THIS AGREEMENT (the "Agreement" or the "Contract") is between **NEW BRAUNFELS UTILITIES**, a Texas municipally owned utility ("NBU" or "Owner"), and **VIKING PAINTING LLC**, a Nebraska limited liability company authorized to transact business in the State of Texas (the "Contractor").

NBU and the Contractor, in consideration of the mutual covenants set forth herein, agree as follows:

ARTICLE 1 - WORK

1.01 The Contractor shall complete all Work as specified or indicated in the Contract Documents as listed below:

Contract Agreement and the related Exhibits;
Modifications to the Agreement, agreed to after the Effective Date;
Standard General Conditions of the Contract;
Special Conditions;
Texas Water Development Board Supplemental Contract Conditions and Instructions for Construction Services for Water Supply and Infrastructure Grants;
Payment Bond;
Performance Bond;
Technical Specifications;
Addenda, issued prior to the Effective Date;
Technical Specifications issued by Freese and Nichols, Inc. dated June 3, 2026; and
Design Plans issued by Freese and Nichols, Inc. dated June 3, 2026.

1.02 The Work is generally described as follows:

The Project includes the following items within its scope: (i) full rehabilitation of the interior and exterior coating systems, including structural repairs and appurtenance replacement for the existing Newks 0.50 million gallon ("MG") composite elevated storage tank; (ii) civil site improvements including driveway overlay, overflow splash pad, altitude valve, gates, and fencing; (iii) electrical and instrumentation improvements and heat tracing; (iv) storm water pollution prevention plan; (v) site restoration; and (vi) all other appurtenances necessary to complete the Project.

ARTICLE 2 - THE PROJECT

2.01 The Project for which the Work under the Contract Documents may be the whole or only a part is generally described as follows**:**

Tank Rehabilitation Phase 2 - Newks Elevated Storage Tank

ARTICLE 3 - ENGINEER

3.01 The Project has been designed by:

Dalton Warren, P.E.
Freese and Nichols, Inc.
1251 Sadler Drive Building 1, Suite 1150
San Marcos, Texas 78666
(512) 213-3200

(the "Engineer"), who is to act as NBU's representative, assume all duties and responsibilities, and have the rights and authority assigned to the Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 - CONTRACT TIMES

4.01 *Time of the Essence*

A. Time limits stated in the Contract Documents are of the essence of the Contract. In all aspects of the Work, including any time limits for Milestones, Substantial Completion, and Final Completion, time is of the essence of the Contract. Additionally, time limits stated in the Project Schedule are of the essence. By executing this Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

4.02 *Days to Achieve Substantial Completion and Final Payment*

A. The Work shall be substantially complete within **one hundred eighty (180) calendar days from the Notice to Proceed date** and ready for final payment in accordance with Section 14.07 of the General Conditions within 30 calendar days after the substantially complete date.

4.03 *Liquidated Damages*

A. The Contractor and NBU recognize that time is of the essence of this Agreement and that NBU will suffer financial loss if the Work is not completed within the times specified in Paragraph 4.02 above, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by NBU if the Work is not completed on time. Accordingly, instead of requiring any such proof, NBU and the Contractor agree that as liquidated damages for delay (but not as a penalty), the Contractor shall pay to NBU **two thousand four hundred twenty-three dollars ($2,423.00)** per calendar day for each day that expires after the time specified in Paragraph 4.02 for Substantial Completion until the Work is substantially complete. After Substantial Completion, if the Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by NBU, the Contractor shall pay to NBU **two thousand four hundred twenty-three dollars ($2,423.00)** per calendar day for each day that expires after the time specified in Paragraph 4.02 for completion and readiness for final payment until the Work is completed and ready for final payment.

4.04 *Special Damages*

A. In addition to the amount provided for in liquidated damages, the Contractor shall reimburse NBU (1) for any fines or penalties imposed on NBU as a direct result of the Contractor's failure to attain Substantial Completion according to the Contract Times, and (2) for the actual costs reasonably incurred by NBU for engineering, construction observation, inspection, and administrative services needed after the time specified in Section 4.02 for Substantial Completion (as duly adjusted pursuant to the Contract), until the Work is substantially complete.

B. After Contractor achieves Substantial Completion, if the Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times, the Contractor shall reimburse NBU for the actual costs reasonably incurred by NBU for engineering, construction observation, inspection, and administrative services needed after the time specified in Section 4.02 for Work to be completed and ready for final payment (as duly adjusted pursuant to the Contract), until the Work is completed and ready for final payment.

ARTICLE 5 - CONTRACT PRICE

5.01 NBU shall pay the Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow, subject to adjustment under the Contract:

A. For all Work, at the prices stated in the Contractor's Bid Form, attached hereto as Exhibit B.

ARTICLE 6 - PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

A. The Contractor shall submit Applications for Payment in accordance with Article 14 of the General Conditions. Applications for Payment will be processed by the Engineer as provided in the General Conditions.

6.02 *Progress Payments; Retainage*

A. NBU shall make progress payments on account of the Contract Price on the basis of the Contractor's Applications for Payment within 30 days of NBU's acceptance of the payment application:

1. Prior to Substantial Completion, NBU shall make progress payments in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as the Engineer may determine or NBU may withhold, including but not limited to liquidated damages, in accordance with Section 14.02 of the General Conditions:

    a. 95% (percent) of Work completed; and

    b. 95% (percent) of cost of materials and equipment not incorporated in the Work.

6.03 *Final Payment*

A. Upon final completion and acceptance of the Work in accordance with Section 14.07 of the General Conditions, NBU shall pay the remainder of the Contract Price, including any retainage held, as recommended by the Engineer as provided in said Section 14.07 of the General Conditions.

ARTICLE 7 – CONTRACTOR'S REPRESENTATIONS

7.01 To induce NBU to enter into this Agreement, the Contractor makes the following representations:

A. The Contractor has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.

B. The Contractor has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. The Contractor is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.

D. The Contractor has obtained and carefully studied (or assumes responsibility for doing so) all examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and Underground Facilities) at or contiguous to the Site that may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by the Contractor, including any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents, and safety precautions and programs incident thereto.

E. The Contractor does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.

F. The Contractor is aware of the general nature of work to be performed by NBU and others at the Site that relates to the Work as indicated in the Contract Documents.

G. The Contractor has correlated the information known to the Contractor, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.

H. The Contractor has given the Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that the Contractor has discovered in the Contract Documents, and the written resolution thereof by the Engineer is acceptable to the Contractor.

I. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

ARTICLE 8 - MISCELLANEOUS

8.01 *Terms*

A. Terms used in this Agreement will have the meanings stated in the Standard General Conditions of the Contract.

8.02 *Assignment of Contract*

A. No assignment by a party hereto of any rights under or interests in the Agreement will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically, but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents. Should an assignment occur, the terms of this provision survive and control any further assignment by an assignee.

8.03 *Successors and Assigns*

A. NBU and the Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

8.04 *Severability*

A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon NBU and the Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

8.05 *Governing Law*

A. The Contract shall be governed by the law of the State of Texas without regard to its conflict of law principles.

8.06 *Venue*

A. This Agreement is entered into and performed in Comal County, Texas, and the Contractor and NBU agree that exclusive and mandatory venue for any legal action related to this Agreement shall be in the District Courts of Comal County, Texas.

8.07 *Prohibition on Contracts with Companies Boycotting Israel*

A. The Contractor hereby verifies that it and its parent company, wholly or majority owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement as described in Chapter 2271 of the Texas Government Code, as amended.

B. The foregoing verification is made solely to comply with Chapter 2271.002 of the Texas Government Code, as amended. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Contractor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Contractor and exists to make a profit.

8.08 *Contracts with Companies Engaged in Business with Iran, Sudan or Foreign Terrorist Organizations Prohibited*

A. The Contractor represents that neither it nor any of its parent company, wholly or majority owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/publications/divestment.php.

B. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and excludes the Contractor and each of its parent company, wholly or majority owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Contractor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Contractor and exists to make a profit.

8.09 *Prohibition on Contracts with Companies in China, Iran, North Korea, or Russia*

A. If the Contractor is granted direct or remote access to or control of critical infrastructure in the State of Texas under this Agreement, the Contractor represents the following:

1. it is not owned by or the majority of stock or other ownership interest in the Contractor is not held or controlled by:

    a. individuals who are citizens of China, Iran, North Korea, Russia, or a country designated by the Governor of Texas as a threat to critical infrastructure under Section 2275.0103 of the Texas Government Code, as amended ("designated country"); or

    b. a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or

2. it is not headquartered in China, Iran, North Korea, Russia, or a designated country.

B. The foregoing representation is made solely to comply with Chapter 2275 of the Texas Government Code, as amended. As used in the foregoing verification, "critical infrastructure" means a communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility. "Affiliate," with respect to a company entering into an agreement in which the critical infrastructure is electric grid equipment, has the meaning assigned by the protocols of the independent organization certified under Section 39.151, Utilities Code, for the ERCOT power region.

8.10 *Prohibition on Contracts with Companies Boycotting Energy Companies*

A. The Contractor hereby verifies that it and its parent company, wholly or majority owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, to the extent this Agreement is a contract for goods or services, will not boycott energy companies during the term of this Agreement as described in Chapter 2276 of the Texas Government Code, as amended.

B. The foregoing verification is made solely to comply with Section 2276.002 of the Texas Government Code, as amended. As used in the foregoing verification, "boycott energy companies" has the meaning used in Section 809.001 of the Texas Government Code, as amended. The Contractor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Contractor and exists to make a profit.

8.11 *Prohibition on Contracts with Companies that Discriminate Against Firearm and Ammunition Industries*

A. The Contractor hereby verifies that it and its parent company, wholly or majority owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and, to the extent this Agreement is a contract for goods or services, will not discriminate against a firearm entity or firearm trade association during the term of this Agreement as described in Chapter 2274 of the Texas Government Code, as amended.

B. The foregoing verification is made solely to comply with Section 2274.002 of the Texas Government Code, as amended. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning used in Section 2274.001(3) of the Texas Government Code, as amended. The Contractor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Contractor and exists to make a profit.

8.12 *Texas Public Information Act*

A. The Contractor recognizes that this Project is publicly owned, and NBU is subject to the disclosure requirements of the Texas Public Information Act (the "PIA"). As part of its obligations within the Contract Documents, the Contractor agrees, at no additional cost to NBU, to cooperate with NBU for any particular needs or obligations arising out of NBU's obligations under the PIA. This acknowledgment and obligation are in addition to and complementary to NBU's audit rights.

B. This provision applies if the Agreement has a stated expenditure of at least $1 million in public funds for the purchase of goods or services by NBU or results in the expenditure of at least $1 million in public funds for the purchase of goods or services by NBU in a fiscal year of NBU.

C. The Contractor must

1. preserve all contracting information related to the Agreement as provided by the records retention requirements applicable to NBU for the duration of the Agreement;
2. promptly provide to NBU any contracting information related to the Agreement that is in the custody or possession of the Contractor on request of NBU; and
3. on completion of the Agreement, either:

    a. provide at no cost to NBU all contracting information related to the Agreement that is in the custody or possession of the Contractor; or

b. preserve the contracting information related to the Agreement as provided by the records retention requirements applicable to NBU.

D. The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and the Contractor agrees that the Agreement can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

8.13 *Electronic Signatures*

A. Pursuant to Chapter 322 of the Texas Business and Commerce Code, as amended, the parties agree to the use of electronic signatures herein and that the use of an electronic signature, whether digital or encrypted, is intended to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. Each party further agrees that if it agrees to conduct a transaction by electronic means in this Agreement, it may refuse to conduct other transactions by electronic means and that such right may not be waived by this Agreement.

8.14 *Contingent Award of Contract*

A. This Agreement is contingent upon the release of funds from the Texas Water Development Board (TWDB). The Agreement is expected to be funded, in part, by a loan or grant from the TWDB. Neither the State of Texas, nor any of its departments, agencies, or employees is, or will be, a party to this Agreement.

8.15 Contractor Statement of Understanding

A. The Contractor acknowledges to and for the benefit of the Owner ("Purchaser") that it understands the goods and services provided under this Agreement are being funded in whole or in part with monies made available through the Water Supply and Infrastructure Grants appropriated for water supply and infrastructure projects through House Bill 500, passed during the 89th Legislative Session. The State of Texas statutory requirements commonly known as "United States Iron and Steel" that requires all of the iron and steel products used in the project to be produced in the United States ("United States Iron and Steel Requirement") including iron and steel products provided by the Contractor pursuant to this Agreement. The Contractor hereby represents and warrants to and for the benefit of the Owner, that (a) the Contractor has reviewed and understands the United States Iron and Steel Requirement, (b) all of the iron and steel products used in the project will be and/or have been produced in the United States in a manner that complies with the United States Iron and Steel Requirement, unless a waiver of the requirement is approved, and (c) the Contractor will provide any further verified information, certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the United States Iron and Steel Requirement, as may be requested by the Owner. Notwithstanding any other provision of this Agreement, any failure to comply with this paragraph by the Contractor shall permit the Owner to enforce this Agreement and recover as damages against the Contractor any loss, expense, or cost (including without limitation attorney's fees) incurred by the Owner resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the TWDB or any damages owed to the Owner.

In the execution of the Contract, the Contractor shall be familiar with and at all times shall observe and comply with all applicable federal, state, and local laws, ordinances and regulations concerned with the use of iron and steel.

ARTICLE 9 - INSURANCE

9.01 *Evidence of the Contractor's Insurance*

A. Before any Work at the Site may commence, Contractor shall deliver to NBU the certificates of insurance and policy endorsements pages for all insurance policies required to be provided by the Contractor in accordance with the Insurance Rider that is Exhibit A to this Agreement.

Exhibit A – Insurance Rider

Exhibit B – Contractor's Bid Form

Exhibit C - Texas Water Development Board Supplemental Contract Conditions and Instructions for Construction Services for Water Supply and Infrastructure Grants

IN WITNESS WHEREOF, NBU and the Contractor have signed this Agreement in duplicate. One counterpart each has been delivered to NBU and the Contractor. All portions of the Contract Documents have been signed or identified by NBU and the Contractor or on their behalf.

This Agreement will be effective on _______, _______ (which is the Effective Date of the Agreement).

NEW BRAUNFELS UTILITIES, a Texas municipally owned utility:

By:_______________________________________

Printed Name: Ryan Kelso___________________

Title:_____Chief Executive Officer_____________

[CORPORATE SEAL]

Attest:____________________________________

Title:_____________________________________

Address for giving notices:

____

____

____

(If NBU is a corporation, attached evidence of authority to sign. If NBU is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of NBU-Contractor Agreement.)

VIKING PAINTING LLC, a Nebraska limited liability company authorized to transact business in the state of Texas:

By:_______________________________________

Printed Name:______________________________

Title:_____________________________________

[CORPORATE SEAL]

Attest:____________________________________

Title:_____________________________________

Address for giving notices:

____

____

____

License No.:_______________________________
(Where Applicable)

Agent for service or process:

____
(If the Contractor is a corporation or a partnership, attach evidence or authority to sign.)

END OF DOCUMENT

1. Specific Insurance Requirements

The following insurance shall be maintained in effect with limits not less than those set forth below at all times during the term of this Agreement and thereafter as required:

Insurance	Coverage/Limits	Other Requirements
Commercial General Liability (Occurrence Basis)	Amounts of coverage shall be no less than: ▪ $1,000,000 Per Occurrence ▪ $2,000,000 General Aggregate ▪ $2,000,000 Products/Completed Operations Aggregate ▪ $1,000,000 Personal And Advertising Injury ▪ Designated Construction Project(s) General Aggregate Limit	▪ Current ISO edition of CG 00 01 ▪ Additional insured status shall be provided in favor of Owner Parties on a combination of ISO forms CG 20 10 10 01 and CG 20 37 10101 or an equivalent. ▪ This coverage shall be endorsed to provide primary and non-contributing liability coverage. It is the intent of the parties to this Agreement that all insurance coverage required herein shall be primary to and will not seek contribution from any other insurance held by Owner Parties, with Owner Parties' insurance being excess, secondary and non-contributing. ▪ Stop Gap coverage shall be provided if any work is to be performed in a monopolistic workers' compensation state. ▪ The following exclusions/limitations (or their equivalent(s), are prohibited: o Contractual Liability Limitation CG 21 39 o Amendment of Insured Contract Definition CG 24 26 o Exclusion-Damage to Work Performed by Subcontractors On Your Behalf, CG 22 94 or CG 22 95 o Any Classification limitation o Any Construction Defect Completed Operations exclusion o Any endorsement modifying the Employer's Liability exclusion or deleting exception to it o Any endorsement modifying or deleting Explosion, Collapse or Underground coverage o Any Habitational or Residential exclusion applicable to the Work o Any "Insured vs. Insured" exclusion except Named Insured vs. Named Insured o Any Punitive, Exemplary or Multiplied Damages exclusion o Any Subsidence exclusion

Business Auto Liability	Amount of coverage shall be no less than: ▪ $1,000,000 Combined Single Limit	▪ Current ISO edition of CA 00 01 ▪ Arising out of any auto (Symbol 1), including owned, hired and non-owned
Workers' Compensation and Employer's Liability	Amounts of coverage shall be no less than: ▪ Statutory Limits ▪ $1,000,000 Each Accident and Disease ▪ Alternate Employer endorsement	▪ The State in which work is to be performed must listed under Item 3.A. on the Information Page ▪ Such insurance shall cover liability arising out of the Contractor's employment of workers and anyone for whom the Contractor may be liable for workers' compensation claims. Workers' compensation insurance is required, and no "alternative" forms of insurance shall be permitted. ▪ Where a Professional Employer Organization (PEO) or "leased employees" are utilized, Contractor shall require its leasing company to provide Workers' Compensation insurance for said workers and such policy shall be endorsed to provide an Alternate Employer endorsement in favor of Contractor and Owner. Where Contractor uses leased employees with Workers' Compensation insurance provided by a PEO or employee leasing company, Contractor is strictly prohibited from subletting any of its work without the express written agreement of Owner.
Excess Liability (Occurrence Basis)	Amounts of coverage shall be no less than: ▪ $5,000,000 Each Occurrence	▪ Coverage shall "follow form" over underlying policies listed herein.
Professional Liability	Amounts of coverage shall be no less than: ▪ $1,000,000 Each Claim ▪ $2,000,000 Annual Aggregate ▪ If a combined Contractor's Pollution Liability and Professional Liability policy is utilized, the limits shall be $3,000,000 Each Claim. ▪ Such insurance shall cover all services rendered by the Contractor and its consultants under the Agreement, including but not limited to design or design/build services. ▪ Policies written on a Claims-Made basis shall be maintained for at least two years beyond termination of the Agreement.	▪ Such insurance shall cover all services rendered by the Contractor and its subcontractors under the Agreement. ▪ This insurance is not permitted to include any type of exclusion or limitation of coverage applicable to claims arising from: o bodily injury or property damage where coverage is provided on behalf of design professionals or design/build contractors o habitational or residential operations o mold and/or microbial matter and/or fungus and/or biological substance ▪ Any retroactive date must be effective prior to beginning of services for the Owner. ▪ Policies written on a Claims-Made basis shall have an extended reporting period of at least two years beyond termination of the Agreement. Contractor shall trigger the extended reporting period if identical

		coverage is not otherwise maintained with the expiring retroactive date.
~~Contractors Pollution Liability~~	~~Amounts of coverage shall be no less than:~~ ▪ ~~$1,000,000 Each Claim~~ ▪ ~~If a combined Contractor's Pollution Liability and Professional Liability policy is utilized, the limits shall be $3,000,000 Each Claim.~~ ▪ ~~The policy must provide coverage for:~~ o ~~the full scope of the named insured's operations (on-going and completed) as described within the scope of work for this Agreement~~ o ~~loss arising from pollutants including but not limited to fungus, bacteria, biological substances, mold, microbial matter, asbestos, lead, silica and contaminated drywall~~ o ~~third party liability for bodily injury, property damage, clean up expenses, and defense arising from the operations;~~ o ~~diminution of value and Natural Resources damages~~ o ~~contractual liability~~ o ~~claims arising from non-owned disposal sites utilized in the performance of this Agreement.~~	▪ ~~The policy must insure contractual liability, name Owner Parties as an Additional Insured, and be primary and noncontributory to all coverage available to the Additional Insured.~~ ▪ ~~This insurance is not permitted to include any type of exclusion or limitation of coverage applicable to claims arising from:~~ o ~~Insured vs. insured actions. However exclusion for claims made between insured within the same economic family are acceptable.~~ o ~~impaired property that has not been physically injured~~ o ~~materials supplied or handled by the named insured. However, exclusions for the sale and manufacture of products are allowed. Exclusionary language pertaining to materials supplied by the insured shall be reviewed by the certificate holder for approval.~~ o ~~property damage to the work performed by the contractor~~ o ~~faulty workmanship as it relates to clean up costs~~ o ~~work performed by subcontractors~~ ▪ ~~If coverage is provided on a Claims Made basis, coverage will at least be retroactive to the earlier of the date of this Agreement or the commencement of contractor services relation to the Work.~~ ▪ ~~The policy will offer an extended discovery or extended reporting clause of at least three (3) years.~~ ▪ ~~Completed Operations coverage shall be maintained through the purchase of renewal policies to protect the insured and additional insured for at least two (2) years after the property owner accepts the project or this contract is terminated. The purchase of an extended discovery period or an extended reporting period on a Claims Made policy or the purchase of occurrence-based Contractors Environmental Insurance will not be sufficient to meet the terms of this provision.~~
Builders Risk	▪ Coverage shall be provided in an amount equal at all times to the full contract value, including change orders, and cost of debris removal for any single occurrence.	▪ Insureds shall include Owner Parties, General Contractor, all Loss Payees and Mortgagees, and subcontractors of all tiers in the Work as Insureds.

	▪ Coverage shall be at least as broad as an unmodified ISO Special form, shall be provided on a completed-value basis, and shall be primary to any other insurance coverage available to the named insured parties, with that other insurance being excess, secondary and non-contributing. ▪ The policy must provide coverage for: o Agreed Value Included o Damage arising from error, omission or deficiency in construction methods, design, specifications, workmanship or materials, including collapse Included $1,000,000 o Debris removal additional limit $5,000,000 o Earthquake and Earthquake Sprinkler Leakage $5,000,000 Included Included o Flood o Freezing $1,000,000 o Mechanical breakdown including hot & cold testing $ 25,000 Included o Ordinance or law Included o Pollutant clean-up and removal $10,000 o Preservation of property o Theft 2% subject to $50,000 minimum • Deductible shall not exceed o All Risks of Direct Damage, Per Occurrence, except $100,000 o Named Storm $100,000 o Earthquake and Earthquake Sprinkler Leakage, Per Occurrence o Flood, Per Occurrence or excess of NFIP if in Flood Zone A or V	▪ Such insurance shall cover: o all structure(s) under construction, including retaining walls, paved surfaces and roadways, bridges, glass, foundation(s), footings, underground pipes and wiring, excavations, grading, backfilling or filling; o all temporary structures (e.g., fencing, scaffolding, cribbing, false work, forms, site lighting, temporary utilities and buildings) located at the site; o all property including materials and supplies on site for installation; o all property including materials and supplies at other locations but intended for use at the site; o all property including materials and supplies in transit to the site for installation by all means of transportation other than ocean transit; and o other Work at the site identified in the Agreement to which this Exhibit is attached. • No protective safeguard warranty shall be permitted. • The termination of coverage provision shall be endorsed to permit occupancy of the covered property being constructed. This insurance shall be maintained in effect, unless otherwise provided for the Agreement Documents, until the earliest of: o the date on which all persons and organizations who are insureds under the policy agree that it shall be terminated; o occupancy, in whole or in part; o the date on which release of substantial completion is executed; or o the date on which the insurable interests of Contractor in the Covered Property has ceased. • A waiver of subrogation provision shall be provided in favor of all insureds listed above.

2. General Insurance Requirements

A. Definitions. For purposes of this Agreement:

i. "ISO" means Insurance Services Office.
ii. "Contractor" shall include the Builder and its subcontractors of any tier.
iii. "Owner Parties" means (a) New Braunfels Utilities (collectively referred to as "Owner"), (b) the Project, (c) any lender whose loan is secured by a lien against the Work, (d) their respective shareholders, members, partners, joint venturers, affiliates, subsidiaries, successors and assigns, (e) any directors, officers, employees, or agents of such persons or entities, and (f) others as required by the Contract Documents.

B. Policies.

i. Contractor shall maintain such Excess Liability, Professional and Pollution insurance in identical coverage, form and amount, including required endorsements, for at least two (2) years following Date of Substantial Completion of the Work to be performed under this Agreement. Contractor shall maintain such General Liability insurance in identical coverage, form and amount, including required endorsements, for at least ten (10) years following Date of Substantial Completion of the Work to be performed under this Agreement. Contractor shall provide written representation to Owner stating Work completion date.
ii. All policies must:
   a. Be written through insurance companies authorized to do business in the State in which the work is to be performed and rated no less than A-: VII in the most current edition of A. M. Best's Key Rating Guide at all times Work is to be performed.
   b. Provide a waiver of subrogation in favor of Owner Parties on all insurance coverage carried by Contractor, whether required herein or not.
   c. Contain an endorsement providing for thirty (30) days prior written notice of cancellation to Owner.
   d. Be provided to the Owner Parties in compliance with the requirements herein and shall contain no endorsements that restrict, limit, or exclude coverage required herein in any manner without the prior express written approval of the Owner.
iii. Failure of any Owner Party to demand such certificate or other evidence of full compliance with these insurance requirements or failure of any Owner Party to identify a deficiency from evidence that is provided shall not be construed as a waiver of the Contractor's obligation to maintain such insurance.
iv. The Owner shall have the right to prohibit the Contractor or any subcontractor from performing any Work until such certificate of insurance, evidence of insurance and/or required endorsements are received and approved by the Owner.

C. Limits, Deductibles and Retentions

i. No deductible or self-insured retention shall exceed $25,000 without prior written approval of the Owner, except as otherwise specified herein. All deductibles and/or retentions shall be paid by, assumed by, for the account of, and at the Contractor's sole risk.

D. **Evidence of Insurance**.

The Contractor shall furnish evidence of insurance to NBU that confirms all required insurance policies are in full force and effect. Evidence of insurance shall be in a form acceptable to NBU.
Insurance must be evidenced as follows:

i. ACORD Form 25 Certificate of Liability Insurance for liability coverages.
ii. ACORD Form 28 Evidence of Commercial Property Insurance for property coverages.
iii. Evidence shall be provided to Owner prior to commencing Work and prior to the expiration of any required coverage.
iv. ACORD Forms specify:
   a. Owner as certificate holder at Owner's mailing address;

b. Insured's name, which must match that on this Agreement;
c. Insurance companies producing each coverage and the policy number and policy date of each coverage;
d. Producer of the certificate with correct address and phone number and have the signature of the authorized representative of the producer;
e. Additional Insured status in favor of Owner Parties;
f. Amount of any deductible or self-insured retention in excess of $25,000;
g. Designated Construction Project(s) General Aggregate Limit;
h. Primary and non-contributory status;
i. Waivers of subrogation; and
j. All exclusions and limitations added by endorsement to the General Liability coverage. This can be achieved by attachment of the Schedule of Forms and Endorsements page.

v. Copies of the following shall also be provided:
a. General Liability Additional insured endorsement(s);
b. General Liability Schedule of Forms and Endorsements page(s); and
c. 30 Day Notice of Cancellation endorsement applicable to all required policies.

E. Contractor Insurance Representations to Owner Parties

i. It is expressly understood and agreed that the insurance coverages required herein (a) represent Owner Parties' minimum requirements and are not to be construed to void or limit the Contractor's indemnity obligations as contained in this Agreement; and (b) are being, or have been, obtained by the Contractor in support of the Contractor's liability and indemnity obligations under this Agreement.

ii. Failure to obtain and maintain the required insurance shall constitute a material breach of, and default under, this Agreement. In the event of any failure by the Contractor to comply with the provisions of this Agreement, the Owner may, without in any way compromising or waiving any right or remedy at law or in equity, on notice to the Contractor, purchase such insurance and offset all costs and expenses from the Contract Sum. Owner's exercise of this right shall not relieve or excuse Contractor from the obligation to obtain and maintain such insurance amounts and coverages.

iii. This Exhibit is an independent contract provision and shall survive the termination or expiration of the Contract Agreement.

F. Insurance Requirements of Contractor's Subcontractors

i. Insurance similar to that required of the Contractor shall be provided by all subcontractors (or provided by the Contractor on behalf of subcontractors) to cover operations performed under any subcontract agreement. The Contractor shall be held responsible for any modification in these insurance requirements as they apply to subcontractors. The Contractor shall maintain certificates of insurance from all subcontractors containing provisions similar to those listed herein (modified to recognize that the certificate is from subcontractor) enumerating, among other things, the waivers of subrogation, additional insured status, and primary liability as required herein, and make them available to the Owner upon request.

ii. The Contractor is fully responsible for loss and damage to its property on the site, including tools and equipment, and shall take necessary precautions to prevent damage to or vandalism, theft, burglary, pilferage and unexplained disappearance of property. Any insurance covering the Contractor's or its subcontractor's property shall be the Contractor's and its subcontractor's sole and complete means or recovery for any such loss. To the extent any loss is not covered by said insurance or subject to any deductible or co-insurance, the Contractor shall not be reimbursed for same. Should the Contractor or its subcontractors choose to self-insure this risk, it is expressly agreed that the Contractor hereby waives, and shall cause its subcontractors to waive, any claim for damage or loss to said property in favor of the Owner Parties.

G. Use of the Owners Equipment

The Contractor, its agents, employees, subcontractors or suppliers shall use the Owners equipment only with express written permission of the Owners designated representative and in accordance with the Owners terms and condition for such use.

H. Release and Waiver

The Contractor hereby releases, and shall cause its subcontractors to release, the Owner Parties from any and all claims or causes of action whatsoever which the Contractor and/or its subcontractors might otherwise now or hereafter possess resulting in or from or in any way connected with any loss covered by insurance, whether required herein or not, or which should have been covered by insurance required herein, including the deductible and/or uninsured portion thereof, maintained and/or required to be maintained by the Contractor and/or its subcontractors pursuant to this Agreement. **THE FOREGOING RELEASE AND WAIVER APPLY EVEN IF THE LOSS OR DAMAGE IS CAUSED IN WHOLE OR IN PART BY THE FAULT OR NEGLIGENCE OR STRICT LIABILITY OF THE OWNER PARTIES.**

New Braunfels Utilities
355 FM 306
New Braunfels, TX 78130

PROJECT: Tank Rehabilitation Phase 2 - Newks Elevated Storage Tank

1. The undersigned BIDDER proposes and agrees, if this Bid is accepted, to enter into an agreement with New Braunfels Utilities ("NBU") in the form included in the Contract Documents to perform and furnish all Work as specified or indicated in the Contract Documents for the Contract Price and within the Contract Time indicated in this Bid and in accordance with the other terms and conditions of the Contract Documents.
2. BIDDER accepts all the terms and conditions of the Request for Proposal, including without limitation those dealing with the disposition of Bid security. This Bid will remain subject to RFP: evaluation and ranking for forty-five (45) days after the day of Bid opening. BIDDER will sign and submit the Agreement with the Bonds and other Documents required by the Bidding Requirements within ten (10) days after the date of NBU's Notice of Award.
3. In submitting this bid, BIDDER represents, as more fully set forth in the Agreement, that:
   a) BIDDER has examined copies of all the Bidding Documents and of all addenda.
   b) BIDDER has familiarized itself with the nature and extent of the Contract Documents, Work, Site, locality and all local conditions and Laws and Regulations that in any manner may affect cost, progress, performance, or furnishing of the work.
   c) BIDDER has obtained and carefully studied (or assumes responsibility for obtaining and carefully studying) all such examinations, investigations, explorations, tests and studies that pertain to the subsurface of physical conditions at the site or otherwise may affect the cost, progress, performance or furnishing of Work as BIDDER considers necessary for the performance or finishing of the Work at the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of Section 4.02 of the Standard General Conditions of the Contract; and no additional examinations, investigations, explorations, tests, reports, or similar information or data are or will be required by BIDDER for such purposes.
   d) BIDDER has reviewed and checked all information and data shown or indicated on the Contract Documents with respect to existing Underground Facilities at or contiguous to the site and assumed responsibility for the accurate location of said Underground Facilities. No additional examinations, investigations, explorations, tests, reports or similar information or data in respect of said Underground Facilities are or will be required by the BIDDER in order to perform and furnish the Work at the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of Section 4.04 of the Standard General Conditions of the Contract.
   e) BIDDER has correlated the results of all such observations, examinations, investigations, explorations, tests, reports, and studies with the terms and conditions of the Contract Documents.
   f) BIDDER has given OWNER written notice of all conflicts, errors or discrepancies that it has discovered in the Contract Documents and the written resolution thereof by OWNER is acceptable by BIDDER.
   g) The Bid is genuine and not made in the interest of or on behalf of any undisclosed person, firm, or corporation and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; BIDDER has not directly or indirectly induced or solicited any other BIDDER to submit a false or sham Bid; BIDDER has no solicited or induced any person, firm or corporation to refrain from bidding; and BIDDER has not sought by collusion to obtain for itself any advantage over any other BIDDER or over NBU.

4. BIDDER will complete the Work for the following prices:

General Items

ITEM #	DESCRIPTION	UNIT	QUANTITY	UNIT COST, $	TOTAL, $
A-01	Mobilization (not to exceed 5%)	LS	1	$52,400.00	$52,400.00
A-02	Elevated Storage Tank Rehabilitation	LS	1	$391,900.00	$391,900.00
A-03	Interior Coating Improvements	LS	1	$234,100.00	$234,100.00
A-04	Exterior Coating Improvements	LS	1	$287,900.00	$287,900.00
A-05	Electrical and Instrumentation Improvements	LS	1	$185,100.00	$185,100.00
A-06	Site Civil Improvements	LS	1	$65,500.00	$65,500.00

Add/Alternates

ITEM #	DESCRIPTION	UNIT	QUANTITY	UNIT COST, $	TOTAL, $
F-01	Additional Grinding	MH	100	$150.00	$15,000.00
F-02	Miscellaneous Welding	MH	200	$220.00	$44,000.00
F-03	Seam Welding	LF	150	$75.00	$11,250.00
F-04	Pit Welding	SQ IN	100	$50.00	$5,000.00
F-05	Patch Plate (6”-12” square or round)	EA	50	$125.00	$6,250.00
F-06	12" Altitude Valve	EA	1	$95,300.00	$95,300.00

TOTAL BASE BID	$ 1,216,900.00
TOTAL ADD/ALTERNATES:	$ 176,800.00
TOTAL BASE BID + ADD/ALTERNATES:	$ 1,393,700.00

5. BIDDER agrees that the Work will be substantially complete and ready for final payment in accordance with Section 14.07 of the Standard General Conditions of the Contract within the Calendar days indicated in the Agreement. BIDDER accepts the provisions of the Agreement as to liquidated damages and special damages in the event of failure to complete the Work on time.
6. The following documents are attached to and made a condition of this Bid:
   a) Required Bid security of five percent (5%) of the Bidder's maximum base bid price and in the form of approved Bid Bond.
   b) List of BIDDER's primary Subcontractors and Suppliers for the Work. Any changes in the Subcontractor and Supplier list shall require additional approval by OWNER prior to contract execution.
7. Communication concerning this Bid shall be addressed to:
   New Braunfels Utilities
   Purchasing Manager
   355 FM 306
   New Braunfels, TX 78130
   Phone: 830-608-8867
   Email: Purchasing@NBUTexas.com
8. The terms used in this Bid that are defined in the Standard General Conditions of the Contract included as part of the Contract Documents have the meanings assigned to them in the Standard General Conditions of the Contract.
9 The undersigned acknowledges receipt of the following addenda:

   Addendum No. 1 dated July 15th, 2026 Received July 15th, 2026
   Addendum No. 2 dated ____________ Received ____________
   Addendum No. 3 dated ____________ Received ____________

NA	Viking Painting LLC
Secretary, *if bidder is a corporation	Company Name of Bidder
(Seal)	Authorized Signature
	July 20th, 2026
	Date
	John Snodgrass, Vice President
	Printed Name of Authorized Signature
Copy of Corporate Resolution and minutes with certificate of officer of bidder as to authority of signatory to bind bidder is to be signed and dated no earlier than one week before bid date, and attached to this document	10905 Harrison Street La Vista, NE 68128
	Address
	833-847-8265
	Telephone Number/Fax Number

END OF DOCUMENT

Exhibit C

Texas Water Development Board

Supplemental Contract Conditions and Instructions for Construction Services

for

Water Supply and Infrastructure Grants

Table of Contents

Forms and Guidance:

The Texas Water Development Board (TWDB) forms and guidance documents noted in this instruction document may be accessed through the TWDB's Financial Assistance web site at: http://www.twdb.texas.gov/financial/instructions/index.asp

Search by either the document number or name.

I. INSTRUCTIONS TO APPLICANT

1. Applicability

These Supplemental Conditions contain provisions that are worded to comply with statutes and regulations that apply only to projects associated with Water Supply and Infrastructure Grants (WSIG) appropriated from House Bill 500, passed during the 89th Legislative Session.

NOTES:

- Tex. Water Code § 17.183 does not apply to the WSIG; however, the U.S. Iron Steel (USIS) provisions in Texas Government Code, Chapter 2252, Subchapter G may apply to certain projects funded through the WSIG. See TWDB-1105 for more information regarding USIS requirements.

2. Use of Conditions

The language and conditions listed under ***Section II: Instructions to Bidders*** are to be included in the instructions to bidders for construction services. The provisions listed under ***Section III: Supplemental Contract Conditions*** shall be included in their entirety with the other general and special conditions typically included in the construction contract documents by the Engineer[1].

3. Modifications to Provisions

The Applicant may need to modify certain provisions to better align with the other provisions of the construction contract; however, everything herein must be included in the contract documents. The Applicant and the Engineer should carefully study these provisions before incorporating them into the construction contract documents. In particular, Water Districts and other types of Districts should be aware of statutes relating to their creation and operation that may affect the application of these conditions. **The Applicant should consult the TWDB Project Engineer/Reviewer if a modification to any part of these provisions is needed.**

Section III, Supplemental Condition No. 13 (Archeological Discoveries and Cultural Resources) and Section III Supplemental Condition No. 14 (Threatened and Endangered Species) may be superseded or modified by project-specific environmental conditions established during the environmental review process.

These documents may impose duties and responsibilities on the Engineer that exceed, or fall short of, those the Applicant intends to delegate. The Applicant should ensure that the contractual agreement with the Engineer provides for the appropriate scope of services. Otherwise, the Applicant should revise the wording in these special conditions to align with the functions actually delegated.

[1] Throughout this document "Engineer" is used to mean Design Engineer/Engineer of Record, Prime Engineer, Consulting Engineer, or Owner's Engineer, depending on the contract type between the Applicant and the Engineer and depending on the phase of the project (i.e., planning, design, or construction).

4. Good Business Practices

There are additional contract provisions that the Applicant and Engineer need to include as a matter of good business practice. It is recommended that provisions addressing the following matters be included in the construction contract:

(a) Specifying the time frame for completing the construction of the project and the consequences of not completing the construction on time, including liquidated damages.

(b) Specifying the type, dollar value, and required documentation of insurance the Contractor is to carry. At a minimum, the Contractor should carry workers' compensation, liability and builder's risk insurance that meet the State statutory limits.

(c) Identifying the responsibility of the Contractor, including warranty of work.

(d) Price reductions for defective pricing of negotiated costs.

(e) Differing site conditions - notice requirements and claims procedures regarding site conditions that differ from indicated conditions.

(f) Specifying maximum time permitted to submit an official Change Order after a field change has been authorized and implemented.

(g) Covenants against contingent fees - prohibiting contingent fees for securing business.

(h) Gratuities - prohibitions against offering and accepting gratuities.

(i) Audit and access to records.

(j) Suspension of work - conditions under which the Applicant may suspend work.

(k) Termination - conditions under which the Applicant may terminate the contract.

(l) Remedies - procedures for resolving disputes.

5. Other Requirements

If applicable, Trench Safety requirements shall comply with Health and Safety Code Chapter 756, Subchapter C, which incorporates the Occupational Safety and Health Administration (OSHA) trench safety standards in effect during the construction period. The Contractor shall use the Owner's geotechnical information to assist in the design of the Trench Safety System.

There may be additional local government requirements, as well as applicable Federal and State statutes and regulations, that are not addressed in these conditions. It is the Applicant's responsibility to ensure that the project and all associated contract provisions comply with the relevant statutes and regulations.

6. Advertisements for Bids

State procurement statutes **require that a contract for bids be published for at least two (2) consecutive weeks**[2]. Failure to follow this requirement may require re-advertising the project (i.e., rebidding). The official advertisement for bids published in the newspaper shall include, at a minimum, the following information:

[2] From LGC 252.041, Municipalities are required to advertise in a newspaper at least once a week for two consecutive weeks.

(a) A clear description of goods or services being procured.

(b) Instructions on how to obtain plans and specifications (P&S), necessary forms, and related information.

(c) The deadline by which bids must be submitted, including the date and time.

(d) The address to which bids are to be delivered.

(e) A statement that the contract is contingent upon release of funds from the TWDB.

(f) A statement that any contract(s) awarded under this Invitation for Bids (IFB), Request for Proposals (RFP), or Request for Qualifications (RFQ) is expected to be funded, in part, by financial assistance from the TWDB and that neither the State of Texas nor any of its departments, agencies, or employees will be a party to the IFB, RFP, RFQ, or any resulting contract.

(g) A statement that all contracts awarded are subject to the United States Iron and Steel (USIS) requirements of Texas Government Code, Chapter 2252, Subchapter G.

(h) Acknowledgement of any special requirements, such as a mandatory pre-bid conference.

(i) A statement reserving the right to reject any and all bids.

7. Bid Proposal

The Bid Proposal form should include the following:

(a) For lump sum bids, a list of materials used and the associated costs.

(b) A distinction between eligible and ineligible items.

(c) If applicable, provisions to address trench safety requirements, including separate per unit pay items for trench excavation safety protection in accordance with Health and Safety Code Chapter 756, Subchapter C, as briefly noted below:

i. A separate pay item for special shoring requirements; and

ii. A separate pay item for trench excavation safety protection.

(d) Space for the Contractor to acknowledge receipt of each Addendum issued during the bidding process.

8. Bidding Process

The P&S should include an explanation of the procedures governing the bid process. The explanation should address the following:

(a) Whether a Pre-Bid Conference will be held; whether attendance is optional or mandatory; and the date, time, and location of the conference. If feasible, the pre-bid conference is recommended to be offered both in person and via online platform such as Zoom or Microsoft Teams. The TWDB Project Engineer/Reviewer should be invited to the pre-bid conference.

(b) The criteria and process for determining responsiveness and responsibility of the bidders.

(c) The method for determining the successful bidder and contract award (e.g., award to the lowest responsive, responsible bidder, accounting for any multiple parts to bids), including consideration of non-resident bidder reciprocity requirements (TWDB-0459).

(d) Procedures for withdrawal of a bid due to a material mistake.

(e) The time period during which bids may be held by the Applicant before contract award (typically 60 or 90 days).

(f) Acknowledgement of the Applicant's right to reject any and all bids.

9. Release of Funds

Prior to the TWDB authorization for the Applicant to issue a Notice to Proceed (NTP) and the subsequent release of funds for construction, the Applicant and its Engineer must submit the following bid documents for TWDB review.

(a) Submittal of Bid Documents for Contingent Award of Contract

The Applicant must submit the following documents to the TWDB Project Engineer/Reviewer:

(1) Advertisement and affidavit of advertisement.

(2) Bid tabulation.

(3) All addenda submitted and approved for the contract.

(4) Bid proposal of apparent low bidder (or selected bidder, with explanation), including bid bond.

(5) Site certificate (ED-101).

(6) Consulting Engineer's recommendation to award letter.

(7) Description of any bidding irregularities.

(8) Construction inspection proposal.

(9) Vendor Compliance with Reciprocity of Non-Resident Bidders Form (TWDB-0459).

(b) Submittal of Executed Contract Documents

Once the Applicant has issued the contingent Notice of Award for the construction contract, the Applicant must submit:

- A bound copy (single PDF file) of the **fully executed contract documents, including specifications;** and
- A bound copy (single PDF file) of the **Approved Plan Set**.

A complete set of bound executed contract documents should include:

(1) Front-End Documents, Addenda, Executed Agreement, and Technical Specifications as approved by the TWDB and TCEQ (as applicable).

(2) Contractor's Certificate of Insurance.

(3) **If applicable,** the Applicant's Sufficiency of Funds Letter.

After reviewing and approving the executed contract documents, the TWDB will authorize the Applicant to issue an NTP. At this time, the TWDB may begin releasing construction funds in accordance with TWDB policy.

For questions or proposed modifications to these conditions, please contact your TWDB Project Engineer/Reviewer.

II. INSTRUCTIONS TO BIDDERS

The language and conditions in this section shall be included in the "Instructions to Bidders" portion of the construction contract documents.

1. Contingent Award of Contract

This contract is contingent upon the release of funds from the Texas Water Development Board (TWDB). Any contract(s) awarded under this Invitation for Bids is/are expected to be funded, in part, by a loan or grant from the TWDB. Neither the State of Texas, nor any of its departments, agencies, or employees is, or will be, a party to this Invitation for Bids or to any resulting contract.

2. U.S. Iron and Steel

Any contract(s) awarded under this Invitation for Bids is/are subject to the United States Iron and Steel (USIS) requirements of Texas Government Code, Chapter 2252, Subchapter G.

The Contractor must complete the Statement of Understanding regarding USIS requirements, located in Section III Supplemental Contract Conditions, Item No. 8. The Statement of Understanding must be signed and dated by the Contractor. Refer to TWDB-1105 – United States Iron and Steel (USIS) Guidance.

3. Award of Contract to Nonresident Bidder

A governmental entity may not award a contract to a nonresident bidder unless the nonresident underbids the lowest bid submitted by a responsible resident bidder by an amount that is not less than the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which the nonresident bidder's principal place of business is located.

A ***nonresident bidder*** is a Contractor whose corporate offices or principal place of business are located outside the State of Texas.
Source: Texas Government Code, Chapter 2252, Subchapter A, § 2252.002 – Nonresident Bidders.

The bidder shall complete TWDB-0459, Vendor Compliance with Reciprocity on Non-Resident Bidders, **and submit it with the bid.**

4. Summary of Forms Required with Bid Documents

- TWDB-0459, Vendor Compliance with Reciprocity on Non-Resident Bidder

III. SUPPLEMENTAL CONTRACT CONDITIONS

1. Supersession

The Owner and the Contractor agree that the Texas Water Development Board (TWDB) Supplemental Conditions apply to all work eligible for TWDB assistance to be performed under this contract and these clauses supersede any conflicting provisions contained elsewhere in this contract.

2. Privity of Contract

Funding for this project is expected to be provided, in part, by the TWDB. Neither the State of Texas nor any of its departments, agencies, or employees is, or will be, a party to this contract or to any lower-tier contract.

3. Definitions

(a) The term “Owner” or “Applicant” means the local entity contracting for the construction services.
(b) The term "TWDB" means the Executive Administrator of the Texas Water Development Board, or any other person lawfully acting in that capacity, or an authorized person to perform the functions of such Executive Administrator, or the authorized representative thereof.
(c) The term “Engineer” means the engineer retained and authorized by the Owner to perform services related to the project.

4. Laws to be Observed

In the performance of the contract, the Contractor must comply with all applicable local, state and federal laws, including, but not limited to, laws relating to labor, safety, minimum wages, and environmental protection. The Contractor shall be familiar with, and shall at all times observe and comply with, all federal, state, and local laws, ordinances and regulations that in any manner affect the conduct of the work, and shall indemnify and save harmless the Owner, the TWDB, and their representatives against any claim arising from violation of any such law, ordinance or regulation by the Contractor, their Subcontractor or their employees.

5. Review by Owner and TWDB

(a) The Owner, the Owner’s authorized representatives and agents, and the TWDB must, at all times, have access to and be permitted to observe and review all work, materials, equipment, payrolls, personnel records, employment conditions, material invoices, and any other data and records relevant to this Contract. Provided, however, that all instructions, directives, and approvals related to the execution of the work shall be issued to the Contractor solely by the Owner through its authorized representatives or agents.

(b) No inspection, observation, or review conducted by the TWDB shall subject the State of Texas, the TWDB, or their representatives to any liability or action for damages.

6. Payments Schedule and Cost Breakdown

(a) The Contractor shall, immediately upon execution of the Agreement, submit for the Owner's approval a detailed Progress Schedule setting forth the proposed dates for commencement and completion of each major portion of the Work, the estimated monthly payments anticipated to become due, and the cumulative percentage of completion for each month.

(b) (Applicable only to lump-sum contracts):

COST BREAKDOWN
The Contractor must submit to the Owner a detailed itemized breakdown of the estimated cost of all work to be performed under the Contract, arranged in such manner as may be required by the Owner or any funding agency. This breakdown shall be submitted promptly upon execution of the Agreement and must be approved by the Owner prior to any payments to the Contractor. Upon approval, the established unit prices shall be used to estimate partial payments.

7. Workers' Compensation Insurance Coverage

(As applicable and consistent with Texas Labor Code § 406.096)

(a) The Contractor shall certify in writing that workers' compensation insurance coverage is provided for each employee of the Contractor engaged on the public project.

(b) Each Subcontractor shall provide a written certificate of workers' compensation coverage for its employees to the general Contractor, who shall in turn provide such certificate to the governmental entity.

(c) A Contractor required to maintain workers' compensation coverage may satisfy this requirement through a group plan or other method acceptable to the governing body of the governmental entity.

(d) The employment of a maintenance employee by an employer whose primary business is not building or construction does not constitute engaging in building or construction.

(e) For the purpose of this section:

(1) "Building or construction" includes:

i. erecting or preparing to erect a structure, including any building, bridge, roadway, public utility facility, or related appurtenance;

ii. remodeling, extending, repairing, or demolishing a structure; or

iii. otherwise improving real property or an appurtenance thereto through similar activities.

(2) "Governmental entity" means the State of Texas or any political subdivision thereof, including a municipality.

8. U.S. Iron and Steel

The following statement must be completed by the Contractor and incorporated into the Agreement between the Owner and the Contractor. The statement must appear on a dedicated page within the contract documents and must include the Contractor's signature and date; alternatively, the Contractor may elect to sign and date this page of the TWDB-0553.

Contractor Statement of Understanding
The Contractor acknowledges to and for the benefit of the Owner ("Purchaser") that it understands the goods and services provided under this Agreement are being funded in whole or in part with monies made available through the Water Supply and Infrastructure Grants appropriated for water supply and infrastructure projects through House Bill 500, passed during the 89th Legislative Session. The State of Texas statutory requirements commonly known as "United States Iron and Steel" that requires all of the iron and steel products used in the project to be produced in the United States ("United States Iron and Steel Requirement") including iron and steel products provided by the Contractor pursuant to this Agreement. The Contractor hereby represents and warrants to and for the benefit of the Owner, that (a) the Contractor has reviewed and understands the United States Iron and Steel Requirement, (b) all of the iron and steel products used in the project will be and/or have been produced in the United States in a manner that complies with the United States Iron and Steel Requirement, unless a waiver of the requirement is approved, and (c) the Contractor will provide any further verified information, certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the United States Iron and Steel Requirement, as may be requested by the Owner. Notwithstanding any other provision of this Agreement, any failure to comply with this paragraph by the Contractor shall permit the Owner to enforce this Agreement and recover as damages against the Contractor any loss, expense, or cost (including without limitation attorney's fees) incurred by the Owner resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the TWDB or any damages owed to the Owner.

In the execution of the Contract, the Contractor shall be familiar with and at all times shall observe and comply with all applicable federal, state, and local laws, ordinances and regulations concerned with the use of iron and steel made in the United States which in any manner affect the conduct of the work.

Additional guidance regarding the United States Iron and Steel (USIS) and its applicability to this Agreement is provided in the TWDB-1105.

The Owner is recommended to receive and maintain documentation demonstrating the Contractor's compliance with the USIS Requirement. Compliance shall be verified by the Owner through the submittal of the TWDB form TWDB-1105-A.

9. Prevailing Wage Rates

The Contract is subject to the provisions of Texas Government Code Chapter 2258 regarding the payment of prevailing wage rates. The Owner shall determine applicable general prevailing rates are in accordance with the statute. The following statutory provisions apply, including but not limited to the sections set forth below:

§ 2258.021. Right to be Paid Prevailing Wage Rates

(a) A worker employed on a public work by or on behalf of the state or a political subdivision of the state shall be paid:

(1) not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed; and

(2) not less than the general prevailing rate of per diem wages for legal holiday and overtime work.

(b) Subsection (a) does not apply to maintenance work.

(c) For the purpose of this section, a worker is employed on a public work if the worker is employed by a Contractor or Subcontractor in the **execution of a contract** for the public work with the State, a political subdivision of the State, or any officer or public body of the State or a political subdivision of the State.

§ 2258.023. Prevailing Wage Rates to Be Paid by Contractor and Subcontractor; Penalty

(a) A Contractor awarded a contract by a public body, or a Subcontractor of the Contractor, shall pay not less than the rates determined under Section 2258.022 to each worker employed in the execution of the contract.

(b) A Contractor or Subcontractor who violates this section shall pay to the State or political subdivision of the state on whose behalf the contract is made a penalty of $60 for each worker for each calendar day or portion thereof during which the worker is paid less than the stipulated wage rates. A public body awarding a contract shall specify this penalty in the contract.

(c) A Contractor or Subcontractor does not violate this section if a public body awarding the contract does not determine and specify the prevailing wage rates and specify the rates in the contract as required by Section 2258.022.

(d) The public body shall use any money collected under this section to offset costs incurred in administering this chapter.

(e) A municipality may collect a penalty under this section only if its population exceeds 10,000.

§ 2258. 024. Records

(a) A Contractor and each Subcontractor shall maintain records showing:

(1) the name and occupation of each worker employed in the construction of the public work; and

(2) the actual per diem wages paid to each worker.

(b) Such records shall be open for inspection at all reasonable hours by the officers and agents of the public body.

§ 2258. 025. Payment Greater Than Prevailing Rate Not Prohibited

Nothing in this chapter prohibits the payment to a worker employed on a public work of an amount greater than the general prevailing per diem rate.

10. Payments

(a) Progress Payments

(1) Preparation of Requisition

The Contractor shall prepare a requisition for progress payment as of the last day of each payment month and shall submit the requisition, together with the required number of copies, to the Owner or the Engineer for review.

Except as provided in subsection (3), the amount of each progress payment due to the Contractor shall be determined as follows:

a. Adding to the total value of work completed to date;

b. Adding the value of materials properly stored on the site; and

c. Deducting:

1. The amount of all previous payments.

The total value of work completed to date shall be based on actual or estimated quantities of work completed and the unit prices stated in the Agreement, or the approved cost breakdown for lump-sum contracts pursuant to Section 7(b), as adjusted by approved Change Orders. The value of materials properly stored on the site shall be based on estimated quantities and invoice prices.

All invoices shall be made available for inspection by the TWDB.

(2) Care of Work and Materials

The Contractor shall remain responsible for the care and protection of all materials and work for which payment has been made until final acceptance by the Owner. Progress payments shall not constitute a waiver by the Owner of its rights to require full performance of all terms of the Contract or to require completion of all improvements in strict accordance with the Contract Documents.

(b) Withholding Payments

The Owner may withhold from any payment otherwise due to the Contractor such amounts as the Owner deems necessary to protect its interests. The Owner may also, at its discretion, withhold amounts due from the Contractor to Subcontractors or material suppliers for work performed or material furnished. These provisions are for the sole benefit and protection of the Owner and shall not:

(1) Require the Owner to resolve claims or disputes between the Contractor and Subcontractors or material suppliers, or

(2) Require the Owner to withhold funds for their protection unless the Owner elects to do so.

Failure or refusal by the Owner to withhold funds shall not impair the obligations of any surety or sureties under any bonds furnished pursuant to this contract.

(c) Payments Subject to Submission of Certificates.

Each payment to the Contractor shall be subject to submission of all required written certifications, including those from Subcontractors, in accordance with the General and Special Conditions of this Contract.

(d) Final Payment

(1) Release of Claims

Upon satisfactory completion of the work, and as a condition precedent to final payment or termination settlement, the Contractor shall execute and deliver to the Owner a release of all claims arising under or by virtue of this Contract, except for those claims specifically identified and expressly reserved by the Contractor therein. Unless otherwise provided by State law or mutually agreed upon, final payment or termination settlement shall not constitute a waiver of the Owner's claims against the Contractor or the Contractor’s sureties under this Contract or under applicable performance and payment bonds.

(2) Preparation of Final Requisition

Following final inspection and acceptance by the Owner, the Contractor shall prepare a requisition for final payment based on carefully measured or computed quantities for each work item at the applicable unit prices stated in the Agreement, or in the approved cost breakdown for lump-sum contracts, as adjusted by approved Change Orders. The final payment due to the Contractor shall be the total amount so computed, less all previous payments.

(3) Any amounts due to the Owner under General and/or Special Conditions relating to "Liquidated Damages" shall be deducted from the final payment due the Contractor.

11. Archaeological Discoveries and Cultural Resources

No activities that may affect properties listed or eligible for listing in the National Register of Historic Places, or properties eligible for designation as a State Archeological Landmark, shall be authorized until the Owner has complied with the provisions of the National Historic Preservation Act and the Antiquities Code of Texas. The Owner has previously coordinated with the appropriate agencies and impacts to known cultural or archeological deposits have been avoided or mitigated. However, the Contractor may still encounter unanticipated cultural or archeological resources during construction.

If archeological sites or historic structures are discovered that may qualify for designation as a State Archeological Landmark (pursuant to the criteria in 13 TAC Chapter 26) or may be eligible for listing on the National Register of Historic Places (in accordance with 36 CFR Part 800), the Contractor shall immediately cease operations in the affected area. The Contractor must then notify the Owner, the TWDB, and the Texas Historical Commission at P.O. Box 12276, Capitol Station, Austin, Texas 78711-2276.

The Contractor must take reasonable steps to protect and preserve the discovery until it is inspected by the Owner's representative and the TWDB. The Owner will coordinate with the Texas Historical Commission, and any other relevant agencies to obtain any necessary approvals or permits to allow work to resume. The Contractor shall not resume work in the affected area until authorized by the Owner.

12. Threatened and Endangered Species

No activities shall be authorized that are likely to jeopardize the continued existence of a threatened or endangered species, as listed or proposed for listing under the Federal Endangered Species Act (ESA), or the State of Texas Parks and Wildlife Code on threatened, endangered, or state-listed species, or that would destroy or adversely modify the habitat of such species.

If a threatened, endangered, or state-listed species is encountered during construction, the Contractor must immediately cease work in the area of the encounter, avoid disturbing the animal or plant, and notify the TWDB and the Owner. The Owner will then take immediate action in compliance with the ESA and applicable State statutes. This may include reporting the encounter to the TWDB, the U.S. Fish and Wildlife Service, and the Texas Parks and Wildlife Department, obtaining necessary approvals or permits, or implementing other mitigation actions as directed. The Contractor must not resume work in the affected area until authorized by the Owner.

13. Hazardous Materials

All materials used in the project shall be free from hazardous substances, except as may be specifically provided for in the specifications.

If the Contractor encounters hazardous materials on sites owned or controlled by the Owner, or in material sources that are suspected of containing hazardous substances (based on visual observation or smell), the Contractor must immediately cease work in the affected area. The Contractor shall take necessary precautions to prevent contact with the materials and must notify the Engineer and the Owner. The Owner will then notify the TWDB and other appropriate authorities, such as local emergency responders, the Texas Commission on Environmental Quality (TCEQ), the U.S. Environmental Protection Agency (EPA), and others, depending on the situation.

Unless otherwise directed by the relevant authorities, the Owner will be responsible for testing, removal, or disposal of hazardous materials on sites under the Owner’s control. The Owner may suspend work in the affected area, either partially or entirely, during the testing, removal, or disposal operations.

14. Changes

*****_Provisions marked with an asterisk below are in accordance with Local Government Code 271.060. Counties and Municipalities may amend the provisions listed, as applicable, to comply with Local Government Code 262.031 (Counties) or 252.048 (Municipalities)._

(a) The Owner may, at any time and without notice to any surety, issue a written order designated as a “change order” to make changes within the general scope of the contract. Such changes may include, but are not limited to:

(1) Modifications to the specifications (including drawings and designs);
(2) Changes to the time, method, or manner of performing the work;
(3) Adjustments to the quantity of work to be performed or the materials, equipment, or supplies to be furnished.

(b) *The total price of the contract may not be increased through a change order unless provision are made for added cost. This can be achieved through the appropriation of current or bond funds for the purpose, the issuance of certificates, or a combination of these methods.

(c) *For contracts with an original price of $1 million or more, the contract price may not be increased by more than 25 percent through change orders. If a contract with an original price of less than $1 million is modified by change orders, and the total contract value reaches or exceeds $1 million, subsequent change orders may not increase the revised contract amount by more than 25 percent.

(d) *A governing body may authorize an official or employee responsible for purchasing or contract administration to approve change orders involving a price increase or decrease of $50,000 or less.

(e) Any change orders involving a price increase must be supported by documentation of the cost components. The TWDB may request that this information be submitted in a format similar to the Cost and Pricing Information form (WRD-277).

(f) Change orders that involve modifications to the project requiring relocation of components, resizing, or changes to processes may require additional environmental approvals. A map and description of the proposed changes should be submitted to the TWDB Environmental Reviewer for coordination and approval as early as possible to prevent any delays.

15. Operation and Maintenance Manuals and Training

(a) The Contractor shall obtain the installation, operation, and maintenance manuals from manufacturers and suppliers for all equipment provided under the contract. The Contractor shall submit an electronic copy (e.g., PDF) with bookmarks of each complete manual to the Owner’s Engineer within 90 days of the approval of shop drawings, product data, and samples. These submissions must be made no later than the date each piece of equipment is shipped to the project site or storage location. Upon request, the Contractor shall also submit one hard copy of the manual, properly organized with divider tabs in a binder, to the Owner’s Engineer.

(b) The Owner shall require their Engineer to promptly review each submitted manual and provide feedback on necessary corrections and revisions. If the Owner’s Engineer rejects the manual, the Contractor must make the required corrections and resubmit the manual until it meets the Owner’s Engineer approval. The manual must conform to the project's design concept and comply with the information provided in the contract documents. The Owner may charge the Contractor for reviewing the same items more than twice. This procedure shall not be considered grounds for delay.

(c) The acceptance of manuals by the Owner's Engineer does not relieve the Contractor of any of the obligations or requirements set forth in the contract.

(d) The Contractor shall provide the services of trained and qualified technicians to verify the final installation of equipment, assist with placing the equipment into operation as needed, and instruct operating personnel on the proper procedures for routine operation and maintenance of the equipment.

(e) The operations and maintenance manuals specified herein are in addition to any installation, maintenance, or operation instructions required by the Contractor for installation, testing, and startup of the equipment. Each manual must be bound in a folder and clearly labeled to identify the contents and the project to which it applies. The manual shall include, at minimum, the following items:

(1) A listing of the manufacturer's identification, including order number, model number, serial number, and location of parts and service centers.
(2) A list of recommended spare parts, including part numbers and quantities.
(3) A complete list of replacement parts.
(4) Performance data and rating tables.
(5) Specific instructions for installation, operation, adjustment, and maintenance.
(6) Exploded view drawings for major equipment items.
(7) Lubrication requirements.
(8) Complete equipment wiring diagrams and control schematics with terminal identification.

16. As-Built Dimensions and Record Drawings

(a) The Contractor shall make daily measurements of facilities under construction and maintain accurate records of the location (both horizontal and vertical) of all facilities.

(b) Upon completion of each facility, the Contractor must provide the Owner with the following:

- One set of full-sized direct prints, marked with red pencil to show as-built dimensions and locations of all work (Record Drawings)
- One full-size electronic set of these drawings in PDF format. At a minimum, the Record Drawings shall include the following:

(1) Horizontal and vertical locations of work.
(2) Changes in equipment and dimensions due to substitutions.
(3) "Nameplate" data on <u>all</u> installed equipment.
(4) Deletions, additions, and changes to scope of work.
(5) Any other changes made.

17. Close-Out Procedures

To close out the construction contract, the following steps must be completed:

(a) Final Site Visit
The TWDB shall conduct a Construction Contract Final Site Visit (FSV) and issue an FSV Report.

(b) The following submittals must be received, reviewed, and accepted by the TWDB:

(1) The final change order, adjustment of quantities, or a statement confirming that all change orders have been previously submitted and that no additional change orders will be submitted.
(2) The final pay request from the Contractor.
(3) A notarized affidavit from the Contractor stating that all bills have been paid.
(4) Certification by the Owner's Engineer that the work has been completed in accordance with the approved P&S and adheres to sound engineering principles and construction practices.
(5) Acceptance of the project by the Owner in the form of a written resolution or other formal action.
(6) A warranty statement from the Contractor specifying the warranty start date (i.e., the project's completion date) and a duration of at least twelve months.
(7) Confirmation that the Owner has received the Record Drawings from the Contractor.
(8) Certificate of Compliance with U.S. Iron and Steel Requirements (TWDB-1105A).

(c) Certificate of Approval
Upon completion and acceptance of the items listed in sections (a) and (b), the TWDB shall issue a Certificate of Approval.

IV. FORMS AND GUIDANCE LIST

The forms and documents referenced throughout this guidance, as well as those listed below, are available on the TWDB website at:
http://www.twdb.texas.gov/financial/instructions/index.asp

Search by either the document number or name.

Forms:

- Certificate of Compliance with U.S. Iron and Steel Requirements (TWDB-1105A)
- Site Certificate (ED-101)
- Vendor Compliance with Reciprocity of Non-Resident Bidders (TWDB-0459)

Guidance Document:

- United States Iron and Steel Guidance (TWDB-1105)

TWDB-1105
Rev. 9/2025

United States Iron and Steel (USIS) Guidance for Projects Funded through State Programs

Table of Contents

Forms and Guidance

The Texas Water Development Board (TWDB) forms and guidance documents noted in this instruction document may be accessed through the TWDB Financial Assistance website at:

https://www.twdb.texas.gov/financial/instructions/index.asp

Search by either the document number or name.

Acronyms

AIS	American Iron and Steel
AWCF	Agricultural Water Conservation Fund
DFUND	Texas Water Development Fund
EDAP	Economically Distressed Areas Program
EPA	Environmental Protection Agency
FIF	Flood Infrastructure Fund
RWAF	Rural Water Assistance Fund
SB	Senate Bill
SCADA	Supervisory control and data acquisition
SP	State Participation
SRF	State Revolving Fund
SWIFT	State Water Implementation Revenue Fund for Texas
TAC	Texas Administrative Code
TGC	Texas Government Code
TWDB	Texas Water Development Board
USIS	U.S. Iron and Steel
WDF	Texas Water Development Fund, usually referred to as DFUND

1. Overview

The United States Iron and Steel (USIS) provisions are mandated by Texas Water Code §17.183 and Texas Government Code (TGC), Chapter 2252, Subchapter G, as amended by Senate Bill (SB) 1289 (85th Legislative Session) and Texas Administrative Code (TAC) §363.41. These provisions require recipients of financial assistance from the programs identified below, to use iron and steel products that are produced in the United States for projects for the construction, remodel, or alteration of a building, a structure, or infrastructure. These projects could include public water systems, treatment works, and flood control measures.

This requirement applies to all bid documents submitted to the Texas Water Development Board (TWDB) and contracts executed on or after September 1, 2017, except for projects funded through the State Water Implementation Revenue Fund for Texas (SWIFT). Specifically SWIFT requirements are as follows:

- USIS does not apply to SWIFT: where the Board has adopted a resolution approving an application for financial assistance before May 1, 2019, for any portion of the project.[1]
- USIS applies to SWIFT: where the Board has adopted a resolution approving an application for financial assistance on or after May 1, 2019.

The TWDB aims to ensure that applicants, consultants, and contractors follow procedures and recommendations for implementing USIS provisions in construction projects funded by the following programs:

- ✓ Agricultural Water Conservation Fund (AWCF)[2]
- ✓ Economically Distressed Areas Program (EDAP)
- ✓ Flood Infrastructure Fund (FIF)
- ✓ New Water Supply for Texas
- ✓ Rural Water Assistance Fund (RWAF)
- ✓ State Participation (SP)
- ✓ SWIFT (with funds committed on or after May 1, 2019)
- ✓ Texas Water Development Fund (DFUND, also referred to as WDF)
- ✓ Water Loan Assistance Fund (WLAF)

[1] Texas Water Code §17.183 and Texas Government Code §2252 and Texas Water Code §15.432 or §15.472.
[2] Texas Water Code § 17.183 does not apply to the Agricultural Water Conservation Fund; however, the U.S. I&S provisions in Texas Government Code, Chapter 2252, Subchapter G may apply to certain conservation projects funded through the Agricultural Water Conservation Fund. See **Attachment 1** for supplemental guidance regarding Agricultural Water Conservation Fund projects.

In this document, the term “Applicant” refers to the entity or recipient receiving funding from the TWDB.

2. Definitions

Construction Contract: A contract between a political subdivision (Applicant) and a construction contractor.

Construction Material[3]: Construction materials are those articles, materials, or supplies made primarily of iron and steel, that are permanently incorporated into the project. This excludes mechanical and/or electrical components, equipment, and systems that are defined below. Some of these products may overlap with what is also considered “structural steel.” Examples include, but are not limited to: wire rod, bar, angles, concrete reinforcing bar, wire, wire cloth, wire rope and cables, tubing, framing, joists, trusses, fasteners (e.g., nuts and bolts), welding rods, decking, grating, railings, stairs, access ramps, fire escapes, ladders, wall panels, dome structures, roofing, ductwork, surface drains, cable hanging systems, manhole steps, fencing and fence tubing, guardrails, doors, and stationary screens.

Manufacturing process: The manufacturing process is the transformation of materials or elements into a finished product by altering their form or function to add value and includes processes such as melting, refining, forming, rolling, drawing, finishing, fabricating, and coating. If a domestic iron and steel product is taken out of the U.S. for any part of the manufacturing process, the product is considered a foreign-sourced material. However, raw materials such as iron ore, limestone, and iron or steel scrap are not subject USIS requirements. The material(s), if any, being applied as a coating are similarly not subject to USIS requirements. Non-iron or steel components of an iron and steel product may come from non-U.S. sources. For example, for products such as valves and hydrants, the individual non-iron and steel components do not have to be of domestic origin.[4]

Mechanical and electrical components, equipment, systems, and appurtenances[5] include, but are not limited to:

- equipment: pumps, motors, gear reducers, drives (e.g., variable frequency drives), mixers, gates, motorized screens (e.g., traveling screens), blowers/aeration equipment, and compressors;
- values: electric/pneumatic/manual accessories used to operate valves (e.g., electric valve actuators);
- meters and sensors: meters, sensors, controls, and switches for monitoring and managing system performance;
- systems: supervisory control and data acquisition (SCADA), membrane bioreactor systems, and membrane filtration systems;

[3] Adopted from EPA’s AIS Guidance.
[4] Adopted from EPA’s AIS Guidance.
[5] See **Attachment 1** for additional exceptions pertaining to the Agricultural Water Conservation Fund.

- filtration/processing: filters, clarifiers and clarifier mechanisms, rakes, grinders, disinfection systems, presses (e.g., belt presses), and dewatering equipment;
- conveyance and structural components: conveyors, cranes, cabinetry and housings (e.g., electrical boxes/enclosures), and shelving;
- HVAC: HVAC systems (excluding ductwork), water heaters, and heat exchangers;
- electric components: generators, lighting fixtures, electrical conduit, and electrical supports/covers/shielding;
- other items: emergency life systems, metal office furniture, , laboratory equipment, analytical instrumentation, and other appurtenances related to an electrical system necessary for operation or concealment;
- electrical system includes all equipment, facilities, and assets owned by an electric utility, as defined in Section 31.002 of the Utilities Code.

Municipal castings[6] Municipal castings are cast iron or steel infrastructure products that are melted and cast. Municipal castings provide access, protection, or housing for components incorporated into utility owned drinking water, storm water, wastewater, and surface infrastructure. Municipal castings are typically made of grey or ductile iron or steel. Examples of municipal castings:

- access components: access hatches; manhole covers, rings and frames, risers; service boxes; meter boxes; valve boxes, covers and risers;
- drainage components: catch basin inlet; drainage grates, frames and curb inlets; curb openings; downspout shoes (boot, inlet); inlets.
- structural and protective components: ballast screen; benches (iron or steel); bollards; cast bases; curb and corner guards;
- specialized castings: cast iron hinged hatches (square and rectangular); steel hinged hatches (square and rectangular); cast iron riser rings; steel riser rings;
- utility and aesthetic components: junction boxes; lampposts; trash receptacles; tree grates; tree guards;
- other components: Detectable warning plates; cleanout/monument boxes; construction covers and frames; trench grates.

Political subdivision: A political subdivision includes a county, municipality, municipal utility district, water control and improvement district, special utility district, and other types of water districts created under Texas Constitution Article III, Section 52 or Article XVI, Section 59. It also includes nonprofit water supply corporations created and operating under Texas Water Code, Chapter 67.[7] These entities are responsible for managing water resources and infrastructure within their respective jurisdictions in Texas.

Produced in the United States: For iron or steel products, “produced in the United States” means that all manufacturing processes - starting from the initial melting of the material through to the application of coatings- must take place within the United States. This excludes metallurgical processes used to refine steel additives, which are not required to occur domestically.

[6] Adopted from EPA’s AIS Guidance.
[7] Political subdivision is defined differently in Texas Water Code §17.871, which pertains to the Agricultural Water Conservation Fund. See Attachment 1 for supplemental guidance.

Project: A project refers to a contract, funded by the TWDB between a political subdivision and a contractor. This contract supports the planning, design, or construction of water-related infrastructure or improvements.

Structural steel[8]: Structural steel refers to rolled flanged shapes with at least one cross-sectional dimension of three inches or greater. Structural steel is commonly used in the construction of bridges, buildings, ships, railroad rolling stock, and other constructional purposes. Examples include wide-flange shapes, standard I-beams, channels, angles, tees and zees, H-piles, sheet piling, tie plates, cross ties, and other specialized shapes for construction purposes.

3. Covered Iron and Steel Products

If a construction contract funded by the TWDB must comply with USIS requirements, all covered iron and steel products must be made in the United States, regardless of whether TWDB funds were specifically used to purchase those products. The Applicant cannot use other funding sources, including their own funds, to pay for a non-compliant iron or steel products in a TWDB funded construction contract.

USIS requirements apply to products made primarily of iron or steel that are permanently incorporated into the public water system, treatment works, or agricultural water conservation project. Examples of covered products include:

- lined or unlined pipes or fittings,
- manhole covers,
- municipal castings,
- hydrants,
- tanks,
- flanges,
- pipe clamps and restraints,
- valves,
- structural steel,
- reinforced precast concrete, and
- construction materials.

To be subject to USIS requirements, a listed product must consist of more than 50% iron or steel, measured by its material costs. The calculation is based solely on the costs of materials.

The following components are not required (exempt) to comply with USIS requirements:

- Iron or steel products that are not permanently incorporated into a project.
- Mechanical and electrical components, equipment, systems, and appurtenances.[9]

[8] Adopted from EPA's AIS Guidance.
[9] See Attachment 1 for additional exemptions pertaining to the Agricultural Water Conservation Fund.

4. Projects Exempt from USIS Requirements

USIS requirements do not apply to a SWIFT-funded project if:

- The project, as detailed in SB 1289 from the 85th Legislature Session, is subject of a resolution approving an application for financial assistance from any TWDB funding program that was adopted by the TWDB before May 1, 2019, for any portion of the project's financing, including the planning phase.

5. Compliance with USIS Requirements

The programs affected by USIS requirements were identified earlier in this guidance under Section 2 (Overview). Applicants should review Section 2 (Overview) to determine if their project is subject to these requirements.

To ensure compliance with the USIS requirements, specific USIS contract language must be included in all contracts, including construction material purchase agreements and bid documents. Sample compliance language can be found in Section 6.A of this guidance.

The Applicant is responsible for

- ensuring that all executed construction and purchase contracts, as well as associated bid documents, comply with USIS requirements;

- maintaining records of all forms and certifications necessary to demonstrate compliance with USIS requirements; and

- providing this documentation upon request or audit.

To demonstrate compliance with USIS requirements, the Applicant must provide adequate documentation (in hard copy, electronically, or embedded in construction management software) that shows either:

1. a certification from the final manufacturer, supplier or vendor asserting that all manufacturing processes occurred in the United States; or

2. a step certification process (similar to the AIS process in TWDB-1106, examples provided in **Attachment 4**).

The TWDB relies on self-certification by the Applicant to document compliance with USIS requirements.

A. Certification Requirements

Depending on the program requirements, USIS compliance certification may be required with an Outlay Report.

- For projects requiring an Outlay Report to release funds (e.g., EDAP projects or certain FIF projects), a certification of compliance must be submitted with each Outlay Report (see **Attachment 2**).

- For projects funded through programs that do not require Outlay Reports to release funds, the Applicant must maintain compliance certification records throughout the project.

In all cases, USIS compliance records must be available for inspection or submission upon request by TWDB staff. TWDB staff may also request interim certificate of compliance (see TWDB-1105-A in **Attachment 2**) during project construction.

For **each** construction contract, a final certificate of compliance must be submitted prior to approval of the final release of retainage and issuance of a Certificate of Approval from the TWDB Executive Administrator.

B. TWDB Compliance Procedures

To comply with USIS requirements, Applicants must follow these steps to ensure compliance throughout the project lifecycle:

1. Exemption Request

   Applicants must submit any request for an exemption to the TWDB project manager as soon as possible. **Until an exemption is granted, USIS requirements remain in effect**. It is highly recommended to submit a request for exemption as early in the project as possible. It is not recommended to request an exemption after the advertisement for bids. A checklist detailing the information required for processing an exemption, along with TWDB's exemption determination checklist, is included in **Attachment 3**. See Section 7 (Exemptions) for more information regarding these requests.

2. Bid Advertisement Language

   Applicants must include specific USIS language in the Advertisement for Bids for all construction contracts funded by the TWDB programs listed in Section 2 (Overview), including EDAP, FIF, DFUND, RWAF, WLAF, SWIFT, and SP. The required language is as follows:

   Any contract(s) awarded under this Invitation for Bids is/are subject to the United States Iron and Steel (USIS) requirements of Texas Water Code § 17.183 and/or Texas Government Code, Chapter 2252, Subchapter G, as amended by SB 1289, 85th Legislative Session, as applicable.

   For appropriate language regarding projects funded through the AWCF see **Attachment 1**.

3. Construction Contract Language

Applicants must include the following USIS requirements in all construction contracts:

The Contractor acknowledges to and for the benefit of the ***Applicant*** *("Purchaser") that it understands the goods and services under this Agreement are being funded with monies made available by the Texas Water Development Fund, Rural Water Assistance Fund, Economically Distressed Areas Program, State Participation Fund, State Water Implementation Fund of Texas[10], Flood Infrastructure Fund, New Water Supply for Texas, and/or Agricultural Water Conservation Fund. That these funds have statutory requirements commonly known as "United States Iron and Steel" that requires all of the iron and steel products used in the project to be produced in the United States ("United States Iron and Steel Requirement") including iron and steel products provided by the Contactor pursuant to this Agreement. The Contractor hereby represents and warrants to and for the benefit of the Purchaser that (a) the Contractor has reviewed and understands the United States Iron and Steel Requirement, (b) all of the iron and steel products used in the project will be and/or have been produced in the United States in a manner that complies with the United States Iron and Steel Requirement, unless a waiver of the requirement is approved, and (c) the Contractor will provide any further verified information, certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the United States Iron and Steel Requirement, as may be requested by the Purchaser. Notwithstanding any other provision of this Agreement, any failure to comply with this paragraph by the Contractor shall permit the Purchaser to enforce this Agreement and recover as damages against the Contractor any loss, expense, or cost (including without limitation attorney's fees) incurred by the Purchaser resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the TWDB or any damages owed to the Purchaser).*

In the execution of the Contract, the Contractor shall be familiar with and at all times shall observe and comply with all applicable federal, state, and local laws, ordinances and regulations concerned with the use of iron and steel made in the United States which in any manner affect the conduct of the work.

4. The Applicant must include the following language on the General Notes Plan Sheet(s).

This project is subject to the U.S. Iron and Steel (USIS) requirements of Texas Water Code § 17.183 and/or Texas Government Code, Chapter 2252, Subchapter G, as amended by SB 1289, 85th Legislative Session, as applicable. All iron and steel products used in project construction must be produced in the United States.

[10] State Water Implementation Fund of Texas (SWIFT) follows U.S. Iron and Steel requirements for projects where the Board adopted a resolution approving the application on or after May 1, 2019.

5. The Applicant and prime construction contractor must obtain certifications from the final manufacturer delivering the iron and steel product to the worksite, vendor, or contractor, asserting that all manufacturing processes occurred in the United States. Sample manufacturer certification is included in **Attachment 4**.

6. The Prime Construction Contractor and Applicant must maintain a file containing the certifications from the final manufacturers and any TWDB approved waivers. This file must be available for review by TWDB representatives and/or State Auditors upon request. Sample certification letters and a step certification log are included in **Attachment 4**.

7. The Applicant may be required to submit interim Certificates of Compliance with USIS requirements using form TWDB-1105-A, as provided in **Attachment 2**.

8. The Applicant must submit a Final Certificate of Compliance (form TWDB-1105-A), stating that the project was completed in compliance with the USIS requirements after completion of each construction contract. After receiving the Final Certificate of Compliance, TWDB issues a Certificate of Approval and approves the final release of retainage.

C. Recommendations and Best Management Practices

The following recommendations are not required but are suggested for Applicants to consider when implementing USIS requirements:

1. The Applicant and its consulting engineer should evaluate the applicability and availability of USIS-compliant products during all project phases. If it becomes clear that an exemption is necessary, the Applicant should request the waiver as early as possible, preferably within the design-phase.

2. While a waiver application may be submitted at any time during the project, Applicants should account for TWDB's review schedule (10 days public comment period plus additional review time) when planning their project timeline. Waiver requests after the advertisement for bids or start of construction are not recommended.

3. Develop procedures for maintaining records of USIS documentation. TWDB recommends keeping either the Step Certification or the Final Vendor Certification documents on file.

4. Clearly identify separate bid items that must comply with USIS requirements on the Bid Form.

5. Incorporate USIS compliance documentation into contractor submittal procedures, including shop drawings, material lists, and manufacturer certifications, etc.

6. Discuss USIS requirements during pre-bid conferences and pre-construction meetings to clarify contractor responsibilities and ensure the availability of compliant iron and steel products for the project.

7. Submit USIS Compliance documentation as required or requested by TWDB. Note that project documentation records must be kept throughout the duration of the project financing.

6. Exemptions

Under TGC § 2252.203, as added by SB 1289 during the 85th Legislative Session, the TWDB may grant exemptions for specific cases or categories if certain conditions are met. Exemptions for USIS can be issued under one of the following three reasons:

1. Iron and steel products produced in the United States are not:
   a. produced in sufficient quantities,
   b. reasonably available, or
   c. of satisfactory quality.

2. Use of iron and steel products produced in the United States will increase the overall project cost by more than 20 percent.

3. Complying with the USIS requirements is inconsistent with the public interest.

A. Exemptions Process

Exemptions requests must be submitted by the Applicant. It is strongly discouraged to request an exemption after the advertisement for bids or the start of construction. If an exemption is requested after a bid advertisement or start of construction, the USIS requirements will remain in effect until TWDB grants the exemption.

To apply for a project exemption, the Applicant should email the request in the form of a Word document (doc) or PDF to the TWDB Project Manager (or Contract Manager for AWCF grant projects). Proper and sufficient documentation must be provided by the Applicant, as outlined in **Attachment 3**.

After receiving an application for an exemption of the USIS requirements, the TWDB will review the request for administrative completeness as outlined in **Appendix 3**. If the exemption request is incomplete, any deficiencies must be remedied within 10 business days, or the exemption request will be rejected. Once the exemption request is deemed administratively complete, it will be published, as submitted, on the TWDB website for 10 days to allow informal public comments. After the public comment period is complete, the TWDB will determine whether the application sufficiently documents and justifies the statutory basis for the exemption.

The TWDB will notify the Applicant that an exemption request has been approved or denied as soon as such a decision has been made. Exemptions can only be approved or denied by the Board. Approved exemptions will be posted on the TWDB's U.S. Iron and Steel webpage. The Applicant must keep a copy of the signed waiver in their USIS Certification File.

Attachment 1: Supplemental Guidance for the Agricultural Water Conservation Fund

Overview
This supplemental guidance provides additional information to ensure compliance with the United States Iron and Steel (USIS) provisions. Projects funded through the Agricultural Water Conservation Fund must adhere to these requirements, which are established under Texas Government Code (TGC), Chapter 2252, Subchapter G, as amended by Senate Bill (SB) 1289, 85th Legislative Session, and Texas Water Code §§ 17.871–17.912.

Definitions
Political subdivision refers to any of the following entities:

- A district or authority created under Section 52, Article III, or Section 59, Article XVI, of the Texas Constitution.
- A municipality
- A county.
- An institution of higher education as defined by Section 61.003, Education Code.
- Any interstate compact commission to which the state is a party.
- Any nonprofit water supply corporation created and operating under Chapter 67.

Person: An individual, corporation, partnership, association, or other legal entity that is not classified as a political subdivision.

Applicability
Under TWDB programs, the USIS requirements outlined in TGC, Chapter 2252, Subchapter G, apply only to contracts between the TWDB and a political subdivision to financing, refinancing, or providing funds to construct, remodel, or alter a building, structure, or infrastructure. For projects funded under the Agricultural Water Conservation Fund, these requirements do not apply to projects undertaken by "persons" (commonly referred to as "participants") who receive funding from a political subdivision funded by the TWDB.

Project Examples, Exemptions, and Construction Requirements
USIS requirements are limited to projects involving the construction, remodeling, or alteration of a building, a structure, or infrastructure. Explicit exemptions outlined in TGC § 2252.203 are addressed in Section 7 (Waivers) of this document. Additionally, "mechanical and electrical components, equipment, systems, and appurtenances" such as those listed herein are not subject to USIS requirements.

U.S. Iron and Steel Requirements
Projects funded through the Agricultural Water Conservation Fund that must comply with USIS requirements include, but are not limited to:

- Rebar and structural steel used in canal lining projects.
- Pipes in canal-to-pipeline conversions and pipeline replacement projects.
- Well Casing for projects involving well drilling activities.

Exempt Components

The following projects and components are exempt from the USIS provisions within the Agricultural Water Conservation Fund, in addition to the "mechanical and electrical components, equipment, systems, and appurtenances" detailed within this guidance. Equipment cost share projects for purchasing and installing the following (this list is not exhaustive):

- Meters
- Surge-flow valves
- Soil-moisture probes
- Center pivots (including pad/slab construction)
- Efficiency improvements for center pivot and pumping plants
- Pivot control systems
- Telemetry, remote monitoring, or supervisory control and data acquisition (SCADA) systems
- Automated gates (including fabrication and construction)
- Weather stations (including footings, foundations, pads or slabs)

Provisions for Bid Documents

Applicants must ensure compliance with the Construction Requirements outlined in Texas Administrative Code §367.12 when preparing bid documents for construction contracts funded through AWCF. In addition to these requirements, the following language must be included in all Advertisements for Bids:

Any contract(s) awarded under this Invitation for Bids is/are subject to the United States Iron and Steel (USIS) requirements of Texas Government Code, Chapter 2252, Subchapter G, as amended by SB 1289, 85th Legislative Session, as applicable.

Attachment 2: Certificate of Compliance with U.S. Iron and Steel Requirements

This form is available at: https://www.twdb.texas.gov/financial/instructions/doc/TWDB-1105-A.pdf

Attachment 3: Exemption Request

The purpose of this checklist is to ensure that all necessary and relevant information is submitted to the Texas Water Development Board (TWDB). This checklist is for informational purposes only and does not need to be included as part of the exemption application.

Items	☐	Notes

General
• Request includes the following information:
  ○ Description of the foreign and domestic construction materials
  ○ Unit of measure
  ○ Quantity
  ○ Price
  ○ Time of delivery or availability
  ○ Location of the construction project
  ○ Name and address of the proposed supplier(s)
  ○ Detailed justification for the use of foreign construction materials
• Applicants must demonstrate a good faith effort to solicit bids for domestic iron and steel products through language in requests for proposals, contracts, and communications with the prime contractor.		

Cost Requests
• Cost-based requests include the following information:
  ○ Comparison of overall project cost using domestic iron and steel products versus foreign iron and steel products.
  ○ Relevant excerpts from the bid documents used by contractors for the cost comparison.
  ○ Supporting documentation indicating that the contractor conducted a reasonable market survey, including:
    ○ A description of the process used to identify suppliers
    ○ A list of contracted suppliers.
  ○ Signed and sealed statement from the consulting engineer certifying they have reviewed the waiver request conditions and attest to their accuracy.		

Availability Requests • For availability-based exemptions, request includes the following: ○ Supporting documentation demonstrating the availability, quantity, and/or quality issues with domestic material, such as supplier or pricing information from a reasonable number of domestic sources. • A statement from the applicant, engineer, prime contractor, and/or supplier - along with supporting documentation - confirming the non-availability of the domestic construction materials for which the request is sought.		
Additional Considerations To your best knowledge, has the State received other requests for similar materials on comparable projects?		

TWDB Checklist for Exemption Request

Instructions: This checklist is to be completed by TWDB during the review of the exemption requests. Each question in the checklist must be answered by marking the appropriate box as Yes, No or N/A.

Marks within shaded boxes may indicate grounds for denial of the waiver. If no marks fall into shaded boxes, the request may be eligible for approval, providing it demonstrates that at least one or more of the following conditions apply to the domestic product for which the exemption is requested:

1. *The iron and/or steel products are not produced in the United States in sufficient quantities, are not reasonably available, or are not of satisfactory quality.*
2. *The inclusion of the U.S.-produced iron and/or steel products would increase the cost of the overall project by more than 20 percent. For this purpose, "cost of the project" refers to the total amount of the TWDB Board's funding commitment for the construction portion of the project.*

Review Items	Yes	No	N/A	Notes
Cost Request • Does the exemption request include the following information? o Comparison of overall cost of project with domestic iron and steel products to overall cost of project with				
o Relevant excerpts from the bid documents used by the contractors to complete the comparison				
o A sufficient number of bid documents or pricing information from domestic sources to constitute a reasonable survey of the market				
• Does the Total Domestic Project exceed the Total Foreign Project Cost by more than 20%?				
Availability Requests • Does the exemption request include supporting documentation sufficient to show the availability, quantity, and/or quality of the iron and/or steel product for which it is requested? o Supplier information or other documentation indicating availability/delivery date for materials o Project schedule o Relevant excerpts from project plans, specifications, and permits indicating the required quantity and quality of materials				
• Contractors made a reasonable effort to locate domestic suppliers of materials, such as a description of the process for identifying suppliers and a list of contacted suppliers?				
• Based on the materials delivery/availability date indicated in the supporting documentation, will the materials be unavailable when they are needed according to the project schedule? (By item, list schedule date and domestic delivery quote date or other relevant information)				

• Is TWDB aware of any other evidence indicating the non-availability of the materials for which the exemption is requested? Examples include: o Multiple requests for the materials described in this request, for comparable projects in Texas o Multiple requests for the materials described in this request, for comparable projects in other States o Correspondence with construction trade associations indicating the non-availability of the materials • Are the available domestic materials indicated in the bid documents of inadequate quality compared to those required by the project plans, specifications, and/or permits?				

Attachment 4: Sample Certifications

U.S. Iron and Steel (USIS) Certification must document the location of all manufacturing processes involved with the production of iron and steel materials. Each entity handling the iron and steel products (including supplier, fabricator, manufacturer, processor, etc.) must certify that their specific role in the process was performed domestically.

Applicants may fulfill this requirement using one of the following certification methods:

1. Final Manufacturer Certification
   The final manufacturer delivering the iron or steel product to the worksite, vendor, or contractor, must provide a certification. This certification must identify all entities involved in handling the product and confirm that all manufacturing processes were completed in the United States.

2. Step Certification
   Each entity handling the iron or steel product must provide an individual certification letter verifying that their specific step in the process was performed domestically.

NOTE: All certifications must be documented on official company letterhead to ensure compliance with the USIS requirements.

Final Manufacturer Certification

The following is a sample certification letter for USIS compliance. The document must be on company letterhead and include a certification from the final manufacturer. It should list all parties involved in handling the product, from the raw iron or steel processor to the contractor installing the final product.

Date
Company Name
Company Address City,
State Zip

Subject: United States Iron and Steel Certification for Project (XXXXX)

I, (company representative), certify that the following products and/or materials shipped/provided to the subject project are in full compliance with the United States Iron and Steel requirement as required in Texas Water Code § 17.183 and/or Texas Government Code, Chapter 2252, Subchapter G, as amended by SB 1289, 85th Legislative Session, as applicable.

Item, Products and/or Materials:

1. *Xxxx*
2. *Xxxx*
3. *Xxxx*

Such processes took place at the following location:

Contractor: ______________ ______________ ______________
(Name) *(Item)* *(Process)*

Supplier: ______________ ______________ ______________
(Name) *(Item)* *(Process)*

Manufacturer: ______________ ______________ ______________
(Name) *(Item)* *(Process)*

Processor: ______________ ______________ ______________
(Name) *(Item)* *(Process)*

If any of the above compliance statements change during the course of providing material for this project, we will immediately notify the prime contractor and the engineer.

Signed by company representative

Step Certification

Step certification is a process where each handler of the iron and steel products (e.g., supplier, fabricator, manufacturer, processor) certifies that their specific step in the process was performed domestically. This process requires obtaining a separate certification letter from each handler, starting with the processor of the raw iron or steel and continuing through to the contractor responsible for installing the final product.

Step Certification Letter

The following information is provided as a sample letter of step certification for USIS compliance. Documentation must be provided on company letterhead by each handler responsible for their part of the iron or steel product process.

Date
Company Name Company
Address City, State Zip

Subject: United States Iron and Steel Step Certification for Project (XXXXXXXXXX)

I, (company representative), certify that the (melting, bending, coating, galvanizing, cutting, etc.) process in the (manufacturing or fabricating) of the following products and/or materials shipped or provided for the subject project is in full compliance with the United States Iron and Steel requirements required in Texas Water Code § 17.183 and/or Texas Government Code, Chapter 2252, Subchapter G, as amended by SB 1289, 85th Legislative Session, as applicable.
Item(s), Product(s) and/or Material(s):

1. *Xxxx*
2. *Xxxx*
3. *Xxxx*

Such process took place at the following location:

Handler: ______________ _______________ __________________
(Name) *(Item)* *(Process)*

If any of the above compliance statements change while providing material for this project, we will immediately notify the prime contractor and the engineer.
Signed by company representative

Step Certification Log

The following information is provided as a sample log to keep track of step certification for U.S. Iron and Steel (USIS) compliance. The TWDB makes no claims regarding the legality of the step certification log with respect to USIS compliance.

United States Iron and Steel
Step Certification Log for

____

(Iron or Steel Product)

CONTRACTOR:		
(NAME)	**(ITEM)**	**(PROCESS)**
SUPPLIER:		
(NAME)	**(ITEM)**	**(PROCESS)**
MANUFACTURER:		
(NAME)	**(ITEM)**	**(PROCESS)**
PROCESSOR:		
(NAME)	**(ITEM)**	**(PROCESS)**