Conditions; Ancillary Agreements

By submitting a Proposal, Vendor specifically agrees that these Terms and Conditions shall apply, subject to any deviations properly submitted by Proposer and approved by the Cooperative in accordance with section B.4 (Deviations from Item Specifications or General Terms and Conditions). Following award, Vendor shall not seek to impose on a Cooperative member additional terms, conditions, or ancillary agreements that are inconsistent with, or intended to supersede, the Contract Terms and Conditions. Further, Cooperative members and Vendors do not have the authority to modify these Terms and Conditions. However, nothing herein shall prevent the Cooperative member and Vendor from negotiating additional ancillary terms applicable to a specific purchase or purchases, consistent with the requirements of these Terms and Conditions, including but not limited to:

- (a) Detailed product or service requirements for the specific Cooperative member purchase;
- (b) Product delivery times and requirements for the specific Cooperative member purchase;
- (c) Performance and/or payment bonds from Vendor as may be required by law or policy or deemed necessary or appropriate by the Cooperative member;
- (d) Requirements for Vendor to carry and provide proof of insurance as may be required by law or policy or as deemed necessary or appropriate by the Cooperative member;
- (e) Requirements for background checks at Vendor's expense on Vendor employees who will have direct contact with students or staff, or for other reasons;
- (f) Other requirements applicable to the purchase as may be required by law, local policy, or deemed necessary or appropriate by the Cooperative member.

Any ancillary terms between a Cooperative member and Vendor must be in writing and signed by a representative of the Cooperative member with all necessary authority to accept the agreement and bind the Cooperative member. All risk of confirming proper authority shall lie with Vendor.

By submitting a Proposal, Vendor understands and acknowledges that Cooperative members are governmental entities, and any provision in any ancillary agreement which requires the Cooperative member to indemnify or hold harmless Vendor, or any other provision not allowed by the laws applicable to the purchasing Cooperative member, shall be void and of no effect. Vendor further acknowledges and agrees that, notwithstanding anything in any ancillary agreement, including a product warranty, to the contrary, the laws applicable to such agreement shall be the laws of the state in which the Cooperative member is located. This provision supersedes any provision in any ancillary agreement to the contrary.

Any attempt by Vendor to deviate from this section in Vendor's Proposal shall be deemed rejected. Further, any attempt by an awarded Vendor to impose terms and conditions on a Cooperative member that are inconsistent with the requirements of this section shall be an event of default under the Contract and subject to all remedies up to and including termination of Vendor's Contract.

**Nothing in any ancillary agreement between a Cooperative member and Vendor shall affect the Terms and Conditions of the Contract as between the Cooperative and Vendor.**

### 3. Piggyback Contract and Other Entity Clause

It is the Cooperative's intent that other governmental entities throughout the United States, as well as the administrator's nonprofit entity BuyBoard subscribers, have the opportunity to purchase the goods or services awarded under the Contract at the same pricing and according to these Terms and Conditions, subject to applicable state law, through a piggy-back award or similar agreement. To the extent applicable, Vendor must offer and sell the awarded goods and services to such other organizations and entities in accordance with Vendor's Proposal, including without limitation the State Service Designation form and the National Purchasing Cooperative Vendor Award Agreement.

## E. Contract Performance

### 1. Contract Term

**(a) Term.** The term of the Contract is for the initial term stated in this Proposal Invitation, which term begins on the date specified in the Notice of Award. Unless otherwise stated in this Proposal Invitation, the Contract may be renewed for two additional one-year terms as provided for in this section E.1. In the event the Contract term will expire before the Cooperative awards a successor contract for the categories of awarded products or services, the Contract may be extended beyond the expiration date on a month-to-month basis, or such other term as determined by the Cooperative, upon the agreement of the Cooperative and Vendor, provided that the Awarded Pricing does not increase during such extension. A reference to "Contract term" in these Terms and Conditions means the initial term and any renewal term.

**(b) Survival.** The Contract shall govern the Vendor's and the Cooperative member's rights and obligations with respect to any Purchase Order issued during the Contract term and afterwards with respect to any Purchase Order or purchase bound by the Cooperative member for specified goods or services **before** the Contract award period ended. This includes, but is not limited to, the Vendor's obligations to pay to the Cooperative all applicable service fees as required by section E.12 (Service Fees) of these Terms and Conditions for such Purchase Orders.

**(c) Renewals.** Vendor has no right to or vested interest in a Contract renewal. The Cooperative will evaluate the Contract award prior to the expiration of the then current Contract term (initial or renewal) and reserves the right to not renew the Contract based on factors that may include, but are not limited to, the annual amount of business, Vendor's performance (including, but not limited to, compliance with the Terms and Conditions), and the continued provision of best value to Cooperative members. With respect to annual amount of business, Vendor must generate the minimum amount specified in the General Information document associated with this Proposal Invitation through the Contract, during both the initial and the first renewal term, or may not be offered a second renewal term. A Vendor's failure to generate this minimum amount may also be considered by the Cooperative as part of Vendor's past performance evaluation on future proposal invitations. A renewal must be agreed to by the Cooperative and Vendor. Vendor must promptly, and before the start of the renewal term, notify the Cooperative in writing if Vendor does not accept a renewal offered by the Cooperative or Vendor will have been deemed to have accepted the renewal.

## 2. Prevailing Wages, Bonding and Insurance Requirements

Vendor must comply with any applicable prevailing wage rate requirements under the federal Davis-Bacon and/or state or local law, including but not limited to Chapter 2258 of the Texas Government Code.

Vendor must provide any applicable performance and payment bonds as required by law, including but not limited to Chapter 2253 of the Texas Government Code, or as requested by a Cooperative member.

Vendor must maintain appropriate and sufficient insurance, including without limitation such workers' compensation insurance as may be required by state or local law or policy, necessary to protect Vendor and the Cooperative and its members from all claims for bodily injury, death, or property damage that might arise from the performance by Vendor or its employees or agents of any service under the Contract; however, the existence of such insurance does not relieve Vendor of full responsibility and liability for damages, injury, death, or loss as described or as otherwise provided by law.

## 3. Awarded Items Only May Be Sold; Conformity to Item Specifications

If awarded a Contract, Vendor may only offer under the Contract those products and services included in Vendor's Proposal and awarded to Vendor by the Cooperative ("Awarded Items"). For awards based on catalogs or pricelists, Awarded Items shall include only those items within the specification category or categories awarded to Vendor that were included in the catalog(s) or pricelist(s) submitted with Vendor's Proposal or as updated when and if permitted by section E.8 (Product Updates and Substitutions). Any attempt by Vendor to sell items other than Awarded Items under the Contract shall be an event of default under the Contract.

Vendor warrants that the Awarded Items Vendor provides under the Contract will conform to the item specifications and other requirements of this Proposal Invitation (except to the extent and as specifically noted as deviations in Vendor's Proposal), and will be free from all defects in material, workmanship and title. Vendor further warrants that (i) Vendor has obtained, and will continue to maintain during the entire term of the Contract, all permits, approvals, and/or licenses necessary for lawful performance of Vendor's obligations under the Contract; (ii) Vendor will comply with all applicable state, federal and local laws, rules, and regulations in regard to Awarded Items, and (iii) all Awarded Items provided under the Contract meet all applicable legal standards and requirements, including OSHA standards and regulations, and that any electrical items bear the appropriate listing from US, FMRC, NEMA, or UL Laboratories.

If Vendor provides a product that does not conform to an item specification, including delivering a product other than the specific brand and model of the product awarded, the ordering Cooperative member may reject the product when delivered and terminate the Purchase Order, at no cost or penalty to the member.

If Awarded Items include chemicals or other products that customarily require Material Safety Data Sheets (MSDS), Vendor must include the MSDS with the first shipment of the product to a Cooperative member during the Contract term. Vendor must provide additional MSDSs to Cooperative members upon request, promptly and at no additional cost.

## 4. Awarded Pricing

Awarded pricing shall be based on the line item or unit pricing, discount off catalog or pricelist, not-to-exceed hourly labor rates, or other pricing structure as set forth in the Proposal Invitation, submitted in Vendor's Proposal, and approved by the Cooperative ("Awarded Pricing"). Except as provided in this section E.4 or otherwise in this Proposal Invitation, Vendor shall hold Awarded Pricing firm during the Contract term.

### (a) Price Increases

Except as expressly permitted by these Terms and Conditions, Vendor has no contractual right to make price increases during the Contract term. The Cooperative reserves the right to reject any or all price increases it deems not representing best value to Cooperative members.



### 1) Line Item/Unit Pricing

Unless otherwise provided in the Proposal Invitation, for awards based on not-to-exceed line item or unit pricing, Vendor may submit updated pricing reflecting manufacturer or similar market-wide price increases that occur during the Contract term to the Cooperative, subject to the following requirements:

- (A) No price increases will be permitted or accepted between the time of Vendor's Proposal submission and Contract award.
- (B) Unless otherwise provided in the Proposal Invitation or approved by the Cooperative Administrator in writing, Vendor shall be required to keep the Awarded Pricing firm for the first year of the Contract Term; thereafter, Vendor may submit updated pricing no more frequently than annually for each subsequent year of the Contract Term.
- (C) Vendor must promptly provide all such supporting documentation, including manufacturer documentation, as the Cooperative, by and through the Cooperative Administrator, may require to support price increases;
- (D) Information on price increases must be provided in such format as may reasonably be required by the Cooperative Administrator;
- (E) All price increases must be supported by manufacturer price changes or similar market changes; and
- (F) Updated pricing must be limited to Awarded Items or the updated pricing may be rejected in its entirety. The Cooperative may deem any attempt by Vendor to included non-awarded items in updated pricing as an attempt to sell non-awarded items which is an event of default under the Contract.

### 2) Discount Off Catalog or Pricelist

For awards based on discount off catalog or pricelist, Vendor shall hold all awarded discount percentages firm during the Contract term. However, Vendor may submit updated pricelists or catalogs reflecting manufacturer or similar market-wide price increases that occur during the Contract term to the Cooperative, subject to the following requirements:

- (A) No catalog or pricelist price increases, including website-based catalogs or pricelists, will be permitted or accepted between the time of Vendor's Proposal submission and Contract award;
- (B) Following Contract award, Vendor may submit updated pricelists or catalogs to the BuyBoard no more frequently than 180 days from the date of Vendor's last pricelist or catalog unless otherwise provided in the Proposal invitation or otherwise approved by the Cooperative Administrator in writing;
- (C) Vendor must promptly provide all such supporting documentation, including manufacturer documentation, as the Cooperative, by and through the Cooperative Administrator, may require to support price increases;
- (D) Pricelists or catalogs must be provided in such format as may reasonably be required by the Cooperative Administrator;
- (E) All price increases must be supported by manufacturer price changes or similar market changes; and
- (F) Updated pricelists or catalogs must be limited to Awarded Items or the pricelist/catalog may be rejected in its entirety. The Cooperative may deem any attempt by Vendor to include non-awarded items in updated pricelists/catalogs as an attempt to sell non-awarded items which is an event of default under the Contract.

### 3) Labor Rates

Unless otherwise provided in the Proposal Invitation, for Awarded Pricing based on not to exceed hourly labor rates, Vendor may not increase Awarded Pricing during the Contract term unless changes to prevailing wage rates under state, local, or federal law applicable to the work to be performed support higher rates. In such event, the Vendor must notify the Cooperative and, upon request, promptly provide such documentation as the Cooperative may require to support the requested labor rate increase. Unless required by law, no rate increases will be permitted or accepted between the time of Vendor's Proposal submission and Contract award. Following Contract award, Vendor may submit updated labor rates no more frequently than 180 days from Vendors last hourly labor rate submission unless otherwise provided in the Proposal Invitation, otherwise approved by the Cooperative administrator in writing, or otherwise required by law.

For Awarded Pricing based on a coefficient to be applied to a unit price book, coefficients shall remain firm for the full Contract Term and are not subject to change.

**(b) Price Decreases**

Regardless of the pricing method specified, in the event Vendor decreases the price of awarded products or services below the Awarded Pricing for Vendor's other customers in similar market circumstances, Vendor must offer such decreased pricing to Cooperative members under the Contract.

Further, Cooperative members may negotiate with Vendor, through the BuyBoard request for quotes (RFQ) function or otherwise, to obtain lower prices for Awarded Items based on volume or other factors. Nothing herein shall prohibit Vendor from offering pricing lower than the Awarded Pricing.

**(c) Exceeding Awarded Pricing Prohibited**

If it is determined that a Vendor has sold Awarded Items to Cooperative members through the Contract at a price higher than the applicable Awarded Pricing, Vendor shall be in default of its Contract and subject to all remedies up to and including termination.

**(d) Service Fee Included in Awarded Pricing**

Unless specified otherwise in this Proposal Invitation, the service fee due pursuant to section E.12 (Service Fee) of these Terms and Conditions is included in the Awarded Pricing.

**5. Packaging, Transportation, and Delivery**

Unless otherwise provided for in this Proposal Invitation, all tangible goods included in this Proposal Invitation must be packaged in containers that are new, appropriately designed for the product, and sturdy enough to protect the product during loading, transit, unloading, and storage, and be suitably packed to secure the lowest transportation costs. Products for which palletizing is appropriate must be delivered on standard and industry acceptable pallets for the products to be delivered in good, serviceable condition.

Vendor is responsible for paying all freight, delivery, handling and other charges incurred in transporting and delivering products to a Cooperative member, and for the risk of loss until the product is delivered to and accepted by the Cooperative member. Freight, delivery, handling and other charges incurred in transporting and delivering products to a Cooperative member are to be prepaid by Vendor. Vendor may collect the actual amount of such charges after delivery and acceptance, provided that the charges (a) are reasonable, (b) were disclosed to the Cooperative member, if requested, and in all instances in which the charges exceed ten percent (10%) of the total cost of the order, prior to shipment; (c) are itemized and shown separately on the member's invoice; and (d) are supported by appropriate documentation submitted with the invoice.

Except for items that have hidden defects or that do not meet specifications, title and risk of loss to products pass to a Cooperative member upon the member's actual receipt and acceptance of the product at the point and time of delivery. Unless otherwise noted in the Proposal (as a deviation) or the Purchase Order, Vendor must deliver or provide awarded products or services within 10 business days after receipt of a Cooperative member's Purchase Order. Vendor must immediately notify the Cooperative member's primary contact of any anticipated or actual delay and document the notice in writing, and the member may extend the delivery time or cancel the order if the delay is unacceptable. If the Cooperative member has not received notice of the delay as required by this section, the member may, at its discretion, return to Vendor any items received after the due date, at Vendor's expense and without liability or penalty to the member. When the needs of a Cooperative member require immediate response, the right to pick up tangible goods, if part of this Proposal Invitation, on an "over the counter" basis must be available for the majority of the awarded tangible goods. In these circumstances, the Cooperative member's personnel may pick up the products at Vendor's warehouse location. Additionally, a Cooperative member may request emergency delivery, and Vendor must use its best efforts to comply with rush or emergency requests. If Vendor cannot fulfill the emergency delivery requirement, the member may procure the products or services from alternative sources without penalty. Time is of the essence in Vendor's performance of the Contract.

## 6. Packing Lists, Invoices and Payments

### (a) Packing Lists, Vendor Invoices

Packing lists or other suitable shipping documents must accompany each shipment of tangible goods included in this Proposal Invitation and state: (a) Vendor's name and address; (b) Cooperative member's name and address or delivery location; (c) Cooperative member's Purchase Order number; (d) descriptive information identifying the item(s) delivered, including quantity, item number, product code, item description, and total number of containers; and (e) copies of all product warranties for the item(s) delivered. Vendor must submit separate invoices, in duplicate, on each Purchase Order after each delivery. Invoices must (a) contain the information stated above; (b) separately itemize any transportation and delivery charges, and include associated documentation; (c) include a properly signed copy of the delivery receipt; and (d) be mailed directly to the ordering Cooperative member. Unless specified otherwise in this Proposal Invitation, the service fee due pursuant to section E.12 (Service Fee) of these Terms and Conditions is included in the Awarded Pricing and must not be separately itemized in the invoice.

Vendor shall provide copies of Vendor Invoices to the Cooperative in accordance with the requirements of section E.11(c) (Vendor Invoices).

### (b) Payments

Payment by the Cooperative member is due after a Cooperative member's receipt and acceptance of ordered products or services and the documentation identified above, including a complete and correct invoice, in accordance with the Texas Prompt Payment Act (Chapter 2251 of the Texas Government Code). A Cooperative member is not responsible for products delivered or invoiced without a valid purchase order number.

**A Cooperative member's obligation to Vendor is payable only and solely from funds available for the purpose of the purchase. Lack of funds will render a Cooperative member's Purchase Order null and void to the extent funds are not available and any delivered but unpaid product will be returned to Vendor. Neither the Cooperative nor TASB is liable or responsible for any payment owed Vendor by a Cooperative member under the Contract.**

## 7. Product Inspection, Testing, and Defective Items

Products supplied under the Contract must be delivered in the best possible condition, be covered by the product warranties provided by Vendor and/or the product manufacturer to other customers, and are subject to inspection, testing, and approval by the Cooperative or a Cooperative member. Tests may be performed on samples taken from any regular shipment of the product. In the event a tested product fails to meet or exceed all requirements of the item specifications or these Terms and Conditions, Vendor must pay the cost of the samples and/or the testing. Upon receipt of notification from the Cooperative or Cooperative member, Vendor must replace and, for tangible goods, pick up the defective product within five business days or on the next service date, whichever is sooner, without charge for the replacement or delivery. Additionally, the Cooperative or member may dispose of defective products that are not picked up and replaced by Vendor, without cost. Products damaged in shipment are considered defective for purposes of the foregoing. Latent defects discovered after delivery and acceptance of any products may result in revocation of the acceptance of such products. The Cooperative or Cooperative member must have access to Vendor's place of business during normal business hours for the purpose of inspecting any awarded product.

## 8. Product Updates and Substitutions

Vendor's Proposal must specify the products or services Vendor proposes to provide under each category of the Proposal Invitation specifications. Vendor shall only be permitted to provide those products or services specified in the Proposal for the category or categories under which Vendor is awarded under the Contract. Except as provided in this section E.8, the Cooperative will not accept additions or substitutions to any of the product(s) listed in the Proposal after a Notice of Award has been issued.

**(a) Updated Catalogs**

If a manufacturer catalog submitted with Vendor’s proposal is later updated with products within the same Proposal Invitation category or categories, including new products not previously available in the awarded product category, Vendor may substitute the updated catalog for the awarded product or catalog. Notwithstanding the forgoing, updated catalogs shall **not** be permitted to include any of the following:

- 1) Items that are outside the category or categories under which Vendor was awarded;
- 2) Items that, in the reasonable discretion of the Cooperative, do not meet the intent of the awarded specification category;
- 3) Items that were available in the market at the time of the submission of Vendor’s Proposal which Vendor either elected not to include or neglected to include with Vendor’s Proposal; or
- 4) Products from manufacturers or brands not specifically included in Vendor’s Proposal in the applicable specification category.

**(b) Substitutes**

If an awarded product or catalog of products is discontinued by the manufacturer and the same manufacturer offers an equivalent replacement product or catalog, Vendor may substitute the replacement product or catalog for the awarded product or catalog.

Vendor shall submit all reasonable supporting documentation requested by the Cooperative Administrator regarding any catalog updates or product or catalog substitutions. The Cooperative, by and through the Cooperative Administrator, reserves the right to reject, in its sole discretion, any catalog updates or product or catalog substitutions.

**9. Product and Service Guarantees and Warranties**

Vendor shall extend such warranties on Awarded Items, including the installation thereof if such installation is provided by Vendor, as are normally provided to other customers of Vendor. All services shall be performed in a good and workmanlike manner consistent with industry standards. Unless a deviation is submitted by the Vendor with its proposal and accepted by the Cooperative pursuant to section B.4 (Deviations from Item Specifications or General Terms and Conditions) or unless a different warranty is required by a Cooperative member Purchase Order or ancillary agreement, a minimum of a 90-day product or service guaranty or the manufacturer’s standard commercial warranty, whichever is greater, will apply to all awarded products and services. At a minimum, all product warranties must provide for replacement of defective merchandise, parts, and labor, and include pick-up of the defective merchandise from the location specified by the Cooperative member and delivery of the replacement(s) to the same location. In addition, such warranty shall include curing any defects in connection with any Vendor installation of the product at no additional cost to the member. The warranty period is effective from the date the Cooperative member accepts the product or the date the service is completed and accepted by the Cooperative member. No waiver of implied warranties shall be effective unless explicitly approved by a Cooperative member in writing in accordance with section D.2 (Applicable Terms and Conditions; Ancillary Agreements).

Vendor shall respond to any reasonable requests for information from the Cooperative, the Cooperative Administrator, or a Cooperative member pertaining to concerns regarding public health or safety in relation to Awarded Items and provide such documentation as may be reasonably requested. In the event of any product recalls affecting Awarded Items, Vendor shall notify the Cooperative Administrator and any Cooperative members who made purchases from Vendor for such recalled products in writing as soon as practicable of the recall and proposed action. At a minimum and without waiving any other requirements under the Contract, law, or Cooperative member Purchase Order or ancillary agreement, Vendor shall be required to take all action required by law or greater remedy as may be offered by Vendor to other customers with respect to recalled products, including but not limited to, prompt replacement and/or refunds.

## 10. Multiple Distribution Centers, Single Point of Contact, and Designated Dealers

If tangible goods are included as part of Vendor's Awarded Items and Vendor delivers products out of more than one warehouse or distribution center, all warehouses or distribution centers involved in the distribution plan must carry or have timely access to all Awarded Items and must be able to respond to orders in a timely manner. Except as expressly permitted in this Proposal Invitation, product substitutions are not allowed, and the involvement of multiple distribution centers does not alter any restriction against product substitution.

The Cooperative and Cooperative members will have **one Vendor contact person** for overall contract management relative to the Contract, even if Vendor uses multiple distribution centers or designated dealers, and the Cooperative and its members will not be required to deal with multiple Vendor contacts for overall contract management.

If Vendor is a manufacturer that sells products through a dealer network, Vendor may request to designate a dealer or multiple dealers ("Designated Dealer" or "Designated Dealers") to receive Cooperative member Purchase Orders on Vendor's behalf by completing and submitting to the Cooperative Administrator the information required on the Manufacturer Dealer Designation form contained in the Proposal Invitation and, if requested, such other information as the Cooperative Administrator may reasonably require.

Regardless of any Designated Dealers submitted by Vendor, Vendor specifically agrees and acknowledges that any such designations are for Vendor's convenience only and shall not relieve Vendor of any obligations under the Contract, including payment of Cooperative service fees on all Purchase Orders submitted to Vendor or any Designated Dealer. Vendor shall remain responsible and liable for all obligations under the Contract and the performance of both Vendor and any of Vendor's Designated Dealers under and in accordance with the Contract. Vendor shall remain subject to all remedies for default thereunder, including, but not limited to suspension and termination of Vendor's Contract for nonpayment of service fees.

Further, Vendor acknowledges and agrees that, if Vendor opts to submit Designated Dealers under the Contract, Vendor is responsible for ensuring the accuracy, maintenance, and updating of the Designated Dealer information provided to the Cooperative and ensuring and confirming such information has been received by the Cooperative Administrator in such form as the Cooperative Administrator may reasonably require. Vendor authorizes the Cooperative Administrator, in its sole discretion, to list any Vendor Designated Dealers on the BuyBoard website and authorizes the Designated Dealer(s) to receive Purchase Orders directly from Cooperative members on behalf of Vendor. To the extent a Vendor with Designated Dealers receives a Purchase Order directly, it shall be the responsibility of Vendor to appropriately process such Purchase Order in accordance with the Contract, including but not limited to timely forwarding such Purchase Order to a Designated Dealer for processing.

The Cooperative reserves the right, in its sole discretion, to refuse addition of, or request removal of, any Designated Dealer, and Vendor agrees to immediately require such Designated Dealer to cease accepting Purchase Orders or otherwise acting on Vendor's behalf under the Contract. Further, the Cooperative Administrator shall be authorized to remove or suspend any or all Designated Dealers from the BuyBoard at any time in its sole discretion.

## 11. BuyBoard Vendor Information and Reporting of Cooperative Member Purchases

### (a) BuyBoard Website and Vendor Information

The awarded Contract will be posted on the BuyBoard website as an online marketplace. By submitting a Proposal, Vendor consents to the posting of all Proposal and product information provided by Vendor including, but not limited to, Vendor's Proposal, contact information, product catalogs, and product pricing on the BuyBoard website for Cooperative members. Vendor further authorizes the Cooperative, the Cooperative Administrator, and any third-party contractor providing services for the BuyBoard website to receive and relay such information to Cooperative members electronically, including via electronic punch out from the BuyBoard website.

Posting of Vendor information on the BuyBoard website or other relay of Vendor information by the Cooperative to Cooperative members shall be for the convenience of Cooperative members and Vendors only and shall not be deemed a contractual obligation or duty on the part of the Cooperative. Whether and when to post information to the BuyBoard website shall be in the sole discretion of the Cooperative. To the extent Vendor pricing or catalog information is posted on the BuyBoard website and Vendor subsequently submits updated pricing or catalog information in accordance with sections E.4 or E.8 of the Terms and Conditions, as applicable, the Cooperative Administrator shall have a reasonable time (which in no event shall be less than 10 business days, and may be longer depending on circumstances) to review the information and, if accepted in accordance with the Terms and Conditions, update the information. Vendor shall continue to honor all prior pricing and catalogs and shall not be permitted to sell products or services to Cooperative members using updated pricing or catalog information until all required information has been received and updated by the Cooperative Administrator. It is the responsibility of Vendor to timely provide all pricing and catalog information in the format required by the Cooperative Administrator and respond to requests for additional information from the Cooperative Administrator to avoid delays in information being updated. As provided in sections E.4 and E.8 of these Terms and Conditions, the Cooperative reserves the right to reject any or all price increases or catalog updates.

**Neither the Cooperative nor the Cooperative Administrator shall be liable to any party for information provided by Vendor or for any errors in Vendor information posted to the BuyBoard website or relayed to Cooperative members.** Vendor shall be fully responsible and liable to the Cooperative, the Cooperative Administrator, and Cooperative members for all information provided by Vendor related to the Proposal Invitation, Contract and/or for posting on the BuyBoard website including, but not limited to, catalogs and pricelists. Vendor shall not upload, enter, or submit any information that may infringe the intellectual property rights of any third party or that contains software viruses or any other code, files, or programs that may damage or disrupt any software, hardware, or equipment. To the extent Vendor discovers any error in information on the BuyBoard website, Vendor shall promptly advise the Cooperative Administrator in writing at [contractadmin@buyboard.com](mailto:contractadmin@buyboard.com). Vendor shall also confirm the accuracy of all product and pricing information in Purchase Orders prior to acceptance and promptly notify the Cooperative member and Cooperative of any potential errors.

By submitting a Proposal, Vendor certifies that Vendor has read the BuyBoard Technical Requirements contained in this Proposal Invitation and, if awarded a Contract, will comply with all requirements therein except as specifically indicated by Vendor in the Acknowledgement of BuyBoard Technical Requirements form. To the extent Vendor has acknowledged the ability to comply with the BuyBoard Technical Requirements, Vendor's subsequent failure or refusal to comply shall be deemed an event of default under the Contract. To the extent Vendor is unable to meet the applicable BuyBoard Technical Requirements, Vendor acknowledges that, if awarded a Contract, information available on the BuyBoard for Vendor's awarded products or services may be more limited than other Vendors, potentially placing Vendor at a disadvantage and impacting the ability of Cooperative members to search, find, review, and purchase Vendor's awarded products and services on the BuyBoard website. The BuyBoard Technical Requirements may be updated from time to time, and Vendor agrees to use best efforts to comply, if able, with updated requirements. In using the BuyBoard Website, Vendor agrees to comply with BuyBoard Terms and Conditions of Use and BuyBoard Privacy Policy ("BuyBoard Website Terms") which are available on the website and may be updated from time to time. The BuyBoard Website Terms supplement the Contract. In the event of any conflict between the Contract and the BuyBoard Website Terms, the Contract shall prevail.

#### **(b) Purchase Order Reporting**

A Cooperative member may make purchases from Vendor under the Contract by issuing a Purchase Order to procure Awarded Items. **All Purchase Orders generated by or under the Contract must be processed through the BuyBoard. Except as expressly authorized in writing by the Cooperative Administrator, neither Vendor nor any Vendor Designated Dealer is authorized to process a Purchase Order received directly from a Cooperative member that has not been processed through the BuyBoard or provided to the Cooperative.** To the extent Vendor or Vendor's Designated Dealer receives a Purchase Order directly from a Cooperative member that Vendor has reason to believe has not been received by the Cooperative or processed through the BuyBoard, Vendor shall promptly provide a copy of the Purchase Order to the Cooperative Administrator.

A Vendor may request authorization to self-report Cooperative member purchases by completing the Vendor Request to Self-Report BuyBoard Purchases form or such other form as may be required by the Cooperative Administrator. This form is available to awarded Vendors upon request to the Cooperative Administrator. Any request must be submitted in writing and is subject to written approval by the Cooperative Administrator. To the extent that a Vendor is authorized in writing by the Cooperative administrator to self-report Cooperative member purchases under the Contract, Vendor shall be required to comply with all additional terms and conditions imposed by the Cooperative as part of such authorization.

The Cooperative may, from time to time, in its reasonable discretion, provide instructions and modify the procedures for reporting Purchase Orders under the Contract by providing Vendor at least 30 days advance written notice. Vendor acknowledges and agrees that notice provided via electronic mail to the Purchase Order contact designated by Vendor in Vendor's Proposal, or subsequently updated in writing, shall satisfy this requirement. Continued acceptance of Purchase Orders and/or any Contract renewal by Vendor shall constitute acceptance of any modified Purchase Order procedures.

**The intent of the Cooperative member to purchase through the Cooperative Contract is paramount. The method or timing of reporting a Purchase Order to the Cooperative shall not alter the nature of the transaction as a BuyBoard purchase or relieve Vendor of the obligation to pay the service fee on such purchase.**

Vendor and any Vendor Designated Dealer must maintain the computer and telephone hardware necessary to provide for the electronic receipt of Purchase Orders and pay such costs and fees as may be imposed by a supplier or service provider for the software, equipment and service required to use the BuyBoard.

#### **(c) Vendor Invoices**

To further document and report Cooperative member purchases under the Contract, Vendor shall provide the Cooperative with copies of Vendor Invoices for all Cooperative member purchases under the Contract. Vendor shall submit copies or reports of Vendor Invoices to [info@buyboard.com](mailto:info@buyboard.com) promptly upon generation of the invoice. Vendor shall ensure that the Contract number and member Purchase Order number is included with the Vendor Invoice.

In lieu of providing copies of individual Vendor Invoices, Vendor may provide monthly reports of Vendor Invoices to [info@buyboard.com](mailto:info@buyboard.com) no later than the 10<sup>th</sup> day of the month. The monthly Vendor Invoice reports shall include a list of all invoices billed by Vendor during the preceding month to Cooperative members for purchases under the Contract. Monthly Vendor Invoice reports shall include any and all information reasonably required by and be in such format as may be reasonably required by the Cooperative Administrator. At a minimum, Vendor Invoice reports shall include the Cooperative member name, Purchase Order number, general description of the purchase including Contract number and Contract category under which the purchase was made, and invoice amount.

Vendor agrees to cooperate, and to require any Vendor Designated Dealer(s) to cooperate, with the Cooperative to promptly provide such reasonable information and documentation as the Cooperative Administrator may require regarding Purchase Orders received by Vendor and Vendor Invoices issued by Vendor under the Contract.

#### **12. Service Fee**

Vendor must pay the Cooperative the service fee specified in this Proposal Invitation and, unless this Proposal Invitation provides otherwise, the service fee is included in the Awarded Pricing. Except as otherwise provided in this section E.12, Vendor must remit the service fee to the Cooperative in Austin, Texas, within 30 days of the date of each service fee invoice.

Service fees shall be deemed incurred on the date of Vendor's receipt of payment for products or services by the Cooperative member. To the extent that a Vendor disputes any service fee listed in a service fee invoice, including but not limited to assertions that the purchase on which the fee is based has yet to be delivered or paid (e.g. special orders), was canceled by the Cooperative member, or is a duplicate purchase order, the Vendor must notify the Cooperative of the dispute in writing **no later than the 90<sup>th</sup> day after the original invoice date** ("Dispute Period") by returning a copy of the invoice or statement of outstanding balances to the Cooperative Administrator

with each disputed item marked and the basis for dispute provided. To the extent that the disputed service fees have been paid by Vendor, any request for a refund must be provided to the Cooperative Administrator in writing, with supporting documentation, no later than the last day of the Dispute Period. Vendor agrees to cooperate, and require any Vendor Designated Dealer(s) or billing agent to cooperate, with the Cooperative Administrator in attempting to reconcile and resolve disputed fees and shall provide such reasonable information and documentation as the Cooperative Administrator may require to review the disputed fees to the satisfaction of the Cooperative Administrator's staff. Any service fees for which the Cooperative Administrator has not received a notice of dispute or request for refund within the Dispute Period as set forth herein shall be deemed conclusively due and owing and no longer subject to dispute or claim for refund.

Unpaid service fees will be subject to collection in accordance with the Cooperative's Board policy on vendor invoicing and collections, which is available from the Cooperative Administrator on request.

A Vendor may designate a billing agent to receive Cooperative service fee invoices on Vendor's behalf. Such designation must be made in writing by an authorized representative of Vendor and properly submitted to the Cooperative Administrator in such form as the Cooperative Administrator may reasonably require. However, in so doing, Vendor acknowledges and agrees that such designation shall be for Vendor's convenience only and Vendor shall remain responsible for all obligations under the Contract, including payment of service fees, and shall remain subject to all remedies for default in payment thereof.

Vendor agrees to provide the Cooperative with copies of all Purchase Orders generated by or under the Contract that are received directly from Cooperative members, Vendor Invoices, and/or such other documentation regarding those Purchase Orders as the Cooperative Administrator may require in its reasonable discretion. Additionally, the Cooperative has the right, upon reasonable written notice, to review Vendor's records pertaining to purchases under the Contract with Cooperative members to verify purchase history and the accuracy of service fees payable from Vendor.

### **13. Disclaimer of Warranty and Limitation of Liability**

THE COOPERATIVE AND TASB (BOTH D/B/A BUYBOARD) DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD TO THE AVAILABILITY, ACCURACY, CONTENT OR ANY OTHER ASPECT OF ANY INFORMATION, PRODUCT, OR SERVICE FURNISHED UNDER THE CONTRACT AWARD, INCLUDING, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. WITH RESPECT TO ANY AND ALL CAUSES OF ACTION ARISING UNDER OR RELATED TO THE CONTRACT, NEITHER THE COOPERATIVE NOR TASB, NOR THEIR RESPECTIVE OFFICERS, BOARD MEMBERS, EMPLOYEES OR AGENTS, IS LIABLE TO VENDOR UNDER ANY CIRCUMSTANCES FOR LOST REVENUE, DATA OR PROFITS, OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, EVEN IF THE COOPERATIVE AND/OR TASB HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. WITHOUT WAIVING ANY GOVERNMENTAL IMMUNITY PROVIDED BY LAW, IN NO EVENT WILL THE COOPERATIVE AND/OR TASB'S TOTAL JOINT LIABILITY TO VENDOR EXCEED THE AMOUNT OF THE SERVICE FEE PAID BY VENDOR DURING THE TWELVE MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH LIABILITY.

**Neither the Cooperative nor TASB is in any way liable to Vendor for a Cooperative member's performance or nonperformance of the member's obligations under the Contract or Purchase Order.**

### **14. Sales Tax**

Cooperative members are governmental entities which are generally exempt by law from the payment of state sales tax and federal excise tax. Vendor may request a Cooperative member to provide a tax exemption certificate, or the member may establish its tax-exempt status by including tax exemption information or tax exemption certificate with the Purchase Order as authorized under law. Vendor is responsible for collecting such taxes, if any, as may be due from a Cooperative member and remitting payment to the appropriate taxing authority.



#### **15. Use of BuyBoard Logo and Trade Name**

The BuyBoard trade name and logo are proprietary to TASB and have been specifically licensed by TASB to the Cooperative. Vendor may not use, display, or otherwise distribute the BuyBoard logo or trade name except in strict accordance with the Cooperative's written guidelines posted on the BuyBoard website.

#### **16. Indemnification**

Vendor agrees to defend, indemnify, and hold harmless the Cooperative, TASB, and Cooperative members, and their officers, board members, agents and employees, from and against all third-party claims, actions, suits, liability, liens, loss and damage of any character, type, or description, including without limitation all expenses of litigation, court costs and attorney's fees, arising out of or related to (a) injury or death to any person or damage to any property related to the acts of Vendor or its agents, subcontractors, or employees in the execution of or performance under the Contract or a Purchase Order, as applicable; and (b) Vendor's negligence, misconduct, breach of contract or other failure to comply with its obligations in the execution or performance under the Contract or a Purchase Order, as applicable.

#### **17. Intellectual Property Infringement by Vendor**

Without limiting the scope of section E.16 (Indemnification) of these Terms and Condition, if any claim is asserted, or action or proceeding brought against the Cooperative, the Cooperative Administrator, or a Cooperative member that alleges that either (1) all or any part of the products or services supplied by Vendor, in the form supplied or modified by Vendor, or its subcontractors pursuant to Vendor's sole directions, or (2) any information provided by Vendor or its designated dealers or agents to a Cooperative member, the Cooperative, or the Cooperative Administrator (including, but not limited to, information submitted by Vendor to the Cooperative or Cooperative Administrator for the BuyBoard website), infringes or misappropriates any United States intellectual property, intangible asset, or other proprietary right, title or interest (including, without limitation, any copyright or patent or any trade secret right, title, or interest), or violates any other contract, license, grant, or other proprietary right of any third party, the Cooperative, Cooperative Administrator, or Cooperative member upon its awareness, shall give Vendor prompt written notice thereof. Vendor shall defend, and hold the Cooperative, the Cooperative Administrator, and the Cooperative member harmless against any such claim or action and shall indemnify the Cooperative, the Cooperative Administrator, and Cooperative member against any liability, damages and costs resulting from such claim. In addition, if, in any such suit arising from such claim, the continued use of the product for the purpose intended is enjoined by any court of competent jurisdiction, unless otherwise agreed in writing by the Cooperative member, Vendor shall, at its expense and option, either (a) procure for the Cooperative member the right to continue using the product; (b) modify the product so that it becomes non-infringing; (c) replace the product or portions thereof so that it becomes non-infringing; or (d) allow the Cooperative member to return the product or cancel the service and refund the purchase price (less reasonable depreciation for use, if applicable.)

#### **18. Remedies for Default and Termination of Contract**

##### **(a) Default and Termination of Cooperative Contract**

Except as otherwise provided for in these Terms and Conditions, either party (Cooperative or Vendor) may terminate the Contract in whole or in part in the event of the other party's substantial failure to fulfill its obligations under the Contract through no fault of the terminating party; provided, however, that the defaulting party is given at least 10 business days prior written notice of the default and intent to terminate (delivered by certified mail, return receipt requested, or other method that similarly documents receipt), and, to the extent the default is capable of being cured, a 10 business day opportunity to remedy the default to the satisfaction of the terminating party (or, in the event of default based on Vendor's failure to timely remit the service fee due the Cooperative, such longer cure period as may be established by Cooperative policy.)

At the Cooperative's option and in addition to any other remedies it may have available, the Cooperative may terminate the Contract if Vendor fails to adhere to or violates any of the provisions of these Terms and Conditions, including the certifications. Without limiting the scope of the foregoing, one or more of the following constitute grounds for termination:

- 1) Materially misleading or false statement(s) in Vendor's Proposal;
- 2) Delivery of product or services that fail to meet the item specifications;
- 3) Delivery of product or services that are defective or substandard or fail to pass product inspection;
- 4) Delivery of a product substitution, except as specifically authorized by the Contract;
- 5) Failure to meet required delivery schedules;
- 6) Failure to timely supply Awarded Items at the Awarded Pricing;
- 7) Failure to timely remit any service fee due the Cooperative under the Contract or any other BuyBoard contract with Vendor, its parent company, or affiliates;
- 8) Failure to provide, within a reasonable time and where required by the Contract, information reasonably requested by the Cooperative or Cooperative Administrator including, but not limited to, information requested under sections E.11 (BuyBoard Vendor Information and Reporting of Cooperative Member Purchases) or E.12 (Service Fees) of these Terms and Conditions;
- 9) Processing a Purchase Order received directly from a Cooperative member, without prior written approval from the Cooperative Administrator;
- 10) Providing architectural or engineering services under the Contract that must be procured pursuant to the Professional Services Procurement Act (Chapter 2254 of the Texas Government Code);
- 11) Selling non-awarded products or services under the Contract or any other BuyBoard contract; or
- 12) Vendor refusal, inability, or loss of ability to offer or provide Awarded Items to Cooperative members in awarded regions or states unless caused by a Force Majeure event pursuant and subject to section E.19 (Force Majeure).

Notwithstanding any other provision of this section E.18, in the event of Vendor's default under or breach of any provision in the Contract, the Cooperative reserves the right to enforce the performance of the Contract in any manner prescribed by law or deemed to be in the best interest of the Cooperative or necessary or appropriate to protect or provide best value to Cooperative members. Without limiting the scope of the foregoing, the Cooperative, acting by or through the Cooperative Administrator, may temporarily inactivate (suspend) Vendor from the BuyBoard website and as a BuyBoard vendor, suspend or remove any Vendor Designated Dealer, or require removal of an Awarded Item with or without prior notice to Vendor, if the Cooperative or Cooperative Administrator reasonably determines that there has been a breach under the Contract or any other BuyBoard contract with Vendor, including but not limited to nonpayment of service fees, or that there is a potential policy, public health, or safety issue to warrant such action. The temporary inactivation may remain in effect pending further action or termination of the Contract by the Cooperative. Vendor remains liable for all obligations and responsibilities incurred prior to and during any temporary inactivation and prior to termination, as applicable.

In the event the Cooperative terminates the Contract, in whole or in part, the Cooperative reserves the right to award the terminated Contract, or any portion thereof, to the next Proposer the Cooperative determines to provide best value to Cooperative members. Additionally, the Cooperative may sue for breach of contract and specific performance and, in addition to contract damages, recover attorneys' fees and costs. Vendor shall be liable for any and all damages permitted by law, and any deviation submitted by Vendor in its Proposal seeking to limit Vendor's liability to the Cooperative shall be deemed rejected. The Cooperative will not be liable to Vendor for any damages (including, but not limited to, loss of profits or loss of business, or any special, consequential, exemplary, or incidental damages) resulting from termination based on Vendor's default or breach of contract.

If any delay or failure of performance is caused by a Force Majeure event as described in section E.19 (Force Majeure) of these Terms and Conditions, the Cooperative may, in its sole discretion, terminate the Contract in whole or part, provided such termination complies with the procedures set out above. Any Contract termination resulting from any cause other than a Force Majeure event will be deemed a valid reason for the Cooperative not considering any future proposals from the defaulting Vendor.

In the event a Vendor's Contract is terminated under this section E.18, Vendor shall remain responsible for payment of all service fees to the Cooperative for Awarded Items sold under the Contract to Cooperative members prior to such termination.

**(b) Default and Termination of Cooperative Member Purchase**

A Cooperative member has no authority to terminate the Contract at the Cooperative level for default. A Cooperative member may terminate a Purchase Order or refuse to accept delivery (1) as provided for in these Terms and Conditions, Cooperative member Purchase Order, or ancillary agreement, or (2) for Vendor's material breach of a term or condition included in the Contract, a Cooperative member Purchase Order, or ancillary agreement. Additionally, to the extent permitted by law, Cooperative members may sue for breach of contract and specific performance and, in addition to contract damages, recover attorneys' fees and costs. Nothing herein shall limit the remedies available to a Cooperative member under applicable law.

A Cooperative member will not be liable to Vendor for any damages (including, but not limited to, loss of profits or loss of business, or any special, consequential, exemplary, or incidental damages) resulting from termination based on Vendor's default or breach of contract.

**19. Force Majeure**

The term Force Majeure includes, but is not limited to, governmental restraints or decrees, provided they affect all companies in Vendor's industry equally and are not actions taken solely against Vendor; acts of God (except natural phenomena, such as rain, wind, or flood, which are normally expected in the locale in which performance is to take place); work stoppages due to labor disputes or strikes; fires; explosions; epidemics or pandemics; riots; war; rebellion; or sabotage.

The Cooperative, Cooperative members, and Vendor are required to use due caution and preventive measures to protect against the effects of Force Majeure, and the burden of proving that Force Majeure has occurred rests on the party seeking relief under this section E.19. The claiming party must promptly notify the other party in writing, citing the details of the Force Majeure event, use due diligence to overcome obstacles to performance created by the Force Majeure event, and resume performance immediately after the obstacles have been removed, provided the Contract has not been terminated in the interim.

Delay or failure of performance of the Contract or a Purchase Order caused solely by a Force Majeure event will be excused for the period of delay caused solely by the Force Majeure event, provided the party claiming the event promptly notifies the other party in writing. Neither party shall have any claim for damages against the other resulting from delays caused solely by Force Majeure. The Cooperative will not be responsible for any cost incurred by Vendor because of a Force Majeure event. A Cooperative member will not be responsible for any cost incurred by Vendor because of the Force Majeure event unless an authorized representative of the Cooperative member has requested, in writing, that Vendor incur such cost in connection with any delay or work stoppage caused by the Force Majeure event.

Notwithstanding any other provision of this section E.19, in the event Vendor's performance of its obligations under the Contract is delayed or stopped by a Force Majeure event, the Cooperative may, at its sole option, terminate the Contract in accordance with section E.18 (Remedies for Default and Termination of Contract) of these Terms and Conditions. This section E.19 does not limit or otherwise modify any of the Cooperative's rights as provided elsewhere in the Contract.

**F. Miscellaneous**

**1. Assignment**

Vendor may not sell, assign, transfer, convey or subcontract any responsibility or obligation created by the Contract in regard to the Cooperative without the Cooperative's prior written consent. A Vendor wishing to assign, transfer, or convey all or any portion of an awarded Contract shall submit a written request to the Cooperative, preferably at least 60 days before the projected effective date of the assignment and promptly provide such information as the Cooperative may require to process and consider the request.

Approval or denial of an assignment request shall be within the sole discretion of the Cooperative, and a vendor not awarded a Contract through the Proposal Invitation process has no right or vested interest to assignment of an awarded Contract. In determining whether to consent, the Cooperative may consider any relevant factors, including whether the party to which the sale, assignment, transfer, conveyance or subcontract is proposed is bound to and will honor all obligations and responsibilities imposed on Vendor under the Contract, including Awarded Pricing, and the best interest of and value to Cooperative members. Vendor's attempted sale, assignment, transfer, conveyance or subcontracting of any part of the Contract except in compliance with this section F.1 is void and ineffective. If Vendor ceases distribution of an Awarded Item for any reason during the Contract term, including ceasing distribution in one or more regions or states designated by Vendor in its Texas Regional Service Designation or State Service Designation forms, and the Cooperative determines that continued availability of the product provides best value to Cooperative members, the Cooperative reserves the right to place the manufacturer of such product on the BuyBoard for the remainder of the Contract term for any or all regions or states in which Vendor has ceased distribution, in which event Vendor's Contract for such product will be deemed assigned to the product manufacturer.

## 2. Notices

Unless otherwise provided for in this Proposal Invitation, any written notice or other communication required by the Contract or by law will be conclusively deemed to have been given and received on the third business day after such written notice has been deposited in the U. S. Mail, properly addressed, and with sufficient postage affixed thereto, provided that actual notice may also be given via electronic mail or in any other manner used in commerce. If the conclusion of any time period provided for in these Terms and Conditions falls on a weekend or a federal holiday, the conclusion of such time period shall be deemed to be extended until the next business day. Otherwise, references to time periods measured by days shall mean calendar days unless business days are specifically designated.

## 3. Equal Employment Opportunity (EEO) Disclosures

Vendor agrees to abide by all applicable laws, regulations, and executive orders pertaining to equal employment opportunity, including federal laws and the laws of the state in which Vendor's primary place of business is located. In accordance with such laws, regulations and executive orders, Vendor agrees that no person in the United States shall, on the grounds of race, color, religion, national origin, sex, age, veteran status, disability or genetic information, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed by Vendor under the Contract. Upon request, Vendor will furnish information regarding its nondiscriminatory hiring and promotion policies.

## 4. Applicable Law, Venue and Dispute Resolution

The Contract is governed by and will be construed according to the laws of the State of Texas, including the Uniform Commercial Code (UCC) as adopted in the State of Texas as effective and in force on the date of the Contract. Venue for any litigation concerning the Cooperative or TASB lies in Austin, Travis County, Texas, and venue for any litigation between a Cooperative member and Vendor arising under the Contract lies in the home county of the member. The parties have the mutual affirmative duty to attempt to resolve any disputes that arise under the Contract in good faith at the least possible expense prior to the initiation of any type of judicial or administrative proceeding.

## 5. Waiver

No claim or right arising out of a breach of the Contract can be discharged in whole or part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. A party's failure to require strict performance of any provision of the Contract does not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision.

## 6. Interpretation – Parol Evidence

This writing is intended by the parties as a final expression of their agreement and a complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties and no usage of the trade is relevant to supplement or explain any terms used in the Contract. Acceptance or acquiescence in a course of performance rendered under the Contract is not relevant to and does not determine the meaning of the Contract even though the accepting or acquiescing party has knowledge of the performance and opportunity for objection.

**7. Right to Assurance**

Whenever the Cooperative in good faith has reason to question Vendor's intent to perform, the Cooperative may demand that Vendor give written assurance of its intent to perform. In the event that a demand is made and no assurance is given within five (5) days, the Cooperative may treat the failure as an anticipatory repudiation of the Contract.

**8. Non-Appropriations Clause**

Texas law prohibits the obligation and expenditure of public funds beyond the fiscal year for which a budget has been approved. A Cooperative member that is a governmental entity (a) reserves the right to rescind a multi-year purchase order or other agreement to purchase products or services under the Contract at the end of the member's fiscal year if it is determined that funding is not available to extend the agreement; and (b) will use its best efforts to attempt to obtain and appropriate funds for payment.

**9. Invalid Term or Condition**

If any term or condition of the Contract is held invalid or unenforceable, the remainder of the Contract will not be affected and will be valid and enforceable.

**10. Remedies Cumulative**

The remedies available to the Cooperative, a Cooperative member, or Vendor under this Contract are in addition to any other remedies that may be available under law or in equity.

**11. Signatures**

Except as otherwise specifically required in these Terms and Conditions, all notices, requests, amendments and other written documentation required or authorized under the Contract may be provided electronically or as an imaged document, and an electronic or facsimile signature shall be deemed an original.

**12. Right of Setoff**

Any indebtedness or obligation owed by Vendor or Vendor's affiliates to the Cooperative may be appropriated and applied by the Cooperative at any time, and from time to time, on any indebtedness or other obligation owed by the Cooperative to Vendor or Vendor's affiliates, whether such indebtedness or other obligations are now existing or hereafter arise, and whether under the Contract or otherwise. It is further understood and agreed that this right of setoff is in addition to, and not in lieu of, any other right, remedy or recourse which is available to the Cooperative either at law or equity, and that failure to exercise such right of setoff in any instance shall not constitute a waiver of such right.

## APPENDIX I

### BUYBOARD TECHNICAL REQUIREMENTS

The following are the BuyBoard Technical Requirements, current as of the date indicated at the bottom of this document.

#### TECHNICAL REQUIREMENTS AND INSTRUCTIONS FOR VENDOR LOGO FILES

Vendor logo files submitted for inclusion on the BuyBoard website must be provided in one of the following formats:

- PNG with transparent background; minimum size: 250 x 250 pixels
- JPG (JPEG); minimum size: 250 x 250 pixels

#### TECHNICAL REQUIREMENTS AND INSTRUCTIONS FOR VENDOR PRODUCT DETAILS

Following Contract award, Awarded Vendors for commodity items will be expected to promptly provide product details for awarded products in an electronic Excel spreadsheet in the format listed below. (A spreadsheet template will be provided to Vendors after Contract award.)

**File Name Format:** <VendorName>\_<ContractNumber>\_<YYYYMMDD>.xlsx (eg. TASB\_123-45\_20200720.xlsx)

Field Name	Required?	Description	Type	Character Limit
Product Name	Required	The product name. Should be unique to each product. Do not list a product category.	Text	255
Product Description	Required	Product description as might appear in a catalog. Can include specifications, annotations, etc. <b>Do not include:</b> -Bullet points -HTML	Text	No limit
Manufacturer Name	Strongly recommended	Name of product manufacturer (or "brand"). If none available, blanks are acceptable, but this information is strongly recommended. The more data you can provide about your product, the better.	Text	125
Manufacturer Product Number	Strongly recommended	Manufacturers product or part number. If none available, blanks are acceptable, but this information is strongly recommended. The more data you can provide about your product, the better.	Text	50

Vendor Product Number	Required	Your product number or SKU. Can be the same as ManufacturerProductNumber if you do not use a separate number or SKU (if you are the manufacturer, or use the same number as the manufacturer).	Text	50
UOM	Required	Measurement that represents a single unit of this product relative to price (eg. EA "each", PK "pack", CS "case", etc). Can be in abbreviated format (ex. EA) or full word format (ex. Each). <b>This should <u>not</u> be a numeric value.</b>	Text	10
Vendor Image Url	Strongly recommended	A link to an individual product image. If none exists, leave blank. Link should begin with https://. <b>Do not provide:</b> -A link to the home page of your website -A link to a product page or another section of your website  If none available, blanks are ok, but strongly recommended to have this information. Product images help sell your product!	Text	1000
List Price	Required	Price per unit of product without BuyBoard discount. Cannot be left blank. <b>DO NOT LIST "Call for Price" or "Price Varies". Must be a numeric value.</b>	Numeric (no currency symbols or formatting, should be rounded to 2 decimal places)	N/A
Discount Percent <b>OR</b> Discount Price *You are only required to provide either Discount Percent OR Discount Price. You may provide both if you wish, but at least one must be provided.	One or the other required*	The percentage discount off of List Price, per the Contract.	Percentage-one decimal place max	N/A
		Price per unit of product with BuyBoard discount applied. <b>DO NOT LIST "Call for Price" or "Price Varies". Must be a numeric value.</b>	Numeric (no currency symbols or formatting, should be rounded to 2 decimal places)	N/A

Vendor Page Url	Optional	A link to an online catalog listing for this product (if available). This is for future use. <b>Do not provide:</b> -A link to the home page of your website	Text	1000
Vendor Thumbnail Image Url	Optional	A link to a catalog product <b>thumbnail</b> image (if available).	Text	1000
Vendor Category	Optional	Your categorization for this product. If this product is nested within categories, please delimit between categories. This information is for future use.	Text	1000
UNSPSC Code	Optional	( <a href="https://www.unspsc.org/">https://www.unspsc.org/</a> ) if available.	Numeric	N/A
Extended Attributes	Optional	This field is reserved for any additional information which should be used for search indexing for this line item. It could include information on options, colors, sizes, informative notifications, etc.	Text	No limit

**\*Products must be unique. Duplicate products will not be accepted. To make a product unique, it must have one of the following:**

- 1- A unique Vendor Product Number
- 2- A unique Vendor Product Number + UOM combination

**DESIRED RESULT:**

Product A - 1234567 - EA (different vendor product numbers)

Product B - 1234568 - EA

-OR-

Product A - 1234567 - EA (same vendor product number, different UOM)

Product B - 1234567 - PK

**WRONG:**

Product A - 1234567 - EA

Product B - 1234567 - EA



**AFFIDAVIT OF PUBLICATION**

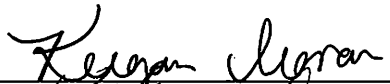
Texas Association Of School Boards  
Texas Association Of School Boards  
12007 Research Blvd.  
Austin TX 78752

STATE OF WISCONSIN, COUNTY OF BROWN

The Abilene Reporter-News, a newspaper published in the city of Abilene, Taylor and Jones County, generally circulated in Brown, Callahan, Coleman, Comanche, Eastland, Erath, Fisher, Haskell, Jones, Knox, Mitchell, Nolan, Runnels, Scurry, Shackelford, Stephans, Stonewall, Taylor counties, Texas, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

07/24/2024, 07/31/2024

and that the fees charged are legal.  
Sworn to and subscribed before on 07/31/2024

  
\_\_\_\_\_  
Legal Clerk

  
\_\_\_\_\_  
Notary, State of WI, County of Brown

My commission expires 1-7-25

Publication Cost: \$1063.76  
Tax Amount: \$0.00  
Payment Cost: \$1063.76  
Order No: 10368504 # of Copies:  
Customer No: 1352662 1  
PO #:

**THIS IS NOT AN INVOICE!**  
*Please do not use this form for payment remittance.*

**KATHLEEN ALLEN**  
Notary Public  
State of Wisconsin

Texas Association of School  
Boards-Local Government  
Purchasing Cooperative

Proposal Number, Proposal  
Name, Proposal Deadline,  
Contract Effective Date,  
Contract Expiration Date

761-25 Water Storage Tank  
Maintenance and Rehabilita-  
tion and Trenchless Pipe  
Repair Systems, 10/3/2024  
4:00 PM, 4/1/2025 to 3/31/2028  
762-25 Assistive Technology  
Products and Related  
Services, 10/3/2024 4:00 PM,  
4/1/2025 to 3/31/2028  
763-25 Graduation Products,  
Photography Services, and  
Award Jackets, 10/10/2024  
4:00 PM, 4/1/2025 to 3/31/2028  
764-25 Commercial  
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Accessories, 10/17/2024 4:00  
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PM, 4/1/2025 to 3/31/2028  
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PM, 4/1/2025 to 3/31/2028  
768-25 Security Officer  
(Contracted) Services and  
Solutions, 11/7/2024 4:00 PM,  
4/1/2025 to 3/31/2028  
769-25 Correctional and  
Detention Facility Equip-  
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4:00 PM, 6/1/2025 to 5/31/2028  
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Pumps and Motors, 12/12/2024  
4:00 PM, 6/1/2025 to 5/31/2028  
771-25 Awards, Trophies and  
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7/1/2025 to 6/30/2028  
772-25 Fueling Systems and  
Equipment, 1/16/2025 4:00  
PM, 7/1/2025 to 6/30/2028  
773-25 Uniforms and Acces-  
sories, 1/23/2025 4:00 PM,  
7/1/2025 to 6/30/2028  
774-25 Temporary Personnel  
Staffing and Workforce  
Management Services,  
1/30/2025 4:00 PM, 7/1/2025 to  
6/30/2028  
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Equipment, Products, and  
Related Services, 2/6/2025  
4:00 PM, 7/1/2025 to 6/30/2028  
776-25 Building Plan Review,  
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777-25 Job Order Contracting-  
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tronically through the Coop-  
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in the Instructions to  
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[www.vendor.buyboard.com](http://www.vendor.buyboard.com).  
The Cooperative reserves the  
right to Item X13. all bids  
and to all bids all bids  
in biddi all bids all bids  
me of all bids all bids  
filing all bids all bids

# LOCALiQ

Austin American-Statesman  
Amarillo Globe-News  
Lubbock Avalanche-Journal

PO Box 631667 Cincinnati, OH 45263-1667

## AFFIDAVIT OF PUBLICATION

Ava Benford  
Texas Assoc Of School Boards  
12007 Research BLVD  
Austin TX 78759-2429

STATE OF WISCONSIN, COUNTY OF BROWN

The Amarillo Globe-News is a daily newspaper of general circulation, printed and published in Amarillo, Potter County, Texas; that the publication, a copy of which is attached hereto, was published in the said newspaper in the issues dated:

07/24/2024, 07/31/2024

Sworn to and subscribed before on 07/31/2024



Legal Clerk



Notary, State of WI, County of Brown

8-25-26

My commission expires

Publication Cost: \$910.00  
Tax Amount: \$0.00  
Payment Cost: \$910.00  
Order No: 10367308  
Customer No: 815100  
PO #:

# of Copies:  
1

**THIS IS NOT AN INVOICE!**

*Please do not use this form for payment remittance.*

MARIAH VERHAGEN  
Notary Public  
State of Wisconsin

## Texas Association of School Boards-Local Government Purchasing Cooperative

Proposal Number, Proposal Name, Proposal Deadline, Contract Effective Date, Contract Expiration Date

- 761-25 Water Storage Tank Maintenance and Rehabilitation and Trenchless Pipe Repair Systems, 10/3/2024 4:00 PM, 4/1/2025 to 3/31/2028
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- 772-25 Fueling Systems and Equipment, 1/16/2025 4:00 PM, 7/1/2025 to 6/30/2028
- 773-25 Uniforms and Accessories, 1/23/2025 4:00 PM, 7/1/2025 to 6/30/2028
- 774-25 Temporary Personnel Staffing and Workforce Management Services, 1/30/2025 4:00 PM, 7/1/2025 to 6/30/2028
- 775-25 Airport Runway Equipment, Products, and Related Services, 2/6/2025 4:00 PM, 7/1/2025 to 6/30/2028
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"Completed sealed proposals will be received by the Local Government Purchasing Cooperative either by submitting the Proposal electronically through the Cooperative's designated website or by hard copy submission at Local Government Purchasing Cooperative, Cooperative Purchasing Office, 12007 Research Blvd., Austin, TX 78759 or as set out in the Instructions to Proposers."

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# LOCALiQ

Austin  
American-Statesman

PO Box 631667 Cincinnati, OH 45263-1667

## AFFIDAVIT OF PUBLICATION

Texas Assoc Of School Boards  
Texas Assoc Of School Boards  
12007 Research BLVD  
Austin TX 78759-2429

STATE OF TEXAS, COUNTIES OF BASTROP, BELL, BLANCO,  
BURNET, CALDWELL, COMAL, CORYELL, FAYETTE,  
GILLESPIE, GUADALUPE, HAYS, KERR, LAMPASAS, LEE,  
LLANO, MILAM, TRAVIS & WILLIAMSON

The Austin American Statesman, a newspaper that is generally  
circulated in the counties of Bastrop, Bell, Blanco, Burnet,  
Caldwell, Comal, Coryell, Fayette, Gillespie, Guadalupe, Hays,  
Kerr, Lampasas, Lee, Llano, Milam, Travis and Williamson, State  
of Texas, printed and published and personal knowledge of the  
facts herein state and that the notice hereto annexed was  
Published in said newspapers in the issues dated on:

ACO American Statesman 07/24/2024, 07/31/2024

and that the fees charged are legal.

Sworn to and subscribed before on 07/31/2024

Legal Clerk

Notary, State of WI, County of Brown

919.25

My commission expires

Publication Cost: \$1736.00  
Tax Amount: \$0.00  
Payment Cost: \$1736.00  
Order No: 10367259 # of Copies:  
Customer No: 815100 1  
PO #:

**THIS IS NOT AN INVOICE!**

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VICKY FELTY  
Notary Public  
State of Wisconsin

### Texas Association of School Boards-Local Government Purchasing Cooperative

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Contract Effective Date, Contract Expiration Date  
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Office, 12007 Research Blvd., Austin, TX 78759 or as set out in  
the Instructions to Proposers."  
NOTE: Proposal Invitations will be available at  
www.vendor.buyboard.com. The Cooperative reserves the  
right to reject any or all bids and to waive any formalities in  
bidding except time of filing.  
July 24,31,2024 10367259

**AFFIDAVIT OF PUBLICATION**

Ava Benford  
 Texas Association of School Boards  
 12007 Research BLVD  
 Austin TX 78759-2429

STATE OF WISCONSIN, COUNTY OF BROWN

The Corpus Christi Caller-Times, a newspaper published in the city of Corpus Christi, Nueces County, State of Texas, generally circulated in Aransas, Bee, Brooks, Duval, Jim Hogg, Jim Wells, Kleberg, Live Oak, Nueces, Refugio, and San Patricio Counties, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

07/24/2024, 07/31/2024

and that the fees charged are legal.  
 Sworn to and subscribed before on 07/31/2024

Legal Clerk  
 \_\_\_\_\_  
 Amy Kokott  
 Notary, State of WI County of Brown  
 \_\_\_\_\_  
 6/30/2025  
 My commission expires

Publication Cost: \$1031.12  
 Tax Amount: \$0.00  
 Payment Cost: \$1031.12  
 Order No: 10368766 # of Copies: 1  
 Customer No: 1360212  
 PO #:

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AMY KOKOTT  
 Notary Public  
 State of Wisconsin

Texas Association of School Boards-Local Government Purchasing Cooperative  
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# The Dallas Morning News

## AFFIDAVIT OF PUBLICATION

STATE OF TEXAS

COUNTY OF DALLAS

Before me, a Notary Public in and for Dallas County, this day personally appeared David Ferster, Advertising Representative for *THE DALLAS MORNING NEWS* being duly sworn by oath, states the attached advertisement of: **Ad# 1873593**

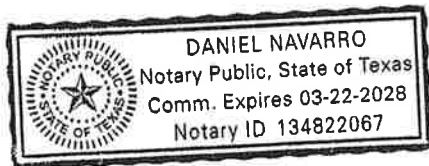
### TEXAS ASSN OF SCHOOL BOARDS


Appeared in *The Dallas Morning News* on *July 24 & 31, 2024*

  
Dallas Morning News Sales Operations

Sworn to and subscribed before me this

Date: 07/31/2024



  
Notary Public, State of Texas



AFFIDAVIT OF PUBLICATION

STATE OF TEXAS:

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared, the Newspaper Representative at the HOUSTON CHRONICLE, a daily newspaper published in Harris County, Texas, and generally circulated in the Counties of: HARRIS, TRINITY, WALKER, GRIMES, POLK, SAN JACINTO, WASHINGTON, MONTGOMERY, LIBERTY, AUSTIN, WALLER, CHAMBERS, COLORADO, BRAZORIA, FORT BEND, GALVESTON, WHARTON, JACKSON, and MATAGORDA and that the publication, of which the annexed herein, or attached to, is a true and correct copy, was published to-wit:

TEXAS ASSOCIATION OF SCHOOL      0034342593      HOU004513224  
RAN A LEGAL NOTICE  
SIZE BEING: 2 x50 L

Product	Date	Class	Page
HOU Chronicle	Jul 24 2024	Bids and Proposals	B 10
HOU Chronicle	Jul 24 2024	Bids and Proposals	B 10
HOU Chronicle	Jul 31 2024	Bids and Proposals	B 10
HOU Chronicle	Jul 31 2024	Bids and Proposals	B 10

*Victoria Bond*

NEWSPAPER REPRESENTATIVE

Sworn and subscribed to before me, this 31st Day of July A.D. 2024



*Veronica Marie Tyrone*

Notary Public in and for the State of Texas

Texas Association of School Boards-Local Government Purchasing Cooperative

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**AFFIDAVIT OF PUBLICATION**

AVA BENFORD BENFORD  
 Texas Association of School Boards  
 12007 Research BLVD  
 Austin TX 78759-2429

STATE OF WISCONSIN, COUNTY OF BROWN

The El Paso Times, a newspaper published in the city of El Paso, El Paso County, State of Texas, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

07/24/2024, 07/31/2024

and that the fees charged are legal.  
 Sworn to and subscribed before on 07/31/2024

Texas Association of School Boards-Local Government Purchasing Cooperative

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 No.10368684  
 July 24, 31, 2024

Legal Clerk

*Keegan Moran*  
*[Signature]*

Notary, State of Wis. County of Brown

*6-7-25*

My commission expires

Publication Cost: \$932.68  
 Tax Amount: \$0.00  
 Payment Cost: \$932.68  
 Order No: 10368684 # of Copies:  
 Customer No: 1359952 1  
 PO #: Purchasing Cooperati

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**KATHLEEN ALLEN**  
 Notary Public  
 State of Wisconsin

# THE MONITOR

**PUBLISHER'S AFFIDAVIT**  
**State of Texas**  
**County of Hidalgo**

Mercedes Contreras being duly sworn on her oath states that she is the Legal Account Representative of THE MONITOR a semi-weekly newspaper in Hidalgo County and that the attached notice did print in the following issues:

**July 24 & 31, 2024**

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Subscribed and sworn to before me this the 4th day of September A.D. 2024



---

**Notary Public, Hidalgo County**



Oregonian Media Group  
1500 SW 1st Ave Suite 500  
Portland, OR 97201



# Oregonian

TEXAS ASSOCIATION OF SCHOOL BOARDS, AVA  
BENFORD  
12007 RESEARCH BLVD  
AUSTIN, TX 78759

AD#: 0010889168

[Ava.Benford@tasb.org](mailto:Ava.Benford@tasb.org)

Sales Rep: Kimberlee O'Neill  
Account Number:1000955423  
AD#: 0010889168

Remit Payment to:  
Oregonian Media Group  
Dept 77571  
P.O. Box 77000  
Detroit, MI 48277-0571

Page 1 of 2

Date	Position	Description	P.O. Number	Ad Size	Costs
07/31/2024	PublicNotices OR	Texas Association of School Boards-Local Government Purchasing	RFPs July 2024	2 x 56 L	
				Basic Ad Charge - 07/24/2024	\$549.12
				Basic Ad Charge - 07/31/2024	\$534.12
				Total	\$1,083.24

FOR QUESTIONS CONCERNING THIS AFFIDAVIT, PLEASE CALL 877-229-2380

Item X13.

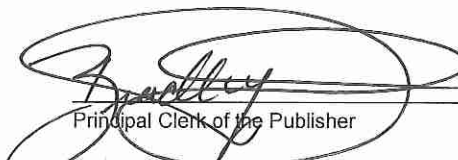
AD#: 0010889168

State of Oregon,) ss

County of Multnomah)

Bradley Dion being duly sworn, deposes that he/she is principal clerk of Oregonian Media Group; that Oregonian is a public newspaper published in the city of Portland, with general circulation in Oregon, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

Oregonian 07/24, 07/31/2024

  
Principal Clerk of the Publisher

Sworn to and subscribed before me this 31th day of July 2024

  
Notary Public



**Texas Association of School Boards-Local Government Purchasing Cooperative  
Proposal Number, Proposal Name, Proposal Deadline, Contract Effective Date,  
Contract Expiration Date**

- 761-25 Water Storage Tank Maintenance and Rehabilitation and Trenchless Pipe Repair Systems, 10/3/2024 4:00 PM, 4/1/2025 to 3/31/2028
- 762-25 Assstive Technology Products and Related Services, 10/3/2024 4:00 PM, 4/1/2025 to 3/31/2028
- 763-25 Graduation Products, Photography Services, and Award Jackets, 10/10/2024 4:00 PM, 4/1/2025 to 3/31/2028
- 764-25 Commercial Grade/Heavy Duty Exercise Equipment and Related Acces-sories, 10/17/2024 4:00 PM, 4/1/2025 to 3/31/2028
- 765-25 Gymnasium and Outdoor Sport Field Equipment and Supplies, 10/24/2024 4:00 PM, 4/1/2025 to 3/31/2028
- 766-25 Athletic and Physical Education Supplies and Equipment, 10/24/2024 4:00 PM, 4/1/2025 to 3/31/2028
- 767-25 Furniture for School, Office, Science, Library, and Dormitory, 10/31/2024 4:00 PM, 4/1/2025 to 3/31/2028
- 768-25 Security Officer (Contracted) Services and Solutions, 11/7/2024 4:00 PM, 4/1/2025 to 3/31/2028
- 769-25 Correctional and Detention Facility Equipment and Supplies, 12/5/2024 4:00 PM, 6/1/2025 to 5/31/2028
- 770-25 Water and Wastewater Pumps and Motors, 12/12/2024 4:00 PM, 6/1/2025 to 5/31/2028
- 771-25 Awards, Trophies and Personal Recognition Products, 1/9/2025 4:00 PM, 7/1/2025 to 6/30/2028
- 772-25 Fuelling Systems and Equipment, 1/16/2025 4:00 PM, 7/1/2025 to 6/30/2028
- 773-25 Uniforms and Accesories, 1/23/2025 4:00 PM, 7/1/2025 to 6/30/2028
- 774-25 Temporary Personnel Staffing and Workforce Management Services, 1/30/2025 4:00 PM, 7/1/2025 to 6/30/2028
- 775-25 Alrport Runway Equipment, Products, and Related Services, 2/6/2025 4:00 PM, 7/1/2025 to 6/30/2028
- 776-25 Building Plan Review, Inspection, and Code Compliance Services, 2/13/2025 4:00 PM, 7/1/2025 to 6/30/2028
- 777-25 Job Order Contracting-RS Means (CA/FL/GA), 2/20/2025 4:00 PM, 7/1/2025 to 6/30/2028

"Completed sealed proposals will be received by the Local Government Purchasing Cooperative either by submitting the Proposal electronically through the Cooperative's designated website or by hard copy submlsston at Local Government Purchasing Cooperative, Cooperative Purchasing Office, 12007 Research Blvd., Austin, TX 78759 or as set out in the Instructions to Proposers."

**NOTE:** Proposal Invitations will be available at [www.vendor.buyboard.com](http://www.vendor.buyboard.com). The Cooperative reserves the right to reject any or all bids and to waive any formalities in bidding except time of filing.

**AFFIDAVIT OF PUBLICATION**

Ava. Benford  
Texas Association Of School Boards  
12007 Research BLVD  
Austin TX 78759-2429

STATE OF WISCONSIN, COUNTY OF BROWN

The San Angelo Standard-Times, a newspaper published in the city of San Angelo, Tom Green County, State of Texas, and of general circulation in the following counties: Tom Green, Coke, Concho, Crockett, Irion, Kimble, Mason, McCulloch, Menard, Reagan, Runnels, Schleicher, Sterling, Sutton, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

07/24/2024, 07/31/2024

and that the fees charged are legal.  
Sworn to and subscribed before on 07/31/2024



Legal Clerk

  
Notary, State of WI, County of Brown

5.15.27

My commission expires

Publication Cost:	\$1104.56	
Tax Amount:	\$0.00	
Payment Cost:	\$1104.56	
Order No:	10368736	# of Copies:
Customer No:	1352657	1
PO #:	sealed proposals	

**THIS IS NOT AN INVOICE!**

*Please do not use this form for payment remittance.*

**NANCY HEYRMAN**  
Notary Public  
State of Wisconsin

San Antonio Express - News  
AFFIDAVIT OF PUBLICATION

STATE OF TEXAS:  
COUNTY OF BEXAR

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared, a Newspaper Representative for the Hearst Newspapers, LLC – dba: San Antonio Express - News, a newspaper published in COUNTY OF BEXAR County, Texas and that the publication, of which the annexed herein, or attached to, is a true and correct copy, was published to wit:

Customer ID	Customer	Order ID	Publication	Pub Date
20000624	TEXAS ASSN OF SCHOOL BOARDS	34342725	SAE Express-News	07/24/24
20000624	TEXAS ASSN OF SCHOOL BOARDS	34342725	SAE Express-News	07/31/24

*[Handwritten Signature]*  
 Newspaper Representative Signature

*Tamika Peckey*  
 Newspaper Representative Printed Name

Sworn and subscribed to before me, this 31<sup>st</sup> day of July A.D. 2024.



*[Handwritten Signature]*  
 Notary Public in and for the State of Texas

**Texas Association of School Boards-Local  
Government Purchasing Cooperative**

**Proposal Number, Proposal Name,  
Proposal Deadline, Contract Effective  
Date, Contract Expiration Date**

761-25 Water Storage Tank Maintenance  
and Rehabilitation and Trenchless Pipe  
Repair Systems, 10/3/2024 4:00 PM,  
4/1/2025 to 3/31/2028  
762-25 Assistive Technology Products  
and Related Services, 10/3/2024 4:00  
PM, 4/1/2025 to 3/31/2028  
763-25 Graduation Products, Photography  
Services, and Award Jackets, 10/10/2024  
4:00 PM, 4/1/2025 to 3/31/2028  
764-25 Commercial Grade/Heavy Duty  
Exercise Equipment and Related Accesso-  
ries, 10/11/2024 4:00 PM, 4/1/2025 to  
3/31/2028  
765-25 Gymnasium and Outdoor Sport  
Field Equipment and Supplies,  
10/24/2024 4:00 PM, 4/1/2025 to  
3/31/2028  
766-25 Athletic and Physical Education  
Supplies and Equipment, 10/24/2024  
4:00 PM, 4/1/2025 to 3/31/2028  
767-25 Furniture for School, Office, Sci-  
ence, Library, and Dormitory, 10/31/2024  
4:00 PM, 4/1/2025 to 3/31/2028  
768-25 Security Officer (Contracted)  
Services and Solutions, 11/7/2024 4:00  
PM, 4/1/2025 to 3/31/2028  
769-25 Correctional and Detention Facil-  
ity Equipment and Supplies, 12/5/2024  
4:00 PM, 6/1/2025 to 5/31/2028  
770-25 Water and Wastewater Pumps and  
Motors, 12/12/2024 4:00 PM, 6/1/2025  
to 5/31/2028  
771-25 Awards, Trophies and Personal  
Recognition Products, 1/9/2025 4:00 PM,  
7/1/2025 to 6/30/2028  
772-25 Fueling Systems and Equipment,  
1/16/2025 4:00 PM, 7/1/2025 to  
6/30/2028  
773-25 Uniforms and Accessories,  
1/23/2025 4:00 PM, 7/1/2025 to  
6/30/2028  
774-25 Temporary Personnel Staffing and  
Workforce Management Services,  
1/30/2025 4:00 PM, 7/1/2025 to  
6/30/2028  
775-25 Airport Runway Equipment, Prod-  
ucts, and Related Services, 2/6/2025  
4:00 PM, 7/1/2025 to 6/30/2028  
776-25 Building Plan Review, Inspection,  
and Code Compliance Services,  
2/19/2025 4:00 PM, 7/1/2025 to  
6/30/2028  
777-25 Job Order Contracting-RS Means  
(CA/FL/BA), 2/20/2025 4:00 PM,  
7/1/2025 to 6/30/2028

\*Completed sealed proposals will be  
received by the Local Government  
Purchasing Cooperative either by  
submitting the Proposal electronically  
through the Cooperative's designated  
website or by hard copy submission at  
Local Government Purchasing Coopera-  
tive, Cooperative Purchasing Office, 12007  
Research Blvd., Austin, TX 78759 or as  
set out in the instructions to Proposers.

NOTE: Proposal Invitations will be  
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The Cooperative reserves the right to  
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Texas Association of School  
Boards-Local Government  
Purchasing Cooperative

Proposal Number, Proposal  
Name, Proposal Deadline,  
Contract Effective Date,  
Contract Expiration Date

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Maintenance and Rehabilitation  
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Photography Services, and  
Award Jackets, 10/10/2024  
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Equipment and Related  
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PM, 4/1/2025 to 3/31/2028

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772-25 Fueling Systems and  
Equipment, 1/16/2025 4:00  
PM, 7/1/2025 to 6/30/2028

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774-25 Temporary Personnel  
Staffing and Workforce  
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6/30/2028

775-25 Airport Runway  
Equipment, Products, and  
Related Services, 2/6/2025  
4:00 PM, 7/1/2025 to 6/30/2028

776-25 Building Plan Review,  
Inspection, and Code Compli-  
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RS Means (CA/FL/GA),  
2/20/2025 4:00 PM, 7/1/2025 to  
6/30/2028

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submitting the Proposal elec-  
tronically through the Coop-  
erative's designated website  
or by hard copy submission  
at Local Government  
Purchasing Cooperative,  
Cooperative Purchasing  
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Austin, TX 78759 or as set out  
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The Cooperative reserves the  
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and to w malities  
in biddi time of  
filing.



**AFFIDAVIT OF PUBLICATION**

Texas Association Of School Boards  
12007 Research Blvd.  
Austin TX 78752

STATE OF WISCONSIN, COUNTY OF BROWN

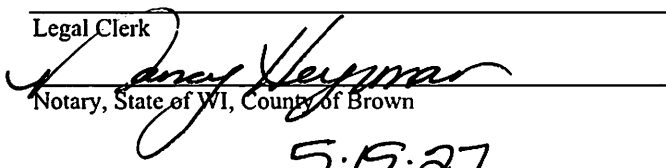
The Times Record News, a newspaper published in the city of  
Wichita Falls with circulation in Wichita County, State of Texas,  
and personal knowledge of the facts herein state and that the  
notice hereto annexed was Published in said newspapers in the  
issue:

07/24/2024, 07/31/2024

and that the fees charged are legal.  
Sworn to and subscribed before on 07/31/2024



Legal Clerk



Notary, State of WI, County of Brown

5.15.27

My commission expires

Publication Cost:	\$1016.36	
Tax Amount:	\$0.00	
Payment Cost:	\$1016.36	
Order No:	10369953	# of Copies:
Customer No:	1352662	0
PO #:		

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**NANCY HEYRMAN**  
Notary Public  
State of Wisconsin

Item X13.

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**AGENDA ACTION FORM**

**Consideration of a Resolution to Award the Request for Proposals for the Customized Benchmark Assessment Program for Kingsport City Schools**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-111-2026  
Work Session: April 20, 2026  
First Reading: N/A  
Final Adoption: April 21, 2026  
Staff Work By: Committee  
Presentation By: David Frye

---

**Strategic Focus Area: World-Class Education**

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**Recommendation:**

Approve the Resolution

**Executive Summary:**

If approved, the City will award an agreement for the Request for Proposals for Customized Benchmark Assessment Program to Instructure in an amount not to exceed \$98,209.00.

The City issued a Request for Proposals (RFP) for a Customized Benchmark Assessment Program for Kingsport City Schools on February 4, 2026. On March 4, 2026, the Procurement Manager accepted four proposals for further consideration. A committee comprised of teachers and administrative staff performed a formal evaluation of the proposals based on the criteria included in the RFP. The committee finds the vendor that best meets the specifications for the service desired and is in the best interest and advantage to the City is Instructure (Mastery Connect).

On April 14, 2026, the Board of Education approved the award of an agreement for a Customized Benchmark Assessment program for Kingsport City Schools to Instructure for the not to exceed amount of \$98,209.00.

Funding is budgeted in FY27 General Purpose School Funds..

**Attachments:**

- 1. Resolution
- 2. Bid Minutes
- 3. Order Form

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AWARDING THE REQUEST FOR PROPOSALS FOR THE CUSTOMIZED BENCHMARK ASSESSMENT PROGRAM TO INSTRUCTURE, INC. AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, proposals were opened on March 4, 2026, for the Customized Benchmark Assessment Program for Kingsport City Schools; and

WHEREAS, upon review of the proposals, the board finds the vendor that best meets the specifications for the service desired and is in the best interest and advantage to the City is Instructure, Inc.; and

WHEREAS, the City of Kingsport desires to purchase the Customized Benchmark Assessment Program for Kingsport City Schools from Instructure for the not to exceed amount of \$98,209.00; and

WHEREAS, the Board of Education approved this motion on April 14, 2026; and

WHEREAS, funding will be available in FY27 General Purpose School Funds.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the purchase of the Customized Benchmark Assessment Program from Instructure, Inc. is approved and the mayor is authorized to execute an agreement for the same and any and all documents necessary and proper to effectuate the purpose of this resolution.

SECTION II. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement set out herein that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION III. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort, and prosperity of the citizens of the city.

SECTION IV. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

---

RODNEY B. ROWLETT, III, CITY ATTORNEY

**CITY OF KINGSPORT  
BID OPENING MINUTES**  
March 24, 2026 4:00 PM

415 Broad Street  
Conf. Rm. 436  
Kingsport, TN 37660

ATTENDING: Brent Morelock, Procurement Manager; Sandra Sloan, Assistant Procurement Manager, Schools

The Procurement Manager opened with the following proposals:

<b>RFP - Customized Benchmark Assessment Program for Kingsport City Schools</b>
Pathways Assessments by Learning Explorer
Mastery by Instructure
Focal Point K12, LLC
NCS Pearson, Inc.

The submitted proposals will be evaluated and a recommendation made at a later date.

# Instructure.

Instructure, Inc.  
6330 South 3000 East, Suite 700  
Salt Lake City, UT 84121  
United States

## Order Form

**Order:** Q-569023-3  
**Date:** 2026-02-10  
**Order Valid Through:** 2026-06-30

### Order Form for Kingsport City Schools

#### Bill to Information

**Entity Name:** Kingsport City Schools  
**Address:** 400 Clinchfield Street, Suite 200  
**City:** Kingsport  
**State/Province:** Tennessee  
**Zip/Postal Code:** 37660  
**Country:** United States

#### Billing Contact

**Name:**  
**Email:**  
**Phone:**

#### Ship to Information

**Entity Name:** Kingsport City Schools  
**Address:** 400 Clinchfield Street, Suite 200  
**City:** Kingsport  
**State/Province:** Tennessee  
**Zip/Postal Code:** 37660  
**Country:** United States

#### Shipping Contact

**Name:** Michael Hubbard  
**Email:** mhubbard@k12k.com  
**Phone:** +1 423 378 2100

#### Billing Information

**Billing Frequency:** Annually Upfront Upon Start Date

**Billing Frequency Term:** Non-recurring items will be invoiced upon signing. Recurring items will be invoiced on the subscription start date.

**Payment Terms:** Net 30

Year 1								
Ref	Description	Start Date	End Date	Invoice	Metric	Qty	Price	Amount
S1	Item Bank - Mastery All 4 Subjects & Mastery View Bundle	2026-07-01	2027-06-30	Recurring	User	5,450	USD 3.72	USD 20,274.00
S4	Mastery Connect Bundled Subscription	2026-07-01	2027-06-30	Recurring	User	5,450	USD 5.81	USD 31,664.50
S7	Mastery Predictive Assessments - 3+ Subjects	2026-07-01	2027-06-30	Recurring	User	5,450	USD 8.49	USD 46,270.50

Billing Summary			
Segment	Recurring	Non-Recurring	Total
Year 1	USD 98,209.00	USD 0.00	USD 98,209.00
<b>Total</b>	<b>USD 98,209.00</b>	<b>USD 0.00</b>	<b>USD 98,209.00</b>

Reference	Products	Description
S10	Mastery Connect Subscription + GradeCam	Included in your MasteryConnect Bundle: MasteryConnect Subscription MasteryConnect Student Licensing - GradeCam
S9	Item Bank - Mastery All 4 Subjects & Mastery View Bundle	Included in your Item Bank - Navigate All 4 Subjects & CASE Bundle:

Products	Description	Qty
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Item X14.

Mastery Item Bank - Supplemental	Annual Subscription for Mastery Item Bank - Supplemental	5,450.00
Mastery Item Bank Subscription	Mastery Item Bank subscription for ELA, Math, Science and Social Studies featuring learning standards alignments for all 50 States, D.C., Common Core and Next Generation Science Standards.	5,450.00
Mastery Connect Subscription	Mastery Connect - Subscription	5,450.00

3rd Party Product	Description	Qty
Mastery Connect Subscription + GradeCam		5,200.00
Mastery Connect Student Licensing - GradeCam	User means a learner, administrator, author, manager or designated user associated with Customer's organization, which is authorized by Customer to use the Service with a login credential. Includes access to GradeCam services allowing for bubblesheet scoring.	5,450.00

**Quote Special Terms**

The services provided under this Order Form shall begin on the first year Start Date set forth above and continue through the last year End Date set forth above, provided, however, that Instructure may provide certain implementation related services prior to the first year Start Date at its sole discretion.

**User Clause:** User Metric reflects the maximum number of individuals authorized by the Customer to access and/or use the Service and Customer has paid for such access and/or use.

**User Typical Use Clause:** In the event Customer enables access to the Service to more Users over a given contract year than are allocated to such contract year as set forth above, then Instructure reserves the right, in its sole discretion, to invoice the Customer for such additional number of Users. In addition, the User fees set forth above are based on the assumption that Customer's Users will use the Service commensurate with the average usage patterns of users across Instructure's user base in the aggregate (such average usage being referred to herein as "Typical Use") and do not account for usage of the Service by Customer's Users beyond such Typical Use. To the extent the Users' usage of the Service, in the aggregate, exceeds the Typical Use at any given time, Instructure reserves the right, in its sole discretion, to increase the fees by an amount proportional to such excess usage. In the event Instructure increases the fees pursuant to this paragraph, Instructure shall send an invoice to Customer for the applicable increase along with documentation evidencing the additional usage of or additional Users who have access to the Service giving rise to such fee increase. Any invoice sent pursuant to the foregoing shall be due and payable within 30 days of receipt.

**Payment Terms - Renewal Order Form:** In the event that Customer fails to execute this Order Form prior to the Start Date listed above, all fees shall become due payable upon Customer's receipt of an invoice.

**Terms and Conditions**

**Governing Terms:** This Order Form shall be governed by the Master Terms and Conditions which can be found here: <https://www.instructure.com/policies/mastertermsconditions>

**Data Processing Addendum:** The data processing addendum between the parties is available at: <https://www.instructure.com/policies/data-processing-addendum>

**Conflict Clause:** In the event of any conflict between this Master Terms and Conditions and any addendum thereto and this Order Form, the provisions of this Order Form shall control.

**Notes:**  
 This quote is for Mastery View Assessments for grades 2-12 and Mastery Item bank/ Mastery Item bank Supplemental. Assessments will be delivered via Mastery Connect (with GradeCam). Individual Student Reports are now included with the Assessments.  
 Grade 2 = ELA and Math  
 Grades 3-5 = ELA, Math, and Science  
 Grades 6-8 = ELA, Math (including middle school Algebra I and Geometry) , Science, and SS  
 High School = 3 test a year (traditional) or 2 tests a semester (block) in Standard English I and II, Algebra I, Geometry, and Biology.

PURCHASE ORDER INFORMATION	TAX INFORMATION
Is a Purchase Order required for the purchase or payment of the products on this order form?  Please Enter (Yes or No):	Check here if your company is exempt from US state sales tax:
If Yes, please enter PO Number:	<i>Please email all US state sales tax exemption certifications to ar@instructure.com</i>

Customer purchasing documentation, such as Purchase Orders, shall only be used as proof of acceptance of the Order Form referenced therein, and the associated Master Terms and Conditions. Any terms and conditions included in any such Customer purchasing documentation are hereby expressly disclaimed by Instructure, shall be void and of no effect, and shall in all cases be superseded by the applicable Master Terms and Conditions.



By executing this Order Form, each party agrees to be legally bound by this Order Form.

**Kingsport City Schools**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Instructure, Inc. (USA/CAN)**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**AGENDA ACTION FORM**

**Consideration of a Resolution to Enter into an Agreement with TN Department of Transportation for Utilities Relocation Along State Industrial Access Serving Eastman Chemical Company**

To: Board of Mayor and Aldermen  
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-51-2026  
 Work Session: April 20, 2026  
 First Reading: N/A  
 Final Adoption: April 21, 2026  
 Staff Work By: C. Austin  
 Presentation By: R. McReynolds

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**Strategic Focus Area: Sustainable Infrastructure**

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**Recommendation:**  
 Approve the Resolution

**Executive Summary:**  
Approval of this Resolution will allow reimbursement of the engineering costs of relocation of the City's water and sewer infrastructure and for the relocations to be included in the TDOT construction contract for the construction of State Industrial Access Serving Eastman Chemical Company (Meadow Park Lane Extension) and for the Mayor to sign all applicable documents.

Several years ago, Eastman made a strong long term commitment to their corporate and manufacturing future within the City of Kingsport through Project Inspire. The project not only included the investment of Eastman's Corporate Business Center located along Wilcox Drive, but also a multi-year reinvestment to various manufacturing capabilities within their plant. At the time, the State of Tennessee through the Tennessee Department of Transportation (TDOT) committed to provide assistance related to the road infrastructure improvements necessary to support Eastman's various investments.

TDOT has agreed that the project will reimburse the City for the cost of the relocation of our water and sewer infrastructure currently on private property. They will not reimburse for the utilities that are currently located in public right-of-way. The total cost, including construction and engineering, is \$1,276,853.36. Kingsport Utilities Department will need to pay deposits to TDOT totaling \$7,034.54 for sewer relocations on the project.

Funding is available in our operating budget and will be reimbursed through the project.

- Attachments:**
1. Resolution
  2. Utility Relocation Contract (Sewer)
  3. Utility Relocation Contract (Water)

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING AGREEMENTS WITH THE TENNESSEE DEPARTMENT OF TRANSPORTATION FOR UTILITIES RELOCATION IN CONJUNCTION WITH A STATE INDUSTRIAL ACCESS PROJECT SERVICING EASTMAN CHEMICAL COMPANY AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, several years ago, Eastman Chemical Company made a strong long term commitment to their corporate and manufacturing future within the city through Project Inspire, and it not only included the investment of Eastman's Corporate Business Center located along Wilcox Drive, but also a multi-year reinvestment to various manufacturing capabilities within their plant, and the State of Tennessee through the Tennessee Department of Transportation (TDOT) committed to provide assistance related to the road infrastructure improvements necessary to support Eastman's various investments; and

WHEREAS, it is time to extend Meadow Park Lane and TDOT will reimburse the engineering cost of the relocation for both water and sewer located on private property; and

WHEREAS, TDOT will not reimburse for water and sewer relocation in public right-of way, which there is a small portion of for the sewer relocation; and

WHEREAS, the city will pay \$7,034.54 for the relocation of the sewer utility lines for this project, and funding is available in the utilities operating budget and will be reimbursed through the project.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the agreement with Tennessee Department of Transportation for the relocation of water Utilities for the State Industrial Access Servicing Eastman Chemical Company along the Meadowview Park Lane Extension, is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the Agreement with Tennessee Department of Transportation for the relocation of water Utilities for the State Industrial Access Servicing Eastman Chemical Company along the Meadowview Park Lane Extension, to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution as set out below:

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UTILITY RELOCATION CONTRACT

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THIS CONTRACT made and entered into by and between the **State of Tennessee** acting through its Department of Transportation, hereinafter called "TDOT", and **City of Kingsport (Sewer)**, hereinafter called the "Utility".

WITNESSETH:

Item X15.

WHEREAS, TDOT plans to construct PIN Number **131034.00, State Industrial Access Serving Eastman Chemical Company** located in **Sullivan County**, Tennessee (hereinafter called the "Project"), and for said Project to be constructed it will be necessary for the Utility to relocate certain of its facilities, **1** percent of which are located on public highway right-of-way and **99** percent of which are located on private utility right-of-way; and

WHEREAS, the Utility has furnished TDOT with an estimate, plans, and specifications showing the cost and manner of relocating these facilities, which estimate is in the amount of **\$734,664.38** including the amount of **\$31,210.38** for the cost of engineering, which may be inclusive of preliminary engineering authorized on **September 3<sup>rd</sup>, 2025**; including the amount of **\$0.00** for the cost of inspection provided by the Utility; including the amount of **\$0.00** for the cost of betterment to the Utility's facilities (hereinafter called the "Betterment Cost"), and including the amount of **\$7,034.54** for deposit for the utility work in the State contract, and of which **99** percent represents the pro-rata share to which the Utility is entitled to reimbursement for relocation of utility facilities located on private utility right-of-way, and **1** percent represents the pro-rata share for relocation of utility facilities located on public highway right-of-way, reimbursement being for the cost of construction, engineering, and inspection on private utility right-of-way, but excluding inspection on public highway right-of-way, betterment, and the cost over the maximum TDOT reimbursement amount; and

WHEREAS, TDOT is liable for the relocation of utility facilities located on private utility right-of-way but is not liable for adjustment of the facilities located on publicly owned right-of-way or for any utility betterment costs; and

WHEREAS, the parties want to enter into a contract to provide for the relocation of the Utility's facilities in conjunction with this highway construction project, and the Utility has requested TDOT to undertake the hereinafter described utility relocation work in its highway construction contract; and

WHEREAS, it is in the mutual interest of the parties that this utility relocation work be performed together with the proposed highway construction;

NOW, THEREFORE, in consideration of these premises and the mutual promises contained herein, it is agreed by and between the parties as follows:

**1.** (a) TDOT will show the proposed relocation of the Utility's facilities on TDOT's highway construction plans as project cost items and will receive bids for same by its highway contractor as a part of the contract for construction of the above mentioned Project. TDOT will be responsible for having its contractor perform the aforesaid utility relocation work in accordance with TDOT's construction contract, including the project plans, standard specifications, special provisions, and the utility relocation plans and specifications heretofore agreed upon by and between the parties hereto, all of which are incorporated herein by reference.

**(b)** The Utility agrees to reimburse TDOT for the Utility's Cost. Reimbursement shall be based on the agreed percentage of the actual cost of the Utility's Cost items as shown on the project plans incorporated herein by reference. It is further agreed that the Utility will make payment to TDOT in the amount of the estimated cost of the Utility's Cost items prior to advertisement for bids. The Utility may provide these funds by one of the following means:

A. A check made payable to the order of and sent to TDOT; or

B. Documentation of a deposit made only by wire or by immediate credit transfer with the Treasurer of the State.

In the event said deposit exceeds the aggregate amount of the Utility's Cost charges, the difference will be refunded to the Utility. In the event said Utility's Cost charges exceed the deposit, the Utility agrees to reimburse TDOT for such additional amount.

**(c)** The Utility agrees that TDOT may advertise for and receive bids for the construction of the Project, including the proposed relocation of the Utility's facilities, and award and enter into contract with the lowest responsible bidder.

**(d)** The Utility agrees that any memoranda or other information concerning the estimated cost of the proposed relocation of the Utility's facilities will not directly or indirectly be released or disclosed to potential bidders except to the extent that the utility may otherwise be required to do so by law.

**(e)** Neither the Utility nor any affiliate or subsidiary thereof shall participate directly or indirectly as a bidder for any part of the Utility's relocation work to be performed under a contract to be awarded by TDOT. The Utility further agrees that no employee, officer, or agent of the Utility shall participate in the selection or in the award or administration of a contract for the performance of any part of the Utility's relocation work if a real or apparent conflict of interest would be involved. Such a conflict of interest would arise when the employee, officer, or agent, or any member of his or her immediate family, or his or her partner, or an organization which employs or is about to employ any of the above, has a substantial financial interest, such as five-percent (5%) or greater ownership interest, or other interest in the firm selected for a subcontract to perform the Utility's relocation work for this Project. Neither the Utility nor any affiliate, subsidiary, employee, officer, or agent of the Utility shall solicit or accept gratuities, favors, or anything of monetary value, except an unsolicited gift having nominal

monetary value, from contractors or bidders.

**(f)** It is also understood and agreed that TDOT, in its sole discretion, may reject any and all bids submitted for the construction of said Project without any liability whatsoever to the Utility.

**2.** It is further agreed that in letting the contract with respect to the proposed relocation of the Utility's facilities, TDOT is acting solely in accommodation of the Utility and shall have no liability to the Utility for any damages or claims arising out of acts or omissions on the part of TDOT's contractor. The Utility agrees that it will not hold TDOT responsible for any claims arising out of the inclusion of the Utility's items of work in TDOT's highway construction contract. Under this contract, "TDOT" shall include any and all officers and employees of the State of Tennessee acting within the scope of their employment with the State of Tennessee.

**3. (a)** The Utility has acquired or shall acquire all utility rights-of-way outside of the proposed public highway right-of-way as may be needed to relocate its utility facilities, including any betterment, and the Utility shall provide TDOT and its contractor with the rights to use these utility rights-of-way for construction purposes. The Utility further agrees that it has acquired or will acquire these rights-of-way at no cost to TDOT except insofar as TDOT may be liable to reimburse the Utility for the replacement of previously owned private utility rights-of-way as may be provided in a separate contract between the parties.

**(b)** The Utility agrees to transfer to TDOT that portion of the previously owned private utility rights-of-way being vacated by the Utility and within the Project proposed right-of-way as needed for highway purposes.

**4.** The Utility agrees that:

**(a)** The Utility will perform the utility engineering work provided for in this Contract by its own forces and/or consultant engineering services approved by TDOT.

**(b)** It will develop the utility engineering costs in accordance with the current provisions of 23 CFR §645.117.

**5.** The Utility shall have the right and responsibility to inspect and approve, prior to TDOT's release of its highway contractor's bond, all items of utility relocation work, including betterment, to be performed under the proposed highway construction contract to ensure that the relocation is completed in accordance with this Contract and all applicable specifications and safety codes. The Utility shall provide progressive inspection reports to TDOT in accordance with the current TDOT Construction Circular Letter section 105.07 "Utilities Diaries and Inspection Procedures" incorporated herein by reference. TDOT agrees that it will reimburse the Utility the pro-rata share for the inspection of utility facilities on private utility right-of-way when the utility relocation is completed in accordance with the approved relocation plans, incorporated herein by reference. The inspection of utility facilities on public highway right-of-way shall be performed at no cost to TDOT.

**6.** The Utility agrees to comply with all current, applicable provisions of 23 CFR Subpart 645A, which are incorporated herein by reference; provided, however, that provisions for review, approval, authorization and participation by the Federal Highway Administration set forth in 23 CFR Subpart 645A shall not apply to the extent that the Project is not a federal-aid project. The Utility acknowledges possession of 23 CFR Subpart 645A.

**7.** The Utility agrees to comply with all current, applicable provisions of the Guidelines for Governmentwide Debarment and Suspension of 2 CFR §180.355 through §180.365 which are incorporated herein by reference. The Utility acknowledges possession of 2 CFR Part 180 and the requirements of the attached FHWA Form 1273, Section X – Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion.

**8.** The Utility agrees to comply with all current, applicable provisions of the Buy America requirements established under 23 USC § 313 and 23 CFR § 635.410. In accordance with guidance provided by the Federal Highway Administration, the Utility agrees that all products used in the Utility's relocation work that are manufactured of steel or iron shall be manufactured in the United States. For the purposes of applying this Buy America requirement and determining whether a product is a steel or iron manufactured product, the job site includes any sites where precast concrete products that are incorporated into the Utility's relocation work are manufactured.

**9.** Subject to the provisions of this paragraph and as otherwise provided in this Contract, TDOT agrees to reimburse the Utility for the Utility's reimbursable costs associated with the relocation of the Utility's facilities, as follows:

**(a)** The Utility shall perform any work in accordance with the estimate of cost and plans as approved by TDOT and incorporated herein by reference. The estimate of cost and schedule of work are attached hereto as Exhibit "A".

**(b)** The Utility may perform preliminary engineering to generate the schedule of calendar days, color coded relocation plans and estimate of cost as needed for TDOT to generate the this agreement. Costs incurred for preliminary engineering prior to the execution date of this agreement are eligible for reimbursement as long as they were incurred after the preliminary authorization date.

Any costs for consultant engineering shall also be eligible for reimbursement as long as they are incurred after consultant authorization.

**(c)** Any change in the approved estimate of cost or plans shall require the prior written approval of TDOT. TDOT agrees to review and, if acceptable, approve such requests for change in a timely manner, and TDOT agrees to cooperate with the Utility to resolve, if possible, any objections TDOT may have to such requested changes.

**(d)** TDOT shall reimburse the Utility for such direct and indirect costs as are allowable under the current provisions of 23 CFR Subpart 645A. Any claim for costs that would be ineligible for Federal reimbursement under 23 CFR Subpart 645A on a federal-aid project shall be ineligible for reimbursement by TDOT on this Project, whether it is or is not a federal-aid project.

**(e)** The Utility shall develop and record all costs in a manner consistent with the current provisions of 23 CFR §645.117 as of the effective date of this Contract and as approved by TDOT.

**(f)** The Utility shall submit all requests for payment by invoice, in form and substance acceptable to TDOT, with all necessary supporting documentation, prior to any reimbursement of allowable costs. Such invoices shall indicate, at a minimum, the amount charged by allowable cost line-item for the period invoiced, the amount charged by line-item to date, the total amount charged for the period invoiced, and the total amount charged under the Contract to date.

**(g)** The Utility may submit invoices for interim payments during the progress of the work; provided, however, that such interim payments may be approved only up to a maximum of eighty percent (80%) of the approved estimate of cost attached hereto as Exhibit "A" to this Contract, and any remaining reimbursable costs must be submitted on the final bill. Such invoices for interim payments shall be submitted no more often than monthly.

**(h)** TDOT shall, unless it has good faith and reasonable objections to the Utility's invoice for interim payment, use its best efforts to issue payment based on the Utility's invoice within forty-five (45) days after receipt. If, however, TDOT has good faith and reasonable objections to the Utility's invoice(s) or any part thereof, TDOT shall specifically identify those objections in writing to the Utility so as to allow the parties to address them in a prompt manner. If the invoice is otherwise acceptable, TDOT shall only withhold payment(s) as to those cost items it has specified in its written notice of objections to the Utility. All other reimbursable cost items set out in the Utility's invoice shall be paid by TDOT.

**(i)** Subject to the Utility's right to bill on an interim basis as described above, the Utility shall by invoice provide one final and complete billing of all costs incurred within one year following the completion of the Utility relocation work in its entirety. Otherwise, any previous payments to the Utility may be considered final, and the Utility may be deemed to have waived any claim for additional payments, except as TDOT and Utility may have agreed otherwise in writing before the end of that year.

**(j)** The Utility's invoice(s) shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by TDOT, on the basis of audits or monitoring conducted in accordance with the terms of this Contract, not to constitute allowable costs. The payment of an invoice shall not prejudice TDOT's right to object to or question any invoice or matter in relation thereto. Such payment by TDOT shall neither be construed as acceptance of the work nor as final approval of any of the costs invoiced therein.

**(k)** The Utility's invoice(s) shall include a Buy America certification attesting that all products used in the Utility's relocation work that are manufactured of steel or iron comply with the Buy America requirements set forth in 23 USC § 313 and 23 CFR § 635.410 and as further described in paragraph 8 of this Contract.

**10.** The Utility agrees that its cost records will be subject to inspection at any reasonable time by representatives of TDOT before or after final payment for reimbursable work. In the event any costs are determined not to be allowable under provisions of this Contract, the Utility agrees to repay TDOT such amount of ineligible costs included within payments made by TDOT.

**11.** The Utility shall keep and maintain accurate records by which all invoices can be verified. The books, records, and documents of the Utility, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years after final payment has been received by the Utility and shall be subject to audit at any reasonable time and upon reasonable notice by TDOT, the Comptroller of the Treasury, or their duly appointed representatives during this three year period. The financial statements shall be prepared in accordance with generally accepted accounting principles.

**12.** In the event that funds are not appropriated or are otherwise unavailable, TDOT reserves the right to terminate this Contract upon written notice to the Utility. Said termination shall not be deemed a breach of Contract by TDOT. Upon receipt of the written notice, the Utility shall cease all work associated with the Contract, except as may be reasonably necessary to return the Utility's facilities to safe operation. Should such an event occur, the Utility shall be entitled to compensation

for all costs of relocation reimbursable under 23 CFR Subpart 645A (in accordance with paragraph 9 of this Contract) for work completed as of the termination date or in accordance with this provision. Upon such termination, the Utility shall have no right to recover from TDOT any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

**13.** The Utility agrees, to the extent provided by law, that it will be solely responsible for any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Utility, its employees, its contractors, or any person acting for or on its or their behalf in the performance of the Utility's relocation work relating to this Contract. The Utility further agrees that it will not hold TDOT responsible for any such claims. Under this Contract, "TDOT" shall include any and all officers and employees of the State of Tennessee acting within the scope of their employment.

In the event that TDOT is sued for damages arising from acts, omissions, or negligence by the Utility or its employees, the Utility shall cooperate in TDOT's defense. TDOT shall give the Utility written notice of any such claim or suit, and the Utility shall have full right and obligation to conduct the Utility's own defense thereof. Nothing contained herein shall be deemed to accord to the Utility, through its attorney(s), the right to represent TDOT in any legal matter, such rights being governed by Tennessee Code Annotated, Section 8-6-106.

**14.** TDOT shall have no liability except as specifically provided in this Contract.

**15.** This Contract may be modified only by a written amendment executed by the parties hereto.

**16.** Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term, covenant, condition or provision of this Contract shall be held to be waived, modified, or deleted except by written amendment signed by the parties hereto.

**17.** The Utility hereby agrees that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Utility on the grounds of disability, age, race, color, religion, sex, national origin, or any classification protected by the Constitution or statutes of the United States or the State of Tennessee. The Utility shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

**18.** The Utility shall comply with all applicable federal and state laws and regulations in the performance of its duties under this Contract. The Utility agrees that failure of the Utility to comply with this provision may subject the Utility to the repayment of all State funds expended, under this Contract.

**19.** This Contract shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors and assigns. Time is of the essence of this Contract.

**20.** The parties hereto, in the performance of this contract, shall not act as employees, partners, joint ventures, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

**21.** This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Utility acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under Tennessee Code Annotated, Sections 9-8-101 through 9-8-407.

**22.** If any terms, covenants, conditions or provisions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms, covenants, conditions and provisions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.

**23.** TDOT and the Utility agree that any notice provided for in this Contract or concerning this Contract shall be in writing and shall be made by personal delivery, by certified mail (return receipt requested), by nationally recognized overnight delivery service (such as FedEx or UPS), or by facsimile transmission (provided that notice shall also be given in one of the other methods prescribed herein) addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

To TDOT:  
Tennessee Department of Transportation  
Attention: State Utility Coordinator  
Tennessee Tower Building, 11<sup>th</sup> Floor  
312 Rosa L. Parks Avenue  
Nashville, Tennessee 37243

With a copy if requested by TDOT to:  
Leslie South, General Counsel  
Tennessee Tower Building, 26<sup>th</sup> Floor  
312 Rosa L. Parks Avenue  
Nashville, Tennessee 37243  
Facsimile Number: (615) 532-5988

To the Utility:  
Attention: \_\_\_\_\_  
Facsimile Number: \_\_\_\_\_

With a copy if requested by Utility to:  
Attention: \_\_\_\_\_  
Facsimile Number: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties have executed this contract.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement set out herein that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION I. That the agreement with Tennessee Department of Transportation for the relocation of sewer Utilities for the State Industrial Access Servicing Eastman Chemical Company along the Meadowview Park Lane Extension, is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the Agreement with Tennessee Department of Transportation for the relocation of sewer Utilities for the State Industrial Access Servicing Eastman Chemical Company along the Meadowview Park Lane Extension, to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution as set out below:

UTILITY RELOCATION CONTRACT

THIS CONTRACT made and entered into by and between the **State of Tennessee** acting through its Department of Transportation, hereinafter called "TDOT", and **City of Kingsport (Water)**, hereinafter called the "Utility".

**WITNESSETH:**

WHEREAS, TDOT plans to construct PIN Number **131034.00**, **State Industrial Access Serving Eastman Chemical Company** located in **Sullivan County**, Tennessee (hereinafter called the "Project"), and for said Project to be constructed it will be necessary for the Utility to relocate certain of its facilities, **0** percent of which are located on public highway right-of-way and **100** percent of which are located on private utility right-of-way; and

WHEREAS, the Utility has furnished TDOT with an estimate, plans, and specifications showing the cost and manner of relocating these facilities, which estimate is in the amount of **\$533,188.98** including the amount of **\$40,120.98** for the cost of engineering, which may be inclusive of preliminary engineering authorized on **September 3<sup>rd</sup>, 2025**; including the amount of **\$0.00** for the cost of inspection provided by the Utility; including the amount of **\$0.00** for the cost of betterment to the Utility's facilities (hereinafter called the "Betterment Cost"), and including the amount of **\$0.00** for deposit for the utility work in the State contract, and of which **100** percent represents the pro-rata share to which the Utility is entitled to reimbursement for relocation of utility facilities located on private utility right-of-way, and **0** percent represents the pro-rata share for relocation of utility facilities



located on public highway right-of-way, reimbursement being for the cost of construction, engineering, and inspection on private utility right-of-way, but excluding inspection on public highway right-of-way, betterment, and the cost over the maximum TDOT reimbursement amount; and WHEREAS, TDOT is liable for the relocation of utility facilities located on private utility right-of-way but is not liable for adjustment of the facilities located on publicly owned right-of-way or for any utility betterment costs; and

WHEREAS, the parties want to enter into a contract to provide for the relocation of the Utility's facilities in conjunction with this highway construction project, and the Utility has requested TDOT to undertake the hereinafter described utility relocation work in its highway construction contract; and WHEREAS, it is in the mutual interest of the parties that this utility relocation work be performed together with the proposed highway construction;

NOW, THEREFORE, in consideration of these premises and the mutual promises contained herein, it is agreed by and between the parties as follows:

**1.** (a) TDOT will show the proposed relocation of the Utility's facilities on TDOT's highway construction plans as project cost items and will receive bids for same by its highway contractor as a part of the contract for construction of the above mentioned Project. TDOT will be responsible for having its contractor perform the aforesaid utility relocation work in accordance with TDOT's construction contract, including the project plans, standard specifications, special provisions, and the utility relocation plans and specifications heretofore agreed upon by and between the parties hereto, all of which are incorporated herein by reference.

**(b)** The Utility agrees to reimburse TDOT for the Utility's Cost. Reimbursement shall be based on the agreed percentage of the actual cost of the Utility's Cost items as shown on the project plans incorporated herein by reference. It is further agreed that the Utility will make payment to TDOT in the amount of the estimated cost of the Utility's Cost items prior to advertisement for bids. The Utility may provide these funds by one of the following means:

**A.** A check made payable to the order of and sent to TDOT; or

**B.** Documentation of a deposit made only by wire or by immediate credit transfer with the Treasurer of the State.

In the event said deposit exceeds the aggregate amount of the Utility's Cost charges, the difference will be refunded to the Utility. In the event said Utility's Cost charges exceed the deposit, the Utility agrees to reimburse TDOT for such additional amount.

**(c)** The Utility agrees that TDOT may advertise for and receive bids for the construction of the Project, including the proposed relocation of the Utility's facilities, and award and enter into contract with the lowest responsible bidder.

**(d)** The Utility agrees that any memoranda or other information concerning the estimated cost of the proposed relocation of the Utility's facilities will not directly or indirectly be released or disclosed to potential bidders except to the extent that the utility may otherwise be required to do so by law.

**(e)** Neither the Utility nor any affiliate or subsidiary thereof shall participate directly or indirectly as a bidder for any part of the Utility's relocation work to be performed under a contract to be awarded by TDOT. The Utility further agrees that no employee, officer, or agent of the Utility shall participate in the selection or in the award or administration of a contract for the performance of any part of the Utility's relocation work if a real or apparent conflict of interest would be involved. Such a conflict of interest would arise when the employee, officer, or agent, or any member of his or her immediate family, or his or her partner, or an organization which employs or is about to employ any of the above, has a substantial financial interest, such as five-percent (5%) or greater ownership interest, or other interest in the firm selected for a subcontract to perform the Utility's relocation work for this Project. Neither the Utility nor any affiliate, subsidiary, employee, officer, or agent of the Utility shall solicit or accept gratuities, favors, or anything of monetary value, except an unsolicited gift having nominal monetary value, from contractors or bidders.

**(f)** It is also understood and agreed that TDOT, in its sole discretion, may reject any and all bids submitted for the construction of said Project without any liability whatsoever to the Utility.

**2.** It is further agreed that in letting the contract with respect to the proposed relocation of the Utility's facilities, TDOT is acting solely in accommodation of the Utility and shall have no liability to the Utility for any damages or claims arising out of acts or omissions on the part of TDOT's contractor. The Utility agrees that it will not hold TDOT responsible for any claims arising out of the inclusion of the Utility's items of work in TDOT's highway construction contract. Under this contract, "TDOT" shall include any and all officers and employees of the State of Tennessee acting within the scope of their employment with the State of Tennessee.

**3.** **(a)** The Utility has acquired or shall acquire all utility rights-of-way outside of the proposed public highway right-of-way as may be needed to relocate its utility facilities, including any betterment, and the Utility shall provide TDOT and its contractor with the rights to use these utility rights-of-way for construction purposes. The Utility further agrees that it has acquired or will acquire these rights-

of-way at no cost to TDOT except insofar as TDOT may be liable to reimburse the Utility for the replacement of previously owned private utility rights- of-way as may be provided in a separate contract between the parties.

**(b)** The Utility agrees to transfer to TDOT that portion of the previously owned private utility rights-of-way being vacated by the Utility and within the Project proposed right-of-way as needed for highway purposes.

**4.** The Utility agrees that:

**(a)** The Utility will perform the utility engineering work provided for in this Contract by its own forces and/or consultant engineering services approved by TDOT.

**(b)** It will develop the utility engineering costs in accordance with the current provisions of 23 CFR §645.117.

**5.** The Utility shall have the right and responsibility to inspect and approve, prior to TDOT's release of its highway contractor's bond, all items of utility relocation work, including betterment, to be performed under the proposed highway construction contract to ensure that the relocation is completed in accordance with this Contract and all applicable specifications and safety codes. The Utility shall provide progressive inspection reports to TDOT in accordance with the current TDOT Construction Circular Letter section 105.07 "Utilities Diaries and Inspection Procedures" incorporated herein by reference. TDOT agrees that it will reimburse the Utility the pro-rata share for the inspection of utility facilities on private utility right-of-way when the utility relocation is completed in accordance with the approved relocation plans, incorporated herein by reference. The inspection of utility facilities on public highway right-of-way shall be performed at no cost to TDOT.

**6.** The Utility agrees to comply with all current, applicable provisions of 23 CFR Subpart 645A, which are incorporated herein by reference; provided, however, that provisions for review, approval, authorization and participation by the Federal Highway Administration set forth in 23 CFR Subpart 645A shall not apply to the extent that the Project is not a federal-aid project. The Utility acknowledges possession of 23 CFR Subpart 645A.

**7.** The Utility agrees to comply with all current, applicable provisions of the Guidelines for Governmentwide Debarment and Suspension of 2 CFR §180.355 through §180.365 which are incorporated herein by reference. The Utility acknowledges possession of 2 CFR Part 180 and the requirements of the attached FHWA Form 1273, Section X – Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion.

**8.** The Utility agrees to comply with all current, applicable provisions of the Buy America requirements established under 23 USC § 313 and 23 CFR § 635.410. In accordance with guidance provided by the Federal Highway Administration, the Utility agrees that all products used in the Utility's relocation work that are manufactured of steel or iron shall be manufactured in the United States. For the purposes of applying this Buy America requirement and determining whether a product is a steel or iron manufactured product, the job site includes any sites where precast concrete products that are incorporated into the Utility's relocation work are manufactured.

**9.** Subject to the provisions of this paragraph and as otherwise provided in this Contract, TDOT agrees to reimburse the Utility for the Utility's reimbursable costs associated with the relocation of the Utility's facilities, as follows:

**(a)** The Utility shall perform any work in accordance with the estimate of cost and plans as approved by TDOT and incorporated herein by reference. The estimate of cost and schedule of work are attached hereto as Exhibit "A".

**(b)** The Utility may perform preliminary engineering to generate the schedule of calendar days, color coded relocation plans and estimate of cost as needed for TDOT to generate the this agreement. Costs incurred for preliminary engineering prior to the execution date of this agreement are eligible for reimbursement as long as they were incurred after the preliminary authorization date. Any costs for consultant engineering shall also be eligible for reimbursement as long as they are incurred after consultant authorization.

**(c)** Any change in the approved estimate of cost or plans shall require the prior written approval of TDOT. TDOT agrees to review and, if acceptable, approve such requests for change in a timely manner, and TDOT agrees to cooperate with the Utility to resolve, if possible, any objections TDOT may have to such requested changes.

**(d)** TDOT shall reimburse the Utility for such direct and indirect costs as are allowable under the current provisions of 23 CFR Subpart 645A. Any claim for costs that would be ineligible for Federal reimbursement under 23 CFR Subpart 645A on a federal-aid project shall be ineligible for reimbursement by TDOT on this Project, whether it is or is not a federal-aid project.

**(e)** The Utility shall develop and record all costs in a manner consistent with the current provisions of 23 CFR §645.117 as of the effective date of this Contract and as approved by TDOT.

**(f)** The Utility shall submit all requests for payment by invoice, in form and substance acceptable to TDOT, with all necessary supporting documentation, prior to any reimbursement of

allowable costs. Such invoices shall indicate, at a minimum, the amount charged by allowable cost line-item for the period invoiced, the amount charged by line-item to date, the total amount charged for the period invoiced, and the total amount charged under the Contract to date.

**(g)** The Utility may submit invoices for interim payments during the progress of the work; provided, however, that such interim payments may be approved only up to a maximum of eighty percent (80%) of the approved estimate of cost attached hereto as Exhibit "A" to this Contract, and any remaining reimbursable costs must be submitted on the final bill. Such invoices for interim payments shall be submitted no more often than monthly.

**(h)** TDOT shall, unless it has good faith and reasonable objections to the Utility's invoice for interim payment, use its best efforts to issue payment based on the Utility's invoice within forty-five (45) days after receipt. If, however, TDOT has good faith and reasonable objections to the Utility's invoice(s) or any part thereof, TDOT shall specifically identify those objections in writing to the Utility so as to allow the parties to address them in a prompt manner. If the invoice is otherwise acceptable, TDOT shall only withhold payment(s) as to those cost items it has specified in its written notice of objections to the Utility. All other reimbursable cost items set out in the Utility's invoice shall be paid by TDOT.

**(i)** Subject to the Utility's right to bill on an interim basis as described above, the Utility shall by invoice provide one final and complete billing of all costs incurred within one year following the completion of the Utility relocation work in its entirety. Otherwise, any previous payments to the Utility may be considered final, and the Utility may be deemed to have waived any claim for additional payments, except as TDOT and Utility may have agreed otherwise in writing before the end of that year.

**(j)** The Utility's invoice(s) shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by TDOT, on the basis of audits or monitoring conducted in accordance with the terms of this Contract, not to constitute allowable costs. The payment of an invoice shall not prejudice TDOT's right to object to or question any invoice or matter in relation thereto. Such payment by TDOT shall neither be construed as acceptance of the work nor as final approval of any of the costs invoiced therein.

**(k)** The Utility's invoice(s) shall include a Buy America certification attesting that all products used in the Utility's relocation work that are manufactured of steel or iron comply with the Buy America requirements set forth in 23 USC § 313 and 23 CFR § 635.410 and as further described in paragraph 8 of this Contract.

**10.** The Utility agrees that its cost records will be subject to inspection at any reasonable time by representatives of TDOT before or after final payment for reimbursable work. In the event any costs are determined not to be allowable under provisions of this Contract, the Utility agrees to repay TDOT such amount of ineligible costs included within payments made by TDOT.

**11.** The Utility shall keep and maintain accurate records by which all invoices can be verified. The books, records, and documents of the Utility, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years after final payment has been received by the Utility and shall be subject to audit at any reasonable time and upon reasonable notice by TDOT, the Comptroller of the Treasury, or their duly appointed representatives during this three year period. The financial statements shall be prepared in accordance with generally accepted accounting principles.

**12.** In the event that funds are not appropriated or are otherwise unavailable, TDOT reserves the right to terminate this Contract upon written notice to the Utility. Said termination shall not be deemed a breach of Contract by TDOT. Upon receipt of the written notice, the Utility shall cease all work associated with the Contract, except as may be reasonably necessary to return the Utility's facilities to safe operation. Should such an event occur, the Utility shall be entitled to compensation for all costs of relocation reimbursable under 23 CFR Subpart 645A (in accordance with paragraph 9 of this Contract) for work completed as of the termination date or in accordance with this provision. Upon such termination, the Utility shall have no right to recover from TDOT any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

**13.** The Utility agrees, to the extent provided by law, that it will be solely responsible for any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Utility, its employees, its contractors, or any person acting for or on its or their behalf in the performance of the Utility's relocation work relating to this Contract. The Utility further agrees that it will not hold TDOT responsible for any such claims. Under this Contract, "TDOT" shall include any and all officers and employees of the State of Tennessee acting within the scope of their employment.

In the event that TDOT is sued for damages arising from acts, omissions, or negligence by the Utility or its employees, the Utility shall cooperate in TDOT's defense. TDOT shall give the Utility written

notice of any such claim or suit, and the Utility shall have full right and obligation to conduct the Utility's own defense thereof. Nothing contained herein shall be deemed to accord to the Utility, through its attorney(s), the right to represent TDOT in any legal matter, such rights being governed by Tennessee Code Annotated, Section 8-6-106.

**14.** TDOT shall have no liability except as specifically provided in this Contract.

**15.** This Contract may be modified only by a written amendment executed by the parties hereto.

**16.** Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term, covenant, condition or provision of this Contract shall be held to be waived, modified, or deleted except by written amendment signed by the parties hereto.

**17.** The Utility hereby agrees that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Utility on the grounds of disability, age, race, color, religion, sex, national origin, or any classification protected by the Constitution or statutes of the United States or the State of Tennessee. The Utility shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

**18.** The Utility shall comply with all applicable federal and state laws and regulations in the performance of its duties under this Contract. The Utility agrees that failure of the Utility to comply with this provision may subject the Utility to the repayment of all State funds expended, under this Contract.

**19.** This Contract shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors and assigns. Time is of the essence of this Contract.

**20.** The parties hereto, in the performance of this contract, shall not act as employees, partners, joint ventures, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

**21.** This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Utility acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under Tennessee Code Annotated, Sections 9-8-101 through 9-8-407.

**22.** If any terms, covenants, conditions or provisions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms, covenants, conditions and provisions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.

**23.** TDOT and the Utility agree that any notice provided for in this Contract or concerning this Contract shall be in writing and shall be made by personal delivery, by certified mail (return receipt requested), by nationally recognized overnight delivery service (such as FedEx or UPS), or by facsimile transmission (provided that notice shall also be given in one of the other methods prescribed herein) addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

To TDOT:

Tennessee Department of Transportation  
Attention: State Utility Coordinator  
Tennessee Tower Building, 11<sup>th</sup> Floor  
312 Rosa L. Parks Avenue  
Nashville, Tennessee 37243

With a copy if requested by TDOT to:

Leslie South, General Counsel  
Tennessee Tower Building, 26<sup>th</sup> Floor  
312 Rosa L. Parks Avenue  
Nashville, Tennessee 37243  
Facsimile Number: (615) 532-5988

To the Utility:

Attention:

Facsimile Number: \_\_\_\_\_

With a copy if requested by Utility to:

Attention: \_\_\_\_\_

Facsimile

Number: \_\_\_\_\_

**N WITNESS WHEREOF**, the parties have executed this contract

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement set out herein that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION IV. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

SECTION V. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April, 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY



82956-2594-04

Contract No. 9611

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## UTILITY RELOCATION CONTRACT

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THIS CONTRACT made and entered into by and between the **State of Tennessee** acting through its Department of Transportation, hereinafter called "TDOT", and **City of Kingsport (Sewer)**, hereinafter called the "Utility".

### WITNESSETH:

WHEREAS, TDOT plans to construct PIN Number **131034.00, State Industrial Access Serving Eastman Chemical Company** located in **Sullivan County**, Tennessee (hereinafter called the "Project"), and for said Project to be constructed it will be necessary for the Utility to relocate certain of its facilities, **1** percent of which are located on public highway right-of-way and **99** percent of which are located on private utility right-of-way; and

WHEREAS, the Utility has furnished TDOT with an estimate, plans, and specifications showing the cost and manner of relocating these facilities, which estimate is in the amount of **\$734,664.38** including the amount of **\$31,210.38** for the cost of engineering, which may be inclusive of preliminary engineering authorized on **September 3<sup>rd</sup>, 2025**; including the amount of **\$0.00** for the cost of inspection provided by the Utility; including the amount of **\$0.00** for the cost of betterment to the Utility's facilities (hereinafter called the "Betterment Cost"), and including the amount of **\$7,034.54** for deposit for the utility work in the State contract, and of which **99** percent represents the pro-rata share to which the Utility is entitled to reimbursement for relocation of utility facilities located on private utility right-of-way, and **1** percent represents the pro-rata share for relocation of utility facilities located on public highway right-of-way, reimbursement being for the cost of construction, engineering, and inspection on private utility right-of-way, but excluding inspection on public highway right-of-way, betterment, and the cost over the maximum TDOT reimbursement amount; and

WHEREAS, TDOT is liable for the relocation of utility facilities located on private utility right-of-way but is not liable for adjustment of the facilities located on publicly owned right-of-way or for any utility betterment costs; and

WHEREAS, the parties want to enter into a contract to provide for the relocation of the Utility's facilities in conjunction with this highway construction project, and the Utility has requested TDOT to undertake the hereinafter described utility relocation work in its highway construction contract; and

WHEREAS, it is in the mutual interest of the parties that this utility relocation work be performed together with the proposed highway construction;

NOW, THEREFORE, in consideration of these premises and the mutual promises contained herein, it is agreed by and between the parties as follows:

1. (a) TDOT will show the proposed relocation of the Utility's facilities on TDOT's highway construction plans as project cost items and will receive bids for same by its highway contractor as a part of the contract for construction of the above mentioned Project. TDOT will be responsible for having its contractor perform the aforesaid utility relocation work in accordance with TDOT's construction contract, including the project plans, standard specifications, special provisions, and the utility relocation plans and specifications heretofore agreed upon by and between the parties hereto, all of which are incorporated herein by reference.

(b) The Utility agrees to reimburse TDOT for the Utility's Cost. Reimbursement shall be based on the agreed percentage of the actual cost of the Utility's Cost items as shown on the project plans incorporated herein by reference. It is further agreed that the Utility will make payment to TDOT in the amount of the estimated cost of the Utility's Cost items prior to advertisement for bids. The Utility may provide these funds by one of the following means:

A. A check made payable to the order of and sent to TDOT; or

B. Documentation of a deposit made only by wire or by immediate credit transfer with the Treasurer of the State.

In the event said deposit exceeds the aggregate amount of the Utility's Cost charges, the difference will be refunded to the Utility. In the event said Utility's Cost charges exceed the deposit, the Utility agrees to reimburse TDOT for such additional amount.

(c) The Utility agrees that TDOT may advertise for and receive bids for the construction of the Project, including the proposed relocation of the Utility's facilities, and award and enter into contract with the lowest responsible bidder.

(d) The Utility agrees that any memoranda or other information concerning the estimated cost of the proposed relocation of the Utility's facilities will not directly or indirectly be released or disclosed to potential bidders except to the extent that the utility may otherwise be required to do so by law.

(e) Neither the Utility nor any affiliate or subsidiary thereof shall participate directly or indirectly as a bidder for any part of the Utility's relocation work to be performed under a contract to be awarded by TDOT. The Utility further agrees that no employee, officer, or agent of the Utility shall participate in the selection or in the award or administration of a contract for the performance of any part of the Utility's relocation work if a real or apparent conflict of interest would be involved. Such a conflict of interest would arise when the employee, officer, or agent, or any member of his or her immediate family, or his or her partner, or an organization which employs or is about to employ any of the above, has a substantial financial interest, such as five-percent (5%) or greater ownership interest, or other interest in the firm selected for a subcontract to perform the Utility's relocation work for this Project. Neither the Utility nor any affiliate, subsidiary, employee, officer, or agent of the Utility shall solicit or accept gratuities, favors, or anything of monetary value, except an unsolicited gift having nominal monetary value, from contractors or bidders.

- (f) It is also understood and agreed that TDOT, in its sole discretion, may reject any and all bids submitted for the construction of said Project without any liability whatsoever to the Utility.
2. It is further agreed that in letting the contract with respect to the proposed relocation of the Utility's facilities, TDOT is acting solely in accommodation of the Utility and shall have no liability to the Utility for any damages or claims arising out of acts or omissions on the part of TDOT's contractor. The Utility agrees that it will not hold TDOT responsible for any claims arising out of the inclusion of the Utility's items of work in TDOT's highway construction contract. Under this contract, "TDOT" shall include any and all officers and employees of the State of Tennessee acting within the scope of their employment with the State of Tennessee.
  3. (a) The Utility has acquired or shall acquire all utility rights-of-way outside of the proposed public highway right-of-way as may be needed to relocate its utility facilities, including any betterment, and the Utility shall provide TDOT and its contractor with the rights to use these utility rights-of-way for construction purposes. The Utility further agrees that it has acquired or will acquire these rights-of-way at no cost to TDOT except insofar as TDOT may be liable to reimburse the Utility for the replacement of previously owned private utility rights-of-way as may be provided in a separate contract between the parties.  
  
(b) The Utility agrees to transfer to TDOT that portion of the previously owned private utility rights-of-way being vacated by the Utility and within the Project proposed right-of-way as needed for highway purposes.
  4. The Utility agrees that:
    - (a) The Utility will perform the utility engineering work provided for in this Contract by its own forces and/or consultant engineering services approved by TDOT.
    - (b) It will develop the utility engineering costs in accordance with the current provisions of 23 CFR §645.117.
  5. The Utility shall have the right and responsibility to inspect and approve, prior to TDOT's release of its highway contractor's bond, all items of utility relocation work, including betterment, to be performed under the proposed highway construction contract to ensure that the relocation is completed in accordance with this Contract and all applicable specifications and safety codes. The Utility shall provide progressive inspection reports to TDOT in accordance with the current TDOT Construction Circular Letter section 105.07 "Utilities Diaries and Inspection Procedures" incorporated herein by reference. TDOT agrees that it will reimburse the Utility the pro-rata share for the inspection of utility facilities on private utility right-of-way when the utility relocation is completed in accordance with the approved relocation plans, incorporated herein by reference. The inspection of utility facilities on public highway right-of-way shall be performed at no cost to TDOT.
  6. The Utility agrees to comply with all current, applicable provisions of 23 CFR Subpart 645A, which are incorporated herein by reference; provided, however, that provisions for review, approval, authorization and participation by the Federal Highway Administration set forth in 23 CFR Subpart 645A shall not apply to the



extent that the Project is not a federal-aid project. The Utility acknowledges possession of 23 CFR Subpart 645A.

7. The Utility agrees to comply with all current, applicable provisions of the Guidelines for Governmentwide Debarment and Suspension of 2 CFR §180.355 through §180.365 which are incorporated herein by reference. The Utility acknowledges possession of 2 CFR Part 180 and the requirements of the attached FHWA Form 1273, Section X – Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion.
8. The Utility agrees to comply with all current, applicable provisions of the Buy America requirements established under 23 USC § 313 and 23 CFR § 635.410. In accordance with guidance provided by the Federal Highway Administration, the Utility agrees that all products used in the Utility's relocation work that are manufactured of steel or iron shall be manufactured in the United States. For the purposes of applying this Buy America requirement and determining whether a product is a steel or iron manufactured product, the job site includes any sites where precast concrete products that are incorporated into the Utility's relocation work are manufactured.
9. Subject to the provisions of this paragraph and as otherwise provided in this Contract, TDOT agrees to reimburse the Utility for the Utility's reimbursable costs associated with the relocation of the Utility's facilities, as follows:
  - (a) The Utility shall perform any work in accordance with the estimate of cost and plans as approved by TDOT and incorporated herein by reference. The estimate of cost and schedule of work are attached hereto as Exhibit "A".
  - (b) The Utility may perform preliminary engineering to generate the schedule of calendar days, color coded relocation plans and estimate of cost as needed for TDOT to generate the this agreement. Costs incurred for preliminary engineering prior to the execution date of this agreement are eligible for reimbursement as long as they were incurred after the preliminary authorization date. Any costs for consultant engineering shall also be eligible for reimbursement as long as they are incurred after consultant authorization.
  - (c) Any change in the approved estimate of cost or plans shall require the prior written approval of TDOT. TDOT agrees to review and, if acceptable, approve such requests for change in a timely manner, and TDOT agrees to cooperate with the Utility to resolve, if possible, any objections TDOT may have to such requested changes.
  - (d) TDOT shall reimburse the Utility for such direct and indirect costs as are allowable under the current provisions of 23 CFR Subpart 645A. Any claim for costs that would be ineligible for Federal reimbursement under 23 CFR Subpart 645A on a federal-aid project shall be ineligible for reimbursement by TDOT on this Project, whether it is or is not a federal-aid project.

- (e) The Utility shall develop and record all costs in a manner consistent with the current provisions of 23 CFR §645.117 as of the effective date of this Contract and as approved by TDOT.
- (f) The Utility shall submit all requests for payment by invoice, in form and substance acceptable to TDOT, with all necessary supporting documentation, prior to any reimbursement of allowable costs. Such invoices shall indicate, at a minimum, the amount charged by allowable cost line-item for the period invoiced, the amount charged by line-item to date, the total amount charged for the period invoiced, and the total amount charged under the Contract to date.
- (g) The Utility may submit invoices for interim payments during the progress of the work; provided, however, that such interim payments may be approved only up to a maximum of eighty percent (80%) of the approved estimate of cost attached hereto as Exhibit “A” to this Contract, and any remaining reimbursable costs must be submitted on the final bill. Such invoices for interim payments shall be submitted no more often than monthly.
- (h) TDOT shall, unless it has good faith and reasonable objections to the Utility’s invoice for interim payment, use its best efforts to issue payment based on the Utility’s invoice within forty-five (45) days after receipt. If, however, TDOT has good faith and reasonable objections to the Utility’s invoice(s) or any part thereof, TDOT shall specifically identify those objections in writing to the Utility so as to allow the parties to address them in a prompt manner. If the invoice is otherwise acceptable, TDOT shall only withhold payment(s) as to those cost items it has specified in its written notice of objections to the Utility. All other reimbursable cost items set out in the Utility’s invoice shall be paid by TDOT.
- (i) Subject to the Utility’s right to bill on an interim basis as described above, the Utility shall by invoice provide one final and complete billing of all costs incurred within one year following the completion of the Utility relocation work in its entirety. Otherwise, any previous payments to the Utility may be considered final, and the Utility may be deemed to have waived any claim for additional payments, except as TDOT and Utility may have agreed otherwise in writing before the end of that year.
- (j) The Utility’s invoice(s) shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by TDOT, on the basis of audits or monitoring conducted in accordance with the terms of this Contract, not to constitute allowable costs. The payment of an invoice shall not prejudice TDOT’s right to object to or question any invoice or matter in relation thereto. Such payment by TDOT shall neither be construed as acceptance of the work nor as final approval of any of the costs invoiced therein.
- (k) The Utility’s invoice(s) shall include a Buy America certification attesting that all products used in the Utility’s relocation work that are manufactured of steel or iron comply with the Buy America requirements set forth in 23 USC § 313 and 23 CFR § 635.410 and as further described in paragraph 8 of this Contract.

- 10.** The Utility agrees that its cost records will be subject to inspection at any reasonable time by representatives of TDOT before or after final payment for reimbursable work. In the event any costs are determined not to be allowable under provisions of this Contract, the Utility agrees to repay TDOT such amount of ineligible costs included within payments made by TDOT.
- 11.** The Utility shall keep and maintain accurate records by which all invoices can be verified. The books, records, and documents of the Utility, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years after final payment has been received by the Utility and shall be subject to audit at any reasonable time and upon reasonable notice by TDOT, the Comptroller of the Treasury, or their duly appointed representatives during this three year period. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- 12.** In the event that funds are not appropriated or are otherwise unavailable, TDOT reserves the right to terminate this Contract upon written notice to the Utility. Said termination shall not be deemed a breach of Contract by TDOT. Upon receipt of the written notice, the Utility shall cease all work associated with the Contract, except as may be reasonably necessary to return the Utility's facilities to safe operation. Should such an event occur, the Utility shall be entitled to compensation for all costs of relocation reimbursable under 23 CFR Subpart 645A (in accordance with paragraph 9 of this Contract) for work completed as of the termination date or in accordance with this provision. Upon such termination, the Utility shall have no right to recover from TDOT any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- 13.** The Utility agrees, to the extent provided by law, that it will be solely responsible for any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Utility, its employees, its contractors, or any person acting for or on its or their behalf in the performance of the Utility's relocation work relating to this Contract. The Utility further agrees that it will not hold TDOT responsible for any such claims. Under this Contract, "TDOT" shall include any and all officers and employees of the State of Tennessee acting within the scope of their employment.

In the event that TDOT is sued for damages arising from acts, omissions, or negligence by the Utility or its employees, the Utility shall cooperate in TDOT's defense. TDOT shall give the Utility written notice of any such claim or suit, and the Utility shall have full right and obligation to conduct the Utility's own defense thereof. Nothing contained herein shall be deemed to accord to the Utility, through its attorney(s), the right to represent TDOT in any legal matter, such rights being governed by Tennessee Code Annotated, Section 8-6-106.

- 14.** TDOT shall have no liability except as specifically provided in this Contract.
- 15.** This Contract may be modified only by a written amendment executed by the parties hereto.

- 16.** Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term, covenant, condition or provision of this Contract shall be held to be waived, modified, or deleted except by written amendment signed by the parties hereto.
- 17.** The Utility hereby agrees that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Utility on the grounds of disability, age, race, color, religion, sex, national origin, or any classification protected by the Constitution or statutes of the United States or the State of Tennessee. The Utility shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- 18.** The Utility shall comply with all applicable federal and state laws and regulations in the performance of its duties under this Contract. The Utility agrees that failure of the Utility to comply with this provision may subject the Utility to the repayment of all State funds expended, under this Contract.
- 19.** This Contract shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors and assigns. Time is of the essence of this Contract.
- 20.** The parties hereto, in the performance of this contract, shall not act as employees, partners, joint ventures, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- 21.** This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Utility acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under Tennessee Code Annotated, Sections 9-8-101 through 9-8-407.
- 22.** If any terms, covenants, conditions or provisions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms, covenants, conditions and provisions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- 23.** TDOT and the Utility agree that any notice provided for in this Contract or concerning this Contract shall be in writing and shall be made by personal delivery, by certified mail (return receipt requested), by nationally recognized overnight delivery service (such as FedEx or UPS), or by facsimile transmission (provided that notice shall also be given in one of the other methods prescribed herein) addressed

to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

To TDOT:

Tennessee Department of Transportation  
Attention: State Utility Coordinator  
Tennessee Tower Building, 11<sup>th</sup> Floor  
312 Rosa L. Parks Avenue  
Nashville, Tennessee 37243

With a copy if requested by TDOT to:

Leslie South, General Counsel  
Tennessee Tower Building, 26<sup>th</sup> Floor  
312 Rosa L. Parks Avenue  
Nashville, Tennessee 37243  
Facsimile Number: (615) 532-5988

To the Utility:

\_\_\_\_\_  
Attention: \_\_\_\_\_  
\_\_\_\_\_

Facsimile Number: \_\_\_\_\_

With a copy if requested by Utility to:

\_\_\_\_\_  
Attention: \_\_\_\_\_  
\_\_\_\_\_

Facsimile Number: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties have executed this contract.

UTILITY

**City of Kingsport (Sewer)**

STATE OF TENNESSEE  
DEPARTMENT OF  
TRANSPORTATION

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

Will Reid, PE  
Commissioner

DATE: \_\_\_\_\_

APPROVED AS TO FORM AND  
LEGALITY:

BY: \_\_\_\_\_

Leslie South  
General Counsel

**REQUIRED CONTRACT PROVISIONS  
FEDERAL-AID CONSTRUCTION CONTRACTS**

X. Compliance with Governmentwide Suspension and Debarment Requirements

**X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION**

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost \$25,000 or more – as defined in 2 CFR Parts 180 and 1200.

**1. Instructions for Certification – First Tier Participants:**

a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered

transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

**2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:**

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;
- (2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification; and
- (4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

**2. Instructions for Certification - Lower Tier Participants:**

(Applicable to all subcontracts, purchase orders and other lower tier transactions requiring prior FHWA approval or estimated to cost \$25,000 or more - 2 CFR Parts 180 and 1200)

a. By signing and submitting this proposal, the prospective lower tier is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all

solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Participants:**

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.



## **CIRCULAR LETTER**

**Section: 105.07 Cooperation with Utilities**  
**Number: 105.07-04**  
**Subject: Utility Diaries and Inspection Procedures**  
**Date: December 15, 2007**

On all projects requiring utility relocations, Form DT-0667 "Project Utility Diary" is to be used to document said relocations whether the work is reimbursable or not. When a utility is relocating at its own expense or under a lumps sum reimbursement contract, the "Description of Work Performed" section will be the only notation required. The notation shall indicate if the relocation is a non reimbursable or lump sum reimbursable contract. Form DT-0667 fulfills the requirements for documentation detailed in Section 109.05 of the Department of Transportation Construction Manual and Section 18-7 of the Standard Utility Procedures Manual.

- 1 Form DT-0667 is to be completed in the field by the utility inspector.
- 2 The original or white sheet is to be transmitted to the TDOT Project Supervisor's office and bound.
- 3 The first copy or yellow sheet is to be transmitted to the utility company on reimbursable relocations.
- 4 The second copy or pink sheet is to be retained in the utility diary.

If the utility relocation is included in the state contract, the utility will be responsible for inspecting all phases of the relocation, per TCA 54-5-804, 2003 Public Chapter 86. The TDOT inspector shall document the utility work activities performed in the daily project diaries. The inspector provided by the utility company will:

- 1 Complete Form DT-0667 as described above and submit it each estimate period, as directed by the TDOT Project Supervisor. Along with the item descriptions, the inspector will include the quantities and stations of installed items.
- 2 Complete "Installed Item Certification" portion of Form DT-1716 and submit it each estimate period, as directed by the TDOT Project Supervisor. This form will be signed to certify that the items installed during that estimate period met all applicable specifications.
- 3 Complete and attach Form DT-1716A to DT-1716 and submit it each estimate period, as directed by the TDOT Project Supervisor. This form will be used to summarize, by project number, the utility items installed during that estimate period. The TDOT inspector shall sign Form DT-1716A after ensuring it is consistent with the utility diaries and daily project diaries. The completed Form DT-1716A shall be referenced in the progress pay quantity documentation.
- 4 Complete "Final Acceptance of Work" portion of Form DT-1716 and submit it to the TDOT Project Supervisor's office when the utility relocation work is complete.



**UTILITY ITEM CERTIFICATION/FINAL ACCEPTANCE**

**Contract Number:** \_\_\_\_\_ **Utility Company:** \_\_\_\_\_

**Project Number(s):** \_\_\_\_\_ **Utility Inspector:** \_\_\_\_\_  
Print

**County(ies):** \_\_\_\_\_  
\_\_\_\_\_

**Instructions:** Please check appropriate box (or boxes) and fill out required information. For **Installed Item Certification**, attach **Summary of Installed Utility Items** sheet(s) for each project number and submit each estimate period as directed by the TDOT Project Supervisor.

**Installed Item Certification**

On behalf of the above utility company, I certify that the materials used for the item(s) listed on the following page(s) meet and were installed in accordance with all applicable specifications. Any pertinent shop drawings or engineering changes have been approved.

**Estimate Period:** \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_  
**Utility Inspector Signature** **Date**

**Final Acceptance of Work**

I certify that the utility relocation work is complete and is accepted by the above utility company.

\_\_\_\_\_  
**Utility Inspector Signature** **Date**





## Buy America

Rev. 12-23-2013

The Tennessee Department of Transportation (TDOT) in compliance with Federal Highway Administration (FHWA) directive **Effective February 29, 2016**

All utility and railroad relocation construction must comply with 23 U.S.C. 313 and 23 CFR 635.410 **Buy America requirements**

All Utility / Railroad invoices submitted to TDOT for Payment **MUST ATTACH THIS CERTIFICATION.**

---

Utility / Railroad Name

---

Street Address

---

City

State

Zip

**Certification:** All products used in the relocation construction and identified in the attached invoice that are manufactured of steel or iron for permanent installation meet or exceed the requirements set forth in 23 USC 313 and 23 CFR 635.410 Buy America requirements.

Certification documentation is available for review that includes but is not limited to, if available, the Mill Test Report (MTR) for ALL steel products that have the certification statement (or similar) that the steel/iron was "melted and manufactured in the United States." All manufacturing processes and coatings applied thereon have occurred in the United States.

Per the Utility / Railroad Relocation Contract:

The Utility / Railroad agrees to comply with all current, applicable provisions of 23 CFR 645A / 23 CFR 140 and 23 CFR 646.

The Utility acknowledges possession of 23 CFR 645A / The Railroad acknowledges possession of 23 CFR 140 and 23 CFR 646.

The Utility / Railroad is subject to audit for a period of three (3) full years after final payment has been received.

The Utility / Railroad shall comply with all applicable federal and state laws and regulations in the performance of its duties under this Contract. The Utility / Railroad agrees that remedies for non-compliance are set out in the applicable regulations and the Contract.

**I have reviewed the material provided herein and attached and hereby certify ALL material on the attached invoice is in compliance with Buy America requirements.**

---

Signature of representative Authorized for financial obligations

Title

Date

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**S T A T E**

**O F**

**T E N N E S S E E**

(Rev. 6-20-11)

January 1, 2021

**SPECIAL PROVISION**

**REGARDING**

**BUY AMERICA REQUIREMENTS**

All manufacturing processes for iron and steel products, and coatings applied thereon, used in this project shall occur in the United States except that if the proposal has bid items for furnishing domestic and foreign iron and steel, the bidder will have the option of (1) submitting a bid for furnishing domestic iron and steel, or (2) submitting a bid for furnishing domestic iron and steel and a bid for furnishing foreign iron and steel. If option (2) is chosen, the bid will be tabulated on the basis of (a) the total bid price using the bid price for furnishing domestic iron and steel and, (b) the total bid price using the bid price for furnishing foreign iron and steel.

For the total bid based on furnishing foreign iron and steel to be considered for award, the lowest total bid based on furnishing domestic iron and steel must exceed the lowest total bid based on furnishing foreign iron and steel by more than 25 percent. The 25 percent differential applies to the total bid for the entire project, not just the bid prices for the steel or iron products.

Iron and steel products are defined as products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated or otherwise similarly processed from iron and steel made in the United States. Iron products are included, however, pig iron and processed, pelletized, and reduced iron ore may be purchased outside the United States.

Manufacturing begins with initial melting and continues through the coating stage. Any process which modifies chemical content, physical size or shape, or the final finish is considered a manufacturing process. Coatings include epoxy, galvanizing, painting or any other surface protection that enhances the value and/or durability of a material.

The contractor shall provide a certification to the Engineer with each shipment of iron and steel products to the project site that the manufacturing processes for the iron and steel products occurred in the United States. No steel shall be placed until the contractor ensures the requirements of this Special Provision are met.

The above requirements do not prevent a minimal use of foreign materials, if the cost of such materials used does not exceed 0.1 percent of the total contract cost or \$2,500.00, whichever is greater. If steel not meeting the requirements of this Special Provision is used, the contractor shall provide a written statement to the Department prior to its use indicating where the steel will be incorporated in the work,

Item X15.

the value of the steel, the percentage of the contract amount, and the appropriate invoices shall be submitted as documentation.

The contractor shall be responsible for all cost associated with any steel that is permanently incorporated into the project that does not meet the requirements of this Special Provision without prior written approval from the Department, up to and including removal and replacement.

**STATE**

**OF**

**TENNESSEE**

December 12, 2022

January 1, 2021

**SPECIAL PROVISION**

**REGARDING**

**BUILD AMERCA, BUY AMERICA ACT  
REQUIREMENTS**

The Build America, Buy America Act (BABA) Public Law No. 117-58 SEC. 70914 that all of the iron, steel, manufactured products, and construction materials used are subject to Build America, Buy America requirements and are produced in the United States.

- A. Iron and steel: FHWA existing requirements SP106A Regarding Buy America.
- B. Manufactured products: FHWA Buy America Final Rule 11/25/1983, 48 FR 53099; Waiver for Manufactured Products.
- C. Construction materials includes an article, material, or supply that is or consists primarily of:
  - non-ferrous metals;
  - plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables);
  - glass (including optic glass);
  - Lumber; or
  - drywall.

Construction materials that consist of two or more of the listed materials that have been combined together through a manufacturing process, and items that include at least one of the listed materials combined with a material that is not listed through a manufacturing process, should be treated as manufactured products, rather than as construction materials.

Consider “all manufacturing processes” for construction materials to include at least the final manufacturing process and the immediately preceding manufacturing stage for the construction material.

Provide certifications to the Engineer for the construction materials that they meet the Build America Buy America Act requirements. Assure all submittals required for Buy America are submitted to the Engineer prior to the products and or materials being incorporated in the project.

The contractor shall be responsible for all cost associated with any of the construction materials that are permanently incorporated into the project that does not meet the requirements of this Special Provision without prior written approval from the Department, up to and including removal and replacement.





## UTILITY ENGINEERING AND RELOCATION ESTIMATE

### UTILITY INFORMATION

Utility Name: City of Kingsport (Sewer)

Utility Address: 1113 Konnarock Road

City, State: Kingsport, TN Zip Code: 37664

Phone: 423-224-2509

Contact Name: Chad Austin

Email: [ChadAustin@KingsportTN.gov](mailto:ChadAustin@KingsportTN.gov)

### CONSULTANT INFORMATION

Consultant Name: Barge Design Solutions, Inc.

Consultant Address: 4 Sheridan Square, Suite 100

Kingsport, TN Zip Code: 37660

Phone: 865-934-4146

Contact Name: Andrew Clark, PE

Email: [andrew.clark@bargedesign.com](mailto:andrew.clark@bargedesign.com)

### TDOT PROJECT INFORMATION

Project Description: State Industrial Access Serving Eastman Chemical Company

Federal Project No.: N/A

State Project No.: 82956-2594-04

County(ies): Sullivan

Revision 4/24/2025

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Project No: 82956-2594-04

County: Sullivan

Date: March 18, 2026

**\*\*Submittal and completion of this form is required for consideration of reimbursement on this project.\*\***

**Primary Contact:** Chad Austin  
**E-mail:** ChadAustin@KingsportTN.gov **Phone:** 423-224-2509  
**Secondary Contact:** \_\_\_\_\_  
**E-mail:** \_\_\_\_\_ **Phone:** \_\_\_\_\_  
**Utility Name:** City of Kingsport (Sewer)  
**Address:** 1113 Konnarock Road  
**City, State:** Kingsport, TN **Zip:** 37664  
 Percent On Private: 99% Private ROW - #Poles / Length of facility: 876  
 Percent On Public: 1% Public ROW - #Poles / Length of facility: 12  
 Total Percentage: 100% Total #Poles / Length of facility: 888

TDOT USE ONLY	
RG Approval and Date:	
Consult Appr. Date: / /	
Amount Approved: \$ -	
HQ Approval and Date:	
Chris Johnston 3/18/2026	
CH86 Y <input checked="" type="checkbox"/>	PIN#: 131034.00
LET: / /	Contract #: 9611
Easement Contract #	

Is Utility Chapter 86 Certified (Obtained from Certification Sheet)?  N

(If project does not qualify for Chapter 86 Reimbursement, then "Percent on Private" will be used to calculate total amount due to Utility)

**NO COST / NO REIMBURSEMENT (STOP HERE, REMAINDER OF FORM IS NOT REQUIRED)**

**CHAPTER 86**

**NON-CHAPTER 86**

**REIMBURSEMENT** MOVE PRIOR   
**REQUESTED** MOVE IN State Contract   
 (Please check ONE) Move Again

% Private / Public Relocation   
 % Private / Public MOVE IN State Contract   
 Utility Replacement Easement Reimbursement

ENGINEERING		
Description		Amount
Pre-Construction		\$ 30,875.38
Construction		\$ -
Construction Inspection	Private	\$ -
Construction Inspection	Public	\$ -
Reimbursable Expenses		\$ 335.00
<b>ENGINEERING COST:</b>		<b>\$ 31,210.38</b>

CONSTRUCTION (LABOR & MATERIAL)		
Description		Amount
Installation Labor		\$ 657,440.00
Installation Materials		\$ -
Removal Labor		\$ 46,014.00
Site Costs		\$ -
Material Provided to State		\$ -
Salvage Materials		\$ -
Non-Usable Materials		\$ -
<b>ESTIMATED CONSTRUCTION COST:</b>		<b>\$ 703,454.00</b>

BETTERMENT		
Description		Amount
Installation Labor		\$ -
Installation Materials		\$ -
<b>ESTIMATED UTILITY BETTERMENT COST:</b>		<b>\$ -</b>
<b>ESTIMATED REPLACEMENT EASEMENT COST:</b>		<b>\$ -</b>
If cost is listed above, separate Easement Contract is needed		
<b>ESTIMATED TOTAL CONSTRUCTION COST:</b>		<b>\$ 734,664.38</b>

UTILITY REIMBURSEMENT	
<b>CHAPTER 86 MOVE-IN CONTRACT:</b>	\$ -
<b>CHAPTER 86 MOVE PRIOR:</b>	\$ -
<b>NON-CHAPTER 86 MOVE-IN CONTRACT:</b>	\$ 30,898.27
<b>NON-CHAPTER 86 % PUBLIC/PRIVATE:</b>	\$ -

Does Estimate Exceed \$2.5M Cap? - N  
 Does Estimate Require 75% Cap? - Y

UTILITY DEPOSIT (IF APPLICABLE)	
<b>RELOCATION EXCEEDS \$2.5M CAP:</b>	\$0.00
<b>AMOUNT OVER 75% REIMBURSEMENT:</b>	\$0.00
<b>ESTIMATED UTILITY BETTERMENT COST:</b>	\$0.00
<b>NON-CHAPTER 86 MOVE-IN CONS'T COST:</b>	\$7,034.54
<b>TOTAL UTILITY DEPOSIT:</b>	<b>\$7,034.54</b>

**APPROVED**  
 By Michael Palmer at 1:52 pm, Mar 18, 2026

The Utility will reference the page number where designated on the form when other Detail Cost Estimate sheets are attached.

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# ESTIMATE OF ENGINEERING COST

TDOT Project Number(s): N/A 82956-2594-04

Utility Name & Address:  
 City of Kingsport (Sewer)  
 1113 Konnarock Road  
 Kingsport, TN 37664

County(ies): Sullivan

Consultant Name & Address:  
 Barge Design Solutions, Inc.  
 4 Sheridan Square, Suite 100  
 Kingsport, TN 37660

## CONSULTANT ENGINEERING ESTIMATE

Place an "X" in the appropriate box:  Standard Contract  Continuing Contract (attach copy of Contract for TDOT verification)

I. ENGINEERING SERVICES	Classification	Rate/Hr	PRE-CONSTRUCTION		CONSTRUCTION		CONSTRUCTION INSPECTION	
			Hours	Total	Hours	Total	Hours	Total
Principal		\$ 87.25	4	\$ 349.00		\$ -		\$ -
Project Manager		\$ 93.00	25	\$ 2,325.00		\$ -		\$ -
Design Engineer		\$ 60.25	70	\$ 4,217.50		\$ -		\$ -
Designer / Senior Designer		\$ 72.25	4	\$ 289.00		\$ -		\$ -
Techician / Draftsperson		\$ 44.25	86	\$ 3,805.50		\$ -		\$ -
Administrative		\$ 36.50	6	\$ 219.00		\$ -		\$ -
Field Inspector				\$ -		\$ -		\$ -
Licensed Surveyor		\$ 40.00		\$ -		\$ -		\$ -
Rod Person		\$ 20.00		\$ -		\$ -		\$ -
Senior Engineer		\$ 99.00		\$ -		\$ -		\$ -
<b>Total Engineering Services</b>			<b>195</b>	<b>\$ 11,205.00</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>
II. REIMBURSABLE EXPENSES			Quantity	Total	Quantity	Total	Quantity	Total
Transportation / Mile:	\$ 0.670	X	500	\$ 335.00		\$ -		\$ -
Meals / Day:		X		\$ -		\$ -		\$ -
Lodging / Day:		X		\$ -		\$ -		\$ -
Printing / Shipping:								
Other (Specify):								
Other (Specify):								
<b>Total Reimbursable Expenses</b>				<b>\$ 335.00</b>		<b>\$ -</b>		<b>\$ -</b>
III. INDIRECT / OVERHEAD EXPENSES								
Indirect/Overhead Rate (not to exceed 145%):			145.00%	\$ 16,247.25	125.00%	\$ -	125.00%	\$ -
IV. PROFIT: (2.35x(1,2,3)x ALLOWABLE RATE)								
Allowable Rate (Maximum of 13%):			13.00%	\$ 3,423.13	10.00%	\$ -	10.00%	\$ -

(Expenses for Sections III and IV only apply to Consultant Engineering Services without a Continuing Contract agreement with the Utility)

TOTAL ENGINEERING / SURVEY COST:		INSPECTION (Standard)		INSPECTION (Continuing)		
Standard Consultant: (I+II+III+IV) =	\$ 31,210.38	Private:	\$ -	Private:	\$ -	
Continuing Contract: (I+II) =	\$ -	Public:	\$ -	Public:	\$ -	
<b>TOTAL COST (Engineering and Inspection)</b>						
					Standard Consultant:	\$ 31,210.38
					Continuing Contract:	\$ -

## IN-HOUSE ENGINEERING ESTIMATE

I. ENGINEERING SERVICES	Classification	Rate/Hr	PRE-CONSTRUCTION		CONSTRUCTION		CONSTRUCTION INSPECTION	
			Hours	Total	Hours	Total	Hours	Total
Project Manager				\$ -		\$ -		\$ -
Engineer				\$ -		\$ -		\$ -
Draftsperson				\$ -		\$ -		\$ -
Administrative				\$ -		\$ -		\$ -
Field Inspector				\$ -		\$ -		\$ -
Licensed Surveyor				\$ -		\$ -		\$ -
Rod Person				\$ -		\$ -		\$ -
<b>Total Engineering Services</b>			<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>
II. REIMBURSABLE EXPENSES			Quantity	Total	Quantity	Total	Quantity	Total
Transportation / Mile:		X		\$ -		\$ -		\$ -
Meals / Day:		X		\$ -		\$ -		\$ -
Lodging / Day:		X		\$ -		\$ -		\$ -
Printing / Shipping:								
Other (Specify):								
Other (Specify):								
<b>Total Reimbursable Expenses</b>				<b>\$ -</b>		<b>\$ -</b>		<b>\$ -</b>
III. INDIRECT / OVERHEAD EXPENSES								
Indirect/Overhead Rate (not to exceed 145%):			0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
TOTAL ENGINEERING COST:								
					\$ -			
TOTAL INSPECTION COST:								
						Private:	\$ -	
						Public:	\$ -	







# Chapter 86 Certification

In accordance with Tennessee Department of Transportation policy number 340-07, the following information is provided with regards to required compliance documentation for utility relocation reimbursement in accordance with TCA 54-5-804 and TCA 54-5-854.

PROJECT #/S: 82956-2594-04 COUNTY/S: Sullivan  
FEDERAL: N/A PIN: 131034

- 1. The utility is seeking reimbursement under provisions of TCA 54-5-804 as amended by Public Acts 2003, Chapter number 86.
- 2. To the best of my knowledge the utility is in compliance with TCA § 54-5-804(a)(1) and this policy in that the utility has returned its relocation plan, schedule, and cost estimate to the Department within 120 days after receipt of the Department's project plans, or within such additional time as may be allowed in accordance with TCA § 54-5-854(b).
- 3. To the best of my knowledge the utility is in compliance with TCA 54-5-804(b) in that the utility has a valid permit to locate its utility facility on the public highway right-of-way.
- 4. The utility is eligible for reimbursement in accordance with the Limitation provisions of the TDOT Policy 340-07 in that it is:  
Municipally Owned  Utility District  Utility Cooperative

- 5. The utility is considered to be a specific utility category listed in accordance with the Limitation provisions of the TDOT Policy 340-07:
  - Water
  - Waste Water
  - Gas                       Distribution                       Transmission
  - Electric                       Distribution                       Transmission
  - Communication                       CATV                       Phone                       Fiberoptic                       Broadband
  - Street Lighting
  - Other \_\_\_\_\_

**Signature indicates this individual has the legal authority to sign contracts and agreements to obligate the utility.**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Utility Name: City of Kingsport  
Utility Address: 1113 Konnarock Road  
City, State, Zip: Kingsport, TN 37664  
Phone Number: \_\_\_\_\_  
Fax Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

Item X15.



# Certification Contract Obligation

Date: \_\_\_\_\_

TDOT Region \_\_\_\_\_ Construction Office  
(Region)

Attn: \_\_\_\_\_, Project Engineer

Address: \_\_\_\_\_

(information is provided on the Utility Begin Work Authorization letter)

PROJECT #/S: \_\_\_\_\_

COUNTY/S: \_\_\_\_\_

FEDERAL: \_\_\_\_\_

PIN: \_\_\_\_\_

DESCRIPTION: \_\_\_\_\_

UTILITY CONTRACT #: \_\_\_\_\_

The Utility completed their utility relocation on \_\_\_\_\_ (date of completion) in accordance with the approved relocation plans for the above referenced project number prior to the date specified and in accordance with the executed contract referenced.

**NOTE EXCEPTIONS:**

Maintaining services to business and/or residences is attached.

**Signature indicates this individual has the legal authority to sign contracts and agreements to obligate the utility.**

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Utility Name: \_\_\_\_\_

Water  Telephone

Address: \_\_\_\_\_

Sewer  CATV

City, State, Zip: \_\_\_\_\_

Power  Other: \_\_\_\_\_

Phone No: \_\_\_\_\_

Gas \_\_\_\_\_

Fax No: \_\_\_\_\_

Email: \_\_\_\_\_

TDOT USE ONLY:	
<input type="checkbox"/>	This Certification Letter is accepted.
<input type="checkbox"/>	This Certification Letter is accepted pending Final Verification by project staking.
<input type="checkbox"/>	This Certification is not accepted. Reason: _____
_____	
_____	
Signed: _____	Date: _____
TDOT Construction office representative	
CC: TDOT Construction Project File	
TDOT Regional Utility Office	

**CERTIFICATION EXCEPTIONS:**

The following business and/or residences on proposed State right-of-way have not been vacated at the time of the relocation, and utility services are being maintained temporarily. Upon written notice to the utility contact listed below, the utility will

State Project Tract No.	Type of Occupied Property	Type of Utility Service (water, sewer, gas, electric, CATV)	Address	Period of time utility obligates to remove facility (Calendar Days)

**Remarks:**

- 1 \_\_\_\_\_
- 2 \_\_\_\_\_
- 3 \_\_\_\_\_
- 4 \_\_\_\_\_
- 5 \_\_\_\_\_
- 6 \_\_\_\_\_
- 7 \_\_\_\_\_
- 8 \_\_\_\_\_
- 9 \_\_\_\_\_
- # \_\_\_\_\_
- # \_\_\_\_\_
- # \_\_\_\_\_
- # \_\_\_\_\_
- # \_\_\_\_\_
- # \_\_\_\_\_





## TDOT Utility Office Maintenance of Traffic Procedures.

Except in emergencies, no lane closures will be permitted on any state routes with 30,000 or greater Average Daily traffic or any interstate routes, without the explicit consent of the TDOT Project Engineer. On projects where work is required in traffic lane(s) or where a lane closure is necessary for public safety, the Utility must submit a request to the Department at least seven (7) working days prior to the date of the anticipated lane closure(s). All requests for lane closure(s) must list the exact location, the time that the closure will begin, the estimated duration and reasons for the proposed lane closure(s).

If all lanes in one or both directions on an interstate route are to be closed for any length of time, the Utility must submit their request at least fourteen (14) calendar days before the anticipated event.

No lane closures or traffic restrictions will be allowed on the following days

### **Good Friday**

### **Easter**

After 6:00 pm on the Thursday preceding Good Friday through and including Easter Sunday

### **Memorial Day**

After 12:00 noon on the preceding Friday through Memorial Day

### **July 4**

The observed holiday and preceding day plus weekend days either preceding or following these two days

### **Labor Day**

After 12:00 noon on the preceding Friday through Labor Day

### **Thanksgiving**

After 12:00 noon on Wednesday before Thanksgiving through Sunday following Thanksgiving

### **Christmas/New year's Day**

December 24 through January 1 and any preceding and/or following days that fall on a weekend

Offroad work will be allowed but only to the extent that NO impact will be caused to the highway users.

During any suspension of work, the Utility shall make passable and shall open to traffic such portions of the project and temporary roadways or portions thereof as may be directed by the TDOT Project Engineer for the temporary accommodation of necessary traffic during the anticipated period of suspension. Thereafter, and until issuance of an order for the resumption of construction operations, the maintenance of the temporary route or line of travel will be by the Utility. When work is resumed, the Utility will replace or renew any work or materials lost or damaged because of such temporary use of the project; shall remove, to the extent directed by the TDOT Project Engineer, any work or materials used in the temporary maintenance, and shall complete the project in every respect as though its prosecution had been continuous.



82956-2594-04

Contract No. 9615

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## UTILITY RELOCATION CONTRACT

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THIS CONTRACT made and entered into by and between the **State of Tennessee** acting through its Department of Transportation, hereinafter called "TDOT", and **City of Kingsport (Water)**, hereinafter called the "Utility".

### WITNESSETH:

WHEREAS, TDOT plans to construct PIN Number **131034.00, State Industrial Access Serving Eastman Chemical Company** located in **Sullivan County**, Tennessee (hereinafter called the "Project"), and for said Project to be constructed it will be necessary for the Utility to relocate certain of its facilities, **0** percent of which are located on public highway right-of-way and **100** percent of which are located on private utility right-of-way; and

WHEREAS, the Utility has furnished TDOT with an estimate, plans, and specifications showing the cost and manner of relocating these facilities, which estimate is in the amount of **\$533,188.98** including the amount of **\$40,120.98** for the cost of engineering, which may be inclusive of preliminary engineering authorized on **September 3<sup>rd</sup>, 2025**; including the amount of **\$0.00** for the cost of inspection provided by the Utility; including the amount of **\$0.00** for the cost of betterment to the Utility's facilities (hereinafter called the "Betterment Cost"), and including the amount of **\$0.00** for deposit for the utility work in the State contract, and of which **100** percent represents the pro-rata share to which the Utility is entitled to reimbursement for relocation of utility facilities located on private utility right-of-way, and **0** percent represents the pro-rata share for relocation of utility facilities located on public highway right-of-way, reimbursement being for the cost of construction, engineering, and inspection on private utility right-of-way, but excluding inspection on public highway right-of-way, betterment, and the cost over the maximum TDOT reimbursement amount; and

WHEREAS, TDOT is liable for the relocation of utility facilities located on private utility right-of-way but is not liable for adjustment of the facilities located on publicly owned right-of-way or for any utility betterment costs; and

WHEREAS, the parties want to enter into a contract to provide for the relocation of the Utility's facilities in conjunction with this highway construction project, and the Utility has requested TDOT to undertake the hereinafter described utility relocation work in its highway construction contract; and

WHEREAS, it is in the mutual interest of the parties that this utility relocation work be performed together with the proposed highway construction;

NOW, THEREFORE, in consideration of these premises and the mutual promises contained herein, it is agreed by and between the parties as follows:

Item X15.

1. (a) TDOT will show the proposed relocation of the Utility's facilities on TDOT's highway construction plans as project cost items and will receive bids for same by its highway contractor as a part of the contract for construction of the above mentioned Project. TDOT will be responsible for having its contractor perform the aforesaid utility relocation work in accordance with TDOT's construction contract, including the project plans, standard specifications, special provisions, and the utility relocation plans and specifications heretofore agreed upon by and between the parties hereto, all of which are incorporated herein by reference.

(b) The Utility agrees to reimburse TDOT for the Utility's Cost. Reimbursement shall be based on the agreed percentage of the actual cost of the Utility's Cost items as shown on the project plans incorporated herein by reference. It is further agreed that the Utility will make payment to TDOT in the amount of the estimated cost of the Utility's Cost items prior to advertisement for bids. The Utility may provide these funds by one of the following means:

A. A check made payable to the order of and sent to TDOT; or

B. Documentation of a deposit made only by wire or by immediate credit transfer with the Treasurer of the State.

In the event said deposit exceeds the aggregate amount of the Utility's Cost charges, the difference will be refunded to the Utility. In the event said Utility's Cost charges exceed the deposit, the Utility agrees to reimburse TDOT for such additional amount.

(c) The Utility agrees that TDOT may advertise for and receive bids for the construction of the Project, including the proposed relocation of the Utility's facilities, and award and enter into contract with the lowest responsible bidder.

(d) The Utility agrees that any memoranda or other information concerning the estimated cost of the proposed relocation of the Utility's facilities will not directly or indirectly be released or disclosed to potential bidders except to the extent that the utility may otherwise be required to do so by law.

(e) Neither the Utility nor any affiliate or subsidiary thereof shall participate directly or indirectly as a bidder for any part of the Utility's relocation work to be performed under a contract to be awarded by TDOT. The Utility further agrees that no employee, officer, or agent of the Utility shall participate in the selection or in the award or administration of a contract for the performance of any part of the Utility's relocation work if a real or apparent conflict of interest would be involved. Such a conflict of interest would arise when the employee, officer, or agent, or any member of his or her immediate family, or his or her partner, or an organization which employs or is about to employ any of the above, has a substantial financial interest, such as five-percent (5%) or greater ownership interest, or other interest in the firm selected for a subcontract to perform the Utility's relocation work for this Project. Neither the Utility nor any affiliate, subsidiary, employee, officer, or agent of the Utility shall solicit or accept gratuities, favors, or anything of monetary value, except an unsolicited gift having nominal monetary value, from contractors or bidders.

- (f) It is also understood and agreed that TDOT, in its sole discretion, may reject any and all bids submitted for the construction of said Project without any liability whatsoever to the Utility.
2. It is further agreed that in letting the contract with respect to the proposed relocation of the Utility's facilities, TDOT is acting solely in accommodation of the Utility and shall have no liability to the Utility for any damages or claims arising out of acts or omissions on the part of TDOT's contractor. The Utility agrees that it will not hold TDOT responsible for any claims arising out of the inclusion of the Utility's items of work in TDOT's highway construction contract. Under this contract, "TDOT" shall include any and all officers and employees of the State of Tennessee acting within the scope of their employment with the State of Tennessee.
  3. (a) The Utility has acquired or shall acquire all utility rights-of-way outside of the proposed public highway right-of-way as may be needed to relocate its utility facilities, including any betterment, and the Utility shall provide TDOT and its contractor with the rights to use these utility rights-of-way for construction purposes. The Utility further agrees that it has acquired or will acquire these rights-of-way at no cost to TDOT except insofar as TDOT may be liable to reimburse the Utility for the replacement of previously owned private utility rights-of-way as may be provided in a separate contract between the parties.  
  
(b) The Utility agrees to transfer to TDOT that portion of the previously owned private utility rights-of-way being vacated by the Utility and within the Project proposed right-of-way as needed for highway purposes.
  4. The Utility agrees that:
    - (a) The Utility will perform the utility engineering work provided for in this Contract by its own forces and/or consultant engineering services approved by TDOT.
    - (b) It will develop the utility engineering costs in accordance with the current provisions of 23 CFR §645.117.
  5. The Utility shall have the right and responsibility to inspect and approve, prior to TDOT's release of its highway contractor's bond, all items of utility relocation work, including betterment, to be performed under the proposed highway construction contract to ensure that the relocation is completed in accordance with this Contract and all applicable specifications and safety codes. The Utility shall provide progressive inspection reports to TDOT in accordance with the current TDOT Construction Circular Letter section 105.07 "Utilities Diaries and Inspection Procedures" incorporated herein by reference. TDOT agrees that it will reimburse the Utility the pro-rata share for the inspection of utility facilities on private utility right-of-way when the utility relocation is completed in accordance with the approved relocation plans, incorporated herein by reference. The inspection of utility facilities on public highway right-of-way shall be performed at no cost to TDOT.
  6. The Utility agrees to comply with all current, applicable provisions of 23 CFR Subpart 645A, which are incorporated herein by reference; provided, however, that provisions for review, approval, authorization and participation by the Federal Highway Administration set forth in 23 CFR Subpart 645A shall not apply to the

extent that the Project is not a federal-aid project. The Utility acknowledges possession of 23 CFR Subpart 645A.

7. The Utility agrees to comply with all current, applicable provisions of the Guidelines for Governmentwide Debarment and Suspension of 2 CFR §180.355 through §180.365 which are incorporated herein by reference. The Utility acknowledges possession of 2 CFR Part 180 and the requirements of the attached FHWA Form 1273, Section X – Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion.
8. The Utility agrees to comply with all current, applicable provisions of the Buy America requirements established under 23 USC § 313 and 23 CFR § 635.410. In accordance with guidance provided by the Federal Highway Administration, the Utility agrees that all products used in the Utility's relocation work that are manufactured of steel or iron shall be manufactured in the United States. For the purposes of applying this Buy America requirement and determining whether a product is a steel or iron manufactured product, the job site includes any sites where precast concrete products that are incorporated into the Utility's relocation work are manufactured.
9. Subject to the provisions of this paragraph and as otherwise provided in this Contract, TDOT agrees to reimburse the Utility for the Utility's reimbursable costs associated with the relocation of the Utility's facilities, as follows:
  - (a) The Utility shall perform any work in accordance with the estimate of cost and plans as approved by TDOT and incorporated herein by reference. The estimate of cost and schedule of work are attached hereto as Exhibit "A".
  - (b) The Utility may perform preliminary engineering to generate the schedule of calendar days, color coded relocation plans and estimate of cost as needed for TDOT to generate the this agreement. Costs incurred for preliminary engineering prior to the execution date of this agreement are eligible for reimbursement as long as they were incurred after the preliminary authorization date. Any costs for consultant engineering shall also be eligible for reimbursement as long as they are incurred after consultant authorization.
  - (c) Any change in the approved estimate of cost or plans shall require the prior written approval of TDOT. TDOT agrees to review and, if acceptable, approve such requests for change in a timely manner, and TDOT agrees to cooperate with the Utility to resolve, if possible, any objections TDOT may have to such requested changes.
  - (d) TDOT shall reimburse the Utility for such direct and indirect costs as are allowable under the current provisions of 23 CFR Subpart 645A. Any claim for costs that would be ineligible for Federal reimbursement under 23 CFR Subpart 645A on a federal-aid project shall be ineligible for reimbursement by TDOT on this Project, whether it is or is not a federal-aid project.

- (e) The Utility shall develop and record all costs in a manner consistent with the current provisions of 23 CFR §645.117 as of the effective date of this Contract and as approved by TDOT.
- (f) The Utility shall submit all requests for payment by invoice, in form and substance acceptable to TDOT, with all necessary supporting documentation, prior to any reimbursement of allowable costs. Such invoices shall indicate, at a minimum, the amount charged by allowable cost line-item for the period invoiced, the amount charged by line-item to date, the total amount charged for the period invoiced, and the total amount charged under the Contract to date.
- (g) The Utility may submit invoices for interim payments during the progress of the work; provided, however, that such interim payments may be approved only up to a maximum of eighty percent (80%) of the approved estimate of cost attached hereto as Exhibit “A” to this Contract, and any remaining reimbursable costs must be submitted on the final bill. Such invoices for interim payments shall be submitted no more often than monthly.
- (h) TDOT shall, unless it has good faith and reasonable objections to the Utility’s invoice for interim payment, use its best efforts to issue payment based on the Utility’s invoice within forty-five (45) days after receipt. If, however, TDOT has good faith and reasonable objections to the Utility’s invoice(s) or any part thereof, TDOT shall specifically identify those objections in writing to the Utility so as to allow the parties to address them in a prompt manner. If the invoice is otherwise acceptable, TDOT shall only withhold payment(s) as to those cost items it has specified in its written notice of objections to the Utility. All other reimbursable cost items set out in the Utility’s invoice shall be paid by TDOT.
- (i) Subject to the Utility’s right to bill on an interim basis as described above, the Utility shall by invoice provide one final and complete billing of all costs incurred within one year following the completion of the Utility relocation work in its entirety. Otherwise, any previous payments to the Utility may be considered final, and the Utility may be deemed to have waived any claim for additional payments, except as TDOT and Utility may have agreed otherwise in writing before the end of that year.
- (j) The Utility’s invoice(s) shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by TDOT, on the basis of audits or monitoring conducted in accordance with the terms of this Contract, not to constitute allowable costs. The payment of an invoice shall not prejudice TDOT’s right to object to or question any invoice or matter in relation thereto. Such payment by TDOT shall neither be construed as acceptance of the work nor as final approval of any of the costs invoiced therein.
- (k) The Utility’s invoice(s) shall include a Buy America certification attesting that all products used in the Utility’s relocation work that are manufactured of steel or iron comply with the Buy America requirements set forth in 23 USC § 313 and 23 CFR § 635.410 and as further described in paragraph 8 of this Contract.

- 10.** The Utility agrees that its cost records will be subject to inspection at any reasonable time by representatives of TDOT before or after final payment for reimbursable work. In the event any costs are determined not to be allowable under provisions of this Contract, the Utility agrees to repay TDOT such amount of ineligible costs included within payments made by TDOT.
- 11.** The Utility shall keep and maintain accurate records by which all invoices can be verified. The books, records, and documents of the Utility, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years after final payment has been received by the Utility and shall be subject to audit at any reasonable time and upon reasonable notice by TDOT, the Comptroller of the Treasury, or their duly appointed representatives during this three year period. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- 12.** In the event that funds are not appropriated or are otherwise unavailable, TDOT reserves the right to terminate this Contract upon written notice to the Utility. Said termination shall not be deemed a breach of Contract by TDOT. Upon receipt of the written notice, the Utility shall cease all work associated with the Contract, except as may be reasonably necessary to return the Utility's facilities to safe operation. Should such an event occur, the Utility shall be entitled to compensation for all costs of relocation reimbursable under 23 CFR Subpart 645A (in accordance with paragraph 9 of this Contract) for work completed as of the termination date or in accordance with this provision. Upon such termination, the Utility shall have no right to recover from TDOT any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- 13.** The Utility agrees, to the extent provided by law, that it will be solely responsible for any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Utility, its employees, its contractors, or any person acting for or on its or their behalf in the performance of the Utility's relocation work relating to this Contract. The Utility further agrees that it will not hold TDOT responsible for any such claims. Under this Contract, "TDOT" shall include any and all officers and employees of the State of Tennessee acting within the scope of their employment.

In the event that TDOT is sued for damages arising from acts, omissions, or negligence by the Utility or its employees, the Utility shall cooperate in TDOT's defense. TDOT shall give the Utility written notice of any such claim or suit, and the Utility shall have full right and obligation to conduct the Utility's own defense thereof. Nothing contained herein shall be deemed to accord to the Utility, through its attorney(s), the right to represent TDOT in any legal matter, such rights being governed by Tennessee Code Annotated, Section 8-6-106.

- 14.** TDOT shall have no liability except as specifically provided in this Contract.
- 15.** This Contract may be modified only by a written amendment executed by the parties hereto.



- 16.** Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term, covenant, condition or provision of this Contract shall be held to be waived, modified, or deleted except by written amendment signed by the parties hereto.
- 17.** The Utility hereby agrees that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Utility on the grounds of disability, age, race, color, religion, sex, national origin, or any classification protected by the Constitution or statutes of the United States or the State of Tennessee. The Utility shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- 18.** The Utility shall comply with all applicable federal and state laws and regulations in the performance of its duties under this Contract. The Utility agrees that failure of the Utility to comply with this provision may subject the Utility to the repayment of all State funds expended, under this Contract.
- 19.** This Contract shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors and assigns. Time is of the essence of this Contract.
- 20.** The parties hereto, in the performance of this contract, shall not act as employees, partners, joint ventures, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- 21.** This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Utility acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under Tennessee Code Annotated, Sections 9-8-101 through 9-8-407.
- 22.** If any terms, covenants, conditions or provisions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms, covenants, conditions and provisions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- 23.** TDOT and the Utility agree that any notice provided for in this Contract or concerning this Contract shall be in writing and shall be made by personal delivery, by certified mail (return receipt requested), by nationally recognized overnight delivery service (such as FedEx or UPS), or by facsimile transmission (provided that notice shall also be given in one of the other methods prescribed herein) addressed

to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

To TDOT:

Tennessee Department of Transportation  
Attention: State Utility Coordinator  
Tennessee Tower Building, 11<sup>th</sup> Floor  
312 Rosa L. Parks Avenue  
Nashville, Tennessee 37243

With a copy if requested by TDOT to:

Leslie South, General Counsel  
Tennessee Tower Building, 26<sup>th</sup> Floor  
312 Rosa L. Parks Avenue  
Nashville, Tennessee 37243  
Facsimile Number: (615) 532-5988

To the Utility:

\_\_\_\_\_  
Attention: \_\_\_\_\_  
\_\_\_\_\_

Facsimile Number: \_\_\_\_\_

With a copy if requested by Utility to:

\_\_\_\_\_  
Attention: \_\_\_\_\_  
\_\_\_\_\_

Facsimile Number: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties have executed this contract.

UTILITY

**City of Kingsport (Water)**

STATE OF TENNESSEE  
DEPARTMENT OF  
TRANSPORTATION

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

Will Reid, PE  
Commissioner

DATE: \_\_\_\_\_

APPROVED AS TO FORM AND  
LEGALITY:

BY: \_\_\_\_\_

Leslie South  
General Counsel

**REQUIRED CONTRACT PROVISIONS  
FEDERAL-AID CONSTRUCTION CONTRACTS**

X. Compliance with Governmentwide Suspension and Debarment Requirements

**X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION**

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost \$25,000 or more – as defined in 2 CFR Parts 180 and 1200.

**1. Instructions for Certification – First Tier Participants:**

a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered

transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

**2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:**

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

**2. Instructions for Certification - Lower Tier Participants:**

(Applicable to all subcontracts, purchase orders and other lower tier transactions requiring prior FHWA approval or estimated to cost \$25,000 or more - 2 CFR Parts 180 and 1200)

a. By signing and submitting this proposal, the prospective lower tier is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all

solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Participants:**

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

## **CIRCULAR LETTER**

**Section: 105.07 Cooperation with Utilities**  
**Number: 105.07-04**  
**Subject: Utility Diaries and Inspection Procedures**  
**Date: December 15, 2007**

On all projects requiring utility relocations, Form DT-0667 "Project Utility Diary" is to be used to document said relocations whether the work is reimbursable or not. When a utility is relocating at its own expense or under a lumps sum reimbursement contract, the "Description of Work Performed" section will be the only notation required. The notation shall indicate if the relocation is a non reimbursable or lump sum reimbursable contract. Form DT-0667 fulfills the requirements for documentation detailed in Section 109.05 of the Department of Transportation Construction Manual and Section 18-7 of the Standard Utility Procedures Manual.

- 1 Form DT-0667 is to be completed in the field by the utility inspector.
- 2 The original or white sheet is to be transmitted to the TDOT Project Supervisor's office and bound.
- 3 The first copy or yellow sheet is to be transmitted to the utility company on reimbursable relocations.
- 4 The second copy or pink sheet is to be retained in the utility diary.

If the utility relocation is included in the state contract, the utility will be responsible for inspecting all phases of the relocation, per TCA 54-5-804, 2003 Public Chapter 86. The TDOT inspector shall document the utility work activities performed in the daily project diaries. The inspector provided by the utility company will:

- 1 Complete Form DT-0667 as described above and submit it each estimate period, as directed by the TDOT Project Supervisor. Along with the item descriptions, the inspector will include the quantities and stations of installed items.
- 2 Complete "Installed Item Certification" portion of Form DT-1716 and submit it each estimate period, as directed by the TDOT Project Supervisor. This form will be signed to certify that the items installed during that estimate period met all applicable specifications.
- 3 Complete and attach Form DT-1716A to DT-1716 and submit it each estimate period, as directed by the TDOT Project Supervisor. This form will be used to summarize, by project number, the utility items installed during that estimate period. The TDOT inspector shall sign Form DT-1716A after ensuring it is consistent with the utility diaries and daily project diaries. The completed Form DT-1716A shall be referenced in the progress pay quantity documentation.
- 4 Complete "Final Acceptance of Work" portion of Form DT-1716 and submit it to the TDOT Project Supervisor's office when the utility relocation work is complete.



**UTILITY ITEM CERTIFICATION/FINAL ACCEPTANCE**

**Contract Number:** \_\_\_\_\_ **Utility Company:** \_\_\_\_\_

**Project Number(s):** \_\_\_\_\_ **Utility Inspector:** \_\_\_\_\_  
Print

**County(ies):** \_\_\_\_\_  
\_\_\_\_\_

**Instructions:** Please check appropriate box (or boxes) and fill out required information. For **Installed Item Certification**, attach **Summary of Installed Utility Items** sheet(s) for each project number and submit each estimate period as directed by the TDOT Project Supervisor.

**Installed Item Certification**

On behalf of the above utility company, I certify that the materials used for the item(s) listed on the following page(s) meet and were installed in accordance with all applicable specifications. Any pertinent shop drawings or engineering changes have been approved.

**Estimate Period:** \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_  
**Utility Inspector Signature** **Date**

**Final Acceptance of Work**

I certify that the utility relocation work is complete and is accepted by the above utility company.

\_\_\_\_\_  
**Utility Inspector Signature** **Date**







## Buy America

Rev. 12-23-2013

The Tennessee Department of Transportation (TDOT) in compliance with Federal Highway Administration (FHWA) directive **Effective February 29, 2016**

All utility and railroad relocation construction must comply with 23 U.S.C. 313 and 23 CFR 635.410 **Buy America requirements**

All Utility / Railroad invoices submitted to TDOT for Payment **MUST ATTACH THIS CERTIFICATION.**

---

Utility / Railroad Name

---

Street Address

---

City

State

Zip

**Certification:** All products used in the relocation construction and identified in the attached invoice that are manufactured of steel or iron for permanent installation meet or exceed the requirements set forth in 23 USC 313 and 23 CFR 635.410 Buy America requirements.

Certification documentation is available for review that includes but is not limited to, if available, the Mill Test Report (MTR) for ALL steel products that have the certification statement (or similar) that the steel/iron was "melted and manufactured in the United States." All manufacturing processes and coatings applied thereon have occurred in the United States.

Per the Utility / Railroad Relocation Contract:

The Utility / Railroad agrees to comply with all current, applicable provisions of 23 CFR 645A / 23 CFR 140 and 23 CFR 646.

The Utility acknowledges possession of 23 CFR 645A / The Railroad acknowledges possession of 23 CFR 140 and 23 CFR 646.

The Utility / Railroad is subject to audit for a period of three (3) full years after final payment has been received.

The Utility / Railroad shall comply with all applicable federal and state laws and regulations in the performance of its duties under this Contract. The Utility / Railroad agrees that remedies for non-compliance are set out in the applicable regulations and the Contract.

**I have reviewed the material provided herein and attached and hereby certify ALL material on the attached invoice is in compliance with Buy America requirements.**

---

Signature of representative Authorized for financial obligations

Title

Date

Item X15.

**S T A T E**

**O F**

**T E N N E S S E E**

(Rev. 6-20-11)

January 1, 2021

**SPECIAL PROVISION**

**REGARDING**

**BUY AMERICA REQUIREMENTS**

All manufacturing processes for iron and steel products, and coatings applied thereon, used in this project shall occur in the United States except that if the proposal has bid items for furnishing domestic and foreign iron and steel, the bidder will have the option of (1) submitting a bid for furnishing domestic iron and steel, or (2) submitting a bid for furnishing domestic iron and steel and a bid for furnishing foreign iron and steel. If option (2) is chosen, the bid will be tabulated on the basis of (a) the total bid price using the bid price for furnishing domestic iron and steel and, (b) the total bid price using the bid price for furnishing foreign iron and steel.

For the total bid based on furnishing foreign iron and steel to be considered for award, the lowest total bid based on furnishing domestic iron and steel must exceed the lowest total bid based on furnishing foreign iron and steel by more than 25 percent. The 25 percent differential applies to the total bid for the entire project, not just the bid prices for the steel or iron products.

Iron and steel products are defined as products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated or otherwise similarly processed from iron and steel made in the United States. Iron products are included, however, pig iron and processed, pelletized, and reduced iron ore may be purchased outside the United States.

Manufacturing begins with initial melting and continues through the coating stage. Any process which modifies chemical content, physical size or shape, or the final finish is considered a manufacturing process. Coatings include epoxy, galvanizing, painting or any other surface protection that enhances the value and/or durability of a material.

The contractor shall provide a certification to the Engineer with each shipment of iron and steel products to the project site that the manufacturing processes for the iron and steel products occurred in the United States. No steel shall be placed until the contractor ensures the requirements of this Special Provision are met.

The above requirements do not prevent a minimal use of foreign materials, if the cost of such materials used does not exceed 0.1 percent of the total contract cost or \$2,500.00, whichever is greater. If steel not meeting the requirements of this Special Provision is used, the contractor shall provide a written statement to the Department prior to its use indicating where the steel will be incorporated in the work,

the value of the steel, the percentage of the contract amount, and the appropriate invoices shall be submitted as documentation.

The contractor shall be responsible for all cost associated with any steel that is permanently incorporated into the project that does not meet the requirements of this Special Provision without prior written approval from the Department, up to and including removal and replacement.

**STATE**

**OF**

**TENNESSEE**

December 12, 2022

January 1, 2021

**SPECIAL PROVISION**

**REGARDING**

**BUILD AMERICA, BUY AMERICA ACT  
REQUIREMENTS**

The Build America, Buy America Act (BABA) Public Law No. 117-58 SEC. 70914 that all of the iron, steel, manufactured products, and construction materials used are subject to Build America, Buy America requirements and are produced in the United States.

- A. Iron and steel: FHWA existing requirements SP106A Regarding Buy America.
- B. Manufactured products: FHWA Buy America Final Rule 11/25/1983, 48 FR 53099; Waiver for Manufactured Products.
- C. Construction materials includes an article, material, or supply that is or consists primarily of:
  - non-ferrous metals;
  - plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables);
  - glass (including optic glass);
  - Lumber; or
  - drywall.

Construction materials that consist of two or more of the listed materials that have been combined together through a manufacturing process, and items that include at least one of the listed materials combined with a material that is not listed through a manufacturing process, should be treated as manufactured products, rather than as construction materials.

Consider “all manufacturing processes” for construction materials to include at least the final manufacturing process and the immediately preceding manufacturing stage for the construction material.

Provide certifications to the Engineer for the construction materials that they meet the Build America Buy America Act requirements. Assure all submittals required for Buy America are submitted to the Engineer prior to the products and or materials being incorporated in the project.

The contractor shall be responsible for all cost associated with any of the construction materials that are permanently incorporated into the project that does not meet the requirements of this Special Provision without prior written approval from the Department, up to and including removal and replacement.



## UTILITY ENGINEERING AND RELOCATION ESTIMATE

### UTILITY INFORMATION

Utility Name: City of Kingsport (Water)

Utility Address: 1113 Konnarock Road

City, State: Kingsport, TN Zip Code: 37664

Phone: 423-224-2509

Contact Name: Chad Austin

Email: [ChadAustin@KingsportTN.gov](mailto:ChadAustin@KingsportTN.gov)

### CONSULTANT INFORMATION

Consultant Name: Barge Design Solutions, Inc.

Consultant Address: 4 Sheridan Square, Suite 100

Kingsport, TN Zip Code: 37660

Phone: 865-934-4146

Contact Name: Andrew Clark, PE

Email: [andrew.clark@bargedesign.com](mailto:andrew.clark@bargedesign.com)

### TDOT PROJECT INFORMATION

Project Description: State Industrial Access Serving Eastman Chemical Company

Federal Project No.: N/A

State Project No.: 82956-2594-04

County(ies): Sullivan

Revision 4/24/2025

Item X15.



Project No: 82956-2594-04

County: Sullivan

Date: March 18, 2026

**\*\*Submittal and completion of this form is required for consideration of reimbursement on this project.\*\***

**Primary Contact:** Chad Austin  
**E-mail:** ChadAustin@KingsportTN.gov **Phone:** 423-224-2509  
**Secondary Contact:**  
**E-mail:** **Phone:**  
**Utility Name:** City of Kingsport (Water)  
**Address:** 1113 Konnarock Road  
**City, State:** Kingsport, TN **Zip:** 37664  
 Percent On Private: 100% Private ROW - #Poles / Length of facility: 840  
 Percent On Public: 0% Public ROW - #Poles / Length of facility: 0  
 Total Percentage: 100% Total #Poles / Length of facility: 840

TDOT USE ONLY	
RG Approval and Date:	
Consult Appr. Date: / /	
Amount Approved: \$ -	
HQ Approval and Date: <i>Chris Johnston 3/18/2026</i>	
CH86 (Y/N) <i>N</i>	PIN#: 131034.00
LET: / /	Contract #: 9615
Easement Contract #	

Is Utility Chapter 86 Certified (Obtained from Certification Sheet)?  N

(If project does not qualify for Chapter 86 Reimbursement, then "Percent on Private" will be used to calculate total amount due to Utility)

**NO COST / NO REIMBURSEMENT (STOP HERE, REMAINDER OF FORM IS NOT REQUIRED)**

**CHAPTER 86**

**NON-CHAPTER 86**

**REIMBURSEMENT** MOVE PRIOR   
**REQUESTED** MOVE IN State Contract   
 (Please check ONE) Move Again

% Private / Public Relocation   
 % Private / Public MOVE IN State Contract   
 Utility Replacement Easement Reimbursement

ENGINEERING		Description	Amount
		Pre-Construction	\$ 39,785.98
		Construction	\$ -
		Construction Inspection Private	\$ -
		Construction Inspection Public	\$ -
		Reimbursable Expenses	\$ 335.00
<b>ENGINEERING COST:</b>			<b>\$ 40,120.98</b>

CONSTRUCTION (LABOR & MATERIAL)		Description	Amount
		Installation Labor	\$ 467,868.00
		Installation Materials	\$ -
		Removal Labor	\$ 25,200.00
		Site Costs	\$ -
		Material Provided to State	\$ -
		Salvage Materials	\$ -
		Non-Usable Materials	\$ -
<b>ESTIMATED CONSTRUCTION COST:</b>			<b>\$ 493,068.00</b>

BETTERMENT		Description	Amount
		Installation Labor	\$ -
		Installation Materials	\$ -
<b>ESTIMATED UTILITY BETTERMENT COST:</b>			<b>\$ -</b>
<b>ESTIMATED REPLACEMENT EASEMENT COST:</b>			<b>\$ -</b>
If cost is listed above, separate Easement Contract is needed			
<b>ESTIMATED TOTAL CONSTRUCTION COST:</b>			<b>\$ 533,188.98</b>

UTILITY REIMBURSEMENT	
<b>CHAPTER 86 MOVE-IN CONTRACT:</b>	\$ -
<b>CHAPTER 86 MOVE PRIOR:</b>	\$ -
<b>NON-CHAPTER 86 MOVE-IN CONTRACT:</b>	\$ 40,120.98
<b>NON-CHAPTER 86 % PUBLIC/PRIVATE:</b>	\$ -

Does Estimate Exceed \$2.5M Cap? - N  
 Does Estimate Require 75% Cap? - Y

UTILITY DEPOSIT (IF APPLICABLE)	
<b>RELOCATION EXCEEDS \$2.5M CAP:</b>	\$0.00
<b>AMOUNT OVER 75% REIMBURSEMENT:</b>	\$0.00
<b>ESTIMATED UTILITY BETTERMENT COST:</b>	\$0.00
<b>NON-CHAPTER 86 MOVE-IN CONST COST:</b>	\$0.00
<b>TOTAL UTILITY DEPOSIT:</b>	<b>\$0.00</b>

**APPROVED**  
 By Michael Palmer at 2:31 pm, Mar 18, 2026

The Utility will reference the page number where designated on the form when other Detail Cost Estimate sheets are attached.

Item X15.



# ESTIMATE OF ENGINEERING COST

TDOT Project Number(s): N/A 82956-2594-04  
 Utility Name & Address:  
City of Kingsport (Water)  
1113 Konnarock Road  
Kingsport, TN 37664

County(ies): Sullivan  
 Consultant Name & Address:  
Barge Design Solutions, Inc.  
4 Sheridan Square, Suite 100  
Kingsport, TN 37660

## CONSULTANT ENGINEERING ESTIMATE

Place an "X" in the appropriate box:  Standard Contract  Continuing Contract (attach copy of Contract for TDOT verification)

I. ENGINEERING SERVICES	Classification	Rate/Hr	PRE-CONSTRUCTION		CONSTRUCTION		CONSTRUCTION INSPECTION	
			Hours	Total	Hours	Total	Hours	Total
Principal		\$ 87.25	4	\$ 349.00		\$ -		\$ -
Project Manager		\$ 93.00	30	\$ 2,790.00		\$ -		\$ -
Design Engineer		\$ 60.25	105	\$ 6,326.25		\$ -		\$ -
Designer / Senior Designer		\$ 72.25	6	\$ 433.50		\$ -		\$ -
Techician / Draftsperson		\$ 44.25	96	\$ 4,248.00		\$ -		\$ -
Administrative		\$ 36.50	8	\$ 292.00		\$ -		\$ -
Field Inspector				\$ -		\$ -		\$ -
Licensed Surveyor		\$ 40.00		\$ -		\$ -		\$ -
Rod Person		\$ 20.00		\$ -		\$ -		\$ -
Senior Engineer		\$ 99.00		\$ -		\$ -		\$ -
<b>Total Engineering Services</b>			<b>249</b>	<b>\$ 14,438.75</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>
II. REIMBURSABLE EXPENSES			Quantity	Total	Quantity	Total	Quantity	Total
Transportation / Mile:	\$ 0.670	X	500	\$ 335.00		\$ -		\$ -
Meals / Day:		X		\$ -		\$ -		\$ -
Lodging / Day:		X		\$ -		\$ -		\$ -
Printing / Shipping:								
Other (Specify):								
Other (Specify):								
<b>Total Reimbursable Expenses</b>				<b>\$ 335.00</b>		<b>\$ -</b>		<b>\$ -</b>
III. INDIRECT / OVERHEAD EXPENSES								
Indirect/Overhead Rate (not to exceed 145%):			145.00%	\$ 20,936.19	125.00%	\$ -	125.00%	\$ -
IV. PROFIT: (2.35x(1,2,3)x ALLOWABLE RATE)								
Allowable Rate (Maximum of 13%):			13.00%	\$ 4,411.04	10.00%	\$ -	10.00%	\$ -

(Expenses for Sections III and IV only apply to Consultant Engineering Services without a Continuing Contract agreement with the Utility)

TOTAL ENGINEERING / SURVEY COST:		INSPECTION (Standard)		INSPECTION (Continuing)		
Standard Consultant: (I+II+III+IV) =	\$ 40,120.98	Private:	\$ -	Private:	\$ -	
Continuing Contract: (I+II) =	\$ -	Public:	\$ -	Public:	\$ -	
<b>TOTAL COST (Engineering and Inspection)</b>						
					Standard Consultant:	\$ 40,120.98
					Continuing Contract:	\$ -

## IN-HOUSE ENGINEERING ESTIMATE

I. ENGINEERING SERVICES	Classification	Rate/Hr	PRE-CONSTRUCTION		CONSTRUCTION		CONSTRUCTION INSPECTION	
			Hours	Total	Hours	Total	Hours	Total
Project Manager				\$ -		\$ -		\$ -
Engineer				\$ -		\$ -		\$ -
Draftsperson				\$ -		\$ -		\$ -
Administrative				\$ -		\$ -		\$ -
Field Inspector				\$ -		\$ -		\$ -
Licensed Surveyor				\$ -		\$ -		\$ -
Rod Person				\$ -		\$ -		\$ -
<b>Total Engineering Services</b>			<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>
II. REIMBURSABLE EXPENSES			Quantity	Total	Quantity	Total	Quantity	Total
Transportation / Mile:		X		\$ -		\$ -		\$ -
Meals / Day:		X		\$ -		\$ -		\$ -
Lodging / Day:		X		\$ -		\$ -		\$ -
Printing / Shipping:								
Other (Specify):								
Other (Specify):								
<b>Total Reimbursable Expenses</b>				<b>\$ -</b>		<b>\$ -</b>		<b>\$ -</b>
III. INDIRECT / OVERHEAD EXPENSES								
Indirect/Overhead Rate (not to exceed 145%):			0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
<b>TOTAL ENGINEERING COST:</b>				<b>\$ -</b>		<b>\$ -</b>		<b>\$ -</b>
<b>TOTAL INSPECTION COST:</b>								
					Private:	\$ -		\$ -
					Public:	\$ -		\$ -









# Chapter 86 Certification

In accordance with Tennessee Department of Transportation policy number 340-07, the following information is provided with regards to required compliance documentation for utility relocation reimbursement in accordance with TCA 54-5-804 and TCA 54-5-854.

PROJECT #/S: 82956-2594-04 COUNTY/S: Sullivan  
FEDERAL: N/A PIN: 131034

- 1. The utility is seeking reimbursement under provisions of TCA 54-5-804 as amended by Public Acts 2003, Chapter number 86.
- 2. To the best of my knowledge the utility is in compliance with TCA § 54-5-804(a)(1) and this policy in that the utility has returned its relocation plan, schedule, and cost estimate to the Department within 120 days after receipt of the Department's project plans, or within such additional time as may be allowed in accordance with TCA § 54-5-854(b).
- 3. To the best of my knowledge the utility is in compliance with TCA 54-5-804(b) in that the utility has a valid permit to locate its utility facility on the public highway right-of-way.
- 4. The utility is eligible for reimbursement in accordance with the Limitation provisions of the TDOT Policy 340-07 in that it is:  
Municipally Owned  Utility District  Utility Cooperative

- 5. The utility is considered to be a specific utility category listed in accordance with the Limitation provisions of the TDOT Policy 340-07:
  - Water
  - Waste Water
  - Gas                     Distribution                     Transmission
  - Electric                     Distribution                     Transmission
  - Communication                     CATV                     Phone                     Fiberoptic                     Broadband
  - Street Lighting
  - Other \_\_\_\_\_

**Signature indicates this individual has the legal authority to sign contracts and agreements to obligate the utility.**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Utility Name: City of Kingsport  
Utility Address: 1113 Konnarock Road  
City, State, Zip: Kingsport, TN 37664  
Phone Number: \_\_\_\_\_  
Fax Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

Item X15.



# Certification Contract Obligation

Date: \_\_\_\_\_

TDOT Region \_\_\_\_\_ Construction Office  
(Region)

Attn: \_\_\_\_\_, Project Engineer

Address: \_\_\_\_\_

(information is provided on the Utility Begin Work Authorization letter)

PROJECT #/S: \_\_\_\_\_

COUNTY/S: \_\_\_\_\_

FEDERAL: \_\_\_\_\_

PIN: \_\_\_\_\_

DESCRIPTION: \_\_\_\_\_

UTILITY CONTRACT #: \_\_\_\_\_

The Utility completed their utility relocation on \_\_\_\_\_ (date of completion) in accordance with the approved relocation plans for the above referenced project number prior to the date specified and in accordance with the executed contract referenced.

**NOTE EXCEPTIONS:**

Maintaining services to business and/or residences is attached.

**Signature indicates this individual has the legal authority to sign contracts and agreements to obligate the utility.**

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Utility Name: \_\_\_\_\_

Water  Telephone

Address: \_\_\_\_\_

Sewer  CATV

City, State, Zip: \_\_\_\_\_

Power  Other: \_\_\_\_\_

Phone No: \_\_\_\_\_

Gas \_\_\_\_\_

Fax No: \_\_\_\_\_

Email: \_\_\_\_\_

TDOT USE ONLY:	
<input type="checkbox"/>	This Certification Letter is accepted.
<input type="checkbox"/>	This Certification Letter is accepted pending Final Verification by project staking.
<input type="checkbox"/>	This Certification is not accepted. Reason: _____
_____	
_____	
Signed: _____	Date: _____
TDOT Construction office representative	
CC: TDOT Construction Project File	
TDOT Regional Utility Office	

**CERTIFICATION EXCEPTIONS:**

The following business and/or residences on proposed State right-of-way have not been vacated at the time of the relocation, and utility services are being maintained temporarily. Upon written notice to the utility contact listed below, the utility will

State Project Tract No.	Type of Occupied Property	Type of Utility Service (water, sewer, gas, electric, CATV)	Address	Period of time utility obligates to remove facility (Calendar Days)

**Remarks:**

- 1 \_\_\_\_\_
- 2 \_\_\_\_\_
- 3 \_\_\_\_\_
- 4 \_\_\_\_\_
- 5 \_\_\_\_\_
- 6 \_\_\_\_\_
- 7 \_\_\_\_\_
- 8 \_\_\_\_\_
- 9 \_\_\_\_\_
- # \_\_\_\_\_
- # \_\_\_\_\_
- # \_\_\_\_\_
- # \_\_\_\_\_
- # \_\_\_\_\_
- # \_\_\_\_\_



# Declaration of Scheduled Calendar Days

**Project Number:** 82956-2594-04 **Date:** \_\_\_\_\_

**Description:** State Industrial Access Serving Eastman Chemical Company

**County:** Sullivan

**Utility Name:** City of Kingsport (Water)

**Address:** 1113 Konnarock Road

**City, State:** Kingsport, TN **Zip Code:** 37664

**Phone Number:** 423-224-2509 **Fax Number:** \_\_\_\_\_

**Type of Facilities:**  Water  Sewer  Gas  Telephone  Electric  
 CATV  Fiberoptic  Other

**Required Period services cannot be interrupted:** \_\_\_\_\_

All estimated days should be expressed in "Calendar" days to complete installation, relocation or adjustment of the utility facilities on the above referenced project. The utility can as an option submit an "On or Before" date all work will be completed. In accordance with provisions set forth in TCA 54-5-854.

Task	Days to Complete	Special Conditions
Stock Pile Material (Including ordering material)	30	1
Mobilize Work Force (including Bidding process if Required)	60	2
Complete Relocation	120	3
Total Days To Complete	210	

**Special Conditions:**

1. Includes 2 weeks for shop drawing submittal, and 2 weeks for shop drawing review.
2. Includes mobilization of equipment, delivery of materials to the site, and coordination with other utilities.
3. Includes installation, water tie-in schedule, service connections, hydrostatic testing, disinfection, and bacteriological testing of potable water main. All connections must be coordinated with the City of Kingsport.

**APPROVED**  
*By Michael Palmer at 2:31 pm, Mar 18, 2026*

\_\_\_\_\_  
 Signature of submitting Utility Representative Date

\_\_\_\_\_  
 Signature of submitting State Representative Date

**Subject to provisions of the TDOT Utility Office Maintenance of Traffic Procedures.**

Item X15.

## TDOT Utility Office Maintenance of Traffic Procedures.

Except in emergencies, no lane closures will be permitted on any state routes with 30,000 or greater Average Daily traffic or any interstate routes, without the explicit consent of the TDOT Project Engineer. On projects where work is required in traffic lane(s) or where a lane closure is necessary for public safety, the Utility must submit a request to the Department at least seven (7) working days prior to the date of the anticipated lane closure(s). All requests for lane closure(s) must list the exact location, the time that the closure will begin, the estimated duration and reasons for the proposed lane closure(s).

If all lanes in one or both directions on an interstate route are to be closed for any length of time, the Utility must submit their request at least fourteen (14) calendar days before the anticipated event.

No lane closures or traffic restrictions will be allowed on the following days

### **Good Friday**

### **Easter**

After 6:00 pm on the Thursday preceding Good Friday through and including Easter Sunday

### **Memorial Day**

After 12:00 noon on the preceding Friday through Memorial Day

### **July 4**

The observed holiday and preceding day plus weekend days either preceding or following these two days

### **Labor Day**

After 12:00 noon on the preceding Friday through Labor Day

### **Thanksgiving**

After 12:00 noon on Wednesday before Thanksgiving through Sunday following Thanksgiving

### **Christmas/New year's Day**

December 24 through January 1 and any preceding and/or following days that fall on a weekend

Offroad work will be allowed but only to the extent that NO impact will be caused to the highway users.

During any suspension of work, the Utility shall make passable and shall open to traffic such portions of the project and temporary roadways or portions thereof as may be directed by the TDOT Project Engineer for the temporary accommodation of necessary traffic during the anticipated period of suspension. Thereafter, and until issuance of an order for the resumption of construction operations, the maintenance of the temporary route or line of travel will be by the Utility. When work is resumed, the Utility will replace or renew any work or materials lost or damaged because of such temporary use of the project; shall remove, to the extent directed by the TDOT Project Engineer, any work or materials used in the temporary maintenance, and shall complete the project in every respect as though its prosecution had been continuous.



**AGENDA ACTION FORM**

**Consideration of a Resolution to Award the Bid to Southern Constructors, Inc. for the Clinchfield Street Bridge Rehabilitation Project, and Authorize the Mayor to Sign All Applicable Documents**

To: Board of Mayor and Aldermen  
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-128-2026  
 Work Session: April 20, 2026  
 First Reading: N/A  
 Final Adoption: April 21, 2026  
 Staff Work By: Committee  
 Presentation By: R. McReynolds

**Strategic Focus Area: Sustainable Infrastructure**

**Recommendation:**  
 Approve the Resolution

**Executive Summary:**  
 If approved, this resolution authorizes entering into a contract with Southern Constructors, Inc. in the amount of \$1,275,000.00 for the Clinchfield Street Bridge Rehabilitation project.

Bids were opened on April 9, 2026, for the Clinchfield Street Bridge Rehabilitation project. This project consists of repair and partial depth removal of the existing concrete deck, installation of new concrete deck, and widening of existing sidewalk on the west side of the bridge. The contractor has 180 calendar days to complete the work.

City staff reviewed the bids and recommends awarding the contract to the apparent low and only bidder, Southern Constructors, Inc.

Base Bid:	\$ 1,275,000.00
Contingency (6%):	\$ 76,500.00
Engineering, Admin., Inspection (2%):	\$ 27,030.00
Total Project Costs:	\$ 1,378,530.00

The base engineering estimate for the referenced project is \$1,100,000.00.

Funding is being provided by: Series 2026 A Bond Issuance. Project account/charge numbers will be established/identified by budget ordinance.

- Attachments:**
1. Resolution
  2. Bid Opening Minutes

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

Item X16.



RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AWARDING THE BID FOR CLINCHFIELD STREET BRIDGE REHABILITATION PROJECT TO SOUTHERN CONTRACTORS, INC. AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, bids were opened April 9, 2026, for the Clinchfield Street Bridge Rehabilitation Project; and

WHEREAS, upon review of the bids, the board finds Southern Contractors, Inc. is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to enter into a contract for repair and partial depth removal of the existing concrete deck, installation of new concrete deck, and widening of existing sidewalk on the west side of the bridge from Southern Contractors, Inc. at an estimated construction cost of \$1,275,000.00; and

WHEREAS, funding is being provided by: Series 2026 A Bond Issuance and project account/charge numbers will be established/identified by budget ordinance.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the bid for the Clinchfield Street Bridge Rehabilitation Project, consisting of repair and partial depth removal of the existing concrete deck, installation of new concrete deck, and widening of existing sidewalk on the west side of the bridge, at an estimated cost of \$1,275,000.00 is awarded to Southern Contractors, Inc., and the mayor is authorized to execute an agreement for same and all documents necessary and proper to effectuate the purpose of the agreement.

SECTION II. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the public.

SECTION III. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April, 2026

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

Item X16.

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RODNEY B. ROWLETT, III, CITY ATTORNEY

*Item X16.*

BID OPENING  
MINUTES  
April 9, 2026  
4:00 P.M.

Present: Brent Morelock, Procurement Manager; Olivia Nickens, Procurement Specialist; Michael Thompson, Public Works Director; David Harris, Civil Engineer; Steve Wilson, Spoden and Wilson

The Bid Opening was held in the Conference Room 436, 4<sup>th</sup> Floor, City Hall.

The Procurement Manager opened with the following bids:

Clinchfield Street Bridge Rehabilitation	
Vendor:	Total Cost:
Southern Constructors, Inc.	\$1,275,000.00

The submitted bids will be evaluated and a recommendation made at a later date.



**AGENDA ACTION FORM**

**Consideration of a Resolution to Approve an Amendment to the Agreement for Cain Rash West Architects for the Kingsport Public Library Project**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-130-2026  
Work Session: April 20, 2026  
First Reading: N/A  
Final Adoption: April 21, 2026  
Staff Work By: Committee  
Presentation By: Michael T. Borders

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**Strategic Focus Area: 3. Exceptional Cultural & Recreational Opportunities**

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**Recommendation:**

Approve the Resolution

**Executive Summary:**

If approved the City will amend the November 30, 2022 agreement with Cain Rash West (CRW) in an amount not to exceed \$127,500 for the Kingsport Public Library Renovation Project.

The City approved entering into an agreement on October 18, 2022 (Resolution No. 2023-090) with CRW for design development, bidding administration, and construction administration in the amount of \$246,400 for the library renovation project. The library renovation project was able to move forward with \$7,000,000 of ARPA dollars.

Library staff were successful in applying for and receiving a Tennessee Department of Economic and Community Development Connected Communities Facility Grant in the amount of \$2,000,000 and a Tennessee Library and Archives construction grant of \$100,000. Additional funding has allowed KPL the opportunity to add fine touch and high impact elements to the project such as environmental graphics, wayfinding signage, and custom pieces and built ins.

These design services will be provided through multiple vendors. To ensure proper coordination staff have asked CRW to serve as the Prime Consultant and Architect of Record. The amendment is a not to exceed amount, which will be dependent on actualized scope and estimated construction costs of the elements.

The additional scope and allocation of funding was considered and unanimously approved by the Kingsport Public Library Commission (AI-01-2026) at their October 10<sup>th</sup> meeting.

Funding is available in GP2300.

**Attachments:**

- 1. Resolution
- 2. Proposal
- 3. Supplemental Information

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

Item X17.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING AN AGREEMENT WITH CAIN RASH WEST ARCHITECTS TO EXTEND THE SCOPE OF SERVICES FOR THE KINGSPORT PUBLIC LIBRARY PROJECT AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, the board approved entering into an agreement on October 18, 2022 (Resolution No. 2023-090) with Cain Rash West Architects (CRW) for design development, bidding administration, and construction administration in the amount of \$246,400.00; and

WHEREAS, as the Kingsport Public Library renovation project progresses into final implementation, two key specialty scopes, (1) Furniture Procurement and Installation and (2) Environmental Graphic Design and Signage, require coordinated delivery; and

WHEREAS, to ensure seamless execution, CRW has agreed to amend their scope of services to oversee, coordinate, and administer these two key specialty scopes on behalf of the Owner, which will provide a single point of responsibility, consistent project management, and full alignment with the architectural design intent; and

WHEREAS, the agreement to extend CRW's scope of services is not to exceed \$127,500.00, which will be dependent on actualized scope and estimated construction costs of the elements, and funding is available in GP2300.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the agreement with Cain Rash West Architects (CRW) to extend the scope of services in the library renovation project, is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the Agreement with Cain Rash West Architects (CRW) to extend the scope of services in the library renovation project, to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution.

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION IV. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

SECTION V. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April, 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY

**Addendum to:****Renovation to – Kingsport Public Library****Furniture Procurement + Environmental Graphic Design****Date:** April 15, 2026**To:** City of Kingsport / Kingsport Public Library**Project:** Repairs and Renovations for the Kingsport Public Library**Location:** 400 Broad Street, Kingsport, TN 37660**PROJECT UNDERSTANDING**

CainRashWest Architects (CRW) is serving as Architect of Record for the Kingsport Public Library renovation project. As the renovation progresses into final implementation, the Owner has identified two key specialty scopes that require coordinated delivery:

1. **Furniture Design, Procurement, and Installation**
2. **Environmental Graphic Design, Signage, and Wayfinding Package**

To ensure seamless execution, CRW will act as the **Prime Consultant** to oversee, coordinate, and administer these specialty consultant packages on behalf of the Owner.

This structure provides the City with a single point of responsibility, consistent project management, and full alignment with the architectural design intent.

**CONSULTANT PACKAGES BEING ADMINISTERED****Furniture Procurement & Installation**

CRW will oversee the furniture procurement scope, which includes:

- Furniture planning and specifications
- Budget development
- Cooperative purchasing coordination
- Vendor order tracking
- Delivery and installation management
- Punchlist, training, and closeout support

Proposal confirms no direct fee is charged provided furniture is procured through their cooperative contracts, with a fallback design fee of \$52,500 if terminated prior to procurement.

## **Environmental Graphic Design & Signage**

CRW will also oversee the Environmental Graphic Design Package proposed by **Iconograph, LLC**, which includes:

- ADA and code-required signage design
- Exterior building identification signage
- Interior wayfinding systems
- Architectural graphics and exhibit elements (up to 2,000 SF)
- Vendor pricing documentation
- Final artwork production files
- Construction administration support including shop drawing review and punch list

Iconograph's scope is structured as hourly services with a Not-To-Exceed total of **\$65,000**.

## **CAINRASHWEST PRIME CONSULTANT SCOPE OF SERVICES**

CRW will provide overall project-level administration and integration of these two consultant packages into the Library renovation effort.

### **Prime Oversight Responsibilities Include:**

#### **Contract & Team Administration**

- Serve as Prime Consultant and single point of coordination
- Manage consultant agreements and deliverables
- Confirm scope alignment with Owner objectives and project budget

#### **Design Coordination**

- Integrate furniture layouts with architectural, power, and data plans
- Coordinate signage and graphics placement with interior and exterior construction
- Maintain consistency with design intent and renovation documents

#### **Procurement & Pricing Oversight**

- Review cooperative purchasing compliance for furniture procurement
- Support Owner review of vendor pricing packages for signage fabrication
- Assist with bid-level scope clarifications and consultant responses

#### **Implementation & Construction Phase Support**

- Facilitate consultant participation in project meetings
- Coordinate shop drawing review workflows
- Track installation schedules and sequencing with Contractor
- Oversee punch list completion and closeout documentation

#### **Owner Representation & Risk Management**

- Ensure scopes are executed cleanly without gaps between trades
- Reduce administrative burden on City staff
- Provide accountability and continuity through a prime-led delivery model



## **DELIVERABLES**

CRW will deliver the following as Prime Consultant:

- Consolidated furniture and signage coordination support
- Integrated review of consultant drawings, plans, and specifications
- Meeting facilitation and documentation
- CA-phase oversight through final installation and Owner acceptance
- Final closeout package including warranties, maintenance info, and record documentation

## **FEE STRUCTURE**

CRW's Prime Consultant oversight fee will be provided as an additional professional services amendment and will include:

- Administration of Envision furniture procurement scope
- Administration of Iconograph EGD/signage scope
- Coordination and construction-phase oversight services

**Total Hourly Not-To-Exceed Proposed Fee: \$127,500.00 (Total Includes Furniture Vendor and Iconograph Fees)**

## **ACCEPTANCE**

CainRashWest Architects appreciates the opportunity to continue serving the City of Kingsport and Kingsport Public Library with full-service project leadership. Acting as Prime Consultant for these specialty scopes will ensure coordinated execution, cost control, and high-quality delivery consistent with the renovation design intent.

Respectfully submitted,



**CainRashWest Architects, Inc.**

Clinton Roberts, AIA, NCARB

Vice President



# Kingsport Library Environmental Graphics

## Concept Design Study Report

### Project Team

#### Owner

Kingsport Public Library  
400 Broad Street  
Kingsport, TN 37660

#### Architect

CainRashWest Architects  
130 Regional Park Drive  
Kingsport, TN 37660

#### Environmental Graphic Design

Iconograph  
110 5th Street SE  
Charlottesville, VA 22902



**Iconograph**  
110 5th Street SE  
Charlottesville, VA 22902

434.409.1363  
hello@iconograph.com  
iconograph.com

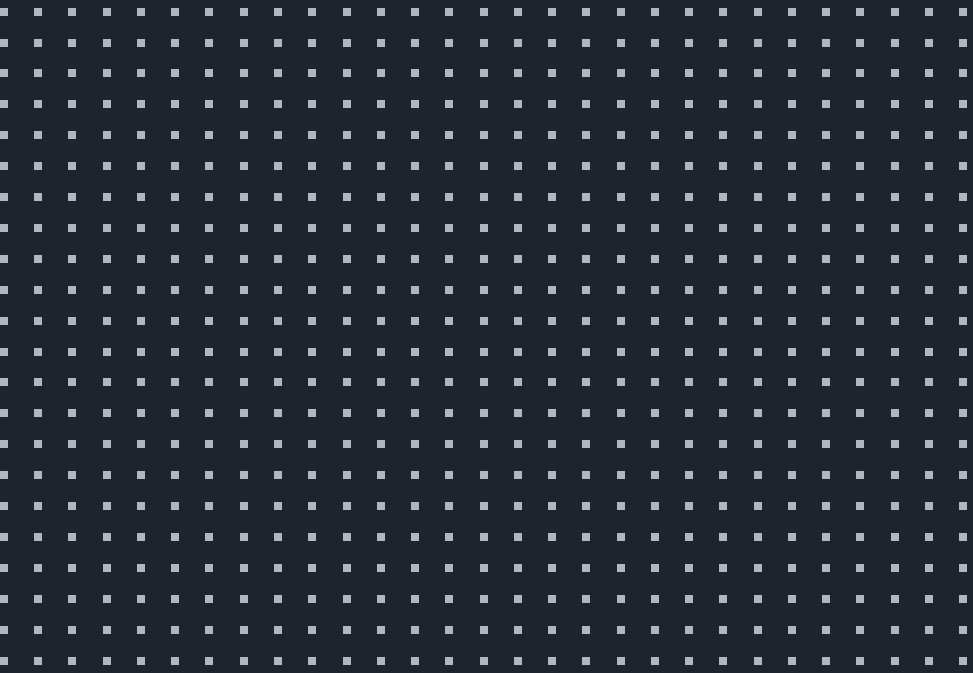
**DATE**  
09/23/2024

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# Table of Contents

## Concept Design Study Report

- Process & Scope
- EGD Methodology
- Selected Design Direction
- Next Steps



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# Process & Scope

## Kingsport Library

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# Process

## Kingsport Library

- ~~Meeting 1: Kickoff~~  
~~EGD Process, Scope, & Initial Look and Feel~~
- ~~Meeting 2: Initial Design Direction~~  
~~Scope, Location Plans, & Initial Aesthetic Direction~~
- ~~Meeting 3: Concept Development~~  
~~Design & Sign Family Development~~
- **Final Concept Design Report**

---

### Future Scope

- **Design Development**  
Finalize Signage Content & Design Intent
- **Pricing Package**  
Fabrication & Installation Documentation for Competitive Vendor Pricing
- **Final Artwork**  
Custom Designs & Sign Templates for Fabrication
- **Construction Administration**  
Shop Drawing & Sample Review, Fabrication, Installation, & Punch List

# Schedule

## Kingsport Library

- Kickoff ————— October 2023
- Programming ————— December 2023
- Concept Development ————— January 2024
- **Final Concept Design Report**    **September 2024**    **Future Scope**

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- Design Development                    Q4 2024
- Pricing Package                         Q4 2024
- Final Artwork                             Q1 2025
- Construction Administration         Q2 2025+

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# Scope (Anticipated)

## Kingsport Library

### CODE Signage

#### ADA, Fire, & Life Safety Requirements

- CODE\_A: Typical Room Identification
- CODE\_B: Changeable Room Identification
- CODE\_C: BOH Room Identification
- CODE\_D: Restroom Identification
- CODE\_E: Stair Identification
- CODE\_F: Maximum Occupancy
- CODE\_G: Elevator Emergency
- CODE\_H: Evacuation Signs
- CODE\_J: Specialty Signs

### EXT Signage

#### Identification

- EXT\_A: Building Identification

### WAY Signage

#### Orientation, Navigation, and Identification

- WAY\_A: Building Directory
- WAY\_B: Destination ID (Circulation Desk)
- WAY\_C: Destination ID
- WAY\_D: Amenity Tab
- WAY\_E: Section ID
- WAY\_F: Stacks End Caps

### GRAPH Signage

#### Theming, Education, & Placemaking

- GRAPH\_A: Architectural Graphic Wallcoverings
- GRAPH\_B: Glass Graphics
- GRAPH\_C: Timeline/Exhibit
- GRAPH\_D: Donor Wall

# Scope (Anticipated)

## Kingsport Library



**Building Directory**



**Building Identification**



**Destination Identification**



**Destination Identification**



**Amenity Tab**



**Section Identification**



**Stacks End Caps**



**Wallcoverings**

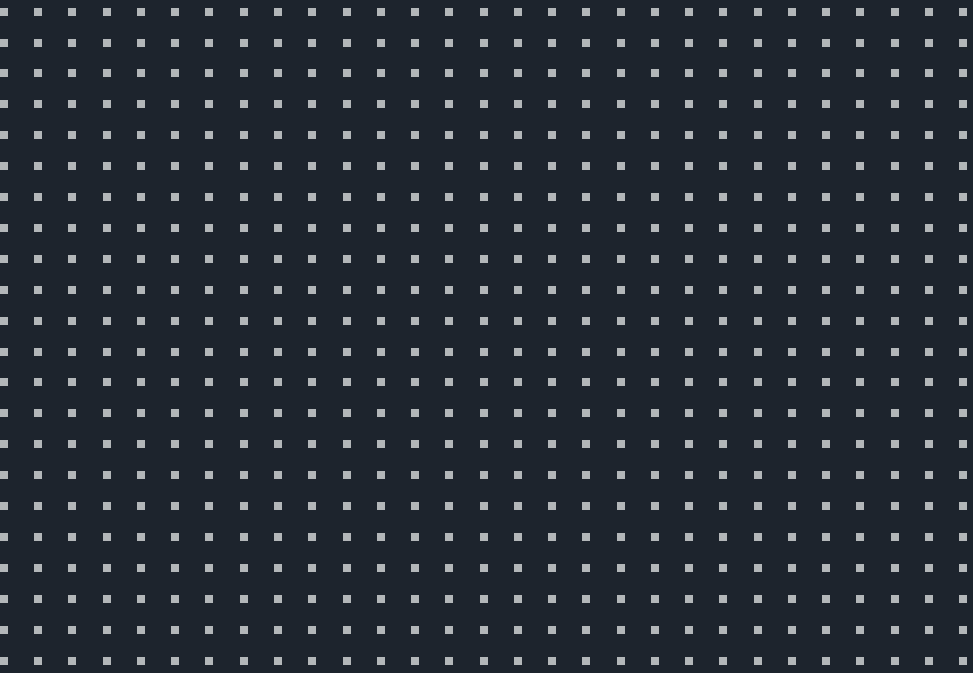


**Glass Graphics**



**Code Signage**





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# EGD Methodology

## Kingsport Library

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# Program Plans

## Wayfinding & Graphics Locations

# Color Application Methodology

## Color by Level

- Each level has a distinct brand color as its primary accent color
- Levels alternate between cool and warm tones to support wayfinding

Red = City & Industry  
 Blue = Waterways  
 Green = Parks  
 Purple = Mountains

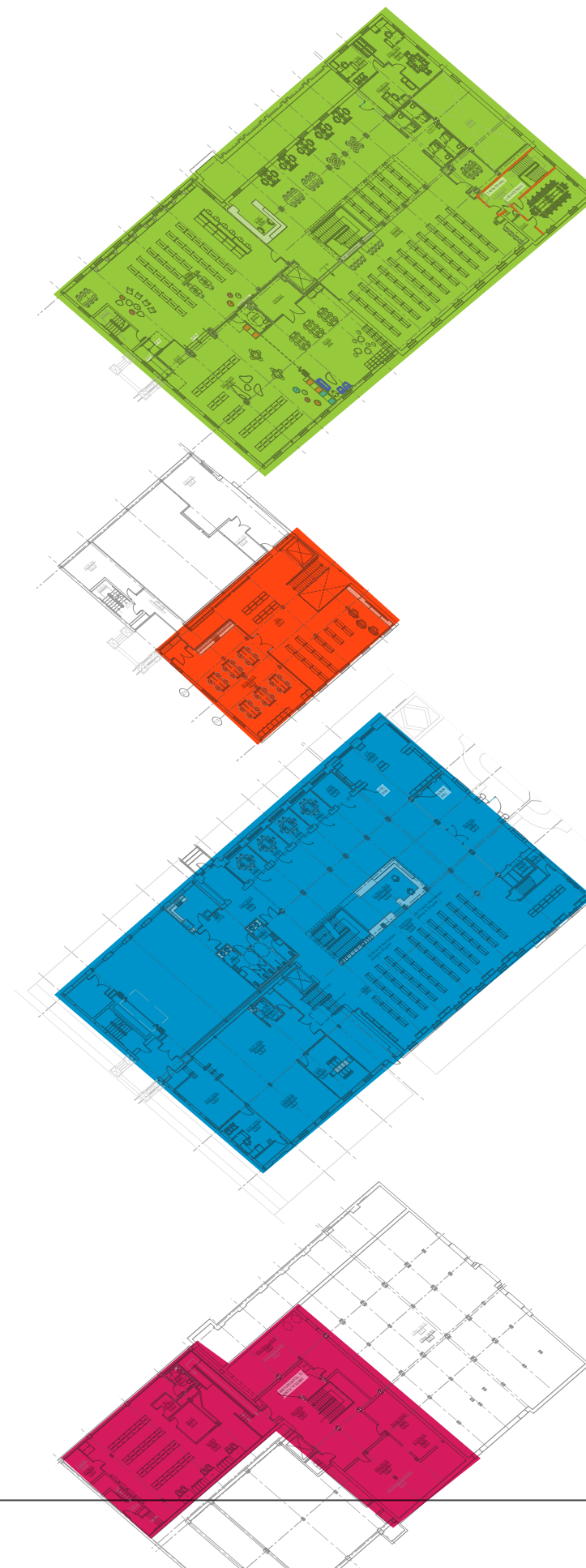
<b>RED</b> Energy Courage Passion	<b>BLUE</b> Trust Loyalty Stability	<b>AQUA</b> Refreshing Clarity Tranquility	<b>GREEN</b> Vitality Growth Freshness	<b>YELLOW</b> Happy Warmth Playfulness
<b>GREEN</b> Growth Balance Success	<b>PURPLE</b> Creativity Majesty Mystery	<b>CREAM</b> Soft Warmth Classical	<b>BROWN</b> Strength Reliable Grounded	

LEVEL 02

MEZZANINE

LEVEL 01


BASEMENT











# Program Plan Basement


## EXTERIOR

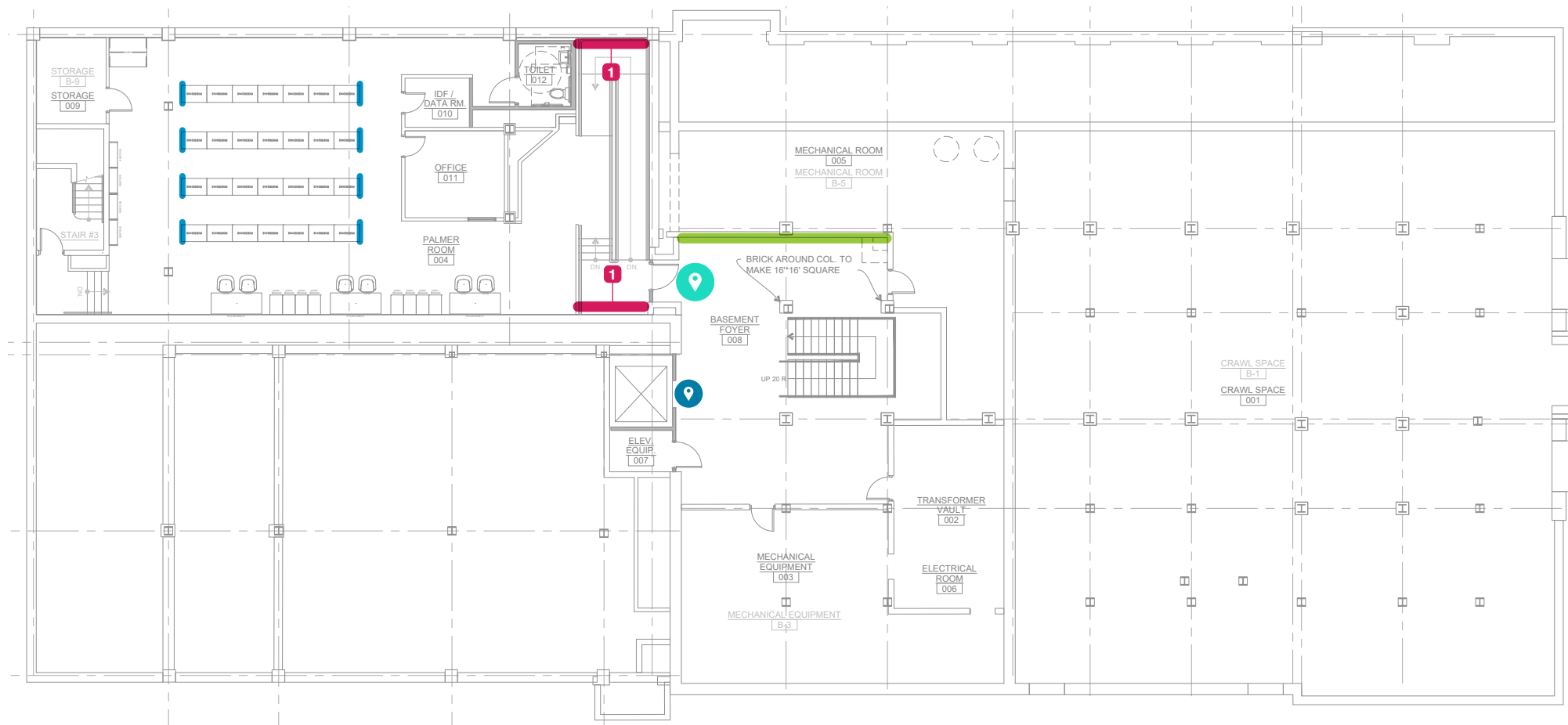
-  EXT\_A: Exterior Building ID

## WAYFINDING

-  WAY\_A: Building Directory
-  WAY\_B: Destination ID (Circulation)
-  WAY\_C: Destination ID
-  WAY\_D: Amenity Tab
-  WAY\_E: Section ID
-  WAY\_F: Stacks End Caps

## PLACEMAKING

-  Wallcovering
-  Glass Graphics
-  Timeline/Exhibit
-  Donor Wall












# Program Plan

## Level 01

### EXTERIOR

-  EXT\_A: Exterior Building ID

### WAYFINDING

-  WAY\_A: Building Directory
-  WAY\_B: Destination ID (Circulation)
-  WAY\_C: Destination ID
-  WAY\_D: Amenity Tab
-  WAY\_E: Section ID
-  WAY\_F: Stacks End Caps

### PLACEMAKING


-  Wallcovering
-  Glass Graphics
-  Timeline/Exhibit
-  Donor Wall











# Program Plan Mezzanine

## EXTERIOR

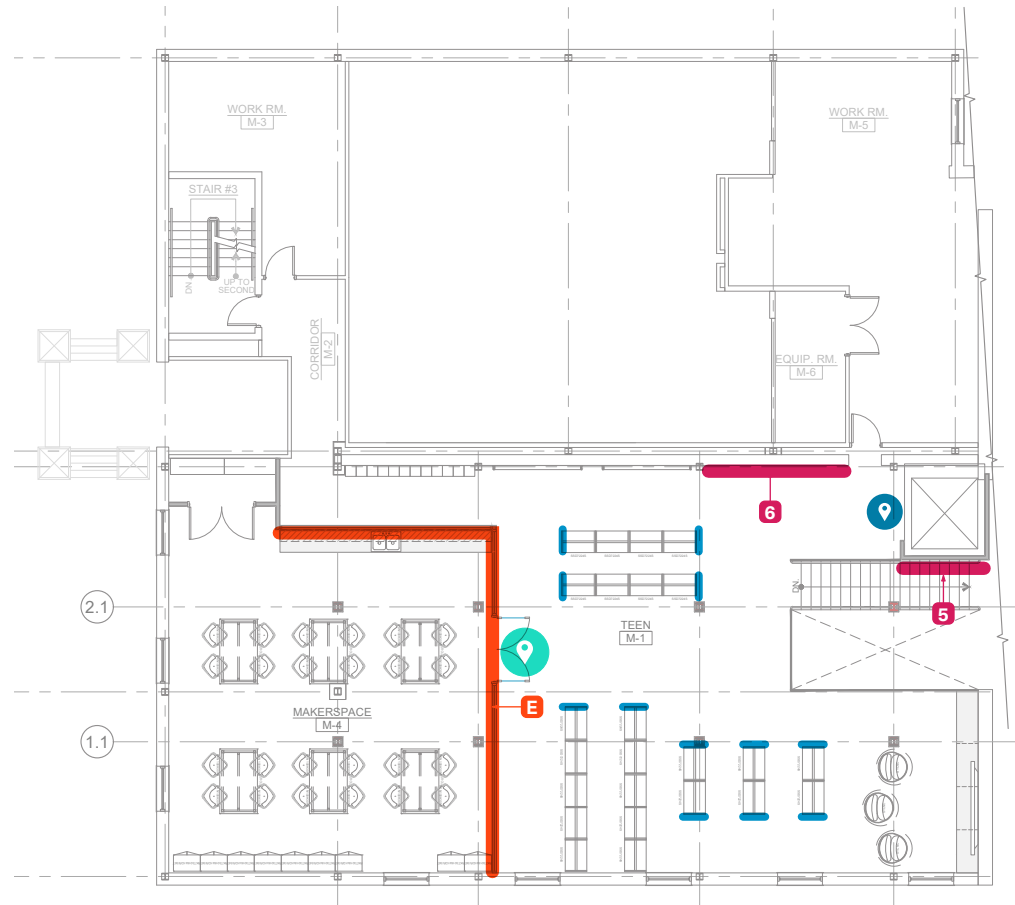
-  EXT\_A: Exterior Building ID

## WAYFINDING

-  WAY\_A: Building Directory
-  WAY\_B: Destination ID (Circulation)
-  WAY\_C: Destination ID
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-  WAY\_E: Section ID
-  WAY\_F: Stacks End Caps

## PLACEMAKING

-  Wallcovering
-  Glass Graphics
-  Timeline/Exhibit
-  Donor Wall

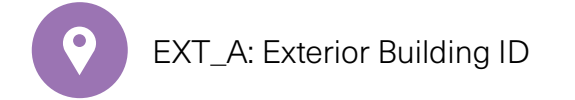










# Program Plan

## Level 02

### EXTERIOR

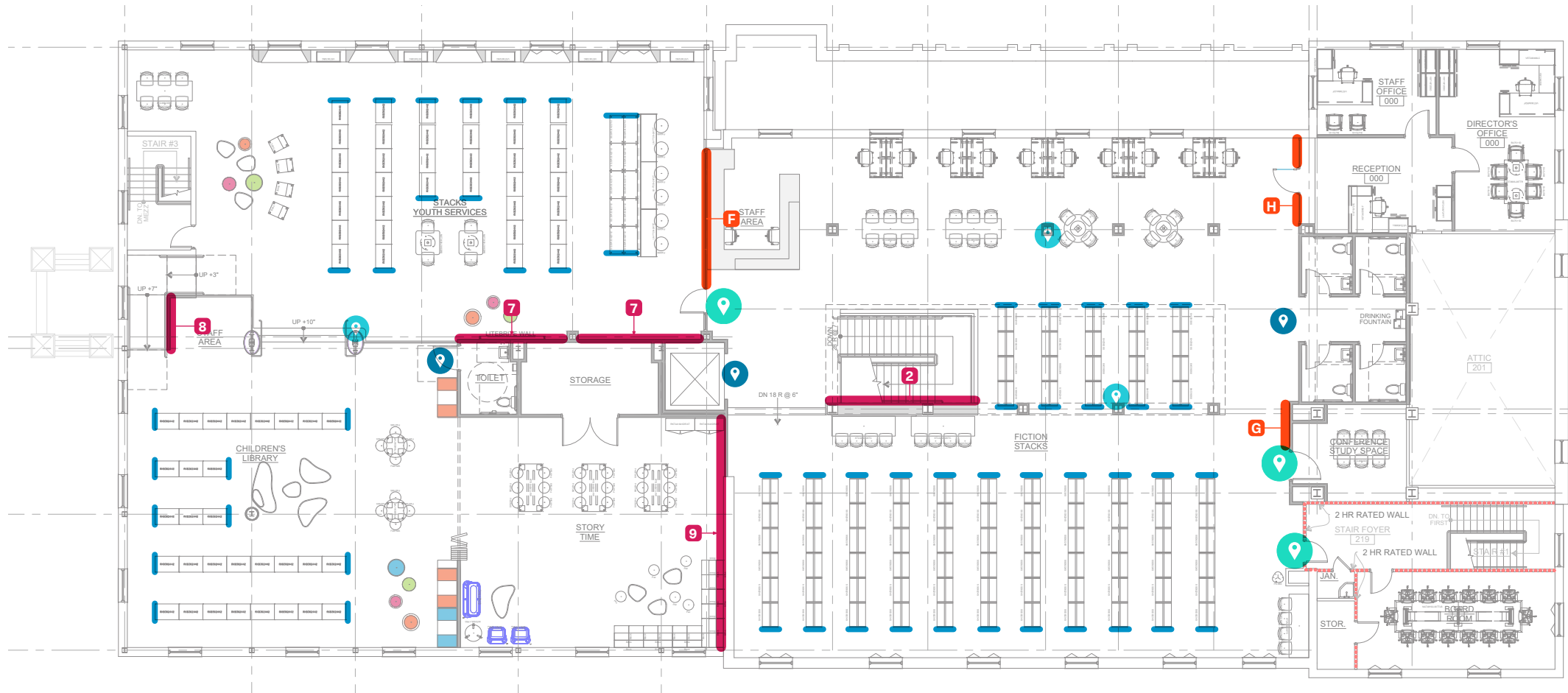


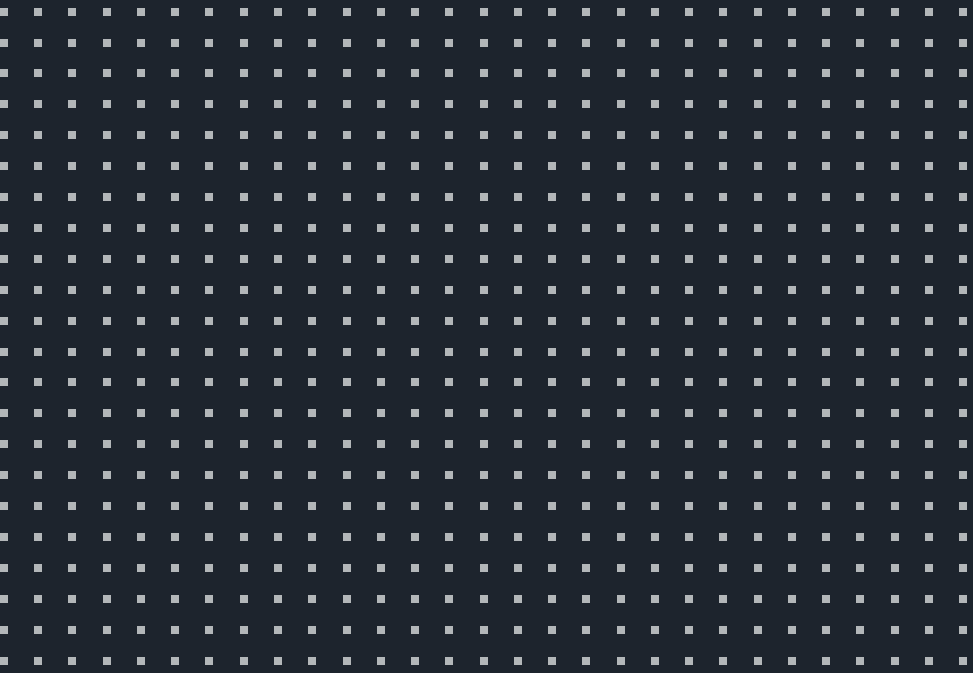
### WAYFINDING

-  WAY\_A: Building Directory
-  WAY\_B: Destination ID (Circulation)
-  WAY\_C: Destination ID
-  WAY\_D: Amenity Tab
-  WAY\_E: Section ID
-  WAY\_F: Stacks End Caps

### PLACEMAKING

-  Wallcovering
-  Glass Graphics
-  Timeline/Exhibit
-  Donor Wall






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# Selected Design Direction

## Kingsport Library





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# Design Feedback Summary

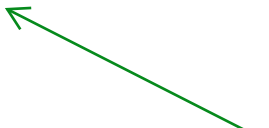
## Aesthetics & Priorities

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# Visuals & Priorities

## Feedback from Owner Kickoff

1. Branding: “Gather, Learn, Grow”
2. Geographic Location & Biophilia: Garden City, Industrial Roots, part of “Mountain Empire,” connection to Tennessee Valley, Cherokee, Wilderness Road, etc.
3. Graphics: Important to set this project apart, make a significant impact
4. Wayfinding: Clear & effective
5. Donor: Donor wall location in Memorial Lobby

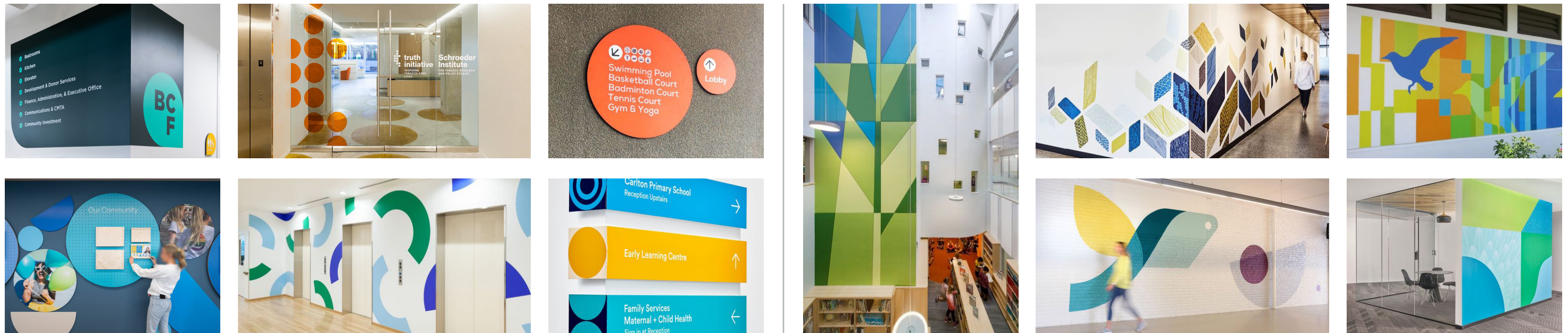


marble walls in memorial lobby may cause some logistical challenges to the donor wall location

# Selected Precedents

## Initial Design Direction Feedback

1. Higher abstraction in common spaces
2. More representational in Childrens' and Teen area
3. No photos (local mall has large photos)
4. Graphics that continue across multiple surfaces (e.g. from wallcovering to glass)
5. Acknowledge Kingsport



Brand-based

Place-based, Abstracted



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# Signage Family

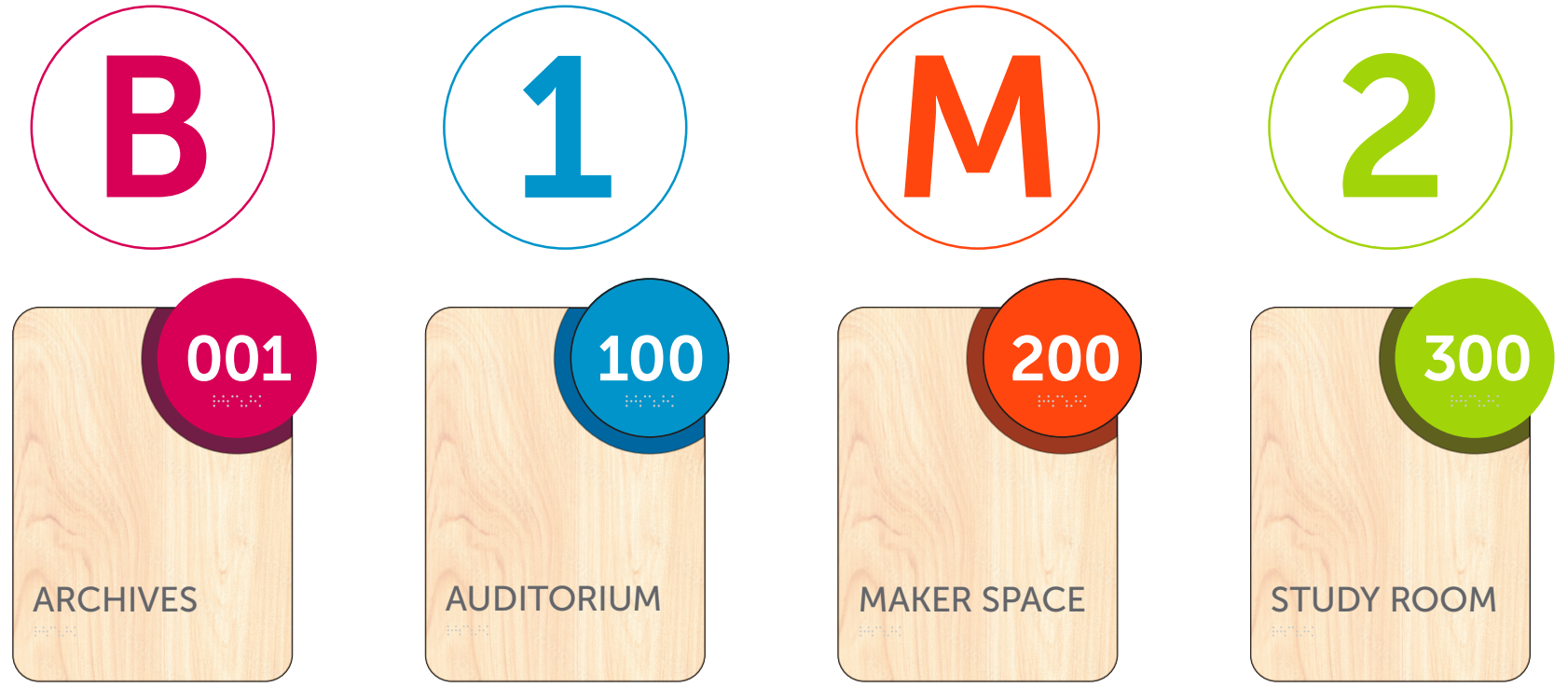
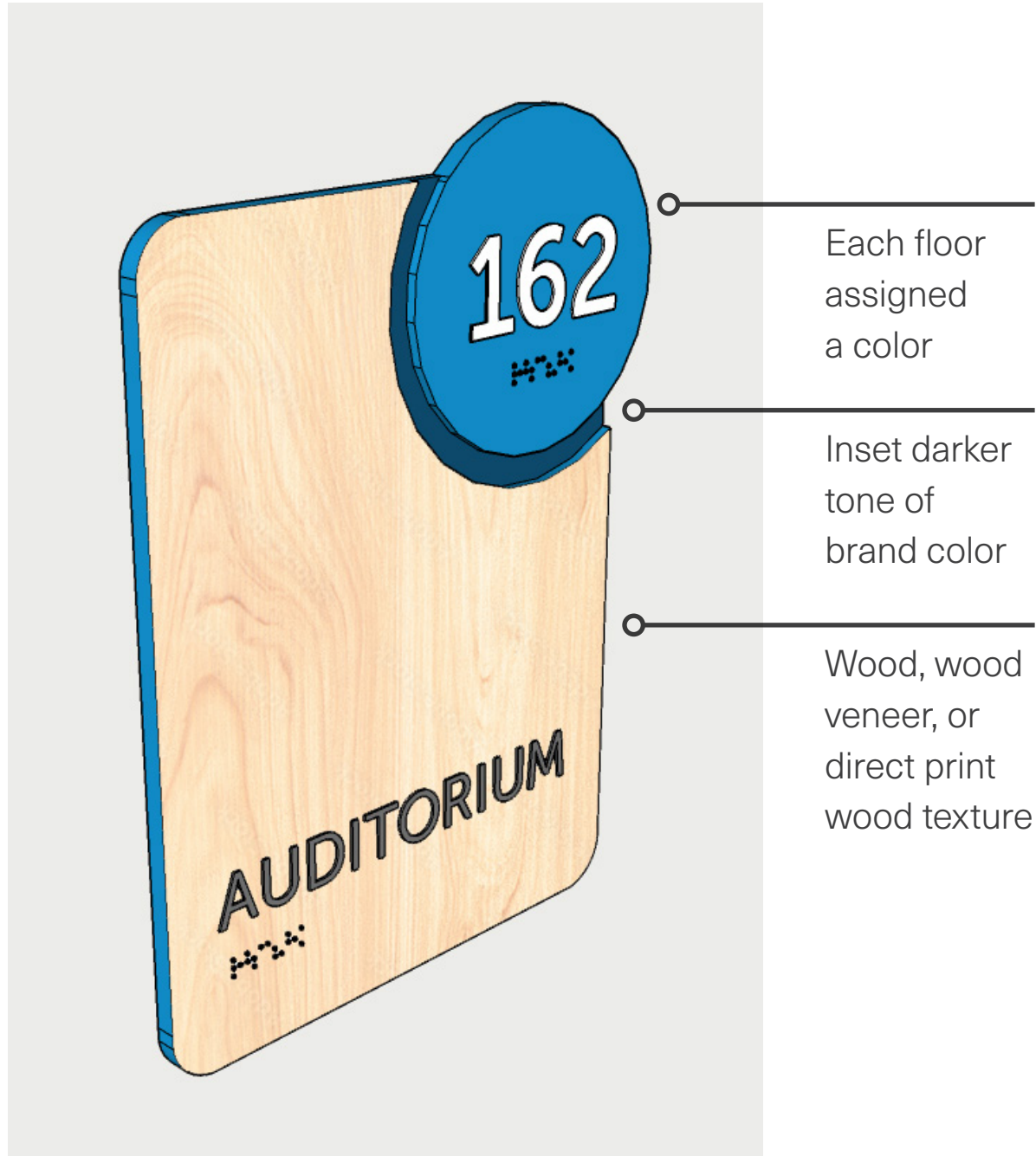
## Selected Design

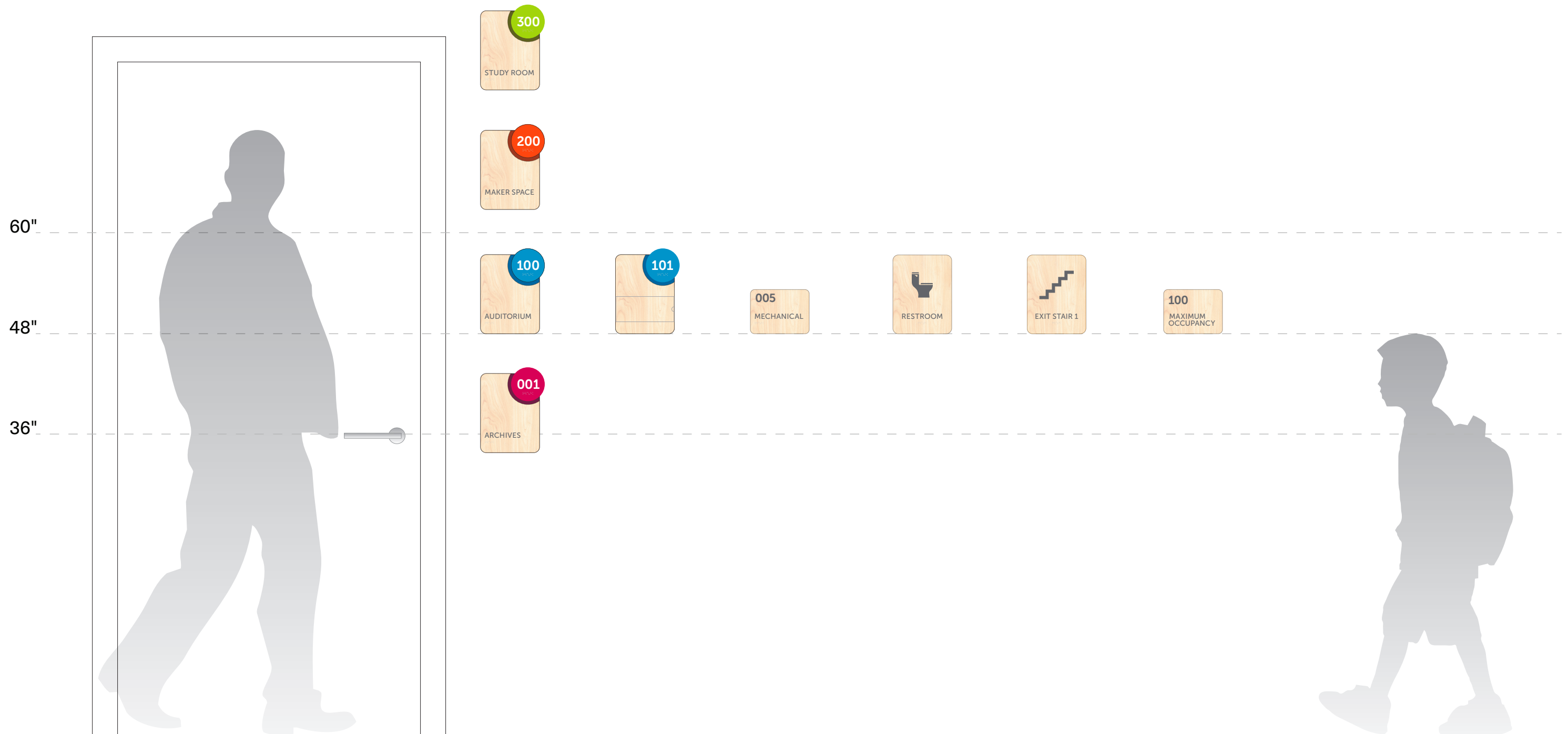
# Precedents



# Natural Materials

## Methodology & Design Intent





1 CODE Sign Family, Option 2  
Front Elevation View - Scale: 1"= 1'

CODE\_A  
Typical  
Room ID

CODE\_B  
Typical  
Room ID  
Changeable

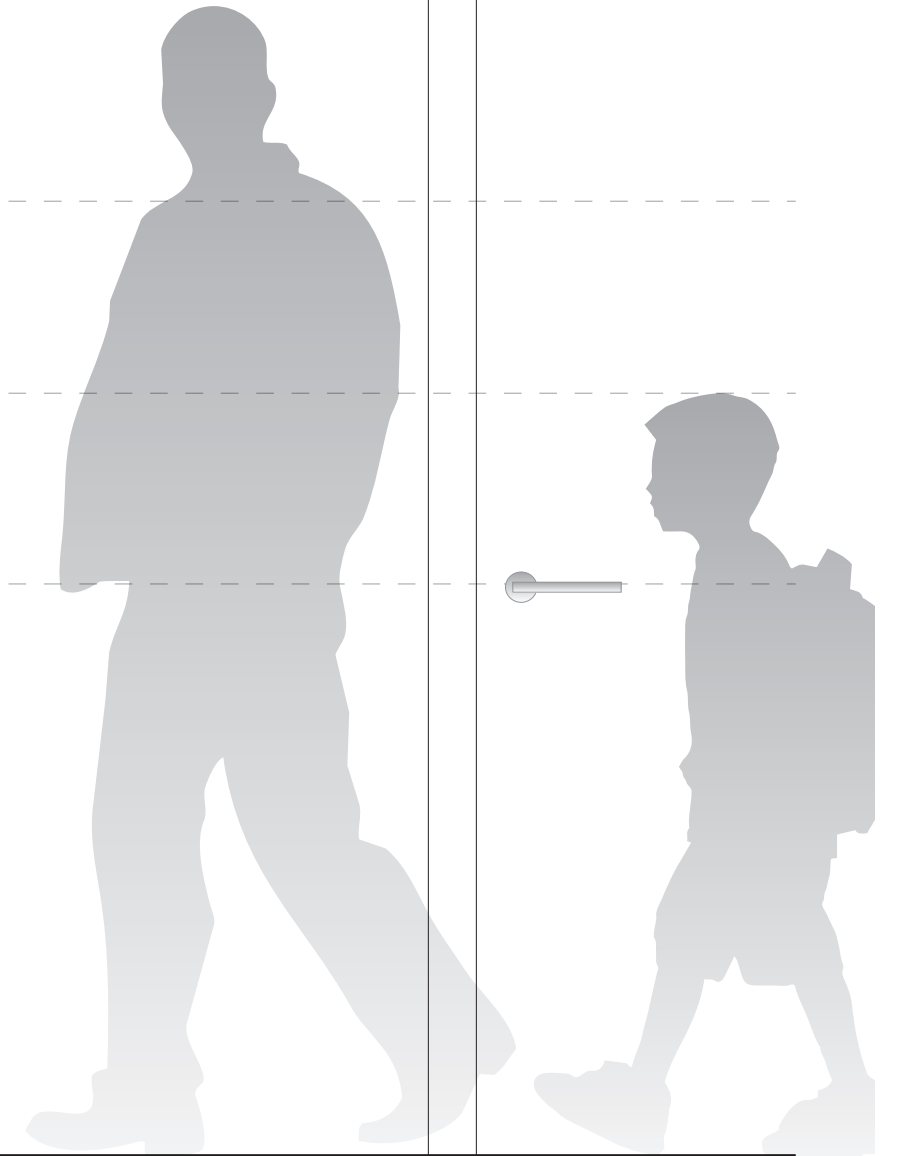
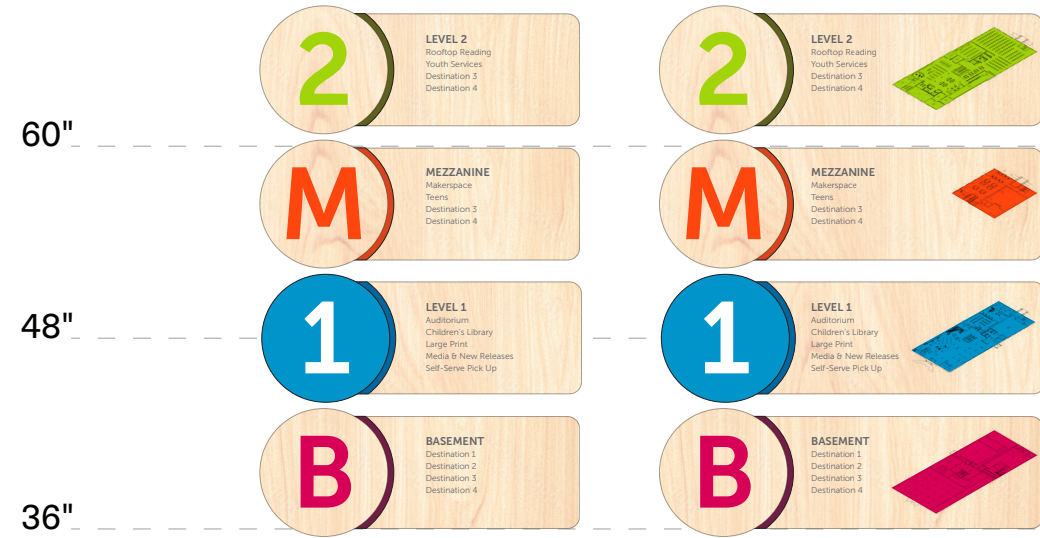
CODE\_C  
Typical  
Room ID  
BOH

CODE\_D  
Restroom ID

CODE\_E  
Exit Stair

CODE\_G  
Max Occupancy

# AUDITORIUM



1 WAYFINDING Sign Family, Option 2  
Front Elevation View - Scale: 1" = 1'

WAY\_A:  
Building  
Directory

WAY\_C:  
Destination ID

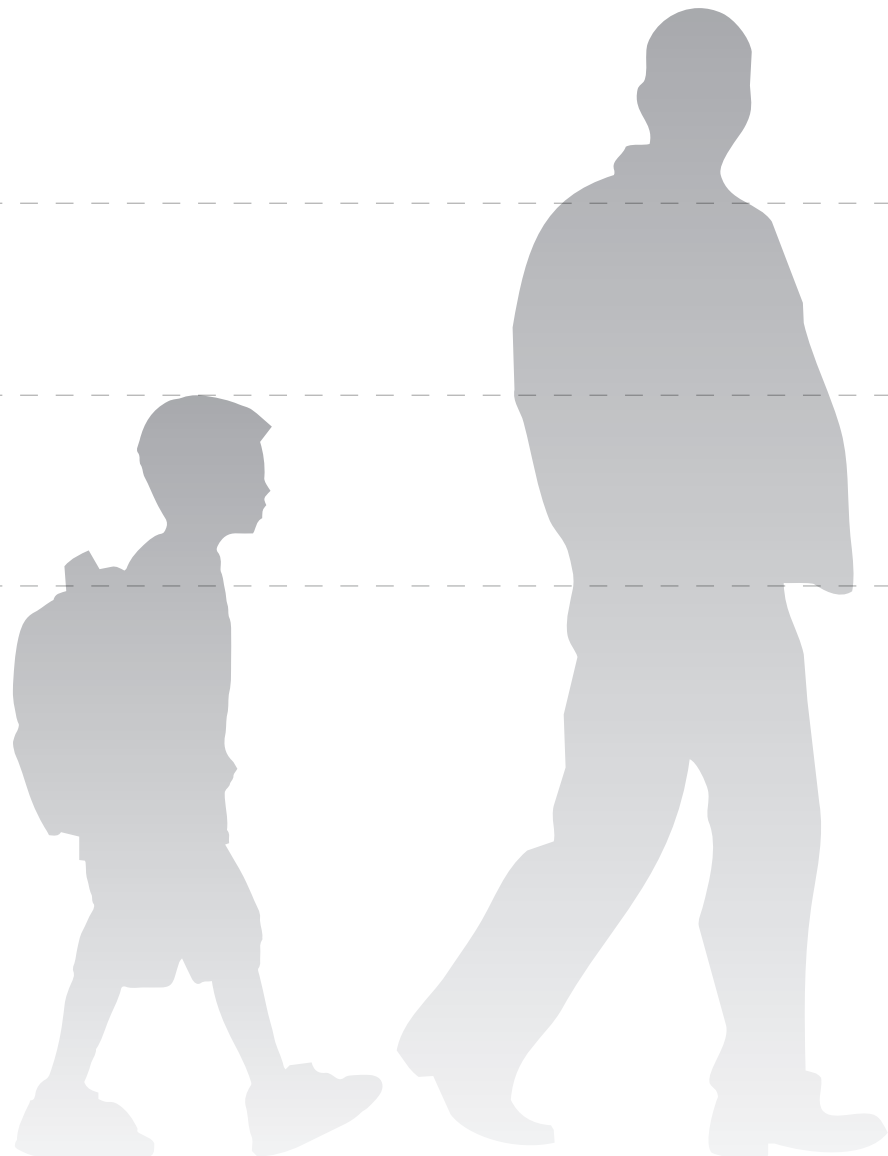
WAY\_D:  
Amenity Tab



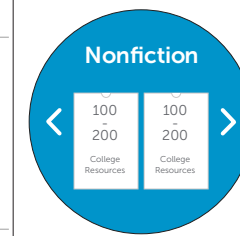
60"

48"

36"



Fiction



1 WAYFINDING Sign Family, Option 1  
 Front Elevation View - Scale: 1"= 1'

WAY\_E:  
 Section ID

WAY\_F:  
 Stacks End Caps

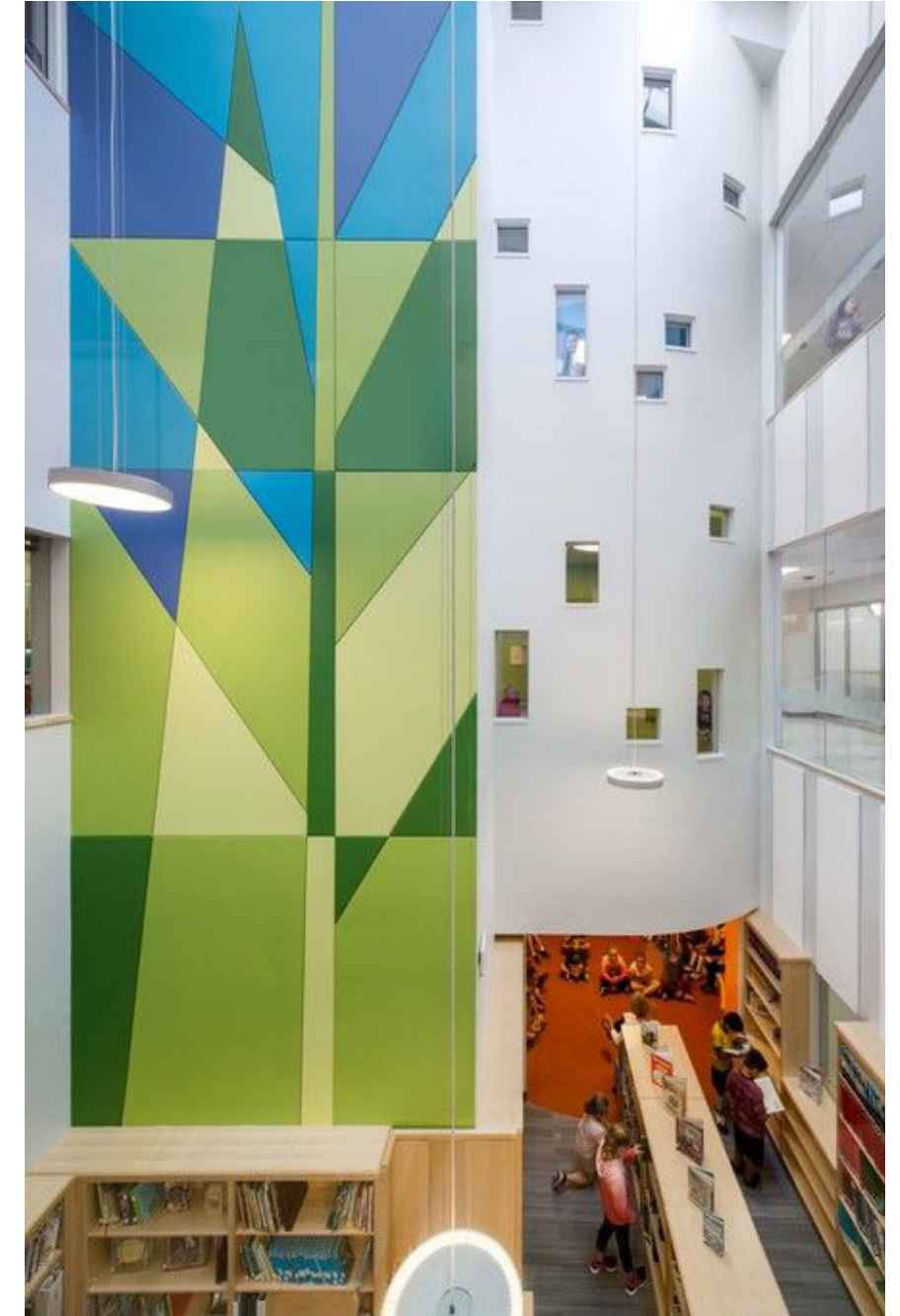


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# Wallcoverings & Glass Graphics

## Concept Design

# Precedents



# Place-based with Brand Elements

## Methodology & Design Intent



2



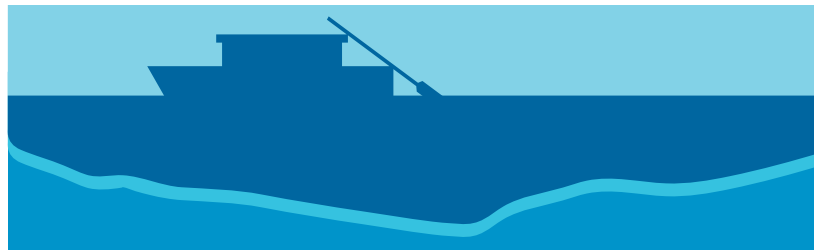
Mountains

M



City

1



River

B



Industry

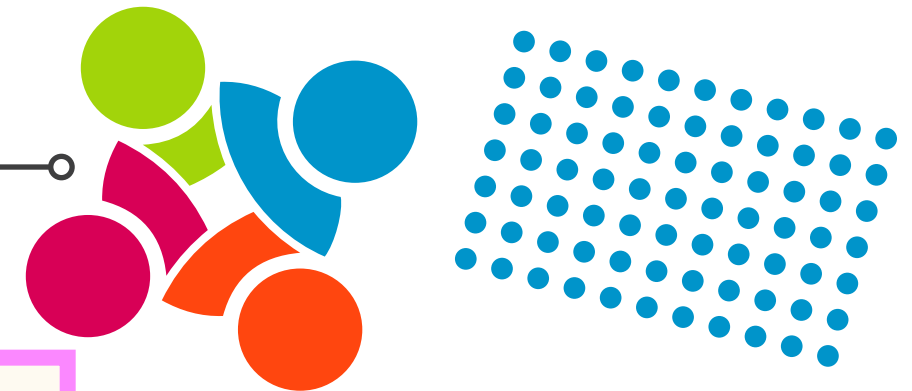


Each floor assigned a location, icon, and brand color

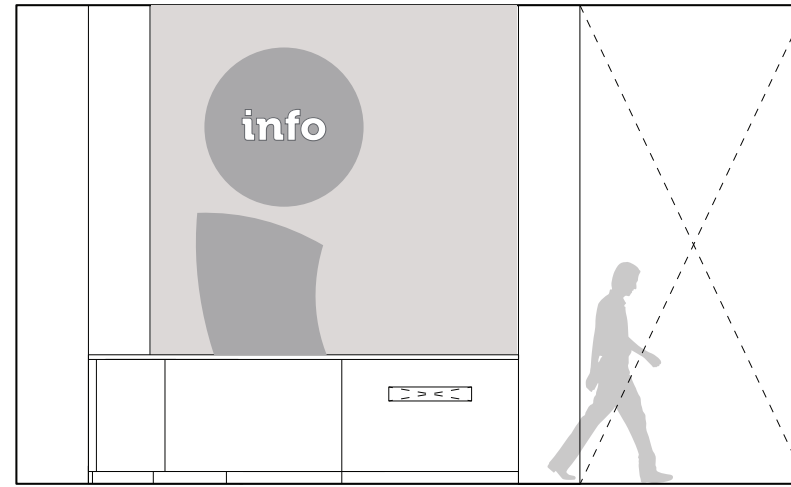
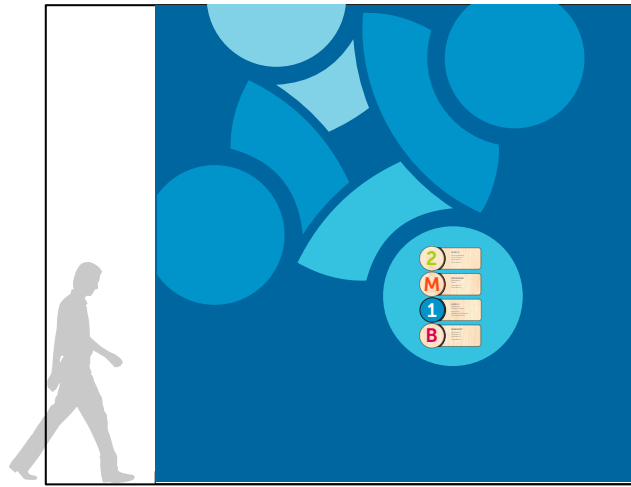


Graphics based on Kingsport locations

Patterns based on the logo

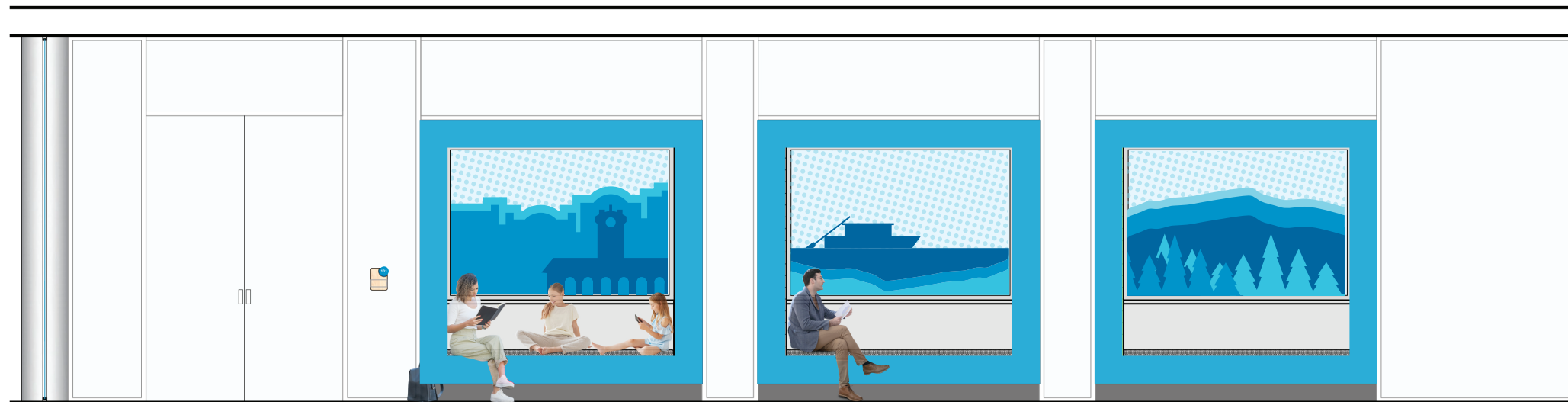


## Place-based w/ Brand Elevations



### Level 01 - Central Lobby

- Entry sequence.
- Blue color palette of Level 01 but content highlights all areas of the library with place-based silhouettes.
- Information desk uses neutral grays with logo elements forming a lowercase "i"



---

## Place-based w/ Brand Elevations

---

### Level 01 - Stacks

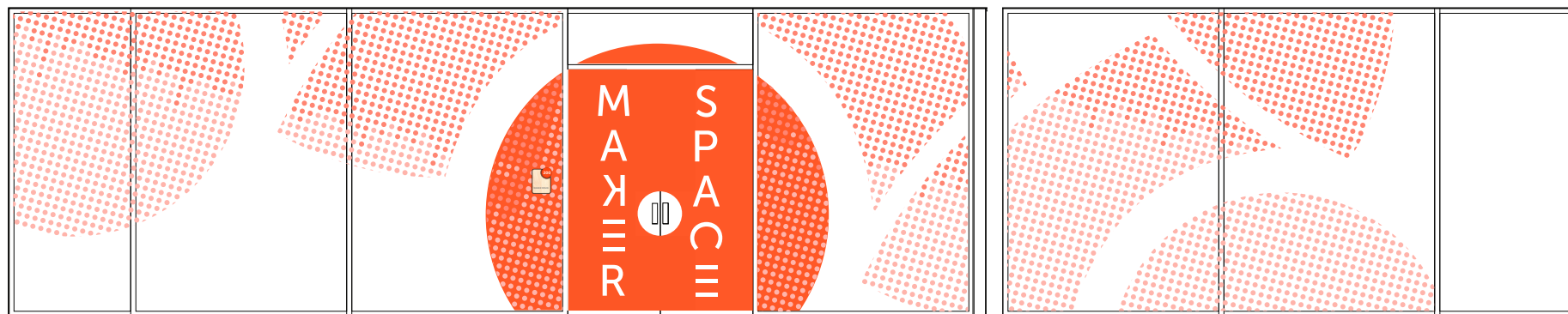
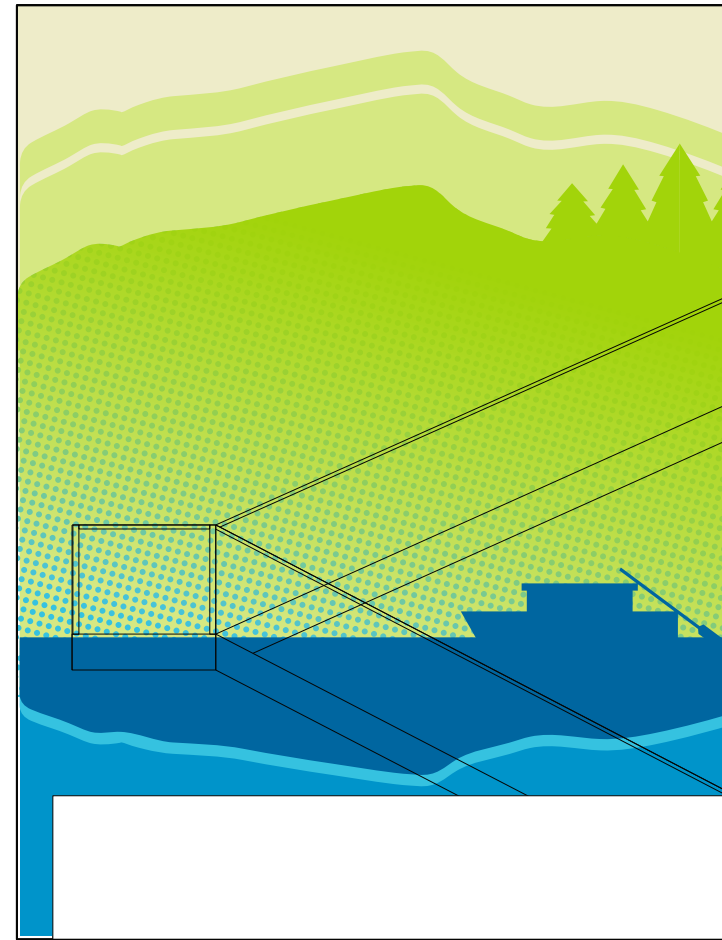
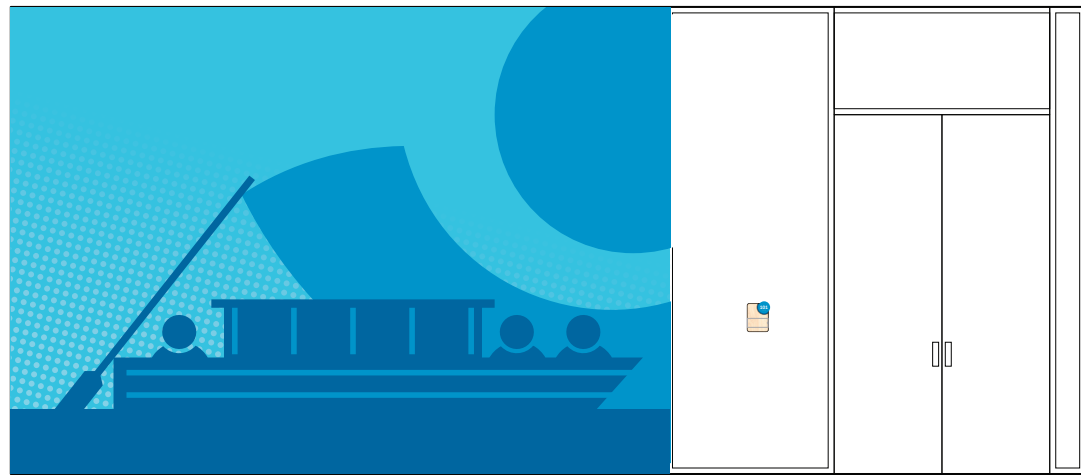
- River theme throughout

### Level 01 - 02 Stair

- Color shifts from blue (Level 01) to green (Level 02).

### Mezzanine - Maker Space

- Glass graphic uses logo elements



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# Exhibit

## Content & Design Precedents







# Exhibit Location

## Basement




### EXTERIOR

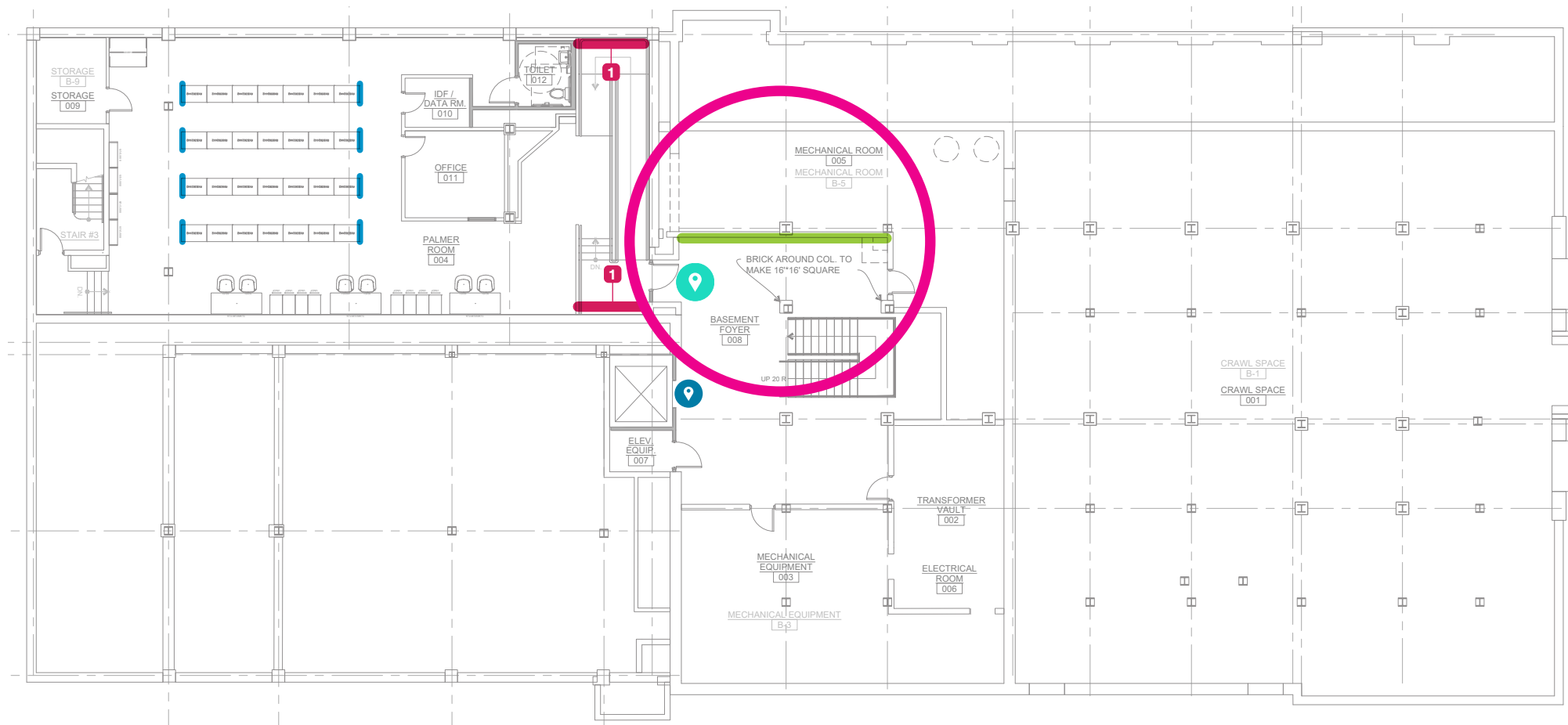
-  EXT\_A: Exterior Building ID

### WAYFINDING

-  WAY\_A: Building Directory
-  WAY\_B: Destination ID (Circulation)
-  WAY\_C: Destination ID
-  WAY\_D: Amenity Tab
-  WAY\_E: Section ID
-  WAY\_F: Stacks End Caps

### PLACEMAKING

-  Wallcovering
-  Glass Graphics
-  Timeline/Exhibit
-  Donor Wall





---

# Exhibit

## Content & Design Questions

### **What story are you telling?**

- What is the main message? e.g. Timeline. Local history. Values/Mission.

### **Who is the audience?**

- Who is the target audience? e.g. General public. Researchers/academics.
- Are there any accessibility considerations to account for? e.g. High contrast text/images. Languages. ADA Tactile accessibility (would have code restrictions).

### **How do you tell the story?**

- What kind of content will you have? e.g. Photos. Illustrations. Artifacts.
- Do you want to rely mostly on graphics or copy to tell the story? How long will a visitor spend with the exhibit?
- Who will provide the content?

---

# Exhibit

## Content Precedents

# Content: What story are you telling?

## Precedents

Timeline (linear & date-based)



Historical (non-linear & topic-based)



Core Values (mission-based)



# Content: Who is the audience?

## Precedents

### Researchers & Academics



### General Public/Families



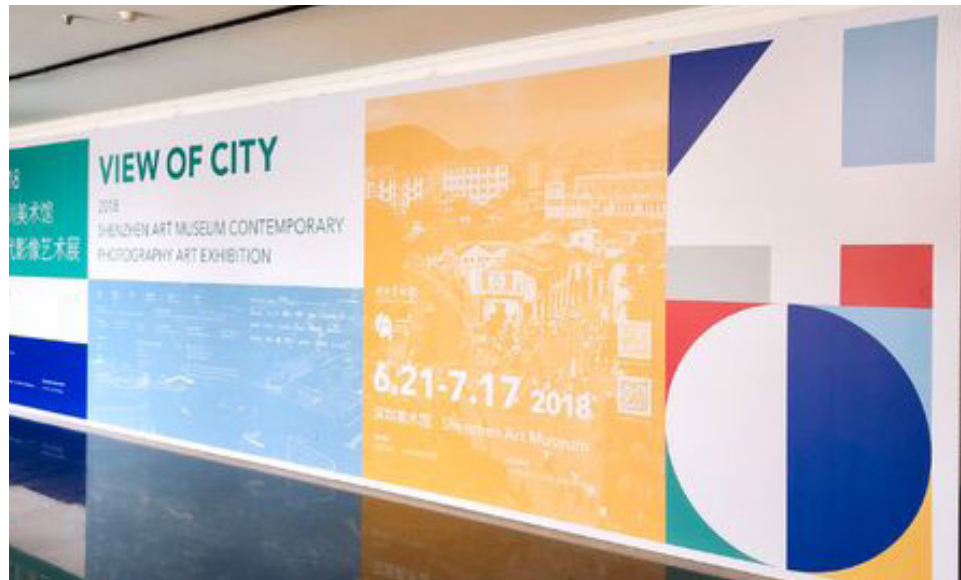
### Accessibility Considerations



# Content: How do you tell the story?

## Precedents

### Heavily Photos and Illustrations



### Heavily Copy



### Artifacts



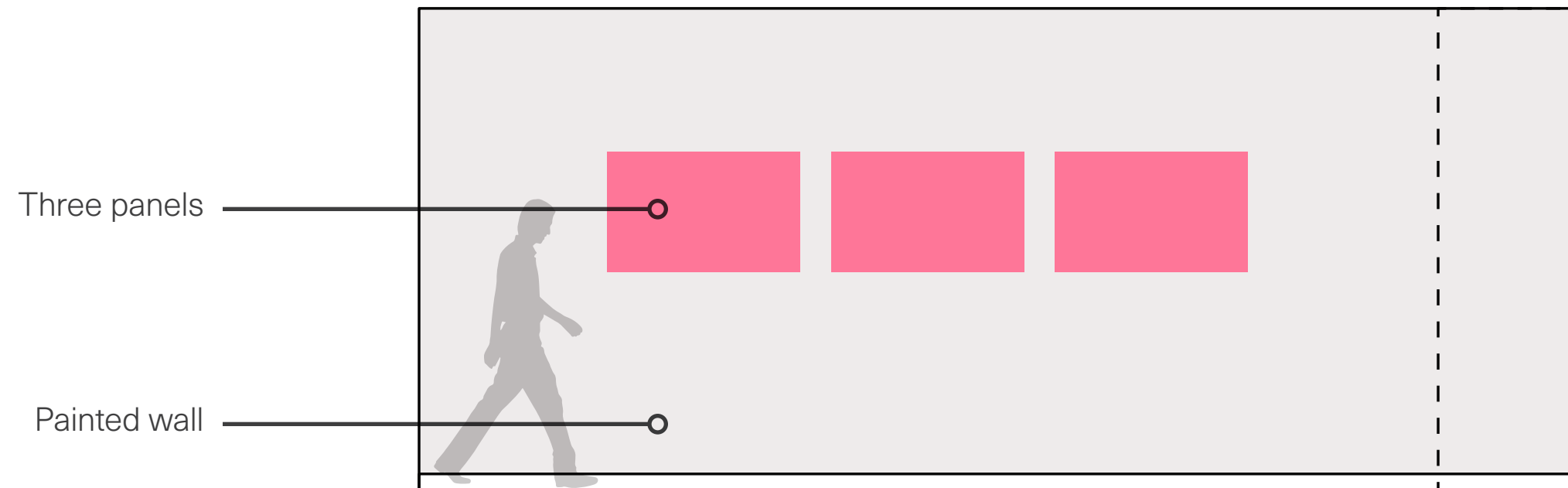
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# Exhibit

## Coverage Options

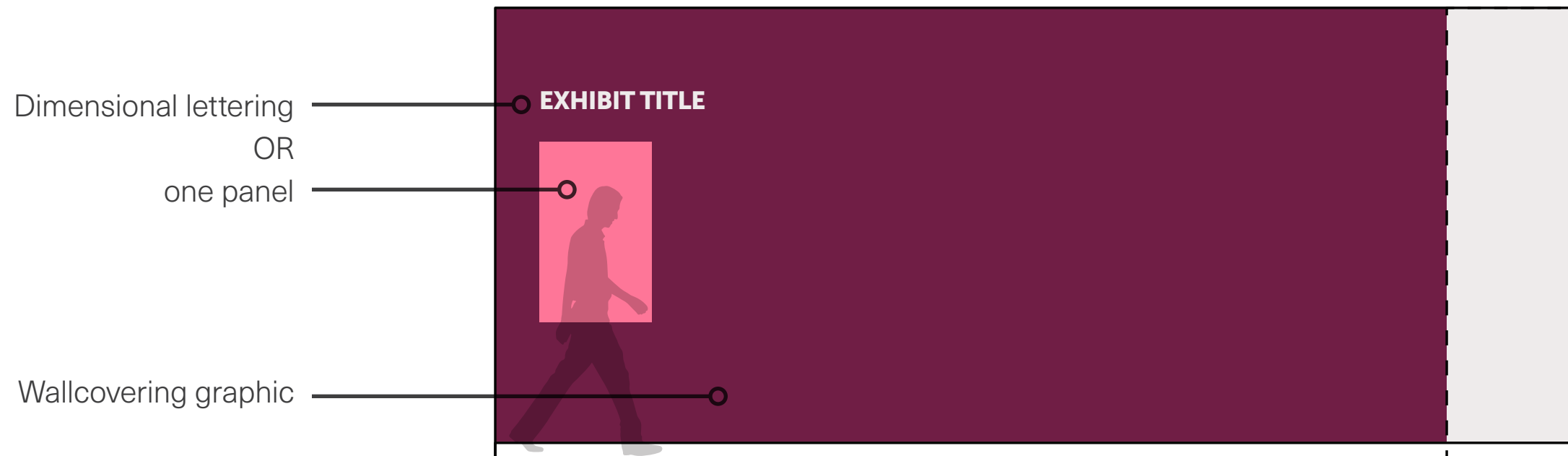
# Exhibit

“Good” Option



# Exhibit

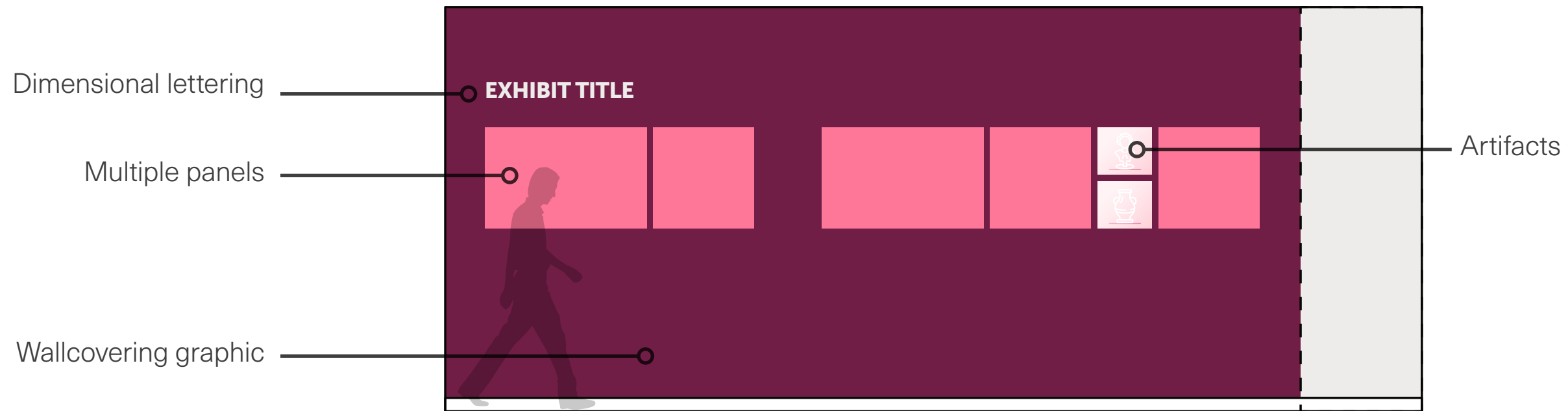
## “Better” Option





# Exhibit

“Best” Option



# Exhibit

## Content & Design Questions

### What story are you telling?

- What is the main message? e.g. Timeline. Local history. Values/Mission.

### Who is the audience?

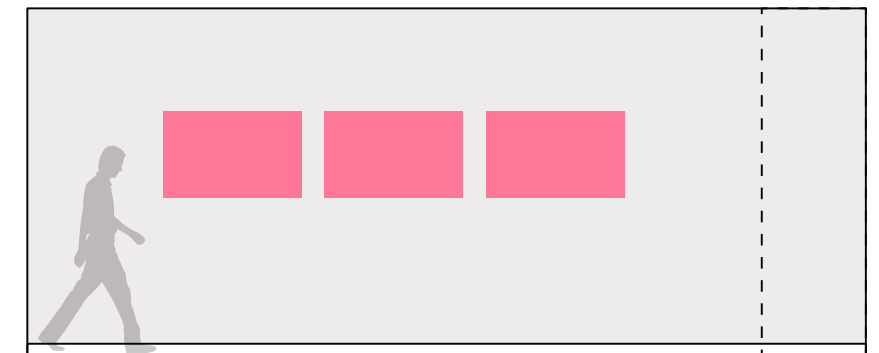
- Who is the target audience? e.g. General public. Researchers/ academics.
- Are there any accessibility considerations to account for? e.g. High contrast text/images. Languages. ADA Tactile accessibility (would have code restrictions).

### How do you tell the story?

- What kind of content will you have? e.g. Photos. Illustrations. Artifacts.
- Do you want to rely mostly on graphics or copy to tell the story? How long will a visitor spend with the exhibit?
- Who will provide the content?

### Design

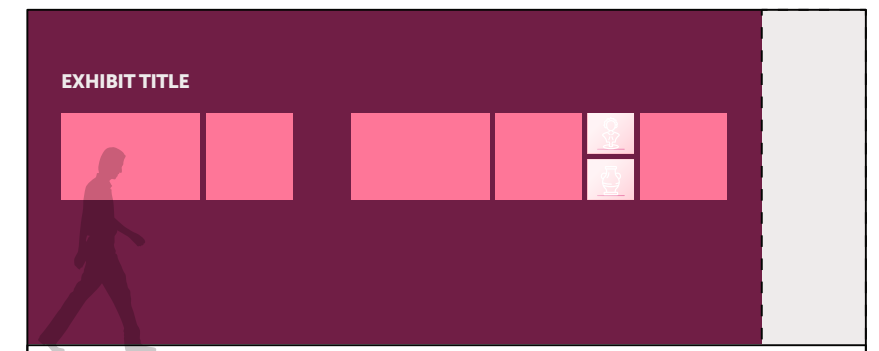
Good

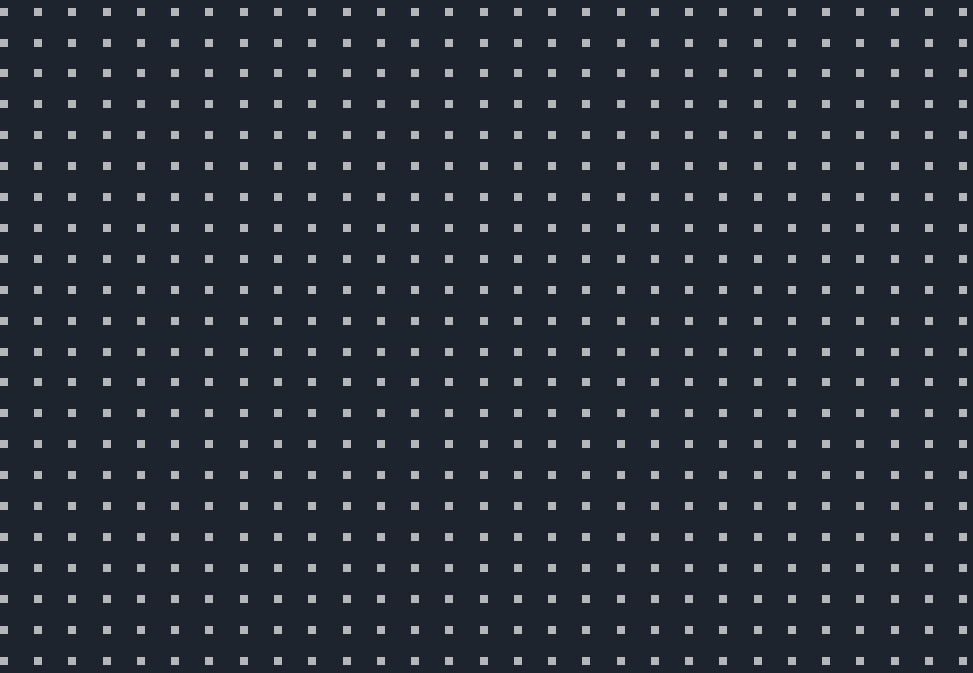


Better



Best





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# Preliminary Budget & Next Steps

## Kingsport Library

# Preliminary Budget

## Kingsport Library

- Wallcovering & Glass Graphics coverage could easily be reduced to bring down overall budget - individual locations are given alphanumeric designation in the budget chart to the right that correspond to the location plans for reference
- Donor & Exhibit numbers are placeholder and conservative - these can adjust based on design development

Sign Type	Quantity	ROM Pricing	
		Unit Price	Extended
<b>EXT Signage</b>			<b>\$10,000.00</b>
EXT_A: Exterior Building ID	2	\$5,000	\$10,000
<b>Code Signage</b>			<b>\$8,400</b>
CODE: Average	60	\$140	\$8,400
<b>WAY Signage</b>			<b>\$31,650</b>
WAY_A: Building Directory	1	\$1,750	\$1,750
WAY_B: Destination ID (Circulation Desk)	1	\$750	\$750
WAY_C: Destination ID (Rooms)	7	\$600	\$4,200
WAY_D: Amenity Tab	8	\$550	\$4,400
WAY_E: Section ID	7	\$450	\$3,150
WAY_F: Stacks End Caps	116	\$150	\$17,400
	<b>sf</b>		
<b>Wallcoverings (material only)</b>	<b>1,775</b>		<b>\$25,125</b>
1: Palmer Room	100	\$15	\$1,500
2: Stair Wall	500	\$15	\$7,500
3: Welcome Wall	150	\$15	\$2,250
4: Auditorium Lobby	100	\$15	\$1,500
5: Elevator Wall	100	\$15	\$1,500
6: Mezzanine Graphic	150	\$15	\$2,250
7: Youth Stacks	300	\$15	\$4,500
8: Youth Staff Wall	75	\$15	\$1,125
9: Storytime Wall	300	\$15	\$4,500
	<b>sf</b>		
<b>Glass Graphics (material only)</b>	<b>1,805</b>		<b>\$18,050</b>
A: Memorial Lobby	300	\$10	\$3,000
B: Study Room Graphics	400	\$10	\$4,000
C: Auditorium Lobby	100	\$10	\$1,000
D: Book Sorting Glass	75	\$10	\$750
E: Maker Space	500	\$10	\$5,000
F: Youth Services Entry	300	\$10	\$3,000
G: Conference Room/Board Room Entry	65	\$10	\$650
H: Director Suite	65	\$10	\$650
<b>Donor &amp; Exhibit</b>			<b>\$27,000</b>
Donor Wall	1	\$12,000	\$12,000
Exhibit (Basement)	1	\$15,000	\$15,000
<b>Admin &amp; Installation</b>			<b>\$62,275</b>
Samples	1		\$2,500
Shop Drawings & Admin	1		\$15,000
FIV/Mobilization	1		\$3,000
Wallcovering Installation	1,775	\$10	\$17,750
Glass Graphics Installation	1,805	\$5	\$9,025
Additional Installation	1		\$15,000
<b>Administration Total</b>			<b>\$62,275</b>
<b>Signage &amp; Materials Total</b>			<b>\$120,225</b>
<b>PACKAGE TOTAL</b>			<b>\$182,500</b>
<b>Design Fee Estimate</b>			<b>\$65,000</b>

Donor naming program as well

Kingsport can also provide an all-in budget and Iconograph can provide recommendations of how to prioritize locations to fit within that budget

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# Next Steps

Kingsport Library

## Owner

- Review priorities & ROM to establish implementation scope
- Provide Iconograph an update on brand refresh activities

## Iconograph

- Prepare fee proposal based on selected scope
- Begin design development - finalize graphics, content, etc.



AGENDA ACTION FORM

**Consideration of a Resolution Authorizing the Mayor to Execute Signature Authority Allowing the Chief of Police or His Designee to Electronically Complete All Necessary Documents as Required by the Department of Justice Bureau of Justice Assistance FY 2025**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-77-2026  
Work Session: April 20, 2026  
First Reading: N/A  
Final Adoption: April 21, 2026  
Staff Work By: Capt. Justin Quillin  
Presentation By: Chief Jason Bellamy

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**Strategic Focus Area: 4. Safe & Welcoming Community**

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**Recommendation:**  
Approve the Resolution

**Executive Summary:**  
If approved, this resolution grants signature authority to the Chief of Police or his designee for all documents necessary and proper to apply for, receive, and comply with a Department of Justice, Bureau of Justice Assistance Edward Byrne Memorial Justice Assistance Grant (JAG).

The U.S. Department of Justice requires grant acceptance, application, and grant reporting to occur solely online (electronically).  
Additionally, the U.S. Department of Justice requires that the authorized representative or their formal designee complete and accept an application as well as, if awarded, annual/semi-annual and/or quarterly documents for grant reporting purposes.  
Such application and any acceptance conditions would be reviewed and approved by the city attorney and signed in hard copy by the mayor before electronic submission by the chief of police or designee. Information regarding the formal delegation of such authority must be placed in a file and available on-site for immediate review if requested.

**Attachments:**  
1. Resolution

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A SIGNATURE AUTHORITY CONSENT FORM AND OTHER DOCUMENTS NECESSARY AND PROPER DESIGNATING THE CHIEF OF POLICE AS THE MAYOR'S DESIGNEE TO EXECUTE GRANT REPORTS AND OTHER DOCUMENTS REQUIRED BY THE UNITED STATES DEPARTMENT OF JUSTICE, BUREAU OF JUSTICE ASSISTANCE, EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM

WHEREAS, the United States Department of Justice, Bureau of Justice Assistance, Edward Byrne Memorial Justice Assistance Grant Program requires a Signature Authority Consent Form for contracts, invoices, and other documents involved with the grants; and

WHEREAS, the Signature Authority Consent Form authorizes the mayor to execute formal documents, and to designate an individual as signatory authority to sign grant documents required for reporting as contracted on behalf of the city for an equipment and technology grant.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, a Signature Authority Consent Form for contracts, invoices, and other documents with the United States Department of Justice, Bureau of Justice Assistance, Edward Byrne Memorial Justice Assistance Grant Program for an equipment and technology grant.

SECTION II. That the mayor is authorized to designate the chief of police as his designee to complete and execute grant reports and other reporting documents, as required by the grant from the United States Department of Justice, Bureau of Justice Assistance, Edward Byrne Memorial Justice Assistance Grant Program.

SECTION III. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort, and prosperity of the citizens of the city.

SECTION IV. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April, 2026.

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PAUL W. MONTGOMERY, MAYOR

ATTEST:

---

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

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RODNEY B. ROWLETT, III, CITY ATTORNEY





**AGENDA ACTION FORM**

**Consideration of a Resolution to Apply for and Receive the We Love Libraries Grant**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-125-2026  
Work Session: April 20, 2026  
First Reading: N/A  
Final Adoption: April 21, 2026  
Staff Work By: Stephanie Griffin  
Presentation By: Michael Borders

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**Strategic Focus Area: 3. Exceptional Cultural & Recreational Opportunities**

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**Recommendation:**

Approve the Resolution

**Executive Summary:**

If approved, the Kingsport Public Library will apply for and be authorized to receive the Doris Ann Norris We Love Libraries Grant from Sisters in Crime in the amount of \$500 with no match requirement.

Sisters in Crime is a nonprofit founded in 1986 to promote the ongoing advancement, recognition and professional development of women crime writers. The grant award can be used to purchase library materials or materials for public programming.

If awarded the funding will cover the cost of creating Memory Kits (details in Supplemental Information) to add to the Library of Things for patron check-out. Obtaining the grant funds will allow the library to reach a new demographic through intentional cognitive work to improve the quality of life for our Alzheimer’s and dementia communities.

The grant has a rolling deadline with successful applicants being selected throughout the year.

**Attachments:**

- 1. Resolution
- 2. Grant Overview
- 3. Application
- 4. Supplemental Information

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A WE LOVE LIBRARIES GRANT FOR THE KINGSPORT PUBLIC LIBRARY

WHEREAS, the city, through the Kingsport Public Library, would like to apply for a We Love Libraries Grant, which will provide funds to cover the cost of creating Memory Kits for the patrons to check out; and

WHEREAS, the maximum amount of the grant award being \$500.00; and there is no local match.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, all documents necessary and proper to apply for and receive a We Love Libraries Grant in the amount of \$500.00.

SECTION II. That the mayor is authorized to execute any and all documents including those necessary and proper to demonstrate the city's compliance with the grant requirements or its provisions necessary to effectuate the purpose of the grant or this resolution.

SECTION III. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort, and prosperity of the public.

SECTION IV. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April, 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, CITY ATTORNEY

Enter search criteria

*Sisters  
in Crime'*

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f@ a  
(http://stijhiejv)

MENU

## We Love Libraries Entry Form

More in this Section...

Item X12.

To enter to win the Doris Ann Norris We Love Libraries Prize please complete the form fields below. All information is required.

What makes a good application? Most of the information should be available easily. There are two areas that will require a little more planning.

**What does the library intend to spend the \$500 on?** Are there any special circumstances that would make the application especially urgent or compelling, such as budgetary constraints, special programs that require funding, or a lack of library materials in a subject, format, or for a select audience? Please be sure to make your answers specific and compelling. This is your chance to make your case for why your library should receive the We Love Libraries \$500 grant. Winners of the \$500 award must use the funds to purchase library materials or for public programming. The grant money can't be directed to the operating budget.

The application requires a **photo of library staff members with three or more books by three different, current Sisters in Crime member authors.** Use Sine's new Author Search to find the names of current Sisters in Crime member authors, then search your catalog for titles by those authors. The books by Sisters in Crime authors should be featured in the application photo. (Please note that application photos of books by Agatha Christie, Mary Higgins Clark, Sue Grafton or any other deceased author or by a living non-Sine member author will not meet the application criteria.)

Taking the photo requires a little planning. If you receive a grant, the photo of your library will be seen by all the subscribers to WLL News, SinC members who visit the website, and everyone who follows Sine on social media platforms. That is thousands of people! For a high-quality photo that will look great on the website and social media sites, it should be at least 1200 by 800 pixels. Please make sure the photo is not blurry and is framed well. It isn't required in the grant application to have a theme for your photo, but if you do, it will make your library even more memorable to everyone who views the image. I encourage you to take the opportunity to show off your library. It's an added benefit to winning the award. Have fun! Be creative!

If you've submitted a WLL application in the past and think you can produce a more successful application now, please reach out to [librarian@sistersincrime.org](mailto:librarian@sistersincrime.org), and we will delete your old application. Questions? Send the library liaison an email at [librarian@sistersincrime.org](mailto:librarian@sistersincrime.org).

I, J I have read the Privacy Policy ([privacy\\_statement.aspx](#)) and grant consent to use my data.

No file chosen

Author Names and Book Titles

Allison Brennan: Notorious: Annalise Ryan: Death in the Dark Woods: Nancy Pickard and Virginia Rich: The Secret Ingredient Murders

**First Name**

Stephanie

**Last Name**

Griffin

**Email Address**

[istephaniegriffin@kingsporttn.gov](mailto:istephaniegriffin@kingsporttn.gov)

**Professional Title**

Library Manager/Director

**Library Name**

Kingsport Public Library

**Address Line 1**

2101 Ft. Henry Dr.

**Address Line 2**

**City**

Kingsport

**State/Province**

TN

**Zip/Postal Code**

37660

**Phone Area Code**

423

**Phone**

3439842

**Library Website**

www.kingsportlibrary.org

**Library Director**

Stephanie Griffin

**Library Mission**

Our Vision:

The Kingsport Public Library is recognized as a primary resource for literacy and education: a gathering place for families, cultural and civic life; and a contributor to the community's economic growth.

**Use of Prize**

Funds will be used to create Kingsport's population of 65,000 and statistics show that 20% of our citizens struggle with other cognitive conditions. Additionally, Sullivan County has 17 memory care facilities and 42 assisted living communities to help address these needs. Between library outreaches, patron interest, and these facilities' ability to check out memory care kits, there would be a variety of opportunities for our community to benefit. The funds would allow us to create three different Memory Kits that would be added to our

**Special Circumstances**

Currently, the library is undergoing an extensive renovation in our historic building, and we have temporarily moved operations into the Ft. Henry Mall to continue serving the community during the renovation process. While we are in a smaller environment, we have taken this as an opportunity to create new community partnerships and outreach efforts to meet people where they are. It was during one such outreach that we discovered the need for the memory kits mentioned in this grant application, as participants were not able to engage with our traditional outreach activities in a meaningful way.

If your library wins the award, which of the following will you do? (Indicate at least three.)

**Publicity**

- Post the news on the library's social media site and website.
- Contact local papers and media outlets to share the news.
- Hold a celebration for the library community.
- Hold an author event or workshop.
- Let the public know what was purchased or provided with the prize money.
- Other. (Use text box below.)

**Other:**

memory games etc. along with an educational component of why and how kits like these can be used to facilitate cognitive improvement. Participants will leave with their own mini kit to keep.

**Local chapter**

We do not have a local chapter.

**SUBMIT**

(https://www.sistersincrime.org/ )  
 Sisters in Crime  
 574E Ritchie Highway, #271 Severna Park MD 21146  
 Phone 833 492 7463 Fax 410 5444640  
 admin@sistersincrime.org (mailto:admin@sistersincrime.org)

Item XI2.

Home

(<https://www.sistersincrime.org/>)

Chapters

(<https://www.sistersincrime.org/page/Chapters>)

Connect

(<https://www.sistersincrime.org/page/connect>)

Learn

(<https://www.sistersincrime.org/page/learn>)

Advocate

(<https://www.sistersincrime.org/page/advocate>)

News

(<https://www.sistersincrime.org/news/>)

Contact

(<https://www.sistersincrime.org/general?type=CONTACT>)

Join

(<https://www.sistersincrime.org/page/join-now>)

Sign In

(<https://www.sistersincrime.org/login.aspx>)

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## We Love Libraries Entry Form

To enter to win the Doris Ann Norris We Love Libraries Prize please complete the form fields below. All information is required.

What makes a good application? Most of the information should be available easily. There are two areas that will require a little more planning.

**What does the library intend to spend the \$500 on?** Are there any special circumstances that would make the application especially urgent or compelling, such as budgetary constraints, special programs that require funding, or a lack of library materials in a subject, format, or for a select audience? Please be sure to make your answers specific and compelling. This is your chance to make your case for why your library should receive the We Love Libraries \$500 grant. Winners of the \$500 award must use the funds to purchase library materials or for public programming. The grant money can't be directed to the operating budget.

The application requires **a photo of library staff members with three or more books by three different, current Sisters in Crime member authors**. Use SinC's new Author Search to find the names of current Sisters in Crime member authors, then search your catalog for titles by those authors. The books by Sisters in Crime authors should be featured in the application photo. (Please note that application photos of books by Agatha Christie, Mary Higgins Clark, Sue Grafton or any other deceased author or by a living non-SinC member author will not meet the application criteria.)

Taking the photo requires a little planning. If you receive a grant, the photo of your library will be seen by all the subscribers to WLL News, SinC members who visit the website, and everyone who follows SinC on social media platforms. That is thousands of people! For a high-quality photo that will look great on the website and social media sites, it should be at least 1200 by 800 pixels. Please make sure the photo is not blurry and is framed well. It isn't required in the grant application to have a theme for your photo, but if you do, it will make your library even more memorable to everyone who views the image. I encourage you to take the opportunity to show off your library. It's an added benefit to winning the award. Have fun! Be creative!

If you've submitted a WLL application in the past and think you can produce a more successful application now, please reach out to [librarian@sistersincrime.org](mailto:librarian@sistersincrime.org), and we will delete your old application. Questions? Send the library liaison an email at [librarian@sistersincrime.org](mailto:librarian@sistersincrime.org).



## Library Description

Kingsport Public Library serves a 50-mile radius of patrons. We offer digital and physical items, a variety of programs and events tailored to every age group, and technology assistance.

Our Mission: To help residents reach their full potential and further lifelong learning and community in a welcoming setting.

Our Vision: The Kingsport Public Library is recognized as a primary resource for literacy and education; a gathering place for families, cultural and civic life; and a contributor to the community's economic growth.

## Use of Prize

The funds will be used to make Memory Kits to benefit patrons or their loved ones who have Alzheimer's, Dementia or struggle with other forms of memory loss. 23.3% of Kingsport's population are 65 or older, and statistics show that 3,800 of our citizens struggle daily with cognitive conditions. Additionally, Sullivan County has 17 memory care facilities and 42 assisted living communities to help address these needs. Between library outreaches, patron interest, and these facilities' ability to check out memory care kits, there would be a variety of opportunities for our community to benefit. The funds would allow us to create three different Memory Kits that would be added to our Library of Things. Contents would include items such as puzzles and workbooks to help increase cognitive function and exercise the mind, games to help individuals feel more connected to loved ones through conversation and quality time, fidget boards for hand dexterity and to engage the mind with different textures and motions, electronic pets to help comfort the patron, and even the addition of historical images of the area to spark memories for patrons who have lived in the Sullivan County area for a long time. After starting an outreach program with a local memory care unit, we identified this as a need and an opportunity to reach a new demographic through intentional cognitive work to improve the quality of life for our Alzheimer's and dementia communities, a programmatic service we have identified as lacking in our area from outside organizations.

## Special Circumstances

Currently, the library is undergoing an extensive renovation in our historic building, and we have temporarily moved operations into the Ft. Henry Mall to continue serving the community during the renovation process. While we are in a smaller environment, we have taken this as an opportunity to create new community partnerships and outreach efforts to meet people where they are. It was during one such outreach that we discovered the need for the memory kits mentioned in this grant application, as participants were not able to engage with our traditional outreach activities in a meaningful way.

## Publicity

- Post on the library's social media site(s) and website
- Contact the local papers and media outlets to share the news
- Let SinC know what was purchased or provided with the prize money
- Other: We will host a program/workshop to teach the public how to create mini versions of memory kits using photographs, news articles, memory games etc. along with an educational component of why and how kits like these can be used to facilitate cognitive improvement. Participants will leave with their own mini kit to keep.

*Item XI2.*



**AGENDA ACTION FORM**

**Consideration of a Resolution Approving a Memorandum of Understanding with Branch House – Family Justice Center**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-129-2026  
Work Session: April 20, 2026  
First Reading: N/A  
Final Adoption: April 21, 2026  
Staff Work By: B. Rowlett  
Presentation By: C. McCartt

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**Strategic Focus Area: 6. Strong & Vibrant Neighborhoods**

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**Recommendation:**

Approve the Resolution

**Executive Summary:**

The accompanying resolution approves a memorandum of understanding (MOU) with Branch House – Family Justice Center which is a requirement for Branch House to maintain grant funding from the Tennessee Office of Criminal Justice Programs.

Branch House coordinates free services and resources to meet the immediate and long-term needs of survivors of abuse. These services include timely access to trauma-informed advocacy, forensic medical services, safety planning and system navigation. Branch House collaborates with the city so that individuals impacted by interpersonal violence receive needed services.

In order for Branch House to continue to receive grant funding from the Tennessee Office of Criminal Justice Programs it must formally enter into agreements which memorialize the collaboration with local governments. The MOU submitted for approval simply documents those actions which Branch House and the city currently perform. The MOU does not obligate the city to provide financial support.

**Attachments:**

- 1. Resolution

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING WITH BRANCH HOUSE – FAMILY JUSTICE CENTER AND AUTHORIZING THE MAYOR TO EXECUTE THE SAME

WHEREAS, Branch House – Family Justice Center coordinates free services and resources to meet the immediate and long-term needs of the survivors of abuse; and

WHEREAS, in order to provide services and resources to those in need Branch House coordinates with various city departments; and

WHEREAS, Branch House is now required to formalize its collaborative efforts with local governments in writing to remain eligible for grant funding from the Tennessee Office of Criminal Justice Programs; and

WHEREAS, the memorandum of understanding set forth herein memorializes the existing collaborative efforts between Branch House and the city to those in need of the services offered by Branch House.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Memorandum of Understanding with Branch House Family Justice Center is hereby approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, a Memorandum of Understanding (MOU) with Branch House to deliver the MOU and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the MOU and this resolution, said MOU being as follows:

MEMORANDUM OF UNDERSTANDING

Between

**Branch House Family Justice Center and the City of Kingsport, Tennessee**

This Memorandum of Understanding (MOU) is entered into by and between the City of Kingsport, Tennessee (hereinafter referred to as "City") and Branch House Family Justice Center (hereinafter referred to as "Branch House"), a nonprofit organization serving victims of domestic violence, sexual assault, human trafficking, and other interpersonal crimes throughout Sullivan County and the City of Kingsport, Tennessee.

**I. Purpose**

The purpose of this MOU is to formalize the collaborative partnership between the City and Branch House to enhance coordinated community response efforts and ensure that victims residing in or impacted by crimes occurring within the City of Kingsport have access to comprehensive, trauma-informed services.

This agreement also fulfills updated collaboration requirements established by the Tennessee Office of Criminal Justice Programs (OCJP) related to grant funding administered to Branch House.

**II. Scope of Services**

Branch House shall provide, either directly or through coordinated partnerships, the following services to eligible victims:

- Crisis response and safety planning

- Victim advocacy and case management
- Coordination of forensic medical examinations
- Sexual Assault Response Team (SART) coordination
- Domestic Abuse Response Team (DART) coordination
- High-risk case review and coordinated response facilitation
- System navigation
- Referrals to shelter, counseling, court advocacy, legal, and community resources
- Prevention education and community awareness initiatives

Services are provided in a centralized, trauma-informed setting designed to reduce barriers, improve victim safety, and support successful prosecution outcomes when victims choose to engage in the criminal justice process.

**III. Role of the City of Kingsport**

The City agrees to:

- Recognize Branch House as a key collaborative partner in serving victims of interpersonal violence
- Support coordinated response efforts between municipal departments, law enforcement, and Branch House
- Encourage appropriate referrals of victims to Branch House services
- Participate in multidisciplinary collaboration efforts when feasible
- Maintain open communication to strengthen public safety outcomes and victim support systems

Nothing in this agreement obligates the City to provide financial support unless otherwise established through separate agreements, contracts, or appropriations.

**IV. Role of Branch House Family Justice Center**

Branch House agrees to:

- Provide comprehensive, trauma-informed services to victims connected to incidents occurring within the City of Kingsport
- Coordinate with city agencies and law enforcement to enhance victim safety and offender accountability
- Maintain confidentiality in accordance with applicable federal and state laws and professional standards
- Comply with all requirements associated with state and federal grant funding
- Participate in community collaboration and system improvement initiatives

**V. Term and Termination**

This MOU shall become effective upon the date of the last signature and shall remain in effect for a period of one (1) year, unless terminated earlier by either party upon thirty (30) days written notice. This agreement may be renewed annually upon mutual written consent.

**VI. Non-Binding Agreement**

This MOU is intended to document the collaborative relationship between the parties and does not create any legally binding financial obligation.

**VII. Signatures**

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort, and prosperity of the citizens of the city.

SECTION IV. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April, 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, MAYOR

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

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RODNEY B. ROWLETT, III, CITY ATTORNEY



**AGENDA ACTION FORM**

**Consideration of a Resolution to Approve Right-of-Way Easement with Kingsport Power Company**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-114-2026  
Work Session: April 20, 2026  
First Reading: N/A  
Final Adoption: April 21, 2026  
Staff Work By: R. Trent; M. Thompson  
Presentation By: R. McReynolds

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**Strategic Focus Area: Sustainable Infrastructure**

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**Recommendation:**  
Approve the Resolution

**Executive Summary:**  
If approved, the city will approve a right-of-way easement with American Electric Power, d/b/a Kingsport Power Company for the relocation of power lines to the New Street parking lot.

The attached resolution approves the right-of-way easement and authorizes the mayor to execute the documents necessary to convey the right-of-way easement to Kingsport Power Company. While the easement is for American Electric Power, it is in the name of its subsidiary, Kingsport Power Company.

The Kingsport Power Company desires to relocate the overhead power lines from the south side of the alley to the north side of the alley to allow separation from the existing buildings. This is part of a larger project that includes the rebuilding of these overhead lines as well as moving some overhead lines underground in the alleys between Shelby St. and New St. as Kingsport Power Company works to update and reduce the visual impact of their infrastructure.

- Attachments:**
- 1. Resolution
  - 2. Easement
  - 3. Location Map

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—



RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE  
RIGHT-OF-WAY EASEMENT WITH KINGSPORT POWER  
COMPANY

WHEREAS, American Electric Power d/b/a Kingsport Power Company has requested right-of-way easement on city-owned property located at 251 W. New Street; and

WHEREAS, in doing so, the easement will enable Kingsport Power Company to relocate the overhead power lines from existing buildings as well as reduce visual impact of their infrastructure.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF KINGSPORT, TENNESSEE, as follows:

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized to execute, in a form approved by the city attorney, Right-of-Way Easements with Kingsport Power Company.

SECTION II. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

SECTION III. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 21st day of April, 2026.

\_\_\_\_\_  
PAUL W. MONTGOMERY, Mayor

ATTEST:

\_\_\_\_\_  
ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

\_\_\_\_\_  
RODNEY B. ROWLETT, III, City Attorney

City of Kingsport Eas No. \_\_\_\_\_ R/W Map No. 3783 1103 D1  
415 Broad St. W. O. No. W003925301 Job No. 26560006 Prop No. \_\_\_\_\_  
Kingsport, TN 37660 Line Alley Rebuild

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_, 2026, by and between CITY OF KINGSPORT, TENNESSEE, a municipal corporation organized and existing under the laws of the State of Tennessee, herein called "Grantor", and KINGSPORT POWER COMPANY, a Virginia corporation, herein called "Kingsport",

WITNESSETH:

That for and in consideration of the sum of One Dollar (\$1.00), or other good and valuable consideration from Kingsport, the receipt and sufficiency of which is hereby acknowledged, Grantor hereby grants, conveys and warrants to Kingsport, its successors, assigns, lessees and tenants, a right of way and easement for an electric power line or lines, and communication lines, in, on, along, through, over, across or under the following described lands of the Grantor situated in 11<sup>th</sup> Civil District, County of Sullivan, State of Tennessee, and bounded:

On the North by ~~the lands of~~ \_\_\_\_\_ New St \_\_\_\_\_  
On the East by the lands of \_\_\_\_\_ Casa for Kids Inc \_\_\_\_\_  
On the South by the lands of \_\_\_\_\_ Powell Valley National \_\_\_\_\_  
On the West by ~~the lands of~~ \_\_\_\_\_ Clay St \_\_\_\_\_

herein after referred to as the "premises"

The Easement shall be \_\_\_\_\_ foot feet wide, lying \_\_\_\_\_ feet on each side of the facilities as constructed. The approximate location of said Easement or Easement centerline is depicted on Exhibit A, attached hereto and incorporated herein.

Being a right of way easement over the same property conveyed to Grantors herein by Regions Bank \_\_\_\_\_

\_\_\_\_\_, by deed dated December 18, 2018  
, and recorded in Sullivan County, Deed Book No. 3315, Page 1996.

Map 046I, Group E, CTL Map 046I, Parcel 023.00

TOGETHER with the right, privilege and authority to Kingsport, its successors, assigns, lessees and tenants, to construct, erect, install, place, operate, maintain, inspect, repair, renew, remove, add to the number of, and relocate at will, poles, with wires, cables, crossarms, guys, anchors, grounding systems and all other appurtenant equipment and fixtures, underground conduits, ducts, vaults, cables, wires, transformers, pedestals, risers, pads, fixtures and appurtenances (hereinafter called "Kingsport's Facilities"), and string wires and cables, adding thereto from time to time, in, on, along, over, through, across and under the above referred to premises. The right to cut, trim, remove and/or otherwise control, with herbicides or by other means, at Grantee's option (without any liability to Grantor), any trees, limbs or branches, brush, shrubs, undergrowth, of whatever size, or other obstructions that in Grantee's reasonable judgment endanger or interfere with the safety or use of its facilities, both within and adjoining the right of way and easement; the right of ingress and egress to and over said above referred to premises, and any of the adjoining lands of the Grantors at any and all times, for the purpose of exercising and enjoying the rights herein granted, and for doing anything necessary or useful or convenient in connection therewith. Within the Easement, Grantor shall not: place any buildings, structures, piles of debris, change the level of the ground by excavation or mounding.

It is understood and agreed between the parties hereto, that the Grantor reserves the right to use said lands in any way not inconsistent with the rights herein granted.

TO HAVE AND TO HOLD the same unto Kingsport Power Company, its successors, assigns, lessees and tenants.

It is agreed that the foregoing is the entire contract between the parties hereto, and that this written agreement is complete in all its terms and provisions.

IN WITNESS WHEREOF, Grantor has caused its corporate name and seal to be hereunto affixed the day and year first above written.

CITY OF KINGSPORT, TENNESSEE

By: \_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
City Recorder

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) To-wit:

Before me \_\_\_\_\_ of the State and County aforesaid, personally appeared \_\_\_\_\_, with whom I am personally acquainted and who, upon oath, acknowledge himself/herself to be Mayor of CITY OF KINGSPORT, TENNESSEE, the within named bargainer, a municipal corporation, and that he/she as such Mayor, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the municipal corporation by himself/herself as Mayor.

Witness my hand and official seal in \_\_\_\_\_ County, State of \_\_\_\_\_, this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My Commission expires:

\_\_\_\_\_

I, or we, hereby swear or affirm that the actual consideration for this transfer or value of the property transferred, whichever is greater, is \$\_\_\_\_\_, which amount is equal to or greater than the amount which the property transferred commanded at a fair and voluntary sale.

KINGSPORT POWER COMPANY

By: \_\_\_\_\_

STATE OF TENNESSEE )  
COUNTY OF \_\_\_\_\_ ) To-wit:

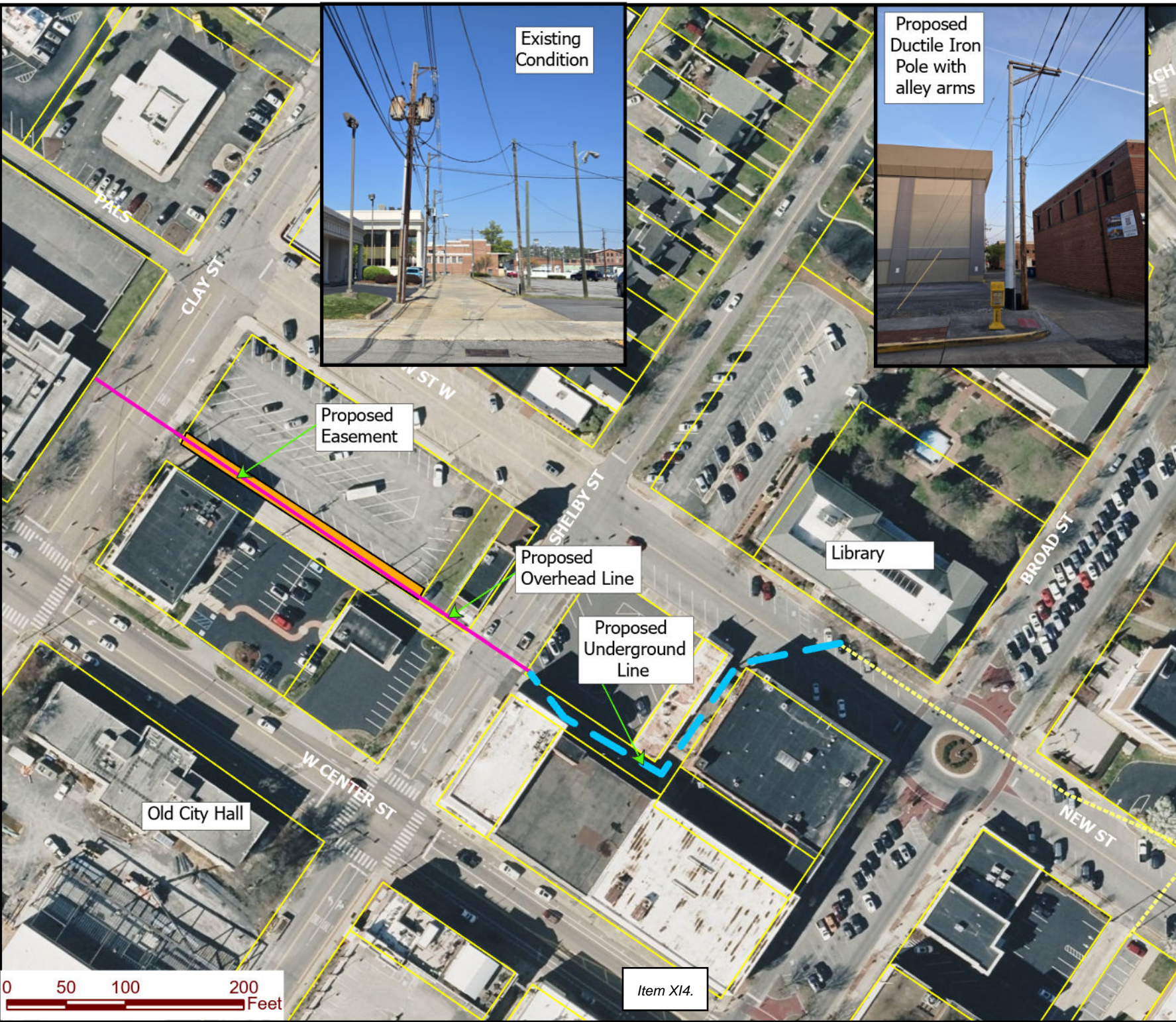
Subscribed and sworn to before me this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

This instrument was prepared by Kingsport Power Company: \_\_\_\_/\_\_\_\_/\_\_\_\_





**AGENDA ACTION FORM**

**Consideration to Reappoint Lora Barnett and Joseph White to the Board of Zoning Appeals**

To: Board of Mayor and Aldermen  
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-117-2026  
 Work Session: April 20, 2026  
 First Reading: N/A  
 Final Adoption: April 21, 2026  
 Staff Work By: Jessica Harmon  
 Presentation By: Mayor Montgomery

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**Strategic Focus Area: Efficient & Responsive Government**

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**Recommendation:**  
 Approve the Appointments

**Executive Summary:**  
 It is recommended to reappoint Lora Barnett and Joseph White to the Board of Zoning Appeals.

If approved by the Board of Mayor and Aldermen, the recommended table reflects term dates. The board is comprised of seven members who are residents of the City of Kingsport. Terms are three years with no term limit.

<b>Current Board:</b>			
<b>Member</b>	<b>Term Expires</b>	<b>No. of Terms</b>	<b>Eligibility</b>
Bill Sumner	4/30/28	5	KPT Resident
Lora Barnett	4/30/26	Fulfilling Unexpired Term	KPT Resident
Joe White	4/30/26	2	KPT Resident
Calvin Clifton	12/31/26	3	KPT Resident
Wesley Combs	12/31/26	1	KPT Resident
Hoyt Denton	4/30/28	1	KPT Resident
Joshua Taylor	4/30/28	1	KPT Resident

<b>Recommended Board:</b>			
<b>Member</b>	<b>Term Expires</b>	<b>No. of Terms</b>	<b>Eligibility</b>
Bill Sumner	4/30/28	5	KPT Resident
Lora Barnett	4/30/29	1	KPT Resident
Joe White	4/30/29	3	KPT Resident
Calvin Clifton	12/31/26	3	KPT Resident
Wesley Combs	12/31/26	1	KPT Resident
Hoyt Denton	4/30/28	1	KPT Resident
Joshua Taylor	4/30/28	1	KPT Resident

**Attachments:**  
 None

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

Item XI5.



**AGENDA ACTION FORM**

**Consideration to Appoint Sheree Robinson and Josh McKinney and to Reappoint Scottie Burkhalter to the Community Development Advisory Committee**

To: Board of Mayor and Aldermen  
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-118-2026  
 Work Session: April 20, 2026  
 First Reading: N/A  
 Final Adoption: April 21, 2026  
 Staff Work By: Jessica Harmon  
 Presentation By: Mayor Montgomery

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**Strategic Focus Area: Efficient & Responsive Government**

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**Recommendation:**

Approve the Appointments

**Executive Summary:**

It is recommended to appoint Sheree Robinson and Josh McKinney and reappoint Scottie Burkhalter to the Community Development Advisory Committee.

If approved by the Board of Mayor and Aldermen, the recommended table reflects term dates. The board is comprised of five members who represent various roles related to serving the low/moderate income population of the City of Kingsport. Terms are three years with no term limit.

<b>Current Committee:</b>			
<b>Member</b>	<b>Term Expires</b>	<b>No. of Terms</b>	<b>Eligibility</b>
Morris Baker	4/30/27	2	At-large
Seth Jervis	4/30/27	2	KHRA Rep.
Rene Mann	4/30/27	2	FTDD Rep.
Scottie Burkhalter	4/30/26	Fulfilling Unexpired Term	Faith-based Rep.
Dorothy Dobbins	4/30/26	2	At-large

<b>Recommended Committee:</b>			
<b>Member</b>	<b>Term Expires</b>	<b>No. of Terms</b>	<b>Eligibility</b>
Sheree Robinson	4/30/27	Fulfilling Unexpired Term	At-large
Seth Jervis	4/30/27	2	KHRA Rep.
Rene Mann	4/30/27	2	FTDD Rep.
Scottie Burkhalter	4/30/29		Faith-based Rep.
Josh McKinney	4/30/29	1	At-large

**Attachments:**

1. Sheree Robinson Resume
2. Josh McKinney Bio

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

# Sherree Robinson

## **SHERREE ANNETTE ROBINSON (Outlined Resume)**

Kingsport, TN 37660



## Professional Summary

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Versatile nursing assistant with experience in healthcare and customer service, specializing in patient care and safety protocols. Proven ability to monitor vital signs, document patient information accurately, and collaborate with interdisciplinary teams to develop individualized care plans. Certified in CPR and as a State Tested Nursing Assistant, committed to delivering compassionate support in fast-paced environments. Seeking to leverage healthcare expertise in a DCS Case Manager role. Received my AAS Degree in Criminal Justice Applied Science Public Safety Administration.

Willing to relocate to: Tennessee

Authorized to work in the US for any employer

## Work Experience

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### **Kitchen Staff**

McDonald's-Kingsport, TN

January 2018 to Present

Work drive thru money cashier

Cook food for production needs

Push out food

Make and prepare food

Floater

### **Nursing Assistant**

Holston Valley Medical Center-Kingsport, TN

July 2024 to October 2024

- Monitored vital signs such as blood pressure, pulse rate, and temperature on a regular basis to identify any changes or abnormalities
- Documented patient information accurately in electronic medical records (EMR) system for easy access by healthcare professionals
- Responded promptly to call lights and alarms from patients, addressing their concerns or notifying appropriate staff members as needed
- Assisted in the preparation and transportation of patients for diagnostic tests or surgical procedures while ensuring their safety at all times
- Performed basic wound care tasks such as cleaning wounds, applying dressings, and monitoring healing progress
- Supported end-of-life care by providing comfort measures such as positioning patients for optimal comfort and assisting with personal hygiene needs
- Collaborated with interdisciplinary healthcare team members to develop individualized care plans for patients based on their specific needs
- Assisted in the implementation of infection control protocols to minimize the risk of healthcare-associated infections (HAIs)

- Provided emotional support and reassurance to patients during difficult procedures or moments of distress

### **Fraud Prevention Specialist**

Bank of America-Johnson City, TN

June 2021 to December 2022

I currently work from home as a fraud prevention specialist approving credit card applications and confirming fraud for customers.

### **Pipe Insulator Helper**

Partners Industrial-Kingsport, TN

November 2017 to January 2018

Helped insulate pipes.

### **FIREWATCH**

Jacobs Field Services North America Inc.-Kingsport, TN

October 2016 to June 2017

FIRE WATCH | JACOBS FIELD SERVICES (EASTMAN  
CHEMICAL COMPANY

Was trained and supervised to learn about the different types of fire extinguishers, to learn how to manually use a fire hydrant and fire hose, therefore was trained to put out a fire. Was certified trained in OSHA requirements and learn MMR system of chemicals. Received certification in fire watch on 10/11/2016. Properly trained in Fire watch for Welders, in Pipe and Iron. Was in the process of getting crafted out in Pipe. I completed certification in Fire watch Craft. I was trained in reading hot work permits and safe work permits as well.

### **Certified Nursing Assistant**

## Education

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### **Sophomore in Criminal Justice**

Northeast State Technical Community College-Blountville, TN

January 2022 to Present

### **Second Semester At Northeast State Technical Community College in Criminal Justice**

Northeast State Technical Community College-Tennessee

January 2021 to Present

### **Freshman - Second Semester in Criminal Justice**

Northeast State Technical Community College-Tennessee

January 2021 to Present

### **Associate's degree in Criminal Justice**

Northeast State Community College-Blountville, TN

January 2021 to August 2024

### **Diploma in History**

Dobyns Bennett High School-Kingsport, TN

August 1994 to June 1998



## **Associate's degree in applied science**

### **Associate of Applied Science**

#### Skills

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- Addiction counseling
- Legal document review summary preparation
- Sales
- Microsoft Outlook
- Carpentry
- Materials handling
- Negotiation
- Low Voltage (1 year)
- Employee evaluation
- Office management
- Office experience
- Regulatory reporting
- Ability to follow instructions
- CSS
- Microsoft Office (7 years)
- Project management software
- Working with high schoolers
- Software troubleshooting
- Construction estimating
- Industrial maintenance
- Analysis skills
- Underground utilities
- Climbing
- Laboratory experience
- Clinic
- Patient observation
- Equine experience
- Asbestos (2 years)
- Mechanical knowledge
- firewatch skills, construction skills (5 years)
- Outdoor work
- Management
- Word processing
- Pet grooming
- Triage

- Skilled nursing facility
- Manufacturing
- Team management
- Insulation (Less than 1 year)
- Legal brief writing
- Construction grading
- Guest services
- GFSI
- Blood sampling
- Landscape Maintenance (8 years)
- Pet care
- Microsoft Powerpoint (5 years)
- Construction painting
- Call center
- Microsoft Word (10+ years)
- Budgeting
- Microsoft Excel
- Warehouse management system
- Windows
- Industrial construction
- Restaurant management
- Heavy Equipment Operation
- Hand tools (10+ years)
- Hospitality
- Carpentry (10+ years)
- Conflict management
- Medical terminology
- Shift management
- Assembly
- Construction (10+ years)
- Project management
- Writing skills (10+ years)
- Utility locator experience
- Quick service & fast food restaurant
- Organizational skills
- Ceridian
- Motivational interviewing
- Precision measuring instruments
- Patient monitoring
- Workers' compensation

- Hospital experience
- Refinery (5 years)
- Attention to detail
- Animal care
- Phone etiquette
- Time management
- Geriatrics
- Filing
- Lean manufacturing (10+ years)
- Communication skills (2 years)
- Food management
- Heavy lifting
- Animal restraint
- Leadership
- Kitchen Experience (10+ years)
- On-the-job training (training delivery method)
- Working with people with disabilities
- Infant care
- Food service management
- Employment & labor law
- Computer skills
- Presentation skills
- Forklift
- Merchandising
- Blueprint Reading (2 years)
- Workers' compensation law
- Masonry
- Basic math
- Power tools
- Pricing
- Psychological testing
- Fabrication (1 year)
- Manufacturing (10+ years)
- Succession planning
- Packaging
- Continuous improvement
- FDA regulations
- Customer service (10+ years)
- Court clerk experience
- Grammar Experience

- Casual dining experience
- Animal handling
- Legal memorandum writing
- Kennel experience
- Heavy lifting (10+ years)
- Load & unload
- Banking
- Supervising experience
- Math
- Patient care
- Teamwork
- Documentation review
- Computer literacy

## Certifications and Licenses

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### **NCCER CORE CURRICULUM**

May 2018 to Present

1. I was getting my craft in the past when employed for Jacobs to be in Iron work.

### **CNA**

### **CPR Certification**

### **Food Handler Certification**

### **Driver's License**

### **State Tested Nursing Assistant**

### **Fire Safety**

October 2016 to October 2022

Was trained in Fire Safety from previous job.

### **Non-CDL Class C**

### **BLS Certification**

### **Scissor Lift Certification**

### **NCCER Certification**

### **First Aid Certification**

### **Forklift Certification**

### **OSHA 10**

### **OSHA 10-Hour Construction**

**Certified Medical Assistant**

**Pallet Jack Certification**

**Armed Security License**

**NCCER Certified Craft Professional**

Additional Information

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NCCER CERTIFICATION AND TRAVEL CARD. HAVE OSHA10 CERTIFICATION COMPLETED.

## **Josh McKinney Bio**

Joshua McKinney is a Kingsport resident and mission-driven public-sector and nonprofit leader with more than 15 years of experience in housing policy, community development, and organizational leadership. He serves as a Regional Real Estate Industry Advisor for the Tennessee Housing Development Agency, where he works across East Tennessee to advance housing initiatives, build partnerships, and provide education on housing finance programs.

In addition to his housing work, McKinney is Senior Pastor of Fellowship Free Will Baptist Church, where he provides organizational leadership, strategic planning, and community engagement. His career also includes leadership roles with United Way and Eastern Eight Community Development Corporation, where he directed housing education, counseling, and community resource initiatives.

McKinney has served on numerous regional boards and advisory groups and is widely recognized for his collaborative approach, integrity, and commitment to strengthening communities through stable housing and essential services.



**AGENDA ACTION FORM**

**Consideration to Reappoint Marvin Egan and Bob Prendergast to the Construction Board of Adjustments and Appeals**

To: Board of Mayor and Aldermen  
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-119-2026  
 Work Session: April 20, 2026  
 First Reading: N/A  
 Final Adoption: April 21, 2026  
 Staff Work By: Jessica Harmon  
 Presentation By: Mayor Montgomery

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**Strategic Focus Area: Efficient & Responsive Government**

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**Recommendation:**

Approve the Appointments

**Executive Summary:**

It is recommended to reappoint Marvin Egan and Bob Prendergast to the Construction Board of Adjustments and Appeals.

If approved by the Board of Mayor and Aldermen, the recommended table reflects term dates. The board is comprised of five members who meet specific eligibility requirements. Terms are three years with no term limit.

Current Board:			
Member	Term Expires	No. of Terms	Eligibility
Steve Wilson	4/30/27	4	Engineer
Bob Prendergast	4/30/26	4	At-large
Roger Barnett	4/30/27	1	At-large/Architect
Marvin Egan	4/30/26	3	At-large
Hiram Rash	4/30/27	5	Architect

Recommended Board:			
Member	Term Expires	No. of Terms	Eligibility
Steve Wilson	4/30/27	4	Engineer
Bob Prendergast	4/30/29	5	At-large
Roger Barnett	4/30/27	1	At-large/Architect
Marvin Egan	4/30/29	4	At-large
Steve Wilson	4/30/27	4	Engineer

**Attachments:**

None

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—







**AGENDA ACTION FORM**

**Consideration to Reappoint Terry Cox and Christie Gott to the Gateway Review Commission**

To: Board of Mayor and Aldermen  
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-121-2026  
 Work Session: April 20, 2026  
 First Reading: N/A  
 Final Adoption: April 21, 2026  
 Staff Work By: Jessica Harmon  
 Presentation By: Mayor Montgomery

**Strategic Focus Area: Efficient & Responsive Government**

**Recommendation:**  
 Approve the Appointments

**Executive Summary:**  
 It is recommended to reappoint Terry Cox and Christie Gott to the Gateway Review Commission.

If approved by the Board of Mayor and Aldermen, the recommended table reflects term dates. The commission is comprised of six members who meet specific eligibility requirements. Terms are five years with no term limit.

<b>Current Commission:</b>			
Member	Term Expires	No. of Terms	Eligibility
Mike Stone	3/31/29	1	At-large
Terry Cox	4/30/26	1	Architect
Cristie Gott	4/30/26	1	Educ. Inst.
Curtis Montgomery	6/30/27	1	Private Business
Alderman Cooper	Term of Ofc.	N/A	BMA Rep.
Daniel Duncan	6/30/27	1	At-large

<b>Recommended Commission:</b>			
Member	Term Expires	No. of Terms	Eligibility
Mike Stone	3/31/29	1	At-large
Terry Cox	4/30/31	2	Architect
Cristie Gott	4/30/31	2	Educ. Inst.
Curtis Montgomery	6/30/27	1	Private Business
Alderman Cooper	Term of Ofc.	N/A	BMA Rep.
Daniel Duncan	6/30/27	1	At-large

**Attachments:**  
 None

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—



**AGENDA ACTION FORM**

**Consideration of Appointment to the Historic Zoning Commission**

To: Board of Mayor and Aldermen  
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-122-2026  
 Work Session: April 20, 2026  
 First Reading: N/A  
 Final Adoption: April 21, 2026  
 Staff Work By: Jessica Harmon  
 Presentation By: Mayor Montgomery

**Strategic Focus Area: Efficient & Responsive Government**

**Recommendation:**

Approve the Appointment

**Executive Summary:**

It is recommended to reappoint Lindsey Nieuwland to the Historic Zoning Commission.

If approved by the Board of Mayor and Aldermen, the recommended table reflects term dates. The commission is comprised of seven members who meet specific eligibility requirements. Terms are five years with no term limit.

<b>Current Commission:</b>			
Member	Term Expires	No. of Terms	Eligibility
Bob Grygotis	6/30/29	1	At-large
Chip Millican	Term of position	N/A	Planning Comm. Rep.
Jewell McKinney	6/30/26	4	Historian
Jack Edwards	6/30/26	1	A-large
Dineen West	6/30/27	3	Architect
Lindsey Nieuwland	4/30/26	Fulfilling Unexpired Term	At-large
Joe Cross	6/30/28	1	At-large

<b>Recommended Commission:</b>			
Member	Term Expires	No. of Terms	Eligibility
Bob Grygotis	6/30/29	1	At-large
Chip Millican	Term of position	N/A	Planning Comm. Rep.
Jewell McKinney	6/30/26	4	Historian
Jack Edwards	6/30/26	1	A-large
Dineen West	6/30/27	3	Architect
Lindsey Nieuwland	4/30/31	1	At-large
Joe Cross	6/30/28	1	At-large

**Attachments:**

None

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—