

October 21, 2025

Tyler J. Hjorth
Director of Utilities
City of San Marcos
2217 E. McCarty Lane
San Marcos, TX 78666

Subject: Out-of-Scope Agreement – Headworks Septage Receiving Station Rehabilitation at City of San Marcos Wastewater Treatment Plant

Dear Mr. Hjorth:

Jacobs would like to propose an out-of-scope services agreement (the “Agreement”) as further defined below. The services will comply with the requirements of the Operations, Maintenance and Management Agreement for the City of San Marcos’s Wastewater Treatment Facilities between Operations Management International, Inc. (“Contractor” or “Jacobs”) and the City of San Marcos, TX (“City”), dated October 1, 2025 (the “Agreement”).

Objective: Jacobs shall provide the following services for the Headworks Septage Receiving Station Rehabilitation at the City of San Marcos Wastewater Treatment Plant pursuant to the Agreement for Construction Services Out of Scope Terms and Conditions attached hereto as Appendix A.

What is being provided:

- Demolition & Removal**
 - Removal and proper disposal of the existing Hycor Helisieve Spiral Screening Unit.
 - Removal of the existing local control panel.

- Equipment Supply & Installation**
 - Supply and installation of a new Parkson Hycor Helisieve Spiral Screening Unit.
 - Supply and installation of a new local control panel, NEMA 4X rated, for the Septage Receiving Station.

- SCADA Integration**
 - Integration of the new SRS control panel and SRS wet well control panel into the existing Ignition SCADA software platform.
 - Coordination with plant operations to ensure seamless data communication and control functionality.

- Jacobs Support**
 - Procurement
 - Submittal reviews
 - Ignition SCADA integration

Project costs: The estimated total Time and Materials price of this scope is Four Hundred Thirty Thousand Thirty-Four Dollars and Ninety-Six Cents (\$430,034.96).

If during the performance of this scope, Jacobs encounters unforeseen conditions, Jacobs shall retain the right to bill the City for any additional labor and/or materials needed to complete the scope as intended.

Cost Breakdown:

Task	Description of Service	Fee
1	Procurement (Jacobs Labor)	\$1,350.00
2	Construction Submittals Review & Management Oversight (Jacobs Labor)	\$5,200.00
3	SCADA Integration & Commissioning (Jacobs Labor)	\$20,100.00
4	New Equipment & Construction Services (Subcontractor Cost plus 10%)	\$366,713.60
5	Subcontractor Contingency (10%)	\$36,671.36
	Estimated Total Time & Materials	\$430,034.96

Payment terms:

As defined in Section 4 of the Agreement, payment will be due and payable within thirty (30) days following receipt of Jacobs's invoice.

All other terms and conditions of the Agreement remain in full force and effect. If these terms are agreeable to you, please sign this letter. A fully executed version of this Out-Of-Scope Agreement will be returned for your files.

Jacobs appreciates the opportunity to continue to provide these additional services to the City of San Marcos.

Sincerely,



Andreana S. Alexander
Project Manager

Both parties indicate their approval of the above-described services by their signature below.

Operations Management International, Inc.:

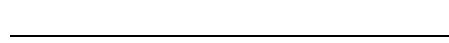
Signature: 

Name: Ryan H Harrold

Title: Geographic Director of Operations

Date: 10/21/2025

City of San Marcos, TX:

Signature: 

Name:

Title:

Date:

APPENDIX A

AGREEMENT FOR CONSTRUCTION SERVICES OUT OF SCOPE TERMS AND CONDITIONS

The following terms and conditions supplement the terms and conditions of the Agreement with regard to construction services. In the event of ambiguity or conflict with these Supplemental Terms and Conditions and the terms and conditions of the Agreement or Exhibits/Attachments incorporated therein, these Supplemental Terms and Conditions shall govern.

1. Definitions

2. Beneficial Use means the use of the applicable property, equipment or process for its intended purpose.

3. The Contract Price is the amount payable to Contractor, including adjustments thereto, for completion of the work in accordance with the contract documents.

3.1 The Contract Time is the period of time allotted in this Out-of-Scope Agreement for completion of Contractor's work, including adjustments thereto.

3.2 Substantial Completion of the work, or of a designated portion, occurs on the date when construction is sufficiently complete in accordance with the contract documents so that THE CITY OF SAN MARCOS can occupy or utilize the Project, or a designated portion, for the use for which it is intended.

4. **Construction Obligations.** Contractor shall furnish all supervision and labor, materials, tools, equipment, unloading, taxes, insurance, and other things necessary to perform and complete this Out-of-Scope Agreement. Work performed under this Agreement may be performed by a properly licensed affiliate and/or by using labor from affiliated companies of Contractor.

5. THE CITY OF SAN MARCOS Obligations

5.1 Site. THE CITY OF SAN MARCOS will obtain, arrange, and secure at its own expense all permits, licenses, approvals, legal or administrative orders, deposits, land, easements, rights-of-way, and access necessary for Contractor to perform this Out-of-Scope Agreement. Contractor may rely upon the accuracy of soils reports, subsurface investigations, legal limitations and legal descriptions, and any other information provided by THE CITY OF SAN MARCOS. THE CITY OF SAN MARCOS shall furnish such information in its possession as Contractor may request and shall immediately transmit to Contractor any new information and any changes in plans resulting from such information. THE CITY OF SAN MARCOS shall be responsible for the location of any installation or underground utilities.

5.2 Authorized Representative. THE CITY OF SAN MARCOS's representative is fully acquainted with the work and has authority on behalf of THE CITY OF SAN MARCOS to approve design submittals, changes in the work, execute change orders, approve daily reports, render decisions promptly, and furnish information expeditiously and in time to meet the schedule for completion of the work.

5.3 Underground Utilities. Unless specified to the contrary in the contract documents, THE CITY OF SAN MARCOS shall be responsible for the location of any installation or underground utilities.

6. Safety/Emergencies:

6.1 Contractor shall not be responsible for the elimination or abatement of safety hazards created or otherwise resulting from work at the site carried on by THE CITY OF SAN MARCOS or its employees, agents, separate contractors, or tenants. The above provision shall not relieve Contractor's subcontractors of their responsibility for the safety of persons or property in the performance of their work, nor for compliance with all applicable provisions of relevant laws.

6.2 In an emergency affecting the safety of persons, work or property at the site and adjacent thereto, Contractor will act at its discretion to protect the persons, property and work from the threatened damage and will notify THE CITY OF SAN MARCOS as soon as practicable. The Contract Price and Contract Time shall be equitably adjusted pursuant to Section 7 below.

7. Limitation of Scope of Services:

7.1 THE CITY OF SAN MARCOS acknowledges that, except to the extent included in the work, Contractor has had no role in generating, treating, storing, or disposing of hazardous waste which may be present at the Project site and Contractor has not benefited from the processes that produced such hazardous waste. Any arrangements made by Contractor for the treatment, storage, transport, or disposal of any hazardous waste are made solely and exclusively for the benefit of owner using owner's EPA generator identification number(s) when required and shall not result in any liability of Contractor under this agreement or with respect to the hazardous waste. THE CITY OF SAN MARCOS shall handle all hazardous waste in compliance with applicable laws and regulations and shall sign manifests and obtain generator identification numbers when required by laws and regulations. Nothing contained in this agreement shall confer on Contractor the status of (a) a generator, storer, disposer or treater of hazardous waste, (b) the party who arranged for the disposal of hazardous waste, or (c) a hazardous waste disposal facility, as provided in any Law or Regulation.

8. Warranties and Completion.

8.1 Contractor warrants that all materials and equipment furnished under this Out-of-Scope Agreement will be new unless otherwise specified, of good quality, in conformance with the contract documents, and free from defective workmanship and materials. Warranties shall commence on the date of Substantial Completion of this Out-of-Scope Agreement or of a designated portion. Contractor agrees to correct all construction performed under this agreement which proves to be defective in workmanship and materials within a period of one year from the date of Beneficial Use or Substantial Completion, whichever occurs first.

8.2 Those products, equipment, systems, or materials incorporated in this Out-of-Scope Agreement at the direction of or upon the specific request of THE CITY OF SAN MARCOS shall be covered exclusively by the warranty of the manufacturer. There are no warranties that extend beyond the description on the face thereof.

8.3 ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY AND ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY DISCLAIMED.

9. Substantial Completion, Acceptance, and Final Payment

9.1 Substantial Completion Generally. Unless a date for Substantial Completion is previously agreed, when the drawings and specifications are sufficiently complete, the parties shall establish a date of Substantial Completion before notice to proceed is granted by the City. THE CITY OF SAN MARCOS and Contractor recognize that time is important in the performance of this agreement and that THE CITY OF SAN MARCOS will enjoy substantial benefit if this Out-of-Scope Agreement is completed by the Substantial Completion date set forth in any agreed schedule. Contractor shall use its best efforts to complete services pursuant to each Out-of-Scope Agreement by the Substantial Completion date as defined by the baseline execution schedule. Substantial Completion of the services, or of a designated portion, occurs on the date when construction is sufficiently complete in accordance with the contract documents so that THE CITY OF SAN MARCOS can occupy or utilize the Project, or a designated portion, for the use for which it is intended.

9.2 Notice of Substantial Completion. Contractor will notify THE CITY OF SAN MARCOS when the construction work is substantially complete. Within 5 business days, THE CITY OF SAN

MARCOS shall inspect the work and furnish a certificate of acceptance or notify Contractor in writing of any work requiring completion or correction. Upon Substantial Completion, THE CITY OF SAN MARCOS shall pay Contractor the unpaid balance of this Out-of-Scope Agreement price, less a sum equal to Contractor's estimated cost of completing any unfinished items. Each month thereafter, THE CITY OF SAN MARCOS shall pay Contractor the amount retained for unfinished items as each item is completed.

9.3 Acceptance and Final Payment. Within five business days after receiving notice from Contractor that the work is completed or corrected, THE CITY OF SAN MARCOS will issue a certificate of acceptance. Final payment will be due within 15 days after the certificate of acceptance is issued. Contractor shall be relieved of any further responsibility for the services under this Out-of-Scope Agreement except for re-performance pursuant to Section 9 above. If THE CITY OF SAN MARCOS fails to issue such certificate or notice within the specified time, the services under this Out-of-Scope Agreement shall be deemed to be accepted for all purposes hereunder.

9.4 Waiver of Claims. Final payment shall constitute a waiver of all claims by THE CITY OF SAN MARCOS except those previously made in writing and identified by THE CITY OF SAN MARCOS as unsettled at the time of acceptance and those arising during the warranty period pursuant to Section 9 above. Acceptance of final payment shall constitute waiver of all claims by Contractor except those previously made in writing.

10. Suspension of Work by THE CITY OF SAN MARCOS: Contractor will, upon written notice from THE CITY OF SAN MARCOS, suspend, delay, or interrupt all or a part of the work. In such event, Contractor will resume work upon written notice from THE CITY OF SAN MARCOS, and the Contract Time will be extended and Contract Price will be adjusted for demobilization, remobilization, standby and other costs incurred. If THE CITY OF SAN MARCOS does not direct Contractor to resume work within 90 days, Contractor may, in its discretion, treat the suspension as a Termination for Convenience pursuant to Article 32 of the Agreement.

11. Insurance and Bonds

11.1 In addition to the Insurance required pursuant to Section 15 of the Agreement, Contractor will maintain throughout the term of this Out-of-Scope Agreement the following insurance and will, if requested, submit certificates verifying such to THE CITY OF SAN MARCOS:

11.1.1 Subcontractor Builder's Risk Property Insurance including work and materials, upon the entire project for the full replacement cost at the time of loss. This insurance shall include as additional insureds THE CITY OF SAN MARCOS, Contractor, Subcontractors and Sub-subcontractors. The policy shall insure against direct risk of physical loss or damage including flood or other water damage, earthquake, transit, off premises storage, boiler and machinery, delay in opening, testing (both hot and cold), and damage resulting from defective design, or faulty workmanship or materials. Minimum deductible for all risks perils, flood, earthquake, business interruption, and delay in opening are subject to prevailing market conditions.

11.2 Waiver. THE CITY OF SAN MARCOS and Contractor waive all rights against each other as per the Agreement. THE CITY OF SAN MARCOS waives subrogation against Contractor, Subcontractors and Sub-subcontractors on all property and consequential loss policies carried by THE CITY OF SAN MARCOS on adjacent properties and under property and consequential loss policies purchased for the Project after its completion.

11.3 Bonds. Contractor shall furnish such bonds through the general contractor as may be required by this Out-of-Scope Agreement.