



THORNHILL GROUP, INC.

Professional Hydrogeologists • Water Resources Specialists

July 24, 2013

Mr. Brandon Wade
City Manager
City of Pflugerville
100 East Main Street
Pflugerville, Texas 78691

Re: Proposal for Hydrogeologic Services —
Drilling and Testing Program for Potential Edwards Aquifer Well Sites
Near Pflugerville Lake, Travis County, Texas

Dear Mr. Wade:

Per your request, our discussions with Mr. Gary N. Oradat, P.E., and our meeting with you on July 19, 2013, Thornhill Group, Inc. (TGI) submits herein this Proposal including Scope of Services, Cost Estimate, and Scheduling to provide professional hydrogeologic services to the City of Pflugerville (City). The Work outlined in this proposal pertains to evaluating well and aquifer data for the local Edwards aquifer in order to conduct evaluations regarding optimizing current ground-water supplies, and to locate favorable well sites to obtain additional ground-supplies. A key component of this project will be evaluating and assessing the City's existing wells and their current conditions, and conducting drilling and testing programs to assess the potential for developing additional ground-water supplies from one or more new wells completed in the Edwards aquifer. Additionally, the project will include a detailed inspection of the City's existing Well No. 6 to assess the potential for modifying or recompleting the well to enhance production capacity. Per our discussions, the Work described herein does not include engineering of any permanent, large-capacity production wells, or any engineering and/or specific water-quality treatment analyses for existing or proposed new wells. However, TGI stands ready to assist the City in interpreting water quality from its existing wells and other parts of the local aquifer, as well as to evaluate changes in production and water quality based on wet-dry cycles (i.e., normal vs. drought conditions) in the aquifer.

BACKGROUND

Based on the Water Supply Options Report (Version 2), TGI understands that the City needs to secure a water supply alternative to its Lower Colorado River Authority (LCRA) firm water supply contract. Based on possible LCRA curtailment due to drought, the City needs to secure an initial supply of at least 1,440 acre-feet per year, or about 1.3 million gallons per day (MGD), in order to meet its currently projected demand through the year 2025.

Additionally, the City has historically operated as many as seven (7) wells with reported combined capacities of about 5,745 gpm (about 8.3 MGD) as rated by the Texas Commission on Environmental Quality (TCEQ), and individual capacity ratings of between 145 and 2,000 gpm. With the LCRA supplying water via Lake Pflugerville, the City currently operates, as needed, three water wells, Well No. 4, Well No. 6 and Well No. 7, with reported combined rated capacities of 3,945 gpm (about 5.7 MGD). However, during dry periods the capacities of these wells is significantly reduced due to lower water levels and/or water-quality problems. Possibly, the capacity of Well No. 6 may be restricted due to an insufficient length of casing that prohibits a suitable deeper pump setting.

QUALIFICATIONS

TGI specializes in hydrogeologic and ground water supply projects. Since its formation in 1998, the firm has conducted numerous studies involving the occurrence, movement, quality and availability of ground water. TGI has conducted many well-siting studies including exploration drilling, logging, temporary and permanent test well completion, aquifer testing, water-quality sampling, and analyses of aquifer and well production characteristics. Additionally, TGI has assisted municipalities and project engineers with designing, drilling and completing, and obtaining approvals from the Texas Commission on Environmental Quality (TCEQ) for dozens of public water system (PWS) wells ranging in depth from 50 to 2,500 feet, and with pumping rates of up to 3,000 gallons per minute (gpm).

Locally, TGI has designed and directed exploration and well-siting investigations, including drilling and testing programs, for more than six sites within the Edwards aquifer near Pflugerville. Additionally, TGI conducted the siting studies and assisted project engineers in the design and completion of two of the newest wells for Windermere Utility Company (a.k.a., Southwest Water Company), including one of the highest capacity wells in the area. TGI assisted in collecting water quality samples and evaluating water quality with respect to seasonal aquifer fluctuations, and assisted engineers in evaluating treatment (e.g., reverse osmosis) alternatives.

PROJECT LOCATION AND GENERAL GEOLOGY SETTING

This study will include an evaluation of data and information for the Edwards aquifer in the Pflugerville area, including well records and data from the City's existing wells and Windermere/Southwest Water wells. In addition, based on preliminary information from the City, the proposed new well site(s) are located on City-owned property near Lake Pflugerville. A preliminary review of available local well records indicated that well depths for wells completed in the Edwards aquifer range from 325 to 740 feet below land surface, although the Edwards aquifer may be as deep as 800 feet. Typically, the productivity and water-quality characteristics of the local Edwards aquifer are extremely variable from site to site. For example, production rates from nearby wells producing from the Edwards aquifer reportedly range from less than 5 gallons per minute (gpm) to more than 1,000 gpm and specific capacities reportedly range from less than 2 gallons per minute per foot (gpm/ft) to more than 180 gpm/ft. In addition, total dissolved solids content of water produced from nearby wells completed in the Edwards aquifer reportedly range from less than 290 milligrams per liter (mg/L) to greater than 2,500 mg/L. Therefore, the proposed exploration drilling, logging, and testing program at more than one site is the most applicable program for this project. Additionally, the available properties in which the drilling, logging, and testing will occur are located near where the quality of water from the Edwards aquifer degrades from potable to slightly saline.

SCOPE OF SERVICES

Due to the variability of productivity and water quality in the local Edwards aquifer, well yields and water quality can vary significantly within small areas. When conducting exploration for new well sites, it is common to drill and test at multiple sites in order to locate one favorable production well site for public supply use. The Work proposed herein will be conducted in a series of sequential tasks to expedite the project and prevent unbeneficial expenditures. The objectives of the project are:

- To assess local aquifer conditions including spatial and temporal (e.g., seasonal) trends in productivity, water levels and water quality, particularly as related to completion of local wells;
- To evaluate the City's existing wells to assess optimum production rates during dry periods (i.e., drought), to ascertain water quality trends and explore possible options for using well water, and to determine whether wells can be modified or refurbished to optimize production;
- To design, coordinate and effectively conduct an initial field exploration, drilling, logging, and testing program to evaluate potential well sites across the properties;
- To evaluate and determine potential well productivity from one or more wells and potential quality of water at favorable new sites; and,

- To determine the optimal well design and the number of wells needed to meet the projected demand through 2025.

While the Work proposed herein does not include any engineering services, the information and results from this study will enable TGI to provide the information necessary to assist the City and project engineers in **subsequent** work phases with the following:

- Developing final plans and designs for well construction/well modification, pumping equipment and other appurtenances;
- Obtaining TCEQ approvals to construct production wells for public supply use;
- Obtaining competitive bids for production wells from qualified water well contractors;
- Providing guidance for specifications for completing and testing large-capacity production wells; and,
- Providing the necessary data to the City and project engineers for planning and designing future infrastructure and treatment facilities for the well(s).

Task 1 – Perform Background Assessments and Site Selection

Task 1 work will involve conducting an “in-house” hydrogeologic evaluation of the local Edwards aquifer to provide the City with information regarding the depth to and character of potential water-bearing zones, hydraulic properties of the aquifer, the potential production rate of a properly designed and completed well, and likely total dissolved solids content from a new well on the south side of the City. TGI will collect data and information from the Texas Water Development Board (TWDB), TCEQ, the Texas Department of Licensing and Regulations (TDLR), the United States Geological Survey (USGS), the University of Texas Bureau of Economic Geology (BEG), the Railroad Commission of Texas (RRC), in-house files, and other available records as applicable. Specifically, items conducted during this task will include:

- Identifying potentially favorable and available properties based on ownership, existing infrastructure and readily available access;
- Reviewing available published and unpublished geologic, hydrologic, and ground-water availability reports and maps for the area, including reports from the TWDB, USGS, BEG, TGI files, and other consultants;
- Reviewing records for existing local wells including well completion, production intervals, geologic logs, drillers logs, production information, water levels, and water quality;

- Reviewing aerial photography and/or satellite imagery to in order to identify potential geologic structure (e.g., lineaments, fracture traces and faults) that may be favorable for productive well sites;
- Conducting various analysis of spatial and temporal data trends and performing hydraulic calculations in order to determine the potential short-term and long-term production and water-quality characteristics of the local aquifer and proposed well(s); and,
- Preparing and presenting in a meeting a technical memorandum or summary letter report to the City to discuss results of Task 1 work, evaluating any potentially fatal flaws.

Included in the letter will be TGI's recommendations as to how to proceed with a drilling and testing program. With positive results from Task 1 work and upon concurrence by the City to proceed, TGI will move forward with Task 2 work.

Task 2 – Design a Drilling and Testing Program and Solicit Bid Packages

TGI understands that the City will follow its standard processes and procedures in soliciting competitive bids and selecting a qualified water well contractor to perform the Work associated with drilling, logging, well completion, pump setting, production testing, sampling, plugging/abandonment, etc. TGI will prepare the Scope of Work and Specifications for the field programs, and will assist the City in soliciting bids and procuring the contractor(s). Specifically, Task 2 work will include the following:

- Preparing a detailed Scope of Work and Specifications for a properly designed drilling and testing program;
- Preparing and soliciting a competitive bid proposal package to at least three (3) qualified, experienced and reputable water well contractors, licensed in the State of Texas, to obtain detailed and accurate costs, availability of each contractor, and ensure that contractors are sufficiently experienced and qualified for the proposed work;
- Providing to the City a Bid Tabulation summarizing the results of bids and assisting the City in selecting the appropriate contractor to do the proposed work; and,
- Coordinating and planning with the City and water well contractor specific drill site locations, site access and security, schedules, water needs during drilling, security and safety plans, any excavations and discharge needs, etc.

Task 3 – Conduct Field Programs including Exploration Drilling and Testing

This task will include professional hydrogeological services associated with effectively conducting a proper drilling and testing program for the local aquifer conditions. This task is separated into two sub-tasks for each potential new well site, plus a third subtask for the Well No. 6 downhole video as follows:

- **Task 3A – Exploration/Pilot Hole Drilling and Logging** – this task will include:
 - Drilling a pilot hole/test hole with minimum diameter of 8¾-inches using air rotary techniques to the base of the Edwards aquifer, between 600 and 800 feet below land surface.
 - During drilling, compiling logs of drill cuttings, drill time, fluid produced or lost, air volume needed to purge the hole and, if possible, collecting field water quality parameters (specific conductance, pH, temperature) of water jetted from the hole during drilling.
 - After the hole is drilled to the total depth, conducting geophysical logging with a qualified logging company to obtain downhole measurements of geophysical parameters including, but not limited to, natural gamma, spontaneous potential, dual induction resistivity, and caliper. Other log signatures may be obtained.

It is possible during drilling and air jetting the hole that substantial information regarding the general productivity and water-quality characteristics of the aquifer at the site can be estimated. This information will be used to determine whether a temporary test well (Task 3B) is warranted at the site. If a site is deemed to be unfavorable based on Task 3A drilling and logging, the pilot hole will be plugged and abandoned in accordance with TDLR and TCEQ guidelines and requirements.

It may be advisable to conduct Task 3A drilling and logging at multiple sites prior to selecting the most favorable site(s) to proceed with Task 3B testing. Per our meeting, you indicated that the City has three properties accessible for test drilling, and that initially the City may consider drilling at up to three sites. **For purposes of this Proposal, TGI provides a cost estimate PER SITE.**

- **Task 3B – Temporary Test Well Installation and Testing** – at sites deemed favorable based on Task 3A work, this sub-task will include:
 - Temporarily setting 6-inch diameter casing in the drilled hole to the top of the producing interval. Note that the hole will not be reamed to a larger diameter, and the casing will not be cemented in place;
 - Installing a large-capacity pump (e.g., 25 HP or more) capable of pumping more than 150 gpm for aquifer testing purposes;
 - Conducting a step-rate pumping test at three selected pumping rates in order to assess aquifer efficiency and optimum pumping rates;

- Conducting a 24-hour constant-rate pumping test, including measuring water levels at selected intervals during a 12-hour static period prior to the pump being turned on, during the 24-hour production test, and 12-hour recovery period after the pump is turned off;
- Monitoring field water-quality parameters (e.g., specific conductance, pH, temperature, turbidity and others) throughout the pumping test;
- Collecting and delivering samples to a qualified laboratory for analysis of water quality, particularly analyzing for parameters relating to potable or public drinking water supplies per TCEQ regulations;
- Pulling and removing the temporary pumping equipment and 6-inch diameter casing; and,
- At favorable sites (if possible), capping and securing the pilot hole to preserve the hole for reaming to complete a large-capacity production well in the future. At unfavorable sites, plugging/abandoning the drilled hole per TDLR and TCEQ regulations and guidelines.

For purposes of this Proposal, TGI provides herein a cost estimate PER SITE.

- **Task 3C – Downhole Video Logging of Well No. 6** – this task will include:
 - Coordinating with City personnel and the selected water well contractor an opportune time to take Well No. 6 offline, pull the pumping equipment, and let the well remain idle for at least 24 hours; and,
 - Witnessing the downhole video logging of the well and obtaining a copy of the video or in-house review.

All Task 3 drilling, logging, testing, sampling, and plugging will be conducted in accordance with standard practices and all applicable EPA, TDLR and TCEQ guidelines and requirements.

Task 4 – Ground-Water Supply Evaluation and Production Well Site Selection

Task 4 will include analyzing the data and information compiled in order to evaluate the likely production and water quality from existing active and inactive City wells and test sites, as well as to assess the overall availability and quality of ground water in the area, including during drought periods. Specifically, this task will include:

- Assessing historical and current production characteristics and water quality trends in the City’s existing wells;
- Determining whether Well No. 6 (or other existing City wells) could be recompleted, modified, refurbished, altered or replaced to optimize and gain substantial production capacity;

- Evaluating drilling, logging, and testing results to assess productivity and water-quality characteristics of the aquifer (and properly designed wells) at the tested locations;
- Assessing for the local aquifer, ground-water availability and water quality for short-term and long-term needs, particularly with respect to dry periods;
- Determine optimal production well designs, targeting pumping rates, and likely pumping conditions for the tested sites including the number of wells needed to obtain the needed current and future supplies for the City;
- Compiling general cost estimates for mitigating Well No. 6 (and other existing City wells), and for completing new production wells, installing pumping equipment; and,
- Providing a written letter report and a presentation to the City summarizing the hydrogeologic evaluations and test well sites.

This task will provide the basis for production well and pumping equipment designs, water treatment systems, cost determinations, and other engineering factors.

COST ESTIMATE

Estimated costs for TGI's services to conduct the Work as described in this Proposal are provided as Table 1 in Attachment A. Note that Task 1, Task 2 and Task 4 will not exceed the estimates provided herein. However, Task 3 costs may vary depending upon actual geologic conditions encountered, actual depths drilled, and actual testing needed. Should these conditions result in an increase in total cost, TGI will submit a change order request and require written approval from the City prior to proceeding.

TGI fees and costs will be determined by actual working hours and direct expenses associated with completing the work tasks outlined above and are based on the attached Standard Fee Schedule (Attachment B) and Equipment Fee Schedule (Attachment C). Invoices are issued monthly and are payable upon receipt.

In the event that TGI should identify additional work items necessary to effectively and successfully complete the project, TGI will provide written recommendations and associated costs. Such additional work will only be conducted with verbal or written approval from the City.

TGI obtained preliminary and unofficial cost estimates from several water well contractors. TGI understands that the City will obtain competitive bids for the drilling, logging and well completion services, and will contract directly with the selected water well contractor. Table 2 in Attachment A provides a range of estimated costs for water well contractor services.

SCHEDULE

Once authorized, we anticipate being able to begin work within 10 business days. The primary factors dictating the scheduling and completion of the work will be the City's bidding process, the availability of the licensed water well drilling contractor, the accessibility of properties, and the number of test sites selected. We anticipate that the drilling, logging, and plugging per site for Task 3A will require approximately 5 days, and drilling, logging, testing, and sampling for Task 3B will require approximately 10 days. Assuming three sites are drilled and logged (Task 3A), and one site is tested and sampled (Task 3B), we anticipate that the Work described in this Proposal could be completed in 60 to 90 days, depending on drilling and weather conditions beyond our control.

AUTHORIZATION

If the included Scope of Work, Cost Estimate, and Schedule are acceptable, please authorize work in the space provided below and return a copy to us via facsimile to (512) 244-1461 or by mail. Upon receipt of an executed copy, we will proceed with the work as described.

We very much appreciate the opportunity to provide you this Cost Estimate and look forward to assisting you with this project.

If you have any questions, please call.

Sincerely,
THORNHILL GROUP, INC.



Michael R. Thornhill, P.G.
President

Attachments

APPROVED:

(Client Signature)

(Title)

(Printed Name)

(Date)

STANDARD FEES FOR PROFESSIONAL SERVICES BY THORNHILL GROUP, INC.

Fees for professional services provided by Thornhill Group, Inc. are based on the actual and direct time of personnel on the project at the following hourly rates:

Principal	\$ 200
Project Manager	\$ 150
Technical Staff 3	\$ 125
Technical Staff 2	\$ 105
Technical Staff 1	\$ 85
GIS Staff	\$ 85
Graphics Staff	\$ 75
Field Technician	\$ 60
Clerical Staff	\$ 40

Reimbursement for actual expenses incurred that are directly related to work and performance on the project are billed per the following:

- a. for reproductions by graphics department, charges equivalent to commercial rates for similar commercial services.
- b. for transportation in company or personal vehicles, mileage will be billed at the current IRS approved rate per mile.
- c. for use of company field equipment, including but not limited to steel tapes, electric lines, conductivity, pH and turbidity meters, computers, data recorders, transducers and air monitoring equipment, charges are equivalent to commercial rates for similar equipment rentals.
- d. for all other expenses, including but not limited to reproduction, transportation, meals, lodging, parking, taxi fares, vehicle rentals, airfare, long distance telephone calls, printing, maps, photographs, field supplies, equipment rental, shipping, drilling contracting, laboratory costs, charges will be based on the actual invoice costs.

Invoices are payable upon receipt, and accounts unpaid more than 30 days after the billing date are subject to 1.25 percent interest per month (15 percent annual rate) from the invoice date.

**STANDARD FEES FOR FIELD EQUIPMENT PROVIDED
BY THORNHILL GROUP, INC.**

Fees for use of company field equipment provided by Thornhill Group, Inc. are based on actual daily usage in the field, at the following rates:

	Daily	Weekly	Monthly
Field Vehicle	\$50.00	\$150.00	\$450.00
Data Recorders	\$25.00	\$75.00	\$225.00
E-Line	\$20.00	\$60.00	\$180.00
Conductance Meter	\$15.00	\$45.00	\$135.00
pH Meter	\$15.00	\$45.00	\$135.00
ORP Meter	\$15.00	\$45.00	\$135.00
DO Meter	\$25.00	\$90.00	\$300.00

**Exploration Program for Favorable Edwards Aquifer Well Sites
Near Pflugerville Lake, Travis County, Texas**

Table 1. TGI Services Cost Estimate –

Task	Description	Cost Estimate
1	Perform Background Assessments and Site Selection	
	TGI Fees and Expenses	\$ 4,600
2	Design a Drilling and Testing Program and Solicit Bid Packages	
	TGI Fees and Expenses	\$ 10,400
3	Conduct Field Programs – Exploration Drilling, Logging, Testing, and Sampling	
	<i>Task 3A – Exploration/Pilot Hole Drilling and Logging</i>	
	TGI Fees and Expenses	\$ 12,500*
	<i>Task 3B – Temporary Test Well Installation, Testing, and Sampling</i>	
	TGI Fees and Expenses	\$ 22,400*
	<i>Task 3C – Downhole Video of Well No. 6</i>	
	TGI Fees and Expenses	\$ 1,500*
	Task 3 Subtotal	\$ 48,690*
4	Ground-Water Supply Evaluation and Production Well Site Selection	
	TGI Fees and Expenses	\$ 11,500
	TGI COST ESTIMATE TOTAL	\$ 62,900*

Asterisk (*) indicates that the estimated costs are based on ONE SITE of field-testing.

Table 2. Preliminary Range of Estimated Costs for Water Well Contractor Services –

Task	Description	Cost Estimate
3	Exploration Drilling, Logging, and Testing	
	<i>Task 3A – Exploration/Pilot Hole Drilling and Logging</i>	
	Water Well Contractor Services	\$ 27,000 to \$ 87,000*
	<i>Task 3B – Temporary Test Well Installation and Testing</i>	
	Water Well Contractor Services	\$ 29,000 to \$ 37,000*
	Task 3 Subtotal Contractor Range	\$ 56,000 to \$ 124,000*

Asterisk (*) indicates that the estimated costs are based on ONE SITE of field-testing.

The estimated cost for each additional site for Task 3A could range from \$25,000 to \$47,000.
The estimated cost to plug a pilot hole could range from \$6,000 to \$11,250.

**STANDARD GOVERNMENTAL CONTRACT AND PURCHASING RIDER
FOR CONTRACTS WITH THE CITY OF PFLUGERVILLE, TEXAS**

(Version 2/1/12)

By submitting a response to a solicitation or bid, or by entering into a contract for goods or services and/or by accepting a purchase order, the contracting party identified below agrees that the below terms and conditions shall govern all agreements with the City unless otherwise agreed to by a specifically executed provision within the contract and if permissible by law. Absent a specifically executed provision, the below terms are BINDING and SUPERSEDE any and all other terms and/or conditions whether oral or written.

1. Application. This Governmental Rider applies to, is part of, and takes precedence over any conflicting provision in or attachment to the Contract (Contract) (attached hereto) of Thornhill Group Inc. (Vendor). The Contract involved in this Rider is described as follows:

Hydrogeologic Services for the City of Pflugerville

2. Payment Provisions. The City's payments under the Contract, including the time of payment and the payment of interest on overdue amounts, are subject to Chapter 2251, Texas Government Code. City reserves the right to modify any amount due to contractor presented by invoice to the city if necessary to conform the amount to the terms of the contract.

3. Multiyear Contracts. If the City's city council does not appropriate funds to make any payment for a fiscal year after the City's fiscal year in which the contract becomes effective and there are no proceeds available for payment from the sale of bonds or other debt instruments, then the Contract automatically terminates at the beginning of the first day of the successive fiscal year. (Section 5, Article XI, Texas Constitution). It is understood and agreed the City shall have the right to terminate the agreement at the end of any City fiscal year if the governing body of the City does not appropriate funds sufficient to continue the contract, as determined by the City's budget for the fiscal year in question. The City may execute such termination by giving contractor a written notice of termination at the end of its then current fiscal year.

4. Best Value Determination. All competitive bids or proposals received shall be evaluated based on the best value for the City. Best value shall be determined any relevant criteria specifically listed in the solicitation and by considering all or part of the criteria listed below:

- a. Bid price.
- b. Reputation of the bidder and of bidder's goods and services.
- c. The quality of the bidder's goods or services.
- d. The extent to which the goods or services meet the City's needs.
- e. Bidder's past relationship with the City. All vendors shall be evaluated on their past performance and prior dealings with the City to include, but not limited to, failure to meet specifications, poor quality, poor workmanship, and late delivery.

5. Local Preference. The City Council supports the local preference option for purchasing. In accordance with Chapter 271.9051 of the State of Texas Local Government Code, the City Council may choose to award a competitive bid to a bidder whose principal place of business is in the City limits, provided that this bid is within 5% of the lowest bid price received.

6. No Ex-Parte Communications during Competitive Bidding Period. To insure the proper and fair evaluation of a response, the City prohibits ex parte communication (e.g., unsolicited) initiated by the proposed contractor to a City official or employee evaluating or considering the responses prior to the time a formal decision has been made. Questions and other communication from vendors will be permissible until 5:00 pm on the day specified as the deadline for questions. Any communication between responder and the City after the deadline for questions will be initiated by the appropriate City official or employee in order to obtain information or clarification needed to develop a proper and accurate evaluation of the response. Ex parte communication may be grounds for disqualifying the offending responder from consideration or award of the solicitation then in evaluation, or any future solicitation.

7. Abandonment or Default. A contractor who abandons or defaults the work on the contract and causes the City to purchase the services elsewhere may be charged for any increased cost of goods, materials and/or services related thereto and shall not be considered disqualified in any re-advertisement of the service and may not be considered in future bids for the same type of work for a period of three years for the same scope of work, goods or services.

8. Disclosure of Litigation. Each contractor shall include in its proposal a complete disclosure of any civil or criminal litigation or investigation pending which involves the respondent or which has occurred in the past in which the respondent has been judged guilty or liable by a competent court regardless of whether the Court Order or Judgment is final or on appeal.

9. Cancellation., the City reserves the right to cancel the contract without penalty by providing 30 days prior written notice to the contracting party. Termination under this paragraph shall not relieve the contractor of any obligation or liability that has occurred prior to cancellation. **NOTE: This contract is subject to cancellation, without penalty, at any time the City deems the vendor to be non-compliant with contractual obligations.**

10. Annual Vendor Performance Review. The City reserves the right to review the vendor's performance annually and to cancel all or part of the agreement (without penalty) or continue the contract through the next period.

11. Compliance with other laws and certification of eligibility to contract. Any offer to contract with the City shall be considered an executed certification that the contractor shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, (as amended during the contracting period) and any orders and decrees of any court or administrative bodies or tribunals in any matter affecting the performance of the resulting agreement, including without limitation, immigration laws, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. *Additionally, such offer shall indicate that the contractor has fully read and understood the terms and conditions for eligibility to contract with the City pursuant to Chapter 38 of the City's Ordinances and certifies they are in compliance with those local requirements.* When requested, the contractor shall furnish the City with satisfactory proof of its compliance within 10 days or any contract with the City is void.

12. Compliance with all Codes, Permitting and Licensing Requirements. The successful contractor shall comply with all national, state and local standards, codes and ordinances as well as any other authorities that have jurisdiction pertaining to equipment and materials used and their application. None of the terms or provisions of the specification shall be construed as waiving any rules, regulations or requirements of these authorities. The successful bidder shall be responsible for obtaining all necessary permits, certificates and/or licenses to fulfill contractual obligations.

13. Liability and Indemnity of City. Any provision of the Contract is void and unenforceable if it: (1) limits or releases either party from liability that would exist by law in the absence of the provision; (2) creates liability for either party that would not exist by law in the absence of the provision; or (3) waives or limits either party's rights, defenses, remedies, or immunities that would exist by law in the absence of the provision.. (Section 5, Article XI, Texas Constitution)

14. Indemnity and Independent Contractor Status of Contractor. Contractor shall indemnify, save harmless and defend the City, its officers, agents, and employees from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses, attorney's fees and any and all other costs or fees (whether grounded in Constitutional law, Tort, Contract, or Property Law, or raised pursuant to local, state or federal statutory provision), arising out of the performance of the resulting agreement and/or arising out of a willful or negligent act or omission of the contractor, its officers, agents, and employees. It is understood and agreed that the contractor and any employee or sub-contractor of contractor shall not be considered an employee of the City. The contractor shall not be within protection or coverage of the City's workers' compensation insurance, health insurance, liability insurance or any other insurance that the City from time to time may have in force and effect. City specifically reserves the right to reject any and all contractor's employees, representatives or sub-contractors and/or their employees for any cause, should the presence of any such person on City property or their interaction with City employees be found not in the best interest of the City, harassing, or is found to interfere with the effective and efficient operation of the City's workplace.

15. Liens. Contractor agrees to and shall indemnify and save harmless the City against any and all liens and encumbrances for all labor, goods and services which may be provided under the resulting agreement. At the City's

request the contractor or subcontractors shall provide a proper release of all liens, or satisfactory evidence of freedom from liens shall be delivered to the City.

16. Confidentiality. Any provision in the Contract that attempts to prevent the City's disclosure of information that is subject to public disclosure under federal or Texas law or regulation, or court or administrative decision or ruling, is invalid. (Chapter 552, Texas Government Code)

17. Tax Exemption. The City is not liable to Vendor for any federal, state, or local taxes for which the City is not liable by law, including state and local sales and use taxes (Section 151.309 and Title 3, Texas Tax Code) (and federal excise tax (Subtitle D of the Internal Revenue Code) for certain purchases). Accordingly, those taxes may not be added to any item. Texas limited sales tax exemption certificates will be furnished upon request. Vendors shall not charge for said taxes. If billed, the City will remit payment less sales tax.

18. Contractual Limitations Period. Any provision of the Contract that establishes a limitations period that does not run against the City by law or that is shorter than two years is void. (Sections 16.061 and 16.070, Texas Civil Practice and Remedies Code)

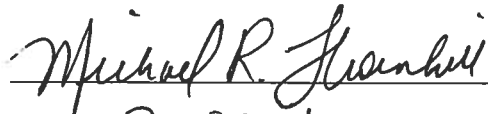
19. Sovereign Immunity. Any provision of the Contract that seeks to waive the City's immunity from suit and/or immunity from liability is void unless agreed to by specific acknowledgement of the provision within the contract.

20. Governing Law and Venue. Texas law governs this Contract and any lawsuit on this Contract must be filed in a court that has jurisdiction in Travis County, Texas.

CITY OF PFLUGERVILLE, TEXAS

THORNHILL GROUP INC.

By: _____



Authorized City Representative

Title: President

Date: _____

Date: 8/6/13



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/5/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Watkins Insurance Group-Austin 3834 Spicewood Springs Rd, St Austin TX 78759	CONTACT NAME: Kea		PHONE (A/C, No, Ext): 512-452-8877		FAX (A/C, No): 512-452-0999
	E-MAIL ADDRESS: kea@watkinsinsurancegroup.com		INSURER(S) AFFORDING COVERAGE		
INSURED Thornhill Group, Inc. 1104 S. Mays Street Round Rock TX 78664	INSURER A : The Hartford				NAIC # 29424
	INSURER B : JAMES RIVER INS CO				12203
	INSURER C :				
	INSURER D :				
	INSURER E :				
INSURER F :					

COVERAGES **CERTIFICATE NUMBER:** 1383546111 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	Y	Y	04UUNOJ3003	4/1/2013	4/1/2014	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	Y	Y	04UUNOJ3003	4/1/2013	4/1/2014	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	04WEOJ3695	4/1/2013	4/1/2014	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
B A	Professional Property Special			000144847 04UUNOJ3003	2/9/2013 4/1/2013	2/9/2014 4/1/2014	Prof Each Claim 1,000,000 Contents 114,400

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Subject to policy terms and conditions.
City of Pflugerville are Additional Insured on General Liability and Auto policies per written contract. Waiver of Subrogation included on General Liability, Auto and Workers Compensation policies.

CERTIFICATE HOLDER City of Pflugerville P.O. Box 589 Pflugerville TX 78691	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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