

## SERVICE CONTRACT

This contract is entered into by and between the CITY OF LAREDO, TEXAS, a municipal corporation, acting by and through its City Manager (hereinafter referred to as “City”), and **LAREDO CENTER FOR URBAN AGRICULTURE AND SUSTAINABILITY**, (hereinafter referred to as “Organization”), pursuant to the city’s authority to provide for the public health and welfare of its residents, as approved by the City Council on April 7, 2025.

### **Section 1: SCOPE OF SERVICE**

The Organization shall utilize funds to share the mission of developing and implementing policies and programs that support the growth of urban agriculture and environmental sustainability practices in the City of Laredo. To the greatest extent practicable and to the extent permitted by law, the Organization shall, in providing the services described in the scope of services, prioritize referrals received from the City.

### **Section 2: PERFORMANCE STANDARDS**

The Organization shall meet those performance standards described and set out in the “Goals and Objectives,” attached hereto as **EXHIBIT 1** and made a part of this contract as if incorporated herein, that are activities or events intended to promote economic development, health and welfare, and/or education. Event must be an in-person event (virtual events are not applicable), event must materialize within the contract period specified in section 3, event must follow all health guidelines as required by the City of Laredo. Organization agrees to make any necessary changes deemed by City to be necessary and in the best interest of public health.

### **Section 3: TERM**

This Agreement shall commence on **October 1, 2024**, and shall continue in full force and effect for a period of three (3) years, ending on **September 30, 2027**.

The City agrees to provide financial assistance contingent to annual funding availability. Based on **Exhibit 2**, the proposed annual allocation will not carry over from one year to the next.

Year 1 (2024-2025)	\$160,000
Year 2 (2025-2026)*	\$160,000
Year 3 (2026-2027)*	\$160,000

### **Section 4: CONSIDERATION**

Subject to compliance with the terms of this contract, the City agrees to pay not more than **\*\$160,000.00** per year for the next three (3) years for the services provided by the Organization during the term of this contract as follows: For prepaid services, the City shall pay the Organization a sum of **\$40,000.00** per quarter, in accordance with the approved budget (**Exhibit 2**), with the total aggregate amount not to exceed **\$160,000.00**. If the Organization should bill less than **\$40,000.00** for any quarter, the difference in amounts may accumulate only for the following quarter. The Organization may bill the City for services to be rendered for that quarter, and

additional accumulated amounts in order for the full contract amount to be realized so long as such billings are for services rendered.

#### **PREPAID SERVICES**

<b>Period</b>	<b>Amount</b>
Quarter 1 October 1 – December 31	\$40,000
Quarter 2 January 1 – March 30	\$40,000
Quarter 3 April 1 – June 30	\$40,000
Quarter 3 July 1 – September 30	\$40,000

#### **Section 5: METHOD OF PAYMENT**

The City shall pay the Organization for the services provided on the basis of a written request for payment submitted to the Nonprofit Management and Volunteer Center quarterly, and not later than the last day of the month for the quarter. Such written request for payment shall include (1) a statement describing the services that will be rendered, during the previous quarter (2) the amount being requested, and (3) Active Liability Insurance. The organization should submit invoices in the 2<sup>nd</sup> and 4<sup>th</sup> quarters for backup and expense tracking. The expenses reported in the 2<sup>nd</sup> and 4<sup>th</sup> quarters should align with the funds previously disbursed based on **Exhibit 2**. Failure to utilized the money in such manner shall require immediate reimbursement and potential disqualification from future awards. All supporting documentation must be submitted by the 4<sup>th</sup> quarter of the fiscal year. Failure to submit the required documentation may result in contract termination and, upon review, could lead to the contract not being renewed for the following fiscal year.

#### **Section 6: CONFLICT OF INTEREST**

No officer or employee of the City and no member of the City governing body and no employee of the Organization and no member of the Organization's governing board and no person who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this contract shall participate in any decision relating to this contract which affects his personal pecuniary interest. Organization covenants that it presently has no interest and shall not acquire any interest, either direct or indirect, which would conflict in any manner or degree with the provisions of this contract.

#### **Section 7: INDEMNIFICATION**

CONTRACTOR SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE CITY AND ITS OFFICIALS, EMPLOYEES AND AGENTS (COLLECTIVELY REFERRED TO AS "INDEMNITEES") FROM AND AGAINST ALL LOST, COSTS, PENALTIES, FINES, DAMAGES, CLAIMS, EXPENSES (INCLUDING REASONABLE ATTORNEY'S FEES) OR LIABILITIES (COLLECTIVELY REFERRED TO AS "LIABILITIES") BY REASON OF ANY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE O OR DESTRUCTION OR LOSS OF ANY PROPERTY ARISING OUT OF, RESULTING FROM, OR IN CONNECTION WITH: (1) THE PERFORMANCE OR NON-PERFORMANCE OF SERVICES CONTEMPLATED BY THIS CONTRACT BUT ONLY TO THE EXTENT CAUSED BY THE NEGLIGENT ACTS, ERRORS, OMISSIONS, INTENTIONAL FORTS, OR A FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY CONTRACTOR OR CONTRACTORS' AGENT, CONSULTANT UNDER CONTRACT, OR ANOTHER ENTITY OVER WHICH CONTRACTOR EXERCISES CONTROL, OR ITS EMPLOYEES, AGENTS, OR SUBCONTRACTORS (COLLECTIVELY REFERRED TO AS "CONTRACTORS") AND/OR (2) THE FAILURE OF CONTRACTOR TO COMPLY WITH ANY OF THE

PARAGRAPHS OR PROVISIONS OF THIS CONTRACT OR CONTRACT DOCUMENTS, OR THE FAILURE OF CONTRACTOR TO CONFORM SERVICES OR WORK TO STATUTES, ORDINANCES, OR OTHER REGULATIONS OR REQUIREMENTS OF ANY GOVERNMENTAL AUTHORITY, FEDERAL, STATE, OR LOCAL, IN CONNECTION WITH THE PERFORMANCE OF THIS CONTRACT. CONTRACTOR EXPRESSLY AGREES TO INDEMNIFY AND HOLD HARMLESS HE INDEMNITEES, OR ANY OF THEM, FROM AND AGAINST ALL LIABILITIES WHICH MAY BE ASSERTED BY AN EMPLOYEE OR FORMER EMPLOYEE OF CONTRACTOR, OR ANY OF ITS SUBCONTRACTORS, AS PROVIDED ABOVE, FOR WHICH CONTRACTORS' LIABILITY TO SUCH EMPLOYEE OR FORMER EMPLOYEE WOULD OTHERWISE BE LIMITED TO PAYMENTS UNDER STATE WORKERS' COMPENSATION OR SIMILAR LAWS. NOTHING HEREIN SHALL REQUIRE CONTRACTOR TO INDEMNIFY, DEFEND, OR HOLD HARMLESS ANY INDEMNITEE FOR THE INDEMNITEE'S OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. ANY AND ALL DISCHARGE OF ALL OTHER OBLIGATIONS OWED BY THE PARTIES TO EACH OTHER HEREUNDER AND SHALL APPLY PROSPECTIVELY NOT ONLY DURING THE TERM OF THIS CONTRACT BUT THEREAFTER SO LONG AS ANY LIABILITY COULD BE ASSERTED IN REGARD TO ANY ACTS OR OMISSIONS OF CONTRACT IN PERFORMING SERVICES UNDER THIS CONTRACT.

#### **Section 8: INSURANCE**

The Organization shall maintain such insurance as will protect it from any and all claims under the Worker's Compensation Laws of the State of Texas. The Organization shall maintain such insurance as will protect the Organization from claims for damages to because of bodily injury including death and from claims for damage to property which may arise out of and during the conduct of the Organization's business, services, and activities. To this end, the Organization shall have and keep in effect during the term of this contract, public liability and property damage insurance in the amount of not less than **\$1,000,000.00**. Copies of such certificates of insurance as reflect the above required coverage shall be made a part of this contract as **EXHIBIT 3**. Any failure of the Organization to maintain the specified insurance coverage's during the term of this contract shall mean automatic termination of the contract. Failure to utilize the money in such manner shall require immediate reimbursement and potential disqualification form future awards.

#### **Section 9: PURCHASING POLICIES**

The Organization agrees to purchase needed goods and services in a competitive manner by using procedures for purchases that are equal to or better than the purchasing procedures used by the City.

#### **Section 10: EQUAL OPPORTUNITY**

A. Non-Discrimination. The Organization agrees that no person shall be excluded from or denied the benefits or be subjected to discrimination under any program or activity of the Organization, on the grounds of race, religion, national origin, color, sex, physical handicap, political affiliation, age, or familial status.

B. Nonsegregated Facilities. The Organization certifies that all employee facilities under its control are provided in a manner that segregation, whether by habit, local custom, or otherwise, and whether on the basis of race, religion, color, handicap, age, sex, national origin, political affiliation, or familial status, cannot occur. Further, the Organization certifies that it will not assign or permit employees to perform series at any location under its control facilities are segregated.

C. Employment. The Organization will not discriminate against any employee or applicant for employment because of race, religion, color, handicap, age, sex, national origin, political affiliation, or familial status, and will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to any of the same factors, moreover, the Organization will state in all solicitations or advertisements for employees that all qualified applicants will receive consideration for employment without regard to the factors listed above.

#### **Section 11: COMPLIANCE WITH LAW**

The Organization shall comply with all applicable State and Federal Laws, the ordinances of the City of Laredo, and will obtain and pay for all necessary permits, licenses, and any copyright fees.

#### **Section 12: FUNDS ACCOUNTABILITY**

The Organization will account for expenditures under this contract in such a way that Organization income and expenses can be readily identified and audited and can be easily separated from other financial activities of the Organization. Any expenditures of the Organization which are allocated to this contract shall be distributed based on the requirements and activities of the Organization will carry out the goals and activities in **EXHIBIT 1** in accordance with the detailed estimated budget per line item attached hereto as **EXHIBIT 3**. Any adjustments to the annual budget as submitted shall be approved by the Organization's Executive Board. Copies of such adjustments, as approved, shall be submitted to the City in writing within (15) calendar days of such approval. Any such adjustments in excess of 25% of the total budget will be subject to City approval within (30) calendar days of notice of such change to the City Manager.

#### **Section 13: REPORTING REQUIREMENTS**

The Organization shall provide a written report on the expenses and performance within 30 calendar day with the second quarter report and one at the end of the fourth quarter with the reports being due no later than **March 31/September 30**. Such reports will include accomplishments during the quarter, performance report and a financial report showing in reasonable detail how funds have been expended, and for what purposes, and beneficial results thereof. Such quarterly reports shall be submitted along with the Financial Status Quarterly Report required by section 5, above.

#### **Section 14: RIGHT OF TERMINATION**

The City Council may terminate this contract at any time, upon thirty (30) calendar days written notice to the Organization. Upon termination of rental agreement and unused budget amount will be unobligated form this contract.

#### **Section 15: CONTRACT NOT ASSIGNABLE**

The Organization shall not assign this contract or any part of it nor shall it delegate the performance of any of the duties required by this contract.

#### **Section 16: AUDIT AND INSPECTION OF RECORDS**

The Organization agrees to provide access to an authorized representative(s) of the City to the files and records of the Organization. All financial records shall be maintained in accordance with generally accepted accounting principles (GAAP). All files and records shall be clearly identified and readily accessible during reasonable working hours. The Organization further agrees to retain the records for three (3) years and (90) calendar days after the conclusion of this contract or after final payment under this contract, whichever is later.

#### **Section 17: LIMITATION ON FUNDING**

The City Council reserves the right to reduce the consideration under this contract at any time. Any additional request for City support is subject to adhere to a fee schedule cost to the organization.

#### **Section 18: STATUTORY COMPLIANCE**

The work program and the budget have been determined utilizing the provisions of the governing state law authorizing the appropriate use of City monies. It is these statutory guidelines and limitations which govern the work program under this contract. The Organization shall be responsible for ensuring that any and all expenditures are in compliance with this contract.

#### **Section 19: CONTRACT AMENDMENT**

Any amendment to this contract must be in writing and, be signed by both parties. Any increase or decrease to the estimated approved line items will not require an amendment while the budget amount stays the same but the agency must inform the department via e-mail, or letter of the proposed change. A change in the approved goals and objectives or an increase to the approved budget will require a contract amendment and approval by City Council.

#### **Section 20: CONTRACT DEFAULT**

If the Organization shall default in the performance of any of the terms or conditions of this agreement, it shall have thirty (30) calendar days after receiving written notice to cure such default. If the Organization fails to cure its default within such period of time, then City shall have the right to terminate this agreement. If this agreement is terminated, then City will not be responsible for obligations incurred by the Organization after the Organization receives written notice of termination or unless there was an eligible encumbrance or other legally binding obligation which existed prior to receipt of a written notice of termination. Should the Organization not adhere to any of the requirements in the signed contract the monies allocated to the Organization shall be reduced for the following year by 10%.

#### **Section 21: DISPARAGEMENT**

Each of the Parties covenants and agrees that during the term of this Agreement, and or for one year after the termination hereof, none of its respective officers, employees or directors shall in any way defame, slander, or publicly criticize, disparage, or make any negative statement, whether

orally or in writing, about the other Party or such other Parties' officers, employees, directors or business practices.

**Section 22: CONTRACT NOTICES**

All notices required to be given under this contract shall be mailed or personally delivered, as follows:

*CITY OF LAREDO*

Joseph W. Neeb  
City Manager  
City of Laredo  
1110 Houston St.  
Laredo, TX 78040

*ORGANIZATION*

Laredo Center for Urban  
Agriculture and Sustainability  
Chairman or Executive Director  
1415 Chihuahua St.  
Laredo, TX 78040

SIGNED by the parties, in triplicate originals on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

*CITY OF LAREDO*

By: \_\_\_\_\_  
Joseph W. Neeb  
City Manager

*ORGANIZATION*

By: \_\_\_\_\_  
Board Chair or Executive  
Director

*APPROVED AS TO FORM*

By: \_\_\_\_\_  
Doanh "Zone" T. Nguyen  
City Attorney

*CERTIFIED*

By: \_\_\_\_\_  
Mario I. Maldonado Jr.  
City Secretary