

**AGREEMENT FOR MANAGEMENT SERVICES
BETWEEN THE CITY OF SEGUIN AND
THE SCHERTZ/SEGUIN LOCAL GOVERNMENT CORPORATION**

THE STATE OF TEXAS

KNOWN ALL BY THESE PRESENTS:

COUNTY OF GUADALUPE

THIS AGREEMENT, executed the 16th day of JULY, 2015 by and between the City of Seguin, a municipal corporation, acting by and through its City Manager, situated in Guadalupe County, Texas (hereinafter referred to as “Seguin”), and the Schertz/Seguin Local Government Corporation (hereinafter referred to as “SSLGC”) acting by and through its General Manager is as follows:

WITNESSETH:

I.

That Seguin agrees to provide financial services to SSLGC according to the terms of this Agreement. For the purpose of this contract, the SSLGC General Manager shall be charged with the responsibility of carrying out SSLGC’s operations and program as adopted by the Board. Direct services Seguin shall perform for SSLGC shall include, but not be limited to:

1. Assist the SSLGC General Manager in preparing a budget for the forthcoming year for review and approval by the SSLGC Board and City Councils of Schertz and Seguin.
2. Providing all necessary accounting and financial management through Seguin’s Finance Department for the SSLGC Operating Budget.
3. Providing all personnel administration services for all full-time and part-time employees. Seguin shall be responsible for hiring, evaluation, and/or termination of personnel, who shall be City of Seguin employees and subject to all personnel policies thereof.
4. Providing laboratory space for water testing.
5. Providing all scheduled and unscheduled maintenance required for vehicles and equipment assigned to SSLGC.
6. Providing IT support for SSLGC office and personnel as required.
7. Providing risk management service in accordance with the requirements of SSLGC’s bond resolution, the water supply agreement with the Cities of Schertz and Seguin, property and liability insurance, terms of this agreement, and directives of the Board.
8. Include the general manager (City of Schertz employee) on the City of Seguin’s authorized purchasing list for SSLGC purchases only.

Seguin's services under this agreement are subject to oversight and direction by the SSLGC Board and the SSLGC General Manager. In performing its duties under this agreement, Seguin shall act for the benefit of SSLGC and not of any individual participant in the project.

II.

SSLGC shall reimburse Seguin the cost for the management services provided to SSLGC by Seguin pursuant to this agreement. Such payments shall be paid on a quarterly basis and payable by the 10th day of the following month.

To compensate Seguin for the costs it will incur to perform the services described in this Agreement, SSLGC will reimburse Seguin the actual expenditures incurred, with the exception of Finance, HR and IT services, which will be a set annual fee paid quarterly, all not to exceed the SSLGC fiscal year 2015-2016 budgeted amounts. Seguin will have the right at any time during a fiscal year to seek additional reimbursement if Seguin reasonably determines that the budgeted amount is inadequate to compensate Seguin for the costs it incurs on behalf of SSLGC in providing services under this agreement. Projected cash shortages resulting from unplanned costs related to the services to be provided under this agreement will be brought to the immediate attention of the SSLGC Board.

SSLGC Board or General Manager will have the right during normal business hours upon three business days' prior written notice, to audit, examine, or reproduce any or all books and records of Seguin related to the performance of its duties under this agreement.

In the event of the termination of this agreement, the SSLGC will be responsible for paying Seguin only the portion of the cost allocated to periods prior to the effective date of termination of the agreement.

III.

It is the express purpose of this contract to have the SSLGC General Manager and related Seguin personnel implement, administer, and carry out the duties required for the operations of the public water systems owned by SSLGC.

IV.

Seguin acknowledges that the SSLGC General Manager will be the direct supervisor of the SSLGC Assistant General Manager, SSLGC Administrative Staff and SSLGC Water System Superintendent. The SSLGC Operations Personnel will be under the direct supervisor of the SSLGC Water System Superintendent. He will coordinate operations in conjunction with the other Seguin utility personnel, which will provide support, as needed. Similarly, the General Manager and Assistant General Manager positions will be available to provide backup support to Schertz and Seguin, provided such assignments shall not adversely impact the operations of the SSLGC Water System.

The General Manager will participate in the annual review process of all SSLGC Operations Personnel, be informed of any personnel actions and provide for the annual review of the SSLGC Assistant General Manager, SSLGC Administrative Staff

V.

The SSLGC Administrative Building at 108 W. Mountain Street, Seguin, Texas 78155, will be known as the location of the SSLGC Administrative Office and SSLGC Meeting site.

VI

Subject to early termination as provided in Article VII below, this agreement shall be in effect for a period of one year commencing **OCTOBER 1, 2015** and ending **SEPTEMBER 30, 2016** unless otherwise renewed or extended at the discretion of both parties.

VII.

TERMINATION:

1. This contract may be terminated by Seguin or SSLGC, in whole, or from time to time in part, upon ninety (90) day notice from the terminating party to the other party. Termination shall be ninety (90) days after delivery of Notice of Termination specifying to what extent performance or work under the contract shall be terminated ninety (90) days after receipt by the notified party.
2. After receipt of a Notice of Termination Seguin shall:
 - a. Stop work on the date as specified in the ninety (90) day Notice of Termination to extent possible.
 - b. Place no further orders or subcontracts except as may be necessary for completion of the work not terminated.
 - c. Terminate all order and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination in so far as possible.
 - d. SSLGC shall pay expenses incurred through the date of termination.

VIII.

It is expressly understood that Seguin and SSLGC each retain the right to pursue other avenues for development and operation of public water systems, when it is determined to be in the best interest of Seguin or SSLGC to do so and this Agreement shall not limit either Seguin's right or SSLGC's right to pursue such interests.

IX.

It is the intent of the parties for SSLGC to acquire, after consultation with Seguin, insurance and other risk management programs to protect SSLGC, its property, and its participants.

To the extent permitted by law and to the extent SSLGC is protected by insurance or other risk management program, SSLGC shall defend, indemnify and hold harmless Seguin from and against claims, demands, actions, judgments, and liability asserted by any person other than SSLGC arising out of the performance by Seguin of its services on behalf of, and as agent of, SSLGC under this Agreement, excepting only such claims, demands, actions, judgments, and liability arising out of the willful misconduct or gross negligence of Seguin.

X.

This Agreement shall take effect on the 1st day of **OCTOBER, 2015**.

IN WITNESS WHEREOF, the parties have executed this Contract in the year and on the day indicated.

**SCHERTZ/SEGUIN LOCAL
GOVERNMENT CORPORATION
P.O. Box 833
Seguin, Texas 78156**

**CITY OF SEGUIN, TEXAS
P.O. Box 591
Seguin, Texas 78155**

R. Alan Cockerell, General Manager

Douglas G. Faselers, City Manager

Date

Date