



**LOCAL COOPERATION AGREEMENT
GLO Contract No. 24-109-000-E394**

The Texas General Land Office (the “GLO”) and the **Gulf Coast Protection District** (“the GCPD”), each a “Party” and collectively “the Parties,” enter into this Local Cooperation Agreement (the “Agreement”) pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and House Bill 1 of the 88th Texas Legislature, Regular Session (“HB1”).

I. DEFINITIONS, INTERPRETIVE PROVISIONS, AND AGREEMENT PURPOSE

1.01 DEFINITIONS

“**Administrative and Audit Regulations**” means all applicable statutes, regulations, and other laws governing administration or audit of this Agreement, including: GAAS, GAAP, GASB, and TxGMS; and Chapters 321 and 791 of the Texas Government Code. GAAS shall be the auditing standard used to audit GCPD’s financial records in connection with this Agreement. Any conflicts between GAAS and any financial record auditing standards found in TxGMS shall be resolved in favor of GAAS. Any conflicts between TxGMS and GAAP or TxGMS and GASB shall be resolved in favor of GAAP and GASB.

“**Agreement**” means this entire document and its Attachments and Amendments.

“**Amendment**” means a written agreement, executed by the Parties’ authorized representatives, that documents any changes to the Agreement.

“**Attachment**” means documents, terms, conditions, or additional information attached to this Agreement after the execution page or incorporated by reference herein.

“**Coastal Texas**” means the Coastal Texas Protection and Restoration Study Final Integrated Feasibility Report and Environmental Impact Statement issued by USACE in August 2021.

“**CTX Agreement(s)**” means one or all of the CTX Design MOU, the CTX DA, and/or the CTX PPA.

“**CTX Construction MOU**” means the In-Kind Memorandum of Understanding entered into (or to be entered into) between the USACE and GCPD, as the non-federal sponsor, regarding work-in-kind credit determinations for costs incurred by GCPD toward the construction of Coastal Texas prior to entry into the CTX PPA.

“**CTX DA**” means a Design Agreement entered into (or to be entered into) between the USACE and GCPD, as the non-Federal sponsor, for the design of Coastal Texas.

“**CTX Design MOU**” means the In-Kind Memorandum of Understanding entered into on July 12, 2023, between the USACE and GCPD, as the non-federal sponsor, regarding work-in-kind credit determinations for costs incurred by GCPD toward the design of Coastal Texas prior to entry into the CTX DA.

“**CTX PPA**” means a Project Partnership Agreement entered into (or to be entered into) between the USACE and GCPD, as the non-federal sponsor, for the implementation of Coastal Texas.

“**DD7**” means Jefferson County Drainage District No. 7, its officers, employees, and designees.

“**DD7 ILA**” means an Interlocal Agreement entered into February 21, 2023, between GCPD and DD7, as amended from time to time, obligating GCPD to submit reimbursement requests and advance funding requests to GLO on behalf of DD7 in order to fund DD7’s Non-Federal Sponsor Obligations.

“**DD7 PPA**” means a Project Partnership Agreement entered into on November 29, 2019, between the USACE and DD7, as the non-federal sponsor, for the implementation of the Jefferson County Project.

“**Fiscal Year**” means the period beginning September 1 and ending August 31 each year, which is the annual accounting period for the State of Texas.

“**GAAS**” means “generally accepted auditing standards.”

“**GAAP**” means “generally accepted accounting principles.”

“**GASB**” means the Governmental Accounting Standards Board.

“**GCPD**” means the Gulf Coast Protection District, a special district created by the Texas Legislature pursuant to Senate Bill 1160, 87th Texas Legislature, Regular Session under authority found in Article XVI, Section 59 of the Texas Constitution to protect the coast in Chambers, Galveston, Harris, Jefferson, and Orange Counties.

“**GCPD Accelerated Funding Project Costs**” means any funds requested in advance by GCPD, pending the appropriation or other provision of sufficient Federal funding such that USACE, in its discretion, may utilize for pre-construction engineering and design phase work (“PED Phase”) for Coastal Texas, that GCPD intends to provide to USACE with the intent to provide funds to USACE in excess of GCPD’s Non-Federal Share under the CTX Agreements during a given Fiscal Year, provided that GCPD’s overall cash contribution shall not exceed the ultimate required Non-Federal Share for the PED Phase of Coastal Texas.

“**GCPD Discretionary Project Costs**” means any discretionary costs incurred by GCPD that are in addition to the Non-Federal Share, and that GCPD is not otherwise obligated to incur pursuant to the CTX Agreements, CTX Construction MOU, the OC DA (as provided for in the OC PPA), the OC PPA and the DD7 ILA, which may not be creditable toward the Non-Federal Share, as ultimately determined by USACE, including, *without limitation*, costs incurred towards the design, study and/or analyses of (i) betterments (as such term is defined in the CTX Agreements, the DD7 PPA and the OC PPA and (ii) locally-preferred designs for all or part of the Jefferson County Project, the Orange County Project, or Coastal Texas.

“**GCPD Creditable Research Project Costs**” means any costs incurred by GCPD related to a cooperative research and development agreement (“CRADA”) or costs incurred by GCPD for research that promotes the work required by Coastal Texas and that is intended to be submitted to USACE as a creditable expense per the CTX Agreement(s).

“**Non-Obligatory Project Costs**” means some or all the following: GCPD Discretionary Project Costs or GCPD Creditable Research Project Costs.

“**GCPD Obligations**” means GCPD’s Non-Federal Sponsor Obligations under the CTX Agreements, the OC DA (as provided for in the OC PPA), and the OC PPA as well as GCPD’s pass-through funding obligations under the DD7 ILA.

“**General Affirmations**” means the statements, terms and conditions attached hereto as **Attachment C**, as may be applicable to GCPD, that the Parties affirm and agree to by executing this Agreement.

“**GLO**” means the Texas General Land Office and its officers, employees, and designees, acting in their official capacities.

“**Intellectual Property**” means patents, rights to apply for patents, trademarks, trade names, service marks, domain names, copyrights and all applications and worldwide registration of such, schematics, industrial models, inventions, know-how, trade secrets, computer software programs, intangible proprietary information, other commercially valuable products of the human intellect, and all federal, state, or international registrations or applications for any of the foregoing.

“**Jefferson County Project**” means the Port Arthur and Vicinity Coastal Storm Risk Management Project, a separable element of S2G.

“**Non-Federal Share**” means the 35% share of total project costs defined in the CTX DA, the OC DA, and the PPAs for the design, engineering, and construction, as applicable, of the Jefferson County Project, the Orange County Project, and Coastal Texas.

“**Non-Federal Sponsor Obligations**” means (a) the Non-Federal Share and (b) costs obligated to be incurred by a non-Federal sponsor for Coastal Texas, the Jefferson County Project, or the Orange County Project that are in addition to the Non-Federal Share, and are not otherwise creditable toward the Non-Federal Share, as may ultimately be determined by USACE, related to the payment for (i) acquisition of real property interests, placement area improvements, and relocations determined to be reasonably necessary for construction, operation, and maintenance of the Projects, even if such costs are determined by the USACE to be in excess of the Non-Federal Share; (ii) inspections and investigations, liability and cleanup and response costs associated with hazardous, toxic, and radioactive wastes; and (iii) work-in-kind costs incurred by GCPD under the OC DA, the OC PPA, the DD7 PPA, the CTX DA, and the CTX PPA toward design and construction of the Jefferson County Project, the Orange County Project, and Coastal Texas, as applicable, that USACE does not afford credit against the Non-Federal Share.

“**Orange County**” means Orange County Drainage District (“OCDD”) and Orange County (together with OCDD, “OC”) its officers, employees, and designees.

“**Orange County Project**” means the Orange County Coastal Storm Risk Management Project, a separable element of S2G.

“**OC DA**” means the Design Agreement, dated September 18, 2020, between the USACE and Orange County, as the initial non-Federal sponsor, for the design of the Orange County Project.

“OC PPA” means a Project Partnership Agreement entered into April 29, 2022, between the USACE and GCPD, as the non-Federal sponsor, for funding remaining design costs under the OC DA, and for the implementation of the Orange County Project.

“Project(s)” means one or all of the Jefferson County Project, the Orange County Project, and/or Coastal Texas.

“Projected Funding Requests” means the funding requests submitted by the GCPD pursuant to the budget for the GCPD Obligations attached hereto as **Attachment A**, including any special conditions found therein, and any approved amendments thereto. Any amendment to Attachment A must be approved and executed by the Parties through a formal, written amendment to the Agreement.

“Public Information Act” means Chapter 552 of the Texas Government Code.

“PPA(s)” means, collectively, the CTX PPA, the DD7 PPA, and the OC PPA.

“S2G” means the Sabine Pass to Galveston Bay, Texas Coastal Storm Risk Management and Restoration Final Integrated Feasibility Report-Environmental Impact Statement issued by the Galveston District, Southwestern Division, of the USACE (as defined herein) in May 2017.

“Subcontractor” means an individual or business that signs a contract, or enters into an agreement with any of the Parties, to perform part or all of the obligations of the Parties under this Agreement.

“Travel Regulations” means all applicable statutes, regulations, laws, and Comptroller guidance related to reimbursement of travel expenses, including: Title 34, Section 5.22, of the Texas Administrative Code; Chapter 660 of the Texas Government Code; the General Appropriations Act; and *Textravel*, the Comptroller’s travel regulation guidance available on the Comptroller’s website.

“TxGMS” means version 1.1 of the Texas Grant Management Standards issued by the Comptroller.

“USACE” means the Department of the Army, acting by and through the U.S. Army Corps of Engineers.

“WIK” means Work in Kind.

1.02 INTERPRETIVE PROVISIONS

- (a) The meanings of defined terms apply to the singular and plural forms of the defined terms; any term used in this Agreement that is defined in the HB1, has the meaning defined in HB1;
- (b) The words “hereof,” “herein,” “hereunder,” and similar words refer to this Agreement as a whole and not to any particular provision, section, Attachment, work order, or schedule of this Agreement unless otherwise specified;
- (c) The term “including” means “including, without limitation.”
- (d) Unless otherwise expressly provided, references to contracts include subsequent Amendments and other modifications thereto, to the extent such Amendments and modifications are not prohibited by the terms of this Agreement, and a reference to a statute or regulation includes statutory or regulatory provisions consolidating, amending, replacing, supplementing, or interpreting the statute or regulation;

- (e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement;
- (f) All Attachments to this Agreement, including those incorporated by reference, and any Amendments are considered part of the terms of this Agreement;
- (g) This Agreement may use several limitations, regulations, or policies to regulate the same or similar matters. Each such limitation, regulation, and policy is cumulative and shall be performed in accordance with its terms;
- (h) Unless otherwise expressly provided, reference to any action of or by the GLO by way of consent, approval, or waiver is deemed modified by the phrase “in its/their sole discretion”;
- (i) Nothing in this Agreement shall be interpreted as obligating GLO to reimburse, pay, or advance any Non-Obligatory Project Costs or GCPD Accelerated Funding Project Costs to GCPD or as obligating GLO to agree to approve, execute, adopt, or ratify any agreements for the same;
- (j) The inclusion by USACE or acceptance by GCPD, of Non-Obligatory Project Costs in a design agreement with USACE, shall not be interpreted as making what GLO would otherwise consider under this Agreement to be a Non-Obligatory Project Cost into a GCPD Obligation under this Agreement. No such costs shall be considered a GCPD Obligation without prior written approval of the GLO;
- (k) Reference to all or any of the CTX Agreements and OC DA, as defined herein refers to these agreements as they exist at the time of their execution;
- (l) Time is of the essence in this Agreement; and
- (m) Conflicts between this Agreement and its Attachments shall be resolved in the following order of precedence: first, the Signed Agreement; then Attachments to the Agreement in this order: Attachment B, Attachment A, then Attachment C.

1.03 PURPOSE

This Agreement sets forth the terms and conditions under which:

- (a) Funding appropriated to GLO by the Texas Legislature pursuant to HB 1 may be granted to the GCPD for its use towards the GCPD Obligations and the Non-Obligatory Project Costs; and
- (b) GLO will provide oversight and coordination with the GCPD as required by HB1.

1.04 CONTRACT DOCUMENTS

- (n) This document and the following Attachments, which are incorporated herein in their entirety for all purposes, shall govern this Agreement:

ATTACHMENT A: PROJECTED FUNDING REQUEST

ATTACHMENT B: HB1

ATTACHMENT C: GENERAL AFFIRMATIONS

II. OBLIGATIONS OF THE PARTIES

2.01 PROJECT RESPONSIBILITIES

Disbursement by GLO of any HB1 funds to the GCPD is contingent on the GCPD's compliance with the terms of this Agreement and all Attachments, Amendments, and any additional requests for reports, information, documentation, or clarification made by GLO from time to time in the form and manner requested by GLO.

- (a) the GCPD shall:
 - (i) Perform all activities and requests for compliance specified in this Agreement:
 - a. in strict accordance with the terms and conditions of this Agreement and all provisions of the Projected Funding Requests, including any special conditions, set forth in **Attachment A**; and
 - b. in accordance with all applicable state laws and regulations, the standards set forth in TxGMS, and any specific directions prescribed by the USACE or the GLO.
 - (ii) Provide a report of budgeted and expended grant amounts by Project activity areas on a monthly basis as specified in this Agreement or as may be communicated in writing by the GLO to the GCPD from time to time in the form and manner requested by the GLO.
 - (iii) Provide timelines for completion of Projects on an annual basis as specified in this Agreement or as may be communicated in writing by the GLO to the GCPD from time to time.
 - (iv) Coordinate with the GLO and provide all reports, data, documents, and other information in accordance with the terms and conditions of this Agreement, all applicable state laws and regulations, and any specific directions prescribed by the GLO or the Texas Legislature.
- (b) The GLO:
 - (i) Shall reimburse or provide advance funding to the GCPD for the GCPD Obligations and such other costs as further detailed in the Projected Funding Request in **Attachment A**, as amended, and in accordance with the provisions set forth in Article IV of this Agreement and HB1; and
 - (ii) May reimburse or provide advance funding to the GCPD for Non-Obligatory Project Cost(s) as may be further detailed in the Projected Funding Request in **Attachment A**, as amended, and in accordance with the provisions set forth in Article IV of this Agreement and HB1.

2.02 PROJECT PROGRESS REPORTING REQUIREMENTS

- (a) The GCPD shall provide monthly written progress reports, in a format to be specified by the GLO, for each cost category identified in **Attachment A**, on or before the last calendar day of each month, beginning three months after this Agreement is executed.

- (b) Progress Reports must include:
 - (i) a brief statement of the overall progress since the preceding Progress Report of each task identified in Attachment A;
 - (ii) a brief description of any problems encountered during the previous reporting period that will affect the Projects, delay the completion of any portion of this Agreement, or inhibit the completion of or cause any changes to Attachment A objectives;
 - (iii) a description of any action the GCPD plans to undertake to correct any problems that have been encountered;
 - (iv) a monthly status report on the Budget, as defined in Attachment A and;
 - (v) any other details or documentation deemed necessary by the GLO.

If requested by the GLO, the GCPD shall hold monthly meetings or conference calls to provide the GLO with updates on the Projects. The GLO shall also have the right to participate in regular status meetings or conference calls that the GCPD, DD7 and/or OC have with the USACE.

2.03 AGREEMENT CLOSEOUT AND FINAL ACCOUNTING

- (a) Upon full disbursement of funds associated with this Agreement, GCPD shall provide a final closeout report (the “Closeout Report”) to the GLO within ninety (90) days after all funds identified in **Attachment A** have been expended, which report shall include the following: (i) a summary of all expenditures; (ii) complete supporting documentation for the reimbursement requests and the advance funding requests; and (iii) to the extent then available from the USACE, Project deliverables and evidence of completed Project milestones.
- (b) The GLO will promptly notify the GCPD via official closeout letter upon GLO’s satisfactory review of the Closeout Report. The Parties acknowledge and understand that a portion of the costs included in the Closeout Report will consist of documenting costs “assumed” to count towards the Non-Federal Share, including WIK, but a true USACE final accounting, review, and reconciliation of the Non-Federal Share will not occur until each respective Project’s final completion, as determined by USACE. GCPD agrees to give GLO a true copy of the USACE’s final accounting promptly after its receipt of the same, as well as any additional Project deliverables and evidence of completed Project milestones to the extent not delivered pursuant to Section 2.03(a).

III. TERM

3.01 DURATION

- (a) This Agreement is effective as of the date executed by the last Party (the “Effective Date”) and shall terminate on August 31, 2025. The Parties may extend this Agreement with two-year increments for up to four additional years by mutual, written agreement executed by the Parties’ authorized representatives.

- (b) This Agreement is effective for the term specified herein. If the GCPD performs services or incurs costs before the Effective Date or after the Agreement's termination or expiration, the GCPD does so at its sole risk and the GLO may choose **TO NOT COMPENSATE THE GCPD FOR SUCH SERVICES OR COSTS.**

3.02 EARLY TERMINATION

The GLO or the GCPD may terminate this Agreement by giving the other written notice specifying a termination date at least thirty (30) days after the date of the notice. Upon receipt of such notice, the GCPD shall cease any work, terminate any subcontracts, and incur no further expense related to this Agreement. Any amounts reimbursed or advanced prior to the noticed termination date shall be subject to 5.02 and 5.03 of this Agreement.

3.03 ABANDONMENT OR DEFAULT

If the GCPD abandons work or defaults on the Agreement and fails to cure the default within 30 days after receiving written notice of default, the GLO may terminate the Agreement without notice.

IV. FUNDING

4.01 PROJECTED FUNDING REQUESTS

During the term of this Agreement, the GLO will reimburse or provide advance funding to the GCPD for use towards the GCPD Obligations, and, may provide advance funding to the GCPD for use towards Non-Obligatory Project Cost(s) at its sole discretion, in each case as further detailed in **Attachment A**, in accordance with the terms of this Agreement.

4.02 REIMBURSEMENT REQUESTS

The GCPD may submit reimbursement requests to the GLO on a periodic basis, not more frequently than once monthly, during the term of this Agreement.

Reimbursement requests must:

- (a) prominently display the GLO contract number and be submitted on the forms and in the manner approved by the GLO;
- (b) specify the detailed and total expenses for each Projected Funding Request cost category as set forth in **Attachment A**; and
- (c) include an itemized statement of costs with supporting documentation such as invoices, receipts, cancelled checks, statements, time sheets, and any other information that, in the judgment of the GLO, provides full substantiation of the costs incurred.

All costs must be allowable, allocable, reasonable, and otherwise consistent with the standards in TxGMS, and all applicable federal and state laws and regulations.

4.03 ADVANCE FUNDING REQUESTS FOR GCPD OBLIGATIONS

The GCPD may request advance funding for the GCPD Obligations, as further detailed below and in **Attachment A**. GLO will only consider one advance funding request per month.

Advance funding requests must:

- (a) prominently display the GLO contract number and be submitted on the forms and in the manner approved by the GLO;
- (b) specify the detailed and total estimated expenses for each Projected Funding Request cost category as set forth in **Attachment A**;
- (c) Be submitted and complete by the fifteenth of the month preceding the requested advance funding date set forth in the advance funding request; and
- (d) provide any other information that, in the judgment of the GLO, is necessary to properly review the request.

Disbursement of advance funding will be allowed at the GLO's sole discretion and based on the GLO's determination that providing such funding is necessary for the applicable Project and/or in the best interest of the State. Following review of each advance funding request, the GLO will notify the GCPD of its determination whether a disbursement of funds will be made and, if so, any additional terms and conditions that will apply to the disbursement.

In order for the GCPD to receive an advance funding disbursement, the GCPD must submit complete monthly expenditure reporting and supporting cost documentation, as costs are incurred, that complies with Sections 2.01, 2.02, and 4.05 of this Agreement. In addition, the GCPD must provide a written reconciliation monthly and annually, within one hundred and twenty (120) days following the end of each Fiscal Year, stating the total amount of advanced funds received, total costs incurred towards GCPD Obligations, and the balance of advanced funds as of the date of reconciliation.

The GLO will coordinate with GCPD to determine an appropriate time period for which an advance funding request is applicable but in no event shall it be greater than a six-month period. Except for the advance payment provisions found under the Payments section on page 14 of TxGMS, all costs must be allowable, allocable, reasonable, and otherwise consistent with the standards in TxGMS and all applicable federal and state laws and regulations.

4.04 ADVANCE FUNDING REQUESTS FOR NON-OBLIGATORY PROJECT COSTS. Advance Funding Requests for Non-Obligatory Project Cost(s) are subject to all terms, conditions, and requirements specified in the preceding Section 4.03. GCPD may only submit an advance funding request for Non-Obligatory Projects Costs, as applicable if GLO has previously approved any relevant associated Non-Obligatory Project Cost agreements.

- (a) **CONDITIONS PRECEDENT REQUIRED BY GLO FOR CONSIDERATION OF ADVANCE FUNDING REQUESTS FOR NON-OBLIGATORY PROJECT COSTS.** If GCPD determines to work with USACE or DD7 to determine the potential for, and the scope of, a particular Non-Obligatory Project Cost(s) GCPD agrees that GLO is not required to review, consider, approve, or deny any advance requests for projects involving Non-Obligatory Projects Costs if GLO determines, at its discretion, that GCPD failed to comply with the following:

- (i) provide written notice to the GLO contemporaneous with its determination to work with USACE or DD7 or as soon as reasonably practicable after a determination to work with USACE is made.
- (ii) allow GLO to jointly participate in, any meetings regarding 1) Non-Obligatory Project Costs, and/or 2) the terms and conditions of any related Non-Obligatory Project Costs agreements.
- (iii) If GLO provides proposed changes to any Non-Obligatory Project Cost, GLO and GCPD agree to meet to work in good faith to resolve all issues within ten (10) business days of GCPD's receipt of any such proposed changes.
- (iv) GCPD shall timely provide GLO with drafts of any related Non-Obligatory Project Cost agreements and GLO shall provide its approval or denial of (or comments thereto) to the applicable Non-Obligatory Project Costs agreements.
- (v) If GLO denies approval or proposes changes to any Non-Obligatory Project Cost agreements, GLO and GCPD agree to meet to work in good faith to attempt to resolve all issues within ten (10) business days of GCPD's receipt of any such denial or proposed changes.
- (vi) Any other reasonable term deemed prudent by the GLO.

4.05 FUNDING DISTRIBUTIONS

- (a) The GCPD shall submit all reimbursement requests and advance funding requests to the GLO to VendorInvoices@glo.texas.gov. Failure to submit requests as instructed may significantly delay distributions. The maximum allowable time period that GLO shall consider for non-USACE state matching advance funding requests is six (6) months. The maximum allowable time period for advance USACE state matching funding requests that GLO shall consider is twelve (12) months.
 - (i) The GLO will either (a) respond to the GCPD that the request is rejected for deficiencies within 21 days of the GLO's receipt of the funding request, or (b) approve and transfer funds to the GCPD within 30 days of the GLO's receipt of the funding request.
 - (ii) If the GLO needs additional information to approve and complete a GCPD funding request or transfer, the GCPD shall promptly provide such information.
 - (iii) In order for GLO to approve a funding request and make a disbursement to the GCPD, adequate funds must be budgeted in Attachment A. If any GCPD funding request exceeds or otherwise does not conform to the budget set forth in Attachment A, as may be amended, GLO will deny the funding request. The GCPD may resubmit its funding request to GLO after the Parties execute a formal, written Amendment to Attachment A in accordance with Section 4.09 to ensure that adequate funds are budgeted to accommodate the request. The GLO will transfer such funds to the GCPD within 30 days of the date upon which the related Amendment to Attachment A is approved pursuant to Section 4.09.

- (b) Funding requests shall comply in all respects with the obligations and restrictions set forth in HB1 (as set forth in Article VI – Natural Resources, General Land Office and Veterans’ Land Board, Section 22 (Gulf Coast Protection District (GCPD))), attached hereto as **Attachment B**.

4.06 TRAVEL EXPENSES

The GLO will only reimburse or pay travel expenses under this Agreement at the rates established or adopted by the Comptroller, as outlined in the Travel Regulations. The GCPD understands and acknowledges that any travel expense reimbursement or payment by the GLO is not a per diem. The GLO will only reimburse or pay actual, allowable expenses in accordance with the Travel Regulations. The GCPD must submit itemized receipts to support any request for reimbursements or payments for travel expenses.

4.07 COLLECTION OF UNALLOWABLE COSTS

Payments made for costs determined to be unallowable by GLO, auditors, or any other oversight entity, either as direct or indirect costs, must be refunded (including applicable interest) to the GLO in accordance with instructions from the entity that determined the costs are unallowable.

4.08 INTEREST EARNED

The GCPD must establish a separate account for grant and local funds. If funds from the GLO are received on a cash advance basis, then the GCPD, should ensure that all funding received is held in an interest-bearing account. Any interest earned by the GCPD from funding identified in this Agreement must be spent on eligible expenses necessary to operate the GCPD as outlined in the cost categories of **Attachment A**. Interest earned must be expended prior to, or in conjunction with, any advance requests and reported on the monthly expenditure report when expended. Additionally, interest earned on funds not spent, when expended, may only be expended towards the cost categories of **Attachment A**. To the extent that the GCPD has any agreements with OC and DD7 that do not include this obligation, the GCPD agrees to amend these agreements to include such obligations as soon as reasonably practicable.

4.09 COST CATEGORY REALLOCATION AND BUDGET CHANGES

The GCPD may request reallocations among cost categories or requests to increase or decrease the aggregate amount budgeted in **Attachment A** by submitting a revised budget table from the most recent Projected Funding Request (**Attachment A**) and written justification to a GLO project manager authorized and designated by GLO (such person, a “GLO Project Manager,” and such request, a “Request to Amend Attachment A”).

The GLO Project Manager will notify the GCPD in writing if a Request to Amend Attachment A is approved or denied. GLO approval of Requests to Amend Attachment A shall not be unreasonably denied, withheld, conditioned or delayed. Requests to Amend Attachment A, as well as approvals and denials thereof, must be in writing, and delivered by electronic mail. The GLO Project Manager will include copies of all such requests, approvals, and denials in the GLO’s project file. Upon approval, the change will be incorporated through a formal, written Amendment to the Agreement as mutually agreed to by the Parties.

V. AVAILABILITY OF FUNDS; AFFIRMATIONS, ASSURANCES, AND CERTIFICATIONS

5.01 STATE FUNDING

- (a) This Agreement shall not be construed as creating any debt on behalf of the State of Texas and/or the Parties in violation of Article III, Section 49, of the Texas Constitution. In compliance with Article VIII, Section 6 of the Texas Constitution, all obligations of the Parties hereunder are subject to the availability of state funds. If such funds are not appropriated or become unavailable, this Agreement may be terminated and the Parties discharged from further obligations, subject to the equitable settlement of their respective interests, accrued up to the date of termination.
- (b) Any claim by a Party for damages under this Agreement (including any claim of recapture and/or reimbursement made by the GLO) may not exceed the funds allocated pursuant to HB1. Nothing in this provision shall be construed as a waiver of sovereign immunity by either Party.

5.02 RECAPTURE OF FUNDS AND EXERCISE OF REMEDIES BY STATE OR FEDERAL AUTHORITIES

The GLO may terminate the Agreement and recapture and be reimbursed by GCPD for any payments the GLO makes that: (i) exceed maximum allowable rates; (ii) are not allowed under applicable laws, rules, or regulations; or (iii) are otherwise inconsistent with this Agreement, including any unapproved expenditures.

5.03 OVERPAYMENT AND DISALLOWED COSTS

The GCPD shall be liable to the GLO for any costs disallowed pursuant to financial or compliance audit(s) of funds GCPD received under this Agreement. The GCPD shall reimburse such disallowed costs from funds other than those GCPD receives pursuant to this Agreement.

The GCPD will provide the GLO with a copy of USACE's written final accounting. Should the final accounting determine that the GCPD and/or DD7 has provided funds in excess of each entity's respective Non-Federal Share(s), the GCPD shall, following consultation with the GLO, either: (i) request (or cause DD7 to request) that the USACE refund the excess amount; or (ii) request (or cause DD7 to request) that the USACE apply the excess amount towards the applicable Non-Federal Share. The GCPD shall (or shall cause DD7 to) return to the GLO any excess amounts refunded by the USACE.

5.04 CONFLICT OF INTEREST

- (a) The GCPD shall abide by the provisions of this section and include the provisions in all subcontracts. The GCPD shall comply with all conflict-of-interest laws and regulations applicable to the Projects.
- (b) The GCPD shall maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts.

5.05 ENVIRONMENTAL CLEARANCE REQUIREMENTS NOTICE OF DISCOVERY

Under the CTX PPA and the OC PPA, the GCPD may be responsible for undertaking any investigations to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601-9675) (“CERCLA”), that may exist in, on, or under real property interests required for construction, operation, and maintenance of the Orange County Project or Coastal Texas. If GCPD discovers that hazardous substances regulated under CERCLA exist in, on, or under property interests required for the Orange County Project or Coastal Texas, the GCPD shall notify the GLO of such discovery within 15 calendar days.

5.06 CLEANUP AND RESPONSE COSTS

If hazardous substances are discovered in, on, or under property interests required for the Orange County Project or Coastal Texas, the GCPD shall not proceed or authorize the USACE to proceed with the acquisition of such real property interests until the Parties agree to acquire such property and the GLO has provided written authorization for such acquisition. If the GCPD acquired the real property interests prior to the discovery of the hazardous substances, the Parties shall consider whether the GCPD or the USACE should initiate construction, suspend construction, or terminate construction before taking any action. The Parties agree that no state funds will be paid by the GCPD directly or provided to the USACE as payment for Non-Federal Sponsor Obligations for costs associated with hazardous substance cleanup and/or response unless and until the GLO provides prior written authorization.

- (a) The GCPD acknowledges that it may become a potentially responsible entity, as defined under section 107(a) of [CERCLA](#), [42 U.S.C. 9607\(a\)](#), and may become obligated to conduct environmental reviews and obtain environmental clearance(s) necessary for successful completion of the Orange County Project or Coastal Texas. If GCPD becomes a potentially responsible entity, GCPD shall: (i) prepare an environmental review or assessment of each relevant part of the Orange County Project or Coastal Texas in accordance with applicable laws, regulations, rules, and guidance and (ii) maintain a written Environmental Review Record (“ERR”) for each relevant part of the Orange County Project or Coastal Texas, including all supporting source and mitigation documentation. If applicable, the GCPD shall provide a copy of the ERR and all related source and mitigation documentation to the GLO.
- (b) If GCPD becomes a potentially responsible entity, GCPD shall address inquiries and complaints and shall provide appropriate redress related to each applicable ERR. The GCPD shall document each communication issued or received hereunder in the applicable ERR.
- (c) If GCPD becomes a potentially responsible entity, the GLO may, in its sole discretion, advance fund and/or reimburse the GCPD for costs incurred to satisfy GCPD’s obligations as a potentially responsible entity, provided, that advance funding requests and/or reimbursement requests for such costs must be supported by proper documentation.

- (d) The Parties acknowledge and understand that the GLO may enter into interagency agreements with the Texas Historical Commission and other entities in order to facilitate any necessary environmental or historic review in connection with the Orange County Project or Coastal Texas.

VI. RECORDS, INSPECTION AND AUDIT, RETENTION, PUBLIC INFORMATION AND CONFIDENTIALITY

6.01 BOOKS AND RECORDS

The Parties shall keep and maintain full, true, and complete records in accordance with GAAP or GASB, whichever is applicable, as necessary to fully disclose to the other Party, the Texas State Auditor's Office, the United States Government, and/or their authorized representatives sufficient information to determine compliance with the terms and conditions of this Agreement, and any applicable state and federal rules, regulations, and statutes.

6.02 INSPECTION AND AUDIT

- (a) All records related to this Agreement, including records of the GCPD and its Subcontractors, shall be subject to the Administrative and Audit Regulations.
- (b) The state auditor may conduct an audit or investigation of any entity receiving funds from the State directly under the Agreement or indirectly through a subcontract under the Agreement. Acceptance of funds directly under the Agreement or indirectly through a subcontract under the Agreement acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. The Office of the Comptroller General of the United States, the Government Accountability Office, the Office of Inspector General, or any authorized representative of the U.S. Government shall also have this right of inspection. The GCPD shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through the GCPD and the requirement to cooperate is included in any subcontract it awards.
- (c) State agencies authorized to audit and inspect the GCPD, its records, subcontractors, and subcontractors' records include the GLO, the GLO's contracted examiners, the State Auditor's Office, the Texas Attorney General's Office, the Texas Comptroller of Public Accounts, and their authorized designees.
- (d) Self-Audit: Upon the GLO's approval, the GCPD may conduct an annual financial and compliance audit of funds received and performance rendered under this Agreement. The GCPD may use funds budgeted under this Agreement to pay for that portion of the cost of such audit services properly allocable to the Non-Federal Sponsor Obligations funded under this Agreement, provided that the GLO shall not pay the cost of such audit services until the GLO has received the GCPD's satisfactory audit report and invoice, as determined by the GLO. If non-GLO funding is adopted, allocation methodology must be utilized as applicable.

- (e) Targeted Audits & Monitoring Visits: The GLO may at any time perform, or instruct the performance of, an annual program and/or fiscal audit, or conduct a special or targeted audit of any aspect of the GCPD's operation, using an auditor of the GLO's choice. The GCPD shall maintain financial and other records prescribed by the GLO or by applicable federal or state laws, rules, and regulations.

6.03 PERIOD OF RETENTION

Each Party shall retain in its records this Agreement and all documents related to this Agreement. Unless a longer retention period is specified by applicable law or regulation, the Parties may destroy the Agreement and related documents only after the seventh anniversary of the date: the Agreement is completed or expires; or all issues that arise from any litigation, claim, negotiation, audit, open records request, administrative review, or other action involving the Agreement or related documents are resolved.

6.04 CONFIDENTIALITY

To the extent permitted by law, the GCPD and the GLO shall keep all information, in whatever form produced, prepared, observed, or received by the GCPD or the GLO, confidential to the extent that such information is: (a) confidential by law; (b) marked or designated "confidential" (or words to that effect) by the GCPD or the GLO; or (c) information that the GCPD or the GLO is otherwise required to keep confidential by this Agreement. The GCPD must not make any communications or announcements relating to this Agreement through press releases, social media, or other public relations efforts without the prior written consent of the GLO.

6.05 PUBLIC RECORDS

The GLO shall post this Agreement to the GLO's website. The GCPD understands that the GLO will comply with the Texas Public Information Act (Texas Government Code Chapter 552, the "PIA"), as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas (the "Attorney General"). Information, documentation, and other material in connection with this Agreement may be subject to public disclosure pursuant to the PIA. In accordance with Section 2252.907 of the Texas Government Code, the GCPD is required to make any information created or exchanged with the GLO or the State of Texas pursuant to the Agreement, and not otherwise excepted from disclosure under the PIA, available to the GLO in portable document file (".pdf") format or any other format agreed upon between the Parties that is accessible by the public at no additional charge to the GLO or the State of Texas. By failing to mark any information that the GCPD believes to be excepted from disclosure as "confidential" or a "trade secret," the GCPD waives any and all claims it may make against the GLO for releasing such information without prior notice to the GCPD. The Attorney General will ultimately determine whether any information may be withheld from release under the PIA. The GCPD shall notify the GLO's Office of General Counsel within twenty-four (24) hours of receipt of any third-party written requests for information and forward a copy of said written requests to PIALegal@glo.texas.gov. If a request for information was not written, the GCPD shall forward the third party's contact information to the above-designated e-mail address.

6.06 PROJECT DATA AND INTELLECTUAL PROPERTY

The GLO and the GCPD shall jointly own, without limitation, all right, title, and interest in and to all data, reports, drawings, drafts, or any other information or materials, or any Intellectual Property, acquired or developed under this Agreement with each Party having

an unlimited right to access and use all such information and materials without the necessity of obtaining authorization from the other Party. In no event shall the GLO, the State of Texas, or the USACE be charged or required to pay for the use of any data, or other information or materials, or Intellectual Property acquired or developed under this Agreement.

6.07 ASSIGNMENT AND SUBCONTRACTS

- (a) The GCPD shall not assign, transfer, or delegate any rights, obligations, or duties under this Agreement without the prior written consent of the GLO. Notwithstanding this provision, it is mutually understood and agreed that the GCPD may subcontract with others for some or all of the work funded pursuant to this Agreement. In no event may the GCPD delegate or transfer its responsibilities regarding the use of funds, except as expressly provided under this Agreement.
- (b) In any approved subcontracts, the GCPD shall legally bind its Subcontractor to perform and make the Subcontractor subject to all the duties, requirements, and obligations of the GCPD specified in this Agreement. Nothing in this Contract shall be construed to relieve the GCPD of the responsibility for ensuring that the work performed by the GCPD or any of its Subcontractors comply with all the terms and provisions of this Agreement.

VII. MISCELLANEOUS PROVISIONS

7.01 INSURANCE

Pursuant to Chapter 2259 of the Texas Government Code entitled, "Self-Insurance by Governmental Units," the GCPD is self-insured and, therefore, is not required to purchase insurance to perform its obligations under this Agreement.

7.02 LEGAL OBLIGATIONS

The GCPD shall procure and maintain for the duration of this Agreement any license, authorization, insurance, waiver, permit, qualification, or certification required by federal, state, county, or city statute, ordinance, law, or regulation to be held by the GCPD to fulfill its obligations under this Agreement. The GCPD shall pay all taxes, assessments, fees, premiums, permits, and licenses required by law. The GCPD shall pay any such government obligations not paid by its subcontractors during performance of this Agreement.

7.03 INDEMNITY

As required under the Constitution and laws of the State of Texas, each Party understands that it is solely liable for any liability resulting from its acts or omissions. No act or omission of a Party shall be imputed to the other Party. Neither Party shall indemnify or defend the other Party.

7.04 TAXES, WORKERS' COMPENSATION, UNEMPLOYMENT INSURANCE

The GCPD shall be solely liable and responsible for payment of the GCPD's and the GCPD's employees' taxes of whatever kind, arising out of the execution or performance of the Agreement. The GCPD shall comply with all state and federal laws applicable to any such persons, including laws regarding wages, taxes, insurance, and workers' compensation. The GLO and the State of Texas, by entering into this Agreement, shall not

be liable to the GCPD or its officers, agents, employees, representatives, contractors, assignees, designees, or others for the payment of taxes, or the provision of unemployment insurance, workers' compensation, or any benefit available to a state employee or employee of another governmental entity.

7.05 INFRINGEMENT

If the GCPD becomes aware of an actual or potential claim of infringement of any United States patent, copyright, trade or service mark, or any other intellectual or intangible property right that occurs in the execution or performance of the Agreement, or the GLO provides the GCPD with notice of such claim, the GCPD may (or in the case of an injunction against the GLO, shall), at the GCPD's sole expense either: (i) procure for the GLO the right to continue to use the affected portion of the product or service, or (ii) modify or replace the affected portion of the product or service with a functionally equivalent or superior product or service so that the GLO's use is non-infringing.

7.06 RELATIONSHIP OF THE PARTIES

The GCPD is associated with the GLO only for the purposes and to the extent specified in this Agreement. The GCPD is and shall be an independent contractor and, subject only to the terms of this Agreement, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Agreement. Nothing contained in this Agreement creates a partnership or joint venture, employer-employee or principal-agent relationships, or any liability whatsoever with respect to the indebtedness, liabilities, or obligations of the GCPD or any other party. The GCPD shall be solely responsible for, and the GLO shall have no obligation with respect to: withholding of income taxes, FICA, or any other taxes or fees; industrial or workers' compensation insurance coverage; participation in any group insurance plans available to employees of the State of Texas; participation or contributions by the State to the State Employees Retirement System; accumulation of vacation leave or sick leave; or unemployment compensation coverage provided by the State.

7.07 COMPLIANCE WITH OTHER LAWS

In its performance of this Agreement, the GCPD shall comply with the GAAP, HB 1 and all applicable federal, state, county, and city laws, statutes, ordinances, and regulations. The GCPD is deemed to know of and understand the GAAP, HB1 and all applicable laws, statutes, ordinances, and regulations.

7.08 NOTICES

Any notice, communication, request, or reply (herein severally and collectively, for convenience, called "**notice**") herein required or permitted under this Agreement shall be deemed delivered when (a) deposited either in the United States mail (postage paid, certified, return receipt requested); (b) delivered to an officer of such party to be notified; (c) deposited with Federal Express or another nationally-recognized courier service guaranteeing "next day delivery," addressed to the party to be notified; or (d) delivered by electronic mail. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective from and after the expiration of three days after it is so deposited. Notice given in any other manner shall be deemed effective only upon receipt by the party to be notified. For the purposes of notice, the addresses of the parties hereto shall be as follows:

GLO

Texas General Land Office
1700 N. Congress Avenue, 7th Floor
Austin, Texas 78701
Attention: Contract Management Division

GCPD

Gulf Coast Protection GCPD
1150 Gemini Street, Suite 1050
Houston, Texas 77058
Attention: Executive Director

With a copy to:

Allen Boone Humphries Robinson LLP
3200 Southwest Fwy # 2600
Houston, Texas 77027
Attention: Attorney

The parties hereto shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days' advance written notice to the other party.

7.09 GOVERNING LAW AND VENUE

This Agreement and the rights and obligations of the Parties hereto shall be governed by, and construed according to, the laws of the State of Texas, exclusive of conflicts of law provisions. Venue of any suit brought under this Agreement shall be in a court of competent jurisdiction in Travis County, Texas. The GCPD irrevocably waives any objection, including any objection to personal jurisdiction, the laying of venue, or based on forum non conveniens, it has or may have to the bringing of any action or proceeding in such jurisdiction in respect of this Agreement or any related document. **NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE GLO, THE STATE OF TEXAS, OR THE GCPD.**

7.10 DISPUTE RESOLUTION

Except as otherwise provided by statute, rule, or regulation, the GCPD shall use the dispute resolution process established in Chapter 2260 of the Texas Government Code and related rules to attempt to resolve any dispute under this Agreement, including a claim for breach of contract by the GLO, that the Parties cannot resolve in the ordinary course of business. Neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of such a claim constitute grounds for the GCPD to suspend performance of this Agreement. Notwithstanding this provision, each Party reserves all legal and equitable rights and remedies available to it. **NOTHING IN THIS SECTION SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY EITHER PARTY.**

7.11 ENTIRE AGREEMENT AND AMENDMENT

This Agreement, its Attachment(s), and any reimbursement requests and advance funding requests issued in conjunction with this Agreement constitute the entire agreement of the Parties and are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in

connection with the subject matter hereof. Any additional or conflicting terms in such Attachment(s) and/or reimbursement requests and advance funding requests shall be harmonized with this Agreement to the extent possible. Unless such Attachment or reimbursement request and/or advance funding request specifically displays a mutual intent to amend a particular part of this Agreement and satisfies the conditions for an Amendment, general conflicts in language shall be construed consistently with the terms of this Agreement. This Agreement and its Attachments may only be amended by a mutual, written agreement executed by authorized representatives of the Parties.

7.12 PROPER AUTHORITY

Each Party hereto represents and warrants that it has authority to perform its obligations under this Agreement in accordance with all applicable laws and that the person executing this Agreement on its behalf has full power and authority to enter into this Agreement on behalf of the Party they represent and bind such Party to the terms and condition herein.

7.13 COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be an original, and all such counterparts shall together constitute but one and the same Agreement.

7.14 SEVERABILITY

If a court of competent jurisdiction determines any provision of this Agreement is invalid, void, or unenforceable, the remaining terms, provisions, covenants, and conditions of this Agreement shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.

7.15 FORCE MAJEURE

Except with respect to the obligation of payments under this Agreement, if either Party, after a good faith effort, is prevented from complying with any express or implied covenant of this Agreement by reason of war; terrorism; rebellion; riots; strikes; acts of God; any valid order, rule, or regulation of governmental authority; or similar events that are beyond the control of the affected Party (collectively referred to as a "Force Majeure"), then, while so prevented, the affected Party's obligation to comply with such covenant shall be suspended, and the affected Party shall not be liable for damages for failure to comply with such covenant. In any such event, the Party claiming Force Majeure shall promptly notify the other Party of the Force Majeure event in writing and, if possible, such notice shall set forth the extent and duration thereof. The Party claiming Force Majeure shall exercise due diligence to prevent, eliminate, or overcome such Force Majeure event where it is possible to do so and shall resume performance at the earliest possible date. However, if non-performance continues for more than thirty (30) days, the GLO may, at its sole discretion, terminate this Agreement immediately upon written notification to the GCPD.

7.16 GENERAL AFFIRMATIONS

To the extent that they are applicable, the GCPD certifies that the General Affirmations in **Attachment C** have been reviewed, and that the GCPD is in compliance with each of the requirements reflected therein.

7.17 SURVIVAL OF TERMS AND PROVISIONS

The terms and conditions of this Agreement related to the following subjects shall survive the termination of this Agreement: definitions; interpretation; warranties; affirmations; prohibition on debts created on behalf of the State of Texas and/or the GLO; limitation of any claim for damages to the amount of funds appropriated for payment but not yet paid to the GCPD; ownership; Intellectual Property; third-party reliance; books and records; inspection and audit; records retention period; confidentiality; public records; recapture of funds and exercise of remedies by state or federal authorities; insurance; taxes; workers' compensation; unemployment insurance; the GCPD's obligation to procure and maintain, at its sole expense, all government licenses, authorizations, insurance, waivers, permits, and/or qualifications necessary for the GCPD or any subcontractors to provide the goods or services described in this Agreement; indemnity; assignment and subcontracting; relationship of the Parties; compliance with laws; notices; governing law and venue; sovereign immunity; severability; dispute resolution; merger and integration; invoice and fee verification; property rights; default; and Amendment. Other terms and conditions that, explicitly or by their nature, evidence the Parties' intent that they should survive the termination or expiration of this Agreement shall so survive.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE FOR GLO AGREEMENT NO. 24-109-000-E394

GENERAL LAND OFFICE

DocuSigned by:
Jennifer G Jones
E70CDF09B56540E...
Jennifer G. Jones
Chief Clerk and Deputy Land Commissioner
Date of execution: 9/17/2024

GULF COAST PROTECTION DISTRICT

Signed by:
By: Nicole Sunstrum
6A032FE0249149D...
Name: Nicole Sunstrum
Title: Executive Director
Date of execution: 9/17/2024

OGC RD

PM SP

DD TW

SDD ST

DGC MB

GC JG

Attachments to this Agreement:

- Attachment A: Projected Funding Request**
- Attachment B: HB1**
- Attachment C: General Affirmations**

Attachments Follow

Attachment A
Projected Funding Request

*All capitalized terms used but not defined in this Attachment A, shall have the same meaning given such terms in this Agreement.

Special Conditions and Budgets

1. GLO shall use \$199,700,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 from the HB1 appropriation in fiscal year 2024 for the purpose of making a grant to the GCPD in the 2024-25 biennium.
 - a. This amount includes \$300,000 and 3.0 FTEs each fiscal year for GLO to provide oversight and coordination work with the GCPD.
 - b. GLO shall ensure that no more than 3.0 percent of the amount granted is expended by the GCPD for administrative and salary expenses.
2. GLO shall use the remaining \$350,000,000 in fiscal year 2024 solely for the purpose of making an additional grant to the GCPD during the 2024-25 biennium to provide state matching funds to meet federal requirements for studies and projects planned to be conducted in the state by USACE.
 - a. The appropriation of state matching funds is contingent upon USACE requesting payments to cover non-federal cost share which may include the non-federal sponsor's real estate and in-kind work costs.
3. At no point shall any grant funding from GLO to the District exceed \$549,400,000 during the period of September 1, 2023, to August 31, 2025.
4. The cooperative agreements for the 2024-25 biennium for amounts appropriated in Strategy B.1.1, Coastal Management in HB1, for the purposes of grants to the District, must contemplate potential impacts to navigation safety and two-way traffic vessel movement as required in Subchapter B, Chapter 66, Transportation Code.
5. Any related unobligated and unexpended balances remaining as of August 31, 2024, are appropriated for the same purpose for the fiscal year beginning September 1, 2024.
6. The GCPD's funding requests must identify which expenditures are part of the non-Federal Sponsor's (NFS) 35 percent cost share as defined in an Agreement with USACE.
7. The GCPD's funding requests must include documentation supporting the amount requested.
8. The GCPD must submit, to the GLO, monthly expenditure reports documenting disbursement of funds to the USACE to meet NFS obligations, and all other expenditures of State funding that comply with this Agreement. These expenditure reports must be included with monthly progress reports submitted to the GLO.
9. The GCPD shall provide any supporting documentation requested by GLO in the form and manner requested by GLO.

10. GLO will provide funding to the GCPD: (a) for expenses necessary to establish and operate the GCPD as the non-federal sponsor (NFS) for portions of the Sabine Pass to Galveston Bay (S2G) Coastal Storm Risk Management Program (authorized by Section 1401(3)(3) of Public Law 115-270) and the coastal storm risk management (CSRМ) features within GCPD jurisdiction identified in the Coastal Texas Protection and Restoration Program (authorized by Section 8401(4)(1), Division H of P.L. 117-263) (CTX) pursuant to this Agreement; (b) to satisfy GCPD’s funding obligations under the DD7 ILA; and (c) in accordance with the following schedule for each Cost Category:

GCPD Cost Categories

Cost Category	FY25	Attachment A Total
01A - GCPD Administration	4,000,000	4,000,000
01B - GCPD Program Management & Engineering	7,000,000	7,000,000
02 - OC, S2G, Cash Contribution	30,000,000	30,000,000
03 - OC, S2G, Engineering & Design WIK	10,000,000	10,000,000
04 - OC, S2G, Land Acquisition	2,600,000	2,600,000
05 - OC, S2G, Relocations	8,600,000	8,600,000
06 - OC, S2G, Design Participation	900,000	900,000
07 - DD7, S2G, Cash Contribution	136,060,000	136,060,000
08 - DD7, S2G, Engineering & Design WIK	10,000,000	10,000,000
09 - DD7, S2G, Land Acquisition	8,240,000	8,240,000
10 - DD7, S2G, Relocations	129,000,000	129,000,000
11 - DD7, S2G, Remediation	7,600,000	7,600,000
12 - CTX Cash Contribution	195,400,000	195,400,000
TOTALS	\$549,400,000	\$549,400,000

Acronyms

BIL	Bipartisan Infrastructure Investment and Jobs Act
CFR	Code of Federal Regulations
CSRМ	Coastal Storm Risk Management
CTX	Coastal Texas Protection and Restoration Feasibility Study
DA	Design Agreement
DD7	Jefferson County Drainage District 7, including Port Arthur and Vicinity

ER	Ecosystem Restoration
FY	Fiscal Year
GCPD	Gulf Coast Protection District
GLO	Texas General Land Office
GLO/VLB	General Land Office and Veterans Land Board
HB1	House Bill 1 of the 88 th Texas Legislative Session
LCA	Local Cooperation Agreement
MOU	Memorandum of Understanding
NFS	Non-Federal Sponsor
NTP	Notice to Proceed
OC	Orange County
OCDD	Orange County Drainage District
PA	Port Arthur and Vicinity
PPA	Project Partnership Agreement
S2G	Sabine Pass to Galveston Bay Coastal Storm Risk Management Program
SB1	Senate Bill 1 of the 87 th Texas Legislative Session
USACE	U.S. Army Corps of Engineers
WIK	Work-in-Kind

Cost Categories

01 – GCPD Administrative Costs, Program Management, and Engineering Costs

01A – GCPD Administrative Costs

- Funding is for administrative costs for operation of the GCPD, including salaries, board meetings, legal fees, travel, office supplies, conferences, public outreach, and communication services.
- For 2025 the budget for the GCPD Administrative Cost Category is based on the 3% limitation contained in HB1 for the GLO/VLB paragraph 22(a) (page VI-34).

State of Texas Fiscal Year	Budget
2025	4,000,000
Total Allocated for This Category	\$4,000,000

01B – GCPD Program Management, and Engineering Costs

- Funding is for the GCPD to fulfill overall program management roles and responsibilities for the CTX and the OC element of the S2G program, and to engage and participate in the USACE design and construction of the OC element of the S2G program, which includes the cost of outside engineers and other OC Design Participation Costs as defined in Cost Category 06.
- The 2025 budget funds estimated program management and engineering costs for outside engineering services. The estimate is based on activities tied to the USACE schedule for S2G.

State of Texas Fiscal Year	Budget
2025	7,000,000
Total Allocated for This Category	\$7,000,000

02 – Orange County, S2G, Cash Contribution

- The GLO will distribute funds directly to the GCPD to cover the costs for anticipated and past USACE design and construction contract awards, and for labor. The GCPD entered a PPA with the USACE for the S2G program to provide cash contributions for the 35% Non-Federal Share of total project costs.
- The GLO may distribute funds directly to the GCPD to cover the costs for GCPD Discretionary Project Costs related to the Orange County Project, subject to compliance with the terms and conditions of the Agreement.
- The 2025 budget is based on estimated costs for construction contracts for the Dow Levee / Arlanxeo / Torrent Construction projects scheduled to be awarded in August 2025. The current schedule is to provide funds to the USACE around February 2025. The budget is for more than the 35% NFS share of costs for construction. Under the provisions of the PPA for the OC element of the S2G program, the GCPD can provide more than its required NFS cash contribution in any given year. Doing so does not increase the GCPD’s overall 35% share of total project costs.

State of Texas Fiscal Year	Budget
2025	30,000,000
Total Allocated for This Category	\$30,000,000

03 – Orange County, S2G, Engineering & Design Work-In-Kind

- The GLO will distribute funds directly to the GCPD to perform in-kind design services requested and approved by the USACE Galveston District for Phase II Environmental Assessments, and other investigations required for preparation of Ready to Advertise construction documents for the Dow Levee Section and Arlanxeo Levee Section.

State of Texas Fiscal Year	Budget
2025	10,000,000
Total Allocated for This Category	\$10,000,000

04 – Orange County, S2G, Land Acquisition

- The GLO will distribute funds directly to the GCPD for acquisition of lands, easements, and rights of way.
- The GCPD must submit to the GLO all necessary supporting documentation and reporting in accordance with Section 4.03 of the LCA, and the following documentation, as applicable:
 - Appraisal(s) of Fair Market Value consistent with current Uniform Standards of Professional Appraisal Practice that has been approved by the USACE, or cost estimate(s) agreed to in writing by the facility/utility owner and approved by the GLO.
 - Documentation of costs required by Sections 210 and 305 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, P. L. 91-646, as amended (42 U.S.C. 4630 and 4655), and Section 24.4 of the Uniform Regulations contained in 49 C.F.R. Part 24, and other applicable provisions of federal law as defined in Article III. E. of the PPA between the USACE and the GCPD for the OC element of the S2G program.
 - Documentation of incidental costs that the GCPD incurred in acquiring any real property interests. Such incidental costs may include closing and title costs, appraisal costs, survey costs, attorney’s fees, plat maps, mapping costs, actual amounts expended for payment of any relocation assistance benefits, and other payments by the GCPD for items that are generally recognized as compensable, and required to be paid, by applicable state law.
- The 2025 budget is based on the estimated value of lands required for construction of the Arlanxeo, Dow, and Torrent Levee sections construction contract scheduled to be awarded in August 2025. The schedule for receipt of the NTP is October 2024.

State of Texas Fiscal Year	Budget
2025	2,600,000
Total Allocated for This Category	\$2,600,000

05 – Orange County, S2G, Relocations

- The GLO will distribute funds directly to the GCPD for the payment of design and construction costs of utilities/facilities relocation performed that are directly related to construction, operation, and maintenance of the OC element of the S2G program.
 - The cost for a relocation will be based on applicable principles of just compensation as negotiated between the GCPD and the utility/facility owner.
 - Relocation costs include actual costs of performing the relocation; planning, engineering, and design costs; supervision and administration costs; and documented incidental costs associated with performance of the relocation, as determined by the USACE.

- The 2025 budget is based on the estimated value of the utility/facility relocations required for construction of the Arlanxeo, Dow, and Torrent Levee sections construction contract scheduled to be awarded in August 2025. The schedule for receipt of the NTP is October 2024.

State of Texas Fiscal Year	Budget
2025	8,600,000
Total Allocated for This Category	\$8,600,000

06 – Orange County, S2G Design Participation Work/Design Participation Costs

- The GLO will distribute funds directly to the GCPD to subsequently distribute to OC and/or OCDD for OC Design Participation Costs to engage and participate in the USACE design and construction of the OC Element of the S2G Program.
- “OC Design Participation Costs” means reasonable and direct costs incurred by OC and/or OCDD to engage and participate in the USACE design and construction of the OC element of the S2G program, which include the cost of outside engineers and other costs for Design Participation Work, including:
 - Reviews of engineering analyses, studies, scopes of work, designs, plans and specifications, and other documents pertaining to the OC element of the S2G program.
 - Development of data and information specifically requested by USACE or its consultants.
 - Coordination and communication with local governments, industry, stakeholders, utilities, and citizens on actions associated with the planning, engineering, and design of the OC element of the S2G program.
 - Assistance to the USACE’s Real Estate Division and to the USACE’s outside consultants for matters relating to determining real estate required for the project, including communication with owners, and escorting-related services.
 - Any necessary related legal review and/or work.
 - Any other actions reasonably requested by the USACE or its consultants for the study, engineering, design, and development of plans and specifications for the OC element of the S2G program, collectively, the "Design Participation Work.”
- The 2025 budget is based on activities tied to the USACE schedule for the OC element of the S2G program.

State of Texas Fiscal Year	Budget
2025	900,000
Total Allocated for This Category	\$900,000

07 – Jefferson County Drainage District 7, S2G, Cash Contribution

- DD7 entered into a PPA to provide cash contributions to the USACE for the 35% Non-Federal Share of total project costs. In accordance with the PPA, USACE will formally notify DD7 of the

actual 35% Non-Federal Share in August 2024 for fiscal year 2025, and August 2025 for fiscal year 2026. Expenditure of funds by DD7 will be based on the construction schedule for each USACE contract. Cash contributions may be provided in excess of the Non-Federal Share to offset any shortfall in Federal appropriations for specific contracts.

- The GLO will distribute funds directly to the GCPD to subsequently distribute to DD7 to pay the Non-Federal Share of construction and construction management costs by September 1, 2024 and September 1, 2025, respectively, for amounts requested by USACE for the fiscal years 2025 and 2026.
- The GLO may distribute funds directly to the GCPD to cover the costs for GCPD Discretionary Project Costs related to the Jefferson County Project, subject to compliance with the terms and conditions of the Agreement.
- For all advance funding requests and distributions, DD7 must submit to the GLO all necessary supporting documentation and reporting in accordance with Contract Section 4.03.
- The 2025 budget is required to fully fund the Non-Federal Share for award of Contract PAV04, and to meet the Non-Federal Share for award of Contracts PAV03 and PAV03C that are scheduled to be awarded in late federal fiscal year 2025 and early federal fiscal year 2026, respectively.

State of Texas Fiscal Year	Budget
2025	136,060,000
Total Allocated for This Category	\$136,060,000

08 – Jefferson County Drainage District 7, S2G, Engineering & Design Work-In-Kind

- The GLO will distribute funds directly to the GCPD to subsequently distribute to DD7 to perform in-kind design services requested and approved by the USACE Galveston District for any investigations or design required for the preparation of plans and specifications for the PA element of the S2G program.
- Funds will not be requested until DD7 and USACE agree on a scope and cost for any work-in-kind design efforts.

State of Texas Fiscal Year	Budget
2025	10,000,000
Total Allocated for This Category	\$10,000,000

09 – Jefferson County Drainage District 7, S2G, Land Acquisition

- The GLO will distribute funds directly to the GCPD to subsequently distribute to DD7 for acquisition of lands, easements, and rights of way.
- For all advance funding requests and distributions, DD7 must submit to the GLO all necessary supporting documentation and reporting in accordance with the LCA Section 4.03, and the following documentation, as applicable:

- Appraisal(s) of Fair Market Value consistent with the current Uniform Standards of Professional Appraisal Practice that has been approved by the USACE, or cost estimate(s) agreed to in writing by the facility/utility owner and approved by the GLO.
- Documentation of costs required by Sections 210 and 305 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, P. L. 91-646, as amended (42 U.S.C. 4630 and 4655), and Section 24.4 of the Uniform Regulations contained in 49 C.F.R. Part 24, and other applicable provisions of federal law as defined in Article III. E. of the PPA between the USACE and the GCPD for the Port Arthur and Vicinity separable element, S2G program.
- Documentation of incidental costs that DD7 incurred in acquiring any real property interests. Such incidental costs may include closing and title costs, appraisal costs, survey costs, attorney’s fees, plat maps, mapping costs, actual amounts expended for payment of any relocation assistance benefits, and other payments by DD7 for items that are generally recognized as compensable, and required to be paid, by applicable state law.
- Actual requests for funds will be tied to receipt of the NTP letter for each contract from USACE directing DD7 to initiate acquisition of lands. It is estimated that most land acquisition will be completed within 12 months of providing funds to the utility owner. Anticipated dates for receipt of NTP letter is as follows:
 - PAV03 – February 2025
 - PAV03C – February 2025
 - PAV03B – March 2025

State of Texas Fiscal Year	Budget
2025	8,240,000
Total Allocated for This Category	\$8,240,000

10 – Jefferson County Drainage District 7, S2G, Relocations

- The GLO will distribute funds directly to the GCPD to subsequently distribute to DD7 for the payment of design and construction costs of utilities/facilities relocation performed that are directly related to construction, operation, and maintenance of the PA element of the S2G program.
 - The cost for a relocation will be based on applicable principles of just compensation as negotiated between DD7 and the utility/facility owner.
 - Relocation costs include actual costs of performing the relocation; planning, engineering, and design costs; supervision and administration costs; and documented incidental costs associated with performance of the relocation, as determined by the USACE.
- For all utility relocations, DD7 must provide to the GCPD (and the GLO, upon request):
 - PDF copy of any existing DD7 permit requiring utility owner to pay the costs of relocation.
 - Notification of any utility relocation which is not subject to an existing DD7 permit.
 - For all relocations that have DD7 permit language requiring utility owner to pay the costs of relocation, DD7 must request owner to comply with the permit and fund the relocation.
 - Documentation if the utility owner cannot reasonably comply with the request.

- The 2025 budget is required to perform utility relocations for Contracts PAV03, PAV03C and PAV03B, which are scheduled to be awarded in calendar years 2025 and 2026. The current schedule for requesting funds is subject to USACE’s construction schedule, dated August 2023. Actual requests for funds will be tied to receipt of the NTP letter for each contract from USACE directing DD7 to initiate utility relocations. Actual requests for funds will be tied to receipt of the NTP letter for each contract from USACE directing DD7 to perform utility/facility relocations. It is estimated that most utility/facility relocations will be completed within 12 months of providing funds to the utility owner. Anticipated dates for receipt of NTP letter is as follows:
 - PAV03 – February 2025
 - PAV03C – February 2025
 - PAV03B – March 2025

State of Texas Fiscal Year	Budget
2025	129,000,000
Total Allocated for This Category	\$129,000,000

11 – Jefferson County Drainage District 7, S2G, Remediation

- The GLO will distribute funds directly to the GCPD for the GCPD to subsequently distribute to DD7 to cover the costs of any studies and investigations necessary to determine an appropriate response to identified hazardous substances.
- In accordance with the PPA between DD7 and USACE, the costs for any investigations to identify the existence and extent of any contaminated materials regulated under applicable law that may exist in, on, or under real property interests required for construction, operation, and maintenance of the project shall be paid for by the GCPD without reimbursement or credit by the Government. While such costs are not considered part of the total project costs, any investigations and remediation of identified contaminated materials by DD7 is a requirement of USACE.
- In the event it is discovered that hazardous substances exist in, on, or under any of the real property interests needed for construction, operation, and maintenance of the Project, DD7 shall notify the GCPD and the GLO. DD7 shall not proceed with the acquisition of such real property interests, or cleanup and/or response until the GLO provides prior written authorization.
- The initial funds request for field investigations to determine the scope and concentration of any identified contaminants within lands required for Contract PAV03 will be requested through funds budgeted in SB1 Contract Amendment No. 3.
- The 2025 budget is based on estimated costs for the additional NFS cost requirements to remove contaminated materials from project lands, and to dispose of the material at approved landfills for Contracts PAV03 and PAV05A.

State of Texas Fiscal Year	Budget
2025	7,600,000
Total Allocated for This Category	\$7,600,000

12 – Coastal Texas, Non-Federal Sponsor, Cash Contribution

- The GLO will distribute funds directly to the GCPD to cover the costs for anticipated and past USACE design and construction contract awards, and for labor. The GCPD has entered into a DA and intends to enter into a PPA with the USACE for the CTX program to provide cash contributions for the 35% Non-Federal Share of total project costs.
- The GLO will distribute funds directly to the GCPD for funding of in-kind services requested and approved by the USACE Galveston District. The GCPD has entered (or will enter) into MOUs with the USACE for design and construction costs incurred prior to execution of the CTX DA and/or a PPA to allow for such costs to be considered for in-kind credit towards the Non-Federal Share for the CTX CSR project features within the GCPD’s jurisdiction.
- The GLO may distribute funds directly to the GCPD to cover the costs for Non-Obligatory Project Costs related to the CTX program, subject to compliance with the terms and conditions of the Agreement, provided, however, in the case of GCPD Creditable Research Project Costs, GLO may only distribute funds for such purpose to the extent that funds appropriated by HB1, Article VI – Natural Resources, General Land Office and Veterans’ Land Board, Section 22 (Gulf Coast Protection District (GCPD)), Subsection (a).

State of Texas Fiscal Year	Budget
2025	195,400,000
Total Allocated for This Category	\$195,400,000

HB1
Excerpted Language from House Bill 1 of the 88th Texas Legislative Session

[...]

- 22. Gulf Coast Protection District (GCPD).** Amounts appropriated above in Strategy B.1.1, Coastal Management, include \$549,700,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 from General Revenue that shall be used by the General Land Office and Veterans' Land Board (GLO) to provide funding to the Gulf Coast Protection District (GCPD) and to provide oversight and coordination with the GCPD.
- (a) The GLO shall use \$199,700,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 from of this appropriation in fiscal year 2024 for the purpose of making a grant to the GCPD in the 2024-25 biennium. Included in this amount is \$300,000 and 3.0 FTEs each fiscal year at the GLO for the purpose of providing oversight and coordination with the GCPD. The GLO shall ensure that no more than 3.0 percent of the amount granted is expended by the GCPD for administrative and salary expenses. The disbursement of these funds to the GCPD shall only occur if the terms of the grant require the grantee, GCPD, to, at minimum:
 - (1) Provide a report of budgeted and expended grant amounts by project or activity areas on an annual basis as defined by the GLO;
 - (2) Provide timelines for completion of projects on an annual basis as defined by the GLO; and
 - (3) Any other reasonable term deemed prudent by the GLO or pursuant to the terms of the Local Cooperation Agreement executed between the GLO and GCPD.
 - (b) The GLO shall use the remaining \$350,000,000 in fiscal year 2024 solely for the purpose of making an additional grant to the GCPD during the 2024-25 biennium to provide state matching funds to meet federal requirements for studies and projects planned to be conducted in the state by the United States Army Corps of Engineers (USACE). The appropriation of state matching funds is contingent upon USACE requesting payments to cover non-federal cost share which may include the non-federal sponsor's real estate and in-kind work costs. The disbursement of state matching funds to the GCPD is also contingent upon the terms of the grant requiring the grantee, GCPD, to report the same information detailed above in Subsection (a)(1) through (a)(3).
 - (c) The GCPD and the GLO shall abide by the terms of the Local Cooperation Agreement executed by the two parties in the disbursement of funds.
 - (d) The cooperative agreements for the 2024-25 biennium for amounts appropriated in Strategy B.1.1, Coastal Management, for the purposes of grants to the GCPD must contemplate potential impacts to navigation safety and two-way traffic vessel movement as required in Subchapter B, Chapter 66, Transportation Code.
 - (e) Any related unobligated and unexpended balances remaining as of August 31, 2024, are appropriated for the same purpose for the fiscal year beginning September 1, 2024.
 - (f) In addition to amounts appropriated above, any unobligated and unexpended balances for the GCPD remaining from 2022-23 appropriations in Strategy B.1.1, Coastal Management, as of August 31, 2023, are appropriated for the fiscal year beginning on September 1, 2023 (estimated to be \$0) in the same strategy for the purpose of funding GCPD expenses associated with implementing the Sabine to Galveston and Coastal Texas storm surge protection measures and to provide oversight and technical assistance where necessary.

[...]

GENERAL AFFIRMATIONS

TO THE EXTENT APPLICABLE, the GCPD affirms and agrees to the following, without exception:

1. the GCPD represents and warrants that, in accordance with Section 2155.005 of the Texas Government Code, neither the GCPD nor the firm, corporation, partnership, or institution represented by the GCPD, or anyone acting for such a firm, corporation, partnership, or institution has (1) violated any provision of the Texas Free Enterprise and Antitrust Act of 1983, Chapter 15 of the Texas Business and Commerce Code, or the federal antitrust laws, or (2) communicated directly or indirectly the contents of this Contract or any solicitation response upon which this Contract is based to any competitor or any other person engaged in the same line of business as the GCPD.*
2. the GCPD shall not assign its rights under the Contract or delegate the performance of its duties under the Contract without prior written approval from the GLO. Any attempted assignment or delegation in violation of this provision is void and without effect. This provision does not apply to subcontracting.
3. If the Contract is for services, the GCPD shall comply with Section 2155.4441 of the Texas Government Code, requiring the purchase of products and materials produced in the State of Texas in performing service contracts, but for contracts subject to 2 CFR 200, only to the extent such compliance is consistent with 2 CFR 200.319.
4. Under Section 231.006 of the Family Code, the vendor or applicant [the GCPD] certifies that the individual or business entity named in this Contract, bid or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate, in addition to other remedies set out in Section 231.006(f) of the Family Code.*
5. A bid or an application for a contract, grant, or loan paid from state funds must include the name and social security number of the individual or sole proprietor and each partner, shareholder, or owner with an ownership interest of at least 25 percent of the business entity submitting the bid or application. the GCPD certifies it has submitted this information to the GLO.*
6. If the Contract is for a “cloud computing service” as defined by Texas Government Code Section 2157.007, then pursuant to Section 2054.0593(d)-(f) of the Texas Government Code, relating to cloud computing state risk and authorization management program, the GCPD represents and warrants that it complies with the requirements of the state risk and authorization management program and the GCPD agrees that throughout the term of the Contract it shall maintain its certifications and comply with the program requirements in the performance of the Contract.
7. If the Contract is for the purchase or lease of computer equipment, as defined by Texas Health and Safety Code Section 361.952(2), the GCPD certifies that it is in compliance with Subchapter Y, Chapter 361 of the Texas Health and Safety Code, related to the Computer Equipment Recycling Program and the Texas Commission on Environmental Quality rules in Title 30 Texas Administrative Code Chapter 328.
8. If the Contract authorizes the GCPD to access, transmit, use, or store data for the GLO, then in accordance with Section 2054.138 of the Texas Government Code, the GCPD certifies that it will comply with the security controls required under this Contract and will maintain

* This section does not apply to a contract with a “governmental entity” as defined in Texas Government Code Chapter 2251.

records and make them available to the GLO as evidence of the GCPD's compliance with the required controls.

9. the GCPD represents and warrants that it has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Contract.
10. the GCPD agrees that any payments due under the Contract shall be applied towards any debt or delinquency that is owed by the GCPD to the State of Texas.
11. Upon request of the GLO, the GCPD shall provide copies of its most recent business continuity and disaster recovery plans.
12. If the Contract is for consulting services governed by Texas Government Code Chapter 2254, Subchapter B, in accordance with Section 2254.033 of the Texas Government Code, relating to consulting services, the GCPD certifies that it does not employ an individual who has been employed by the GLO or another agency at any time during the two years preceding the the GCPD's submission of its offer to provide consulting services to the GLO or, in the alternative the GCPD, in its offer to provide consulting services to the GLO, disclosed the following: (i) the nature of the previous employment with the GLO or other state agency; (ii) the date the employment was terminated; and (iii) the annual rate of compensation for the employment at the time of its termination.*
13. If the Contract is not for architecture, engineering, or construction services, then except as otherwise provided by statute, rule, or regulation, the GCPD must use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve any dispute arising under the Contract. **NOTHING IN THIS SECTION SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE GLO OR, IF APPLICABLE, OF GOVERNMENTAL IMMUNITY BY THE GCPD.**
14. If the Contract is for architecture, engineering, or construction services, then subject to Texas Government Code Section 2260.002 and Texas Civil Practice and Remedies Code Chapter 114, and except as otherwise provided by statute, rule, or regulation, the GCPD shall use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve all disputes arising under this Contract. Except as otherwise provided by statute, rule, or regulation, in accordance with the Texas Civil Practice and Remedies Code, Section 114.005, claims encompassed by Texas Government Code, Section 2260.002(3) and Texas Civil Practice and Remedies Code Section 114.002 shall be governed by the dispute resolution process set forth below in subsections (a)-(d). **NOTHING IN THIS SECTION SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE GLO OR, IF APPLICABLE, OF GOVERNMENTAL IMMUNITY BY THE GCPD.**
 - a. Notwithstanding Texas Government Code, Chapter 2260.002(3) and Chapter 114.012 and any other statute or applicable law, if the GCPD's claim for breach of contract cannot be resolved by the Parties in the ordinary course of business, the GCPD may make a claim against the GLO for breach of contract and the GLO may assert a counterclaim against the GCPD as is contemplated by Texas Government Code, Chapter 2260, Subchapter B. In such event, the GCPD must provide written notice to the GLO of a claim for breach of the Contract not later than the 180th day after the date of the event giving rise to the claim. The notice must state with particularity: (1) the nature of the

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- alleged breach; (2) the amount the GCPD seeks as damages; and (3) the legal theory of recovery.
- b. The chief administrative officer, or if designated in the Contract, another officer of the GLO, shall examine the claim and any counterclaim and negotiate with the GCPD in an effort to resolve them. The negotiation must begin no later than the 120th day after the date the claim is received, as is contemplated by Texas Government Code, Chapter 2260, Section 2260.052.
 - c. If the negotiation under paragraph (b) above results in the resolution of some disputed issues by agreement or in a settlement, the Parties shall reduce the agreement or settlement to writing and each Party shall sign the agreement or settlement. A partial settlement or resolution of a claim does not waive a Party's rights under this Contract as to the parts of the claim that are not resolved.
 - d. If a claim is not entirely resolved under paragraph (b) above, on or before the 270th day after the date the claim is filed with the GLO, unless the Parties agree in writing to an extension of time, the Parties may agree to mediate a claim made under this dispute resolution procedure. This dispute resolution procedure is the GCPD's sole and exclusive process for seeking a remedy for an alleged breach of contract by the GLO if the Parties are unable to resolve their disputes as described in this section.
 - e. Nothing in the Contract shall be construed as a waiver of the state's or the GLO's sovereign immunity, or, if applicable, the governmental immunity of the GCPD. This Contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the State of Texas or the GCPD. The failure to enforce, or any delay in the enforcement, of any privileges, rights, defenses, remedies, or immunities available to the State of Texas or, if applicable, of the GCPD under this Contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies or immunities or be considered as a basis for estoppel. The GLO does not waive any privileges, rights, defenses, or immunities available to it by entering into this Contract or by its conduct, or by the conduct of any representative of the GLO, prior to or subsequent to entering into this Contract. The GCPD does not waive any privileges, rights, defenses, or immunities available to it by entering into this Contract or by its conduct, or by the conduct of any representative of the GCPD, prior to or subsequent to entering into this Contract.
 - f. Except as otherwise provided by statute, rule, or regulation, compliance with the dispute resolution process provided for in Texas Government Code, Chapter 2260, subchapter B and incorporated by reference in subsection (a)-(d) above is a condition precedent to the the GCPD: (1) filing suit pursuant to Chapter 114 of the Civil Practices and Remedies Code; or (2) initiating a contested case hearing pursuant to Subchapter C of Chapter 2260 of the Texas Government Code.
15. If Chapter 2271 of the Texas Government Code applies to this Contract, the GCPD verifies that it does not boycott Israel and will not boycott Israel during the term of the Contract.*
16. This Contract is contingent upon the continued availability of lawful appropriations by the Texas Legislature. the GCPD understands that all obligations of the GLO under this Contract are subject to the availability of funds. If such funds are not appropriated or become

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unavailable, the GLO may terminate the Contract. The Contract shall not be construed as creating a debt on behalf of the GLO in violation of Article III, Section 49a of the Texas Constitution.

17. the GCPD certifies that it is not listed in the prohibited vendors list authorized by Executive Order 13224, "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism", published by the United States Department of the Treasury, Office of Foreign Assets Control.
18. In accordance with Section 669.003 of the Texas Government Code, relating to contracting with the executive head of a state agency, the GCPD certifies that it is not (1) the executive head of the GLO, (2) a person who at any time during the four years before the effective date of the Contract was the executive head of the GLO, or (3) a person who employs a current or former executive head of the GLO.
19. the GCPD represents and warrants that all statements and information prepared and submitted in connection with this Contract are current, complete, true, and accurate. Submitting a false statement or making a material misrepresentation during the performance of this Contract is a material breach of contract and may void the Contract or be grounds for its termination.
20. Pursuant to Section 2155.004(a) of the Texas Government Code, the GCPD certifies that neither the GCPD nor any person or entity represented by the GCPD has received compensation from the GLO to participate in the preparation of the specifications or solicitation on which this Contract is based. Under Section 2155.004(b) of the Texas Government Code, the GCPD certifies that the individual or business entity named in this Contract is not ineligible to receive the specified Contract and acknowledges that the Contract may be terminated and payment withheld if this certification is inaccurate. This Section does not prohibit the GCPD from providing free technical assistance.*
21. the GCPD represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code.*
22. In accordance with Section 2252.901 of the Texas Government Code, for the categories of contracts listed in that section, the GCPD represents and warrants that none of its employees including, but not limited to, those authorized to provide services under the contract, were employees of the GLO during the twelve (12) month period immediately prior to the date of execution of the contract. Solely for professional services contracts as described by Chapter 2254 of the Texas Government Code, the GCPD further represents and warrants that if a former employee of the GLO was employed by the GCPD within one year of the employee's leaving the GLO, then such employee will not perform services on projects with the GCPD that the employee worked on while employed by the GLO.*
23. The Contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under the Contract is fixed in any court of competent jurisdiction of Travis County, Texas, unless the specific venue is otherwise identified in a statute which directly names or otherwise identifies its applicability to any Party.

* This section does not apply to a contract with a "governmental entity" as defined in Texas Government Code Chapter 2251.

24. IF THE CONTRACT IS NOT FOR ARCHITECTURE OR ENGINEERING SERVICES GOVERNED BY TEXAS GOVERNMENT CODE CHAPTER 2254, THE GCPD, TO THE EXTENT ALLOWED BY LAW, SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE GLO, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF, OR RESULTING FROM ANY ACTS OR OMISSIONS OF THE GCPD OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT AND ANY PURCHASE ORDERS ISSUED UNDER THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY THE GCPD WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND THE GCPD MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. THE GCPD AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.*
25. IF THE CONTRACT IS FOR ARCHITECTURE OR ENGINEERING SERVICES GOVERNED BY TEXAS GOVERNMENT CODE CHAPTER 2254, THE GCPD, TO THE EXTENT ALLOWED BY LAW, SHALL INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE GLO, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED DAMAGES, COSTS, ATTORNEY FEES, AND EXPENSES TO THE EXTENT CAUSED BY, ARISING OUT OF, OR RESULTING FROM ANY ACTS OF NEGLIGENCE, INTENTIONAL TORTS, WILLFUL MISCONDUCT, PERSONAL INJURY OR DAMAGE TO PROPERTY, AND/OR OTHERWISE RELATED TO THE GCPD'S PERFORMANCE, AND/OR FAILURES TO PAY A SUBCONTRACTOR OR SUPPLIER BY THE THE GCPD OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, CONSULTANTS UNDER CONTRACT TO THE GCPD, OR ANY OTHER ENTITY OVER WHICH THE GCPD EXERCISES CONTROL, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY THE GCPD WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND THE GCPD MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. THE GCPD AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.*
26. TO THE EXTENT ALLOWED BY LAW, THE GCPD SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE GLO AND THE STATE OF TEXAS FROM AND AGAINST ANY AND ALL CLAIMS, VIOLATIONS, MISAPPROPRIATIONS OR INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHTS AND/OR OTHER INTANGIBLE PROPERTY, PUBLICITY OR PRIVACY RIGHTS, AND/OR IN CONNECTION WITH

* This section does not apply to a contract with a "governmental entity" as defined in Texas Government Code Chapter 2251.

OR ARISING FROM: (1) THE PERFORMANCE OR ACTIONS OF THE GCPD PURSUANT TO THIS CONTRACT; (2) ANY DELIVERABLE, WORK PRODUCT, CONFIGURED SERVICE OR OTHER SERVICE PROVIDED HEREUNDER; AND/OR (3) THE GLO'S AND/OR THE GCPD'S USE OF OR ACQUISITION OF ANY REQUESTED SERVICES OR OTHER ITEMS PROVIDED TO THE GLO BY THE GCPD OR OTHERWISE TO WHICH THE GLO HAS ACCESS AS A RESULT OF THE GCPD'S PERFORMANCE UNDER THE CONTRACT. THE GCPD AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. THE GCPD SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE, INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY THE GCPD WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL (OAG) WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND THE GCPD MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM OAG. IN ADDITION, THE GCPD WILL REIMBURSE THE GLO AND THE STATE OF TEXAS FOR ANY CLAIMS, DAMAGES, COSTS, EXPENSES OR OTHER AMOUNTS, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND COURT COSTS, ARISING FROM ANY SUCH CLAIM. IF THE GLO DETERMINES THAT A CONFLICT EXISTS BETWEEN ITS INTERESTS AND THOSE OF THE GCPD OR IF THE GLO IS REQUIRED BY APPLICABLE LAW TO SELECT SEPARATE COUNSEL, THE GLO WILL BE PERMITTED TO SELECT SEPARATE COUNSEL AND THE GCPD WILL PAY ALL REASONABLE COSTS OF THE GLO'S COUNSEL.*

27. the GCPD has disclosed in writing to the GLO all existing or known potential conflicts of interest relative to the performance of the Contract.
28. Sections 2155.006 and 2261.053 of the Texas Government Code prohibit state agencies from accepting a solicitation response or awarding a contract that includes proposed financial participation by a person who, in the past five years, has been convicted of violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by Section 418.004 of the Texas Government Code, occurring after September 24, 2005. Under Sections 2155.006 and 2261.053 of the Texas Government Code, the GCPD certifies that the individual or business entity named in this Contract is not ineligible to receive the specified Contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.*
29. The person executing this Contract certifies that he/she is duly authorized to execute this Contract on his/her own behalf or on behalf of the GCPD and legally empowered to contractually bind the GCPD to the terms and conditions of the Contract and related documents.
30. If the Contract is for architectural or engineering services, pursuant to Section 2254.0031 of the Texas Government Code, which incorporates by reference Section 271.904(d) of the Texas Local Government Code, the GCPD shall perform services (1) with professional skill and care ordinarily provided by competent engineers or architects practicing under the same or similar circumstances and professional license, and (2) as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect.*

* This section does not apply to a contract with a "governmental entity" as defined in Texas Government Code Chapter 2251.

31. The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. The acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. the GCPD shall ensure that this paragraph concerning the authority to audit funds received indirectly by subcontractors through the Contract and the requirement to cooperate is included in any subcontract it awards. The GLO may unilaterally amend the Contract to comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.154 of the Texas Government Code.
32. the GCPD certifies that neither it nor its principals are debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in the Contract by any state or federal agency.
33. If the Contract is for the purchase or lease of covered television equipment, as defined by Section 361.971(3) of the Texas Health and Safety Code, the GCPD certifies its compliance with Subchapter Z, Chapter 361 of the Texas Health and Safety Code, related to the Television Equipment Recycling Program.
34. Pursuant to Section 572.069 of the Texas Government Code, the GCPD certifies it has not employed and will not employ a former state officer or employee who participated in a procurement or contract negotiations for the GLO involving the GCPD within two (2) years after the date that the contract is signed or the procurement is terminated or withdrawn. This certification only applies to former state officers or employees whose state service or employment ceased on or after September 1, 2015.
35. The GLO shall post this Contract to the GLO's website. the GCPD understands that the GLO will comply with the Texas Public Information Act (Texas Government Code Chapter 552, the "PIA"), as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas (the "Attorney General"). Information, documentation, and other material in connection with this Contract may be subject to public disclosure pursuant to the PIA. In accordance with Section 2252.907 of the Texas Government Code, the GCPD is required to make any information created or exchanged with the GLO or the State of Texas pursuant to the Contract, and not otherwise excepted from disclosure under the PIA, available to the GLO in portable document file (".pdf") format or any other format agreed upon between the Parties that is accessible by the public at no additional charge to the GLO or the State of Texas. By failing to mark any information that the GCPD believes to be excepted from disclosure as "confidential" or a "trade secret," the GCPD waives any and all claims it may make against the GLO for releasing such information without prior notice to the GCPD. The Attorney General will ultimately determine whether any information may be withheld from release under the PIA. the GCPD shall notify the GLO's Office of General Counsel within twenty-four (24) hours of receipt of any third-party written requests for information and forward a copy of said written requests to PIALegal@glo.texas.gov. If a request for information was not written, the GCPD shall forward the third party's contact information to the above-designated e-mail address.

* This section does not apply to a contract with a "governmental entity" as defined in Texas Government Code Chapter 2251.

36. The GLO does not tolerate any type of fraud. GLO policy promotes consistent, legal, and ethical organizational behavior by assigning responsibilities and providing guidelines to enforce controls. Any violations of law, agency policies, or standards of ethical conduct will be investigated, and appropriate actions will be taken. the GCPD must report any possible fraud, waste, or abuse that occurs in connection with the Contract to the GLO in the manner prescribed by the GLO's website, <http://glo.texas.gov>.
37. If the GCPD, in its performance of the Contract, has access to a state computer system or database, the GCPD must complete a cybersecurity training program certified under Texas Government Code Section 2054.519, as selected by the GLO. the GCPD must complete the cybersecurity training program during the initial term of the Contract and during any renewal period. the GCPD must verify in writing to the GLO its completion of the cybersecurity training program.
38. Under Section 2155.0061, Texas Government Code, the GCPD certifies that the entity named in this Contract is not ineligible to receive the specified Contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.*
39. the GCPD certifies that it does not require its customers to provide any documentation certifying the customer's COVID-19 vaccination or post-transmission recovery on entry to, to gain access to, or to receive service from the GCPD's business. the GCPD acknowledges that such a vaccine or recovery requirement would make the GCPD ineligible for a state-funded contract.
40. Pursuant to Government Code Section 2275.0102, the GCPD certifies that neither it nor its parent company, nor any affiliate of the GCPD or its parent company, is: (1) majority owned or controlled by citizens or governmental entities of China, Iran, North Korea, Russia, or any other country designated by the Governor under Government Code Section 2275.0103, or (2) headquartered in any of those countries.*
41. If the GCPD is required to make a verification pursuant to Section 2276.002 of the Texas Government Code, the GCPD verifies that the GCPD does not boycott energy companies and will not boycott energy companies during the term of the Contract. If the GCPD does not make that verification, the GCPD must notify the GLO and state why the verification is not required.*
42. If the GCPD is required to make a verification pursuant to Section 2274.002 of the Texas Government Code, the GCPD verifies that it (1) does not have a practice, policy, guidance, or directive that discriminates against a "firearm entity" or "firearm trade association" as those terms are defined in Texas Government Code section 2274.001 and (2) will not discriminate during the term of the Contract against a firearm entity or firearm trade association. If the GCPD does not make that verification, the GCPD must notify the GLO and state why the verification is not required.*
43. If the GCPD is a "professional sports team" as defined by Texas Occupations Code Section 2004.002, the GCPD will play the United States national anthem at the beginning of each team sporting event held at the GCPD's home venue or other venue controlled by the GCPD for the event. Failure to comply with this obligation constitutes a default of this Contract, and immediately subjects the GCPD to the penalties for default, such as repayment of money received or ineligibility for additional money. In addition, the GCPD may be debarred from

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contracting with the State. The GLO or the Attorney General may strictly enforce this provision.*

44. To the extent Section 552.371 of the Texas Government Code applies to the GCPD and the Contract, in accordance with Section 552.372 of the Texas Government Code, the GCPD must (a) preserve all contracting information related to the Contract in accordance with the records retention requirements applicable to the GLO for the duration of the Contract, (b) no later than the tenth business day after the date of the GLO's request, provide to the GLO any contracting information related to the Contract that is in the GCPD's custody or possession, and (c) on termination or expiration of the Contract, either (i) provide to the GLO at no cost all contracting information related to the Contract that is in the GCPD's custody or possession or (ii) preserve the contracting information related to the Contract in accordance with the records retention requirements applicable to the GLO. Except as provided by Section 552.374(c) of the Texas Government Code, the requirements of Subchapter J, Chapter 552, Government Code, may apply to the Contract and the GCPD agrees that the Contract may be terminated if the GCPD knowingly or intentionally fails to comply with a requirement of that subchapter.*
45. If the Contract is for consulting services governed by Chapter 2254 of the Texas Government Code, the GCPD, upon completion of the Contract, must give the GLO a compilation, in a digital medium agreed to by the Parties, of all documents, films, recordings, or reports the GCPD compiled in connection with its performance under the Contract.*
46. If subject to 2 CFR 200.216, the GCPD shall not obligate or expend funding provided under this Contract to: (a) procure or obtain; (b) extend or renew a contract to procure or obtain; or (c) enter into a contract to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services, as defined in Public Law 115-232, Section 889, as a substantial or essential component of any system, or as critical technology as part of any system.
47. To the extent Texas Government Code Chapter 2252, Subchapter G applies to the Contract, any iron or steel product the GCPD uses in its performance of the Contract that is produced through a manufacturing process, as defined in Section 2252.201(2) of the Texas Government Code, must be produced in the United States.

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