

Exhibit A

City of Laredo Public-Private Partnership (PPP) Policy

1. Purpose

The City of Laredo, Texas ("the City") is authorized by Texas law to adopt local guidelines for the purpose of encouraging private investment within the city, facilitate financing public projects and provide the city with the greatest possible flexibility to contract with the public sector to provide public services.

This policy establishes a framework for evaluating, structuring, and implementing public-private partnerships (PPPs) that align with the City of Laredo's strategic goals. Public-Private Partnerships (PPPs) can deliver high-quality civic facilities and services while leveraging private investment and expertise to reduce public costs.

The City has adopted these Guidelines to provide interested private entities with a fair and uniform framework to:

- a) respond to solicited proposals;
- b) submit unsolicited proposals; and
- c) provide a fair and transparent evaluation and selection process for both solicited proposals and unsolicited proposals in accordance with Texas Law.

Consistent with the legislative and statutory purpose, these Guidelines are based on the following:

- There is a public need for timely acquisition, design, construction, improvement, renovation, expansion, equipping, maintenance, operation, implementation, and installation of municipal facilities, technology and other public infrastructure that serve a public need and purpose;
- Existing methods of procurement in which Qualifying Projects are acquired, designed, constructed, improved, renovated, expanded, equipped, maintained, operated, implemented, or installed may not be sufficient; there are inadequate resources to develop new facilities, technology and other public infrastructure, and government facilities for the benefit of the citizens of Laredo, Texas, and there is demonstrated evidence that partnerships between the City and private entities or other persons can meet these needs by improving the schedule for delivery, lowering the cost, and providing other benefits to the public;

2. Scope

This policy applies to:

- a) Renovation or modernization of City-owned facilities
- b) New civic improvements or public amenities
- c) Long-term operational partnerships for City facilities
- d) Private donation of constructed improvements (as practiced in the City's park dedication ordinance)

This policy excludes core infrastructure (water, sewer, and streets) and essential public safety services unless specifically authorized by the Council.

3. General Provisions

The Public-Private Partnership process may be initiated by either a City Solicitation or an Unsolicited Proposal submitted by a Private Entity requesting review, consideration and approval.

The City may invite bids or proposals from Private Entities for purposes that constitute a Qualifying Project. The procedures and requirements applicable to any particular solicited bid or proposal shall be specified in the written Solicitation for that proposal. The response to any written Solicitation shall require the submittals in the adopted format.

The City is also authorized to accept, evaluate or negotiate with Private Entities on any Unsolicited Proposals to design, develop, finance, lease, acquire, install, construct, expand, improve, renovate, equip, operate, or maintain a Qualifying Project. All proposals received without issuance of a Solicitation shall be treated as an Unsolicited Proposal, including any proposals which results from any general publicity of the City's needs that encourage interested parties to submit proposals or competing proposals received in response to a notice issued by the City that it has received an Unsolicited Proposal.

The Public-Private Partnership process for either a Solicited or Unsolicited Proposal requires a two-part proposal that consists of:

- a. an initial Conceptual and Financial Proposal (Part 1); and
- b. a subsequent Detailed Proposal (Part 2)

The Conceptual Proposal and the Detailed Proposal shall each contain specified information on the Private Entity's qualifications and experience, project characteristics, project financing, anticipated public support or opposition, project benefit, value, and compatibility. In addition, any Solicited or Unsolicited proposal for a Qualifying Project shall specifically and conceptually identify any facility, building, infrastructure or improvement included in the proposal.

The City shall undertake full and proper due diligence in the evaluation and selection of Qualifying Projects. In this regard, the qualifications, capabilities, resources and other attributes of a Private Entity and its whole team shall be carefully examined for every Qualifying Project. In addition, private entities shall be held strictly accountable for representations and information provided regarding their qualifications, experience or other contents of their proposals, including all specific aspects of proposed plans to be performed by the Private Entity.

THE CITY SHALL NOT BE LIABLE FOR ANY COST INCURRED BY THE PRIVATE ENTITIES IN PREPARING, SUBMITTING OR PRESENTING THE PROPOSAL AND IN SATISFYING ANY DEMONSTRATION OR OTHER REQUIREMENTS FOR AN UNSUCCESSFUL PROPOSAL.

4. Policy Principles

- a) **Public Ownership:** The city retains ownership or ultimate reversion rights for any City-owned facility involved in a PPP unless the Council authorizes a sale or permanent transfer.
- b) **Financial Sustainability:** PPPs must demonstrate a clear financial advantage or significant public benefit compared to traditional City delivery, ensuring the economic viability of the projects.
- c) **Transparency & Accountability:** All PPPs require competitive processes (RFI/RFP/RFQ), Council approval, public hearings, and clear performance standards.
- d) **Alignment with City Goals:** Projects must support adopted City plans and priorities, including historic preservation, downtown revitalization, and economic development.
- e) **Compliance with Texas Law:** All PPPs must strictly adhere to Local Government Code Chapters 271, 2267, and 271.901, ensuring a solid legal foundation for the projects.
- f) **Equitable Development:** Where feasible, PPP agreements should encourage local workforce participation and support inclusive economic development goals, fostering a sense of community and shared prosperity.

4. Precedent Model

The City's Park dedication ordinance, which authorizes developers to build parks at their own expense and dedicate them to the City, serves as a successful precedent and model for leveraging private investment in public facilities.

5. PPP Process

A. Project Identification & Alignment

- Departments or councils identify potential PPP projects.
- Staff evaluates alignment with City priorities and financial feasibility.

B. Preliminary Analysis

- Staff prepares a brief covering:
 - Estimated City delivery cost vs. anticipated PPP value
 - Alignment with community goals and priorities
 - Potential market interest and risk/benefit analysis

C. Council Authorization

- Council authorization is a crucial step in the PPP process. It is necessary to seek private partners through the RFI or RFP process. The Council's role includes approving the initiation of the PPP process, evaluating the proposals, and ultimately adopting the final PPP agreements.

D. Market Engagement

- Issue RFI to gauge private interest.
- Follow up with RFP/RFQ to solicit specific proposals if warranted.

E. Evaluation & Negotiation

- Evaluate proposals on:

- Financial strength and private investment.
 - Ability to meet City programming and historic preservation goals.
 - Long-term maintenance and operations plans.
 - Proposed revenue model or community benefit.
 - Where feasible, efforts to support local workforce participation and inclusive economic development.
- Negotiate final agreement terms, including performance standards, maintenance expectations, ownership protections, and dispute resolution processes.

F. Dispute Resolution

- All PPP agreements shall include clear dispute resolution procedures, such as third-party mediation or arbitration, to resolve disagreements efficiently and protect City interests.

G. Council Approval & Public Hearing

- All final PPP agreements require Council adoption and a public hearing for transparency and accountability.

H. Community Engagement for Major Civic Projects

- For PPPs involving major civic or cultural facilities, staff shall conduct stakeholder workshops or advisory committees to gather public input during proposal evaluation and negotiation.

I. Implementation & Oversight

- City staff or designated project managers oversee delivery and monitor compliance with performance standards.

J. Post-Implementation Evaluation

- Staff shall conduct post-implementation evaluations for each PPP project, including financial performance, public usage, and lessons learned for future applications.

6. Lease-Back and Design-Build-Operate Models

For projects where lease-back or design-build-finance models are appropriate:

- The City may enter into long-term lease agreements (up to 50 years), conditioned on performance and maintenance.
- Design-build, design-build-finance, and similar models are authorized consistent with Texas law.
- Agreements must ensure:
 - Competitive procurement
 - Council approval
 - Clear performance standards
 - Reversion to City ownership at term end or upon performance default

7. Optional Facility Sale Alternative

Suppose no viable Public-Private Partnership (PPP) is identified, and the Council determines that a facility is no longer needed for City operations or strategic goals. In that case, the City may pursue a Request for Proposal (RFP) for its sale. Priority shall be given to proposals that preserve historic character and maintain public or civic-compatible uses.

8. Implementation & Reporting

- The City Manager or designee shall prepare standard RFI/RFP templates to facilitate PPP processes.
- Departments will identify priority PPP opportunities in their 3–5 year plans.
- Staff will provide periodic updates to the Council on the implementation, performance, and lessons learned from the PPP.

9. Effective Date

This policy takes effect immediately upon adoption by resolution of the City Council. The 'Effective Date' section informs all stakeholders of the policy's commencement, enabling them to prepare for its implementation.