

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

**AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES FOR
CAD SALES TAX REVENUE MANAGEMENT**

THIS AGREEMENT is made and entered into by and between Fort Bend County, (hereinafter "County"), a body corporate and politic under the laws of the State of Texas, and HDL Companies (hereinafter "Consultant"), a company authorized to conduct business in the State of Texas.

WHEREAS, there are multiple County Assistance Districts ("CADs") located in Fort Bend County that were created in accordance with Texas Local Government Code Section 387.003 ;

WHEREAS, each CAD may contract with a public or private person to perform any act a County Assistance Districts is authorized to perform under law as allowed under Texas Local Government Code Section 387.006;

WHEREAS, the Fort Bend County Commissioners Court is the governing body of each CAD pursuant to Texas Local Government Code Section 387.005;

WHEREAS, the Fort Bend County Commissioners Court desires that Consultant provide CAD Sales Tax Revenue Management Services for the purpose of stimulating business and commercial activity in the county and more specifically in the CADs, as will be more specifically described herein;

WHEREAS, the Fort Bend County Commissioners Court specifically finds that this Agreement is one for community and economic development and an Agreement for a personal and/or professional service; and

WHEREAS, contracts that are for community and economic development made by a county under Texas Local Govt. Code, §262.024 (a) (10) as allowed by Texas Local Govt. Code, §381.004; and for personal or professional services under Texas Local Govt. Code, §262.024 (4) are exempt from competitive bidding under the Texas County Purchasing Act; and

WHEREAS, the Fort Bend County Commissioners Court grants the above exemptions from competitive bidding, insofar as any competitive bidding statute might apply; and

WHEREAS, the Commissioners Court of Fort Bend County finds that this Agreement will support the operations of the CADs named herein; and

NOW, THEREFORE, for and in consideration of the mutual covenants, agreements and benefits to both Parties, it is agreed as follows:

AGREEMENT

Section 1. Scope of Services

Consultant shall render Services in accordance with the attached and incorporated Exhibit A to this Agreement and on behalf of the CADs named therein. Monthly sales and use tax reports (described in Exhibit A) will be available to the Fort Bend County Auditor and other designated Fort Bend County Officials through a secure online portal and Consultant will be available for consultation as needed.

Section 2. Personnel

- A. Consultant represents that it presently has, or is able to obtain, adequate qualified personnel in its employment for the timely performance of the Scope of Services required under this Agreement and that Consultant shall furnish and maintain, at its own expense, adequate and sufficient personnel, in the opinion of County, to perform the Scope of Services when and as required and without delays.
- B. All employees of Consultant shall have such knowledge and experience as will enable them to perform the duties assigned to them. Any employee of Consultant who, in the opinion of County, is incompetent or by his conduct becomes detrimental to the project shall, upon request of County, immediately be removed from association with the project.

Section 3. Compensation and Payment

- A. Consultant's fees shall be calculated at the rates set forth in the attached Exhibit A, based on an annual compensation of \$225,600, billed to county in equal increments, quarterly.
 - 1. The Service period from execution through September 30 2024 shall be pro-rated accordingly and paid in one single distribution.
 - 2. The annual compensation fee is based on a tiered pricing structure and is subject to increase as CAD revenue increases. Such increases will be in accordance with the fee schedule shown in Option 4 of the Proposal, apportioned per CAD.
 - 3. Compensation for all Services provided shall be all inclusive amount and no additional fee, cost or reimbursed expense shall be added whatsoever to the fees stated in the Exhibit(s).
- B. Consultant understands and agrees that the Maximum Compensation stated is an all inclusive amount and no additional fee, cost or reimbursed expense shall be added whatsoever to the fees stated in the Exhibit(s).

- C. All performance of the Scope of Services by Consultant including any changes in the Scope of Services and revision of work satisfactorily performed will be performed only when approved in advance and authorized by County.
- D. County will pay Consultant based on the following procedures: Upon completion of the tasks identified in the Scope of Services, Consultant shall submit invoices to apauditor@fbctx.gov showing the amounts due for services performed in a form acceptable to County. County shall review such invoices and approve them within 30 calendar days with such modifications as are consistent with this Agreement and forward same to the Auditor for processing. County shall pay each such approved invoice within thirty (30) calendar days. County reserves the right to withhold payment pending verification of satisfactory work performed.

Section 4. Limit of Appropriation

- A. Consultant clearly understands and agrees, such understanding and agreement being of the absolute essence of this Agreement, that County shall have available the total maximum sum certified as available by the County Auditor specifically allocated to fully discharge any and all liabilities County may incur.
- B. Consultant does further understand and agree, said understanding and agreement also being of the absolute essence of this Agreement, that the total maximum compensation that Consultant may become entitled to and the total maximum sum that County may become liable to pay to fully discharge any and all liabilities is that amount that the Auditor has specifically allocated.
- C. The approval of this Agreement authorizes the County Auditor to certify that additional funds are available without written amendment, but only in the event that compensation is increased pursuant to Section A (2).

Section 5. Time of Performance or Term

The time for performance of the Scope of Services by Consultant shall begin with receipt of the Notice to Proceed from County and end no later than September 30, 2025. Consultant shall complete the tasks described in the Scope of Services within this time or within such additional time as may be extended by the County.

This Agreement shall be effective as of the date of execution by the County ("Effective Date") and terminate on September 30, 2024. Unless otherwise terminated, this Agreement shall automatically renew each October 1 through September 30 under the same terms and conditions, with the last year of service ending September 30, 2028.

Section 6. Termination

- A. Termination for Convenience: Either Party may terminate this Agreement at any time upon thirty (30) days written notice issued.
- B. Termination for Default
 - 1. County may terminate the whole or any part of this Agreement for cause in the following circumstances:
 - a. If Consultant fails to perform services within the time specified in the Scope of Services or any extension thereof granted by the County in writing;
 - b. If Consultant materially breaches any of the covenants or terms and conditions set forth in this Agreement or fails to perform any of the other provisions of this Agreement or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in any of these circumstances does not cure such breach or failure to County's reasonable satisfaction within a period of ten (10) calendar days after receipt of notice from County specifying such breach or failure.
 - 2. If, after termination, it is determined by County that for any reason whatsoever that Consultant was not in default, or that the default was excusable, services may continue in accordance with the terms and conditions of this Agreement or the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the County in accordance with Section 7A above.
- C. Upon termination of this Agreement, County shall compensate Consultant in accordance with Section 3, above, for those services which were provided under this Agreement prior to its termination and which have not been previously invoiced to County. Consultant's final invoice for said services will be presented to and paid by County in the same manner set forth in Section 3 above.
- D. If County terminates this Agreement as provided in this Section, no fees of any type, other than fees due and payable at the Termination Date, shall thereafter be paid to Consultant.

Section 7. Modifications and Waivers

- A. The parties may not amend or waive this Agreement, except by a written agreement executed by both parties.

- B. No failure or delay in exercising any right or remedy or requiring the satisfaction of any condition under this Agreement, and no course of dealing between the parties, operates as a waiver or estoppel of any right, remedy, or condition.
- C. The rights and remedies of the parties set forth in this Agreement are not exclusive of, but are cumulative to, any rights or remedies now or subsequently existing at law, in equity, or by statute.

Section 8. Ownership and Reuse of Documents

All documents, data, reports, research, graphic presentation materials, etc., developed by Consultant as a part of its work under this Agreement, shall become the property of County upon completion of this Agreement, or in the event of termination or cancellation thereof, at the time of payment under Section 3 for work performed. Consultant shall promptly furnish all such data and material to County on request.

Section 9. Inspection of Books and Records

Consultant will permit County, or any duly authorized agent of County, to inspect and examine the books and records of Consultant for the purpose of verifying the amount of work performed under the Scope of Services. County's right to inspect survives the termination of this Agreement for a period of four years.

Section 10. Insurance

- A. Prior to commencement of the Services, Consultant shall furnish County with properly executed certificates of insurance which shall evidence all insurance required and provide that such insurance shall not be canceled, except on 30 days' prior written notice to County. Consultant shall provide certified copies of insurance endorsements and/or policies if requested by County. Consultant shall maintain such insurance coverage from the time Services commence until Services are completed and provide replacement certificates, policies and/or endorsements for any such insurance expiring prior to completion of Services. Consultant shall obtain such insurance written on an Occurrence form from such companies having Bests rating of A/VII or better, licensed or approved to transact business in the State of Texas, and shall obtain such insurance of the following types and minimum limits:
 - 1. Workers Compensation in accordance with the laws of the State of Texas. Substitutes to genuine Workers' Compensation Insurance will not be allowed.
 - 2. Employers' Liability insurance with limits of not less than \$1,000,000 per injury by accident, \$1,000,000 per injury by disease, and \$1,000,000 per bodily injury by disease.

3. Commercial general liability insurance with a limit of not less than \$1,000,000 each occurrence and \$2,000,000 in the annual aggregate. Policy shall cover liability for bodily injury, personal injury, and property damage and products/completed operations arising out of the business operations of the policyholder.
 4. Business Automobile Liability coverage applying to owned, non-owned and hired automobiles with limits not less than \$1,000,000 each occurrence combined single limit for Bodily Injury and Property Damage combined.
- B. County and the members of Commissioners Court shall be named as additional insured to all required coverage except for Workers' Compensation and Professional Liability (if required). All Liability policies written on behalf of Consultant shall contain a waiver of subrogation in favor of County and members of Commissioners Court. For Commercial General Liability, the County shall be named as an Additional Insured on a Primary & Non-Contributory basis.
- C. If required coverage is written on a claims-made basis, Consultant warrants that any retroactive date applicable to coverage under the policy precedes the effective date of the Contract and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of 2 years beginning from the time the work under this Contract is completed.
- D. Consultant shall not commence any portion of the work under this Contract until it has obtained the insurance required herein and certificates of such insurance have been filed with and approved by County.
- E. No cancellation of or changes to the certificates, or the policies, may be made without thirty (30) days prior, written notification to County.
- F. Approval of the insurance by County shall not relieve or decrease the liability of the Consultant.

Section 11. Indemnity

CONSULTANT SHALL INDEMNIFY AND DEFEND COUNTY AGAINST ALL LOSSES, LIABILITIES, CLAIMS, CAUSES OF ACTION, AND OTHER EXPENSES, INCLUDING REASONABLE ATTORNEYS FEES, ARISING FROM ACTIVITIES OF CONSULTANT, ITS AGENTS, SERVANTS OR EMPLOYEES, PERFORMED UNDER THIS AGREEMENT THAT RESULT FROM THE NEGLIGENT ACT, ERROR, OR OMISSION OF CONSULTANT OR ANY OF CONSULTANT'S AGENTS, SERVANTS OR EMPLOYEES. THE PARTIES AGREE THAT THIS INDEMNIFICATION PROVISION SHALL APPLY DURING THE PERFORMANCE OF SERVICES AS WELL AS DURING THE PERORMANCE OF ANY CONTINUING OBLIGATIONS THAT MAY EXIST (IF ANY) AFTER THE EXPIRATION OF THIS AGREEMENT.

Section 12. Confidential and Proprietary Information

- A. Consultant acknowledges that it and its employees or agents may, in the course of performing their responsibilities under this Agreement, be exposed to or acquire information that is confidential to County. Any and all information of any form obtained by Consultant or its employees or agents from County in the performance of this Agreement shall be deemed to be confidential information of County ("Confidential Information"). Any reports or other documents or items (including software) that result from the use of the Confidential Information by Consultant shall be treated with respect to confidentiality in the same manner as the Confidential Information. Confidential Information shall be deemed not to include information that (a) is or becomes (other than by disclosure by Consultant) publicly known or is contained in a publicly available document; (b) is rightfully in Consultant's possession without the obligation of nondisclosure prior to the time of its disclosure under this Agreement; or (c) is independently developed by employees or agents of Consultant who can be shown to have had no access to the Confidential Information.
- B. Consultant agrees to hold Confidential Information in strict confidence, using at least the same degree of care that Consultant uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than the provision of Services to County hereunder, and to advise each of its employees and agents of their obligations to keep Confidential Information confidential. Consultant shall use its best efforts to assist County in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limitation of the foregoing, Consultant shall advise County immediately in the event Consultant learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Agreement and Consultant will at its expense cooperate with County in seeking injunctive or other equitable relief in the name of County or Consultant against any such person. Consultant agrees that, except as directed by County, Consultant will not at any time during or after the term of this Agreement disclose, directly or indirectly, any Confidential Information to any person, and that upon termination of this Agreement or at County's request, Consultant will promptly turn over to County all documents, papers, and other matter in Consultant's possession which embody Confidential Information.
- C. Consultant acknowledges that a breach of this Section, including disclosure of any Confidential Information, or disclosure of other information that, at law or in equity, ought to remain confidential, will give rise to irreparable injury to County that is inadequately compensable in damages. Accordingly, County may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Consultant acknowledges

and agrees that the covenants contained herein are necessary for the protection of the legitimate business interest of County and are reasonable in scope and content.

- D. Consultant in providing all services hereunder agrees to abide by the provisions of any applicable Federal or State Data Privacy Act.
- E. Consultant expressly acknowledges that County is subject to the Texas Public Information Act, TEX. GOV'T CODE ANN. §§ 552.001 et seq., as amended, and notwithstanding any provision in the Agreement to the contrary, County will make any information related to the Agreement, or otherwise, available to third parties in accordance with the Texas Public Information Act. Any proprietary or confidential information marked as such provided to County by Consultant shall not be disclosed to any third party, except as directed by the Texas Attorney General in response to a request for such under the Texas Public Information Act, which provides for notice to the owner of such marked information and the opportunity for the owner of such information to notify the Attorney General of the reasons why such information should not be disclosed. The terms and conditions of the Agreement are not proprietary or confidential information.
- F. County will authorize Consultant to receive the confidential data from the Texas Comptroller. County will also make GIS map layers (CAD and Precinct layers) available to Consultant in order to render Services pursuant to this Agreement.

Section 13. Independent Contractor

- A. In the performance of work or services hereunder, Consultant shall be deemed an independent contractor, and any of its agents, employees, officers, or volunteers performing work required hereunder shall be deemed solely as employees of Consultant or, where permitted, of its subcontractors.
- B. Consultant and its agents, employees, officers, or volunteers shall not, by performing work pursuant to this Agreement, be deemed to be employees, agents, or servants of County and shall not be entitled to any of the privileges or benefits of County employment.

Section 14. Notices

- A. Each party giving any notice or making any request, demand, or other communication (each, a "Notice") pursuant to this Agreement shall do so in writing and shall use one of the following methods of delivery, each of which, for purposes of this Agreement, is a writing: personal delivery, registered or certified mail (in each case, return receipt requested and postage prepaid), or nationally recognized overnight courier (with all fees prepaid).

- B. Each party giving a Notice shall address the Notice to the receiving party at the address listed below or to another address designated by a party in a Notice pursuant to this Section:

County: Fort Bend County, Texas
Attn: County Judge
401 Jackson St, 1st Floor
Richmond, Texas 77469

With a copy to: Fort Bend County Purchasing Agent
301 Jackson, Ste. 201
Richmond, Texas 77469

Consultant: HDL Companies
9821 Katy Freeway Suite 440
Houston, TX 77024

- C. Notice is effective only if the party giving or making the Notice has complied with subsections 14(A) and 14(B) and if the addressee has received the Notice. A Notice is deemed received as follows:

1. If the Notice is delivered in person, or sent by registered or certified mail or a nationally recognized overnight courier, upon receipt as indicated by the date on the signed receipt.
2. If the addressee rejects or otherwise refuses to accept the Notice, or if the Notice cannot be delivered because of a change in address for which no Notice was given, then upon the rejection, refusal, or inability to deliver.

Section 15. Compliance with Laws

Consultant shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any matter affecting the performance of this Agreement, including, without limitation, Worker's Compensation laws, minimum and maximum salary and wage statutes and regulations, licensing laws and regulations. When required by County, Consultant shall furnish County with certification of compliance with said laws, statutes, ordinances, rules, regulations, orders, and decrees above specified.

Section 16. Performance Warranty

- A. Consultant warrants to County that Consultant has the skill and knowledge ordinarily possessed by well-informed members of its trade or profession practicing in the greater Houston metropolitan area and Consultant will apply that skill and knowledge with care and diligence to ensure that the Services provided hereunder will be performed and delivered in accordance with the highest professional standards.
- B. Consultant warrants to County that the Services will be free from material errors and will materially conform to all requirements and specifications contained in the attached Exhibit A.

Section 17. Assignment and Delegation

- A. Neither party may assign any of its rights under this Agreement, except with the prior written consent of the other party. That party shall not unreasonably withhold its consent. All assignments of rights by Consultant are prohibited under this subsection, whether they are voluntarily or involuntarily, without first obtaining written consent from County.
- B. Neither party may delegate any performance under this Agreement.
- C. Any purported assignment of rights or delegation of performance in violation of this Section is void.

Section 18. Applicable Law

The laws of the State of Texas govern all disputes arising out of or relating to this Agreement. The parties hereto acknowledge that venue is proper in Fort Bend County, Texas, for all legal actions or proceedings arising out of or relating to this Agreement and waive the right to sue or be sued elsewhere. Nothing in the Agreement shall be construed to waive the County's sovereign immunity.

Section 19. Successors and Assigns

County and Consultant bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of the other party, in respect to all covenants of this Agreement.

Section 20. Third Party Beneficiaries

This Agreement does not confer any enforceable rights or remedies upon any person other than the parties.

Section 21. Severability

If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions remain in full force, if the essential terms and conditions of this Agreement for each party remain valid, binding, and enforceable.

Section 22. Publicity

Contact with citizens of Fort Bend County, media outlets, or governmental agencies shall be the sole responsibility of County. Under no circumstances whatsoever, shall Consultant release any material or information developed or received in the performance of the Services hereunder without the express written permission of County, except where required to do so by law.

Section 23. Captions

The section captions used in this Agreement are for convenience of reference only and do not affect the interpretation or construction of this Agreement.

Section 24. Conflict

In the event there is a conflict between this Agreement and the attached exhibit, this Agreement controls.

Section 25. Certain State Law Requirements for Contracts For purposes of section 2252.152, 2271.002, and 2274.002, Texas Government Code, as amended, Consultant hereby verifies that Consultant and any parent company, wholly owned subsidiary, majority-owned subsidiary, and affiliate:

- A. Unless affirmatively declared by the United States government to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization, is not identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 806.051, 807.051, or 2252.153 of the Texas Government Code.
- B. If employing ten (10) or more full-time employees and this Agreement has a value of \$100,000.00 or more, Consultant does not boycott Israel and is authorized to agree in such contracts not to boycott Israel during the term of such contracts. "Boycott Israel" has the meaning provided in section 808.001 of the Texas Government Code.
- C. If employing ten (10) or more full-time employees and this Agreement has a value of \$100,000.00 or more, Consultant does not boycott energy companies and is authorized to agree in such contracts not to boycott energy companies during the term of such contracts. "Boycott energy company" has the meaning provided in section 809.001 of the Texas Government Code.

- D. If employing ten (10) or more full-time employees and this Agreement has a value of \$100,000.00 or more, Consultant does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and is authorized to agree in such contracts not to discriminate against a firearm entity or firearm trade association during the term of such contracts. "Discriminate against a firearm entity or firearm trade association" has the meaning provided in section 2274.001(3) of the Texas Government Code. "Firearm entity" and "firearm trade association" have the meanings provided in section 2274.001(6) and (7) of the Texas Government Code.

Section 26. Human Trafficking

BY ACCEPTANCE OF CONTRACT, CONSULTANT ACKNOWLEDGES THAT FORT BEND COUNTY IS OPPOSED TO HUMAN TRAFFICKING AND THAT NO COUNTY FUNDS WILL BE USED IN SUPPORT OF SERVICES OR ACTIVITIES THAT VIOLATE HUMAN TRAFFICKING LAWS

Section 27. Entire Agreement

This executed instrument is understood and intended to be the final expression of the parties' agreement and is a complete and exclusive statement of the terms and conditions with respect thereto, superseding all prior agreements or representations, oral or written, and all other communication between the parties relating to the subject matter of this agreement. Any oral representations or modifications concerning this instrument shall be of no force or effect excepting a subsequent modification in writing signed by all the parties hereto.

*Remainder left blank
Execution page follows*

IN WITNESS WHEREOF, the parties hereto have signed or have caused their respective names to be signed to multiple counterparts to be effective on the ____ day of _____, 2024.

FORT BEND COUNTY

HDL COMPANIES

KP George
County Judge



Authorized Agent- Signature

Richard Fletcher

Authorized Agent- Printed Name

Vice-President of Operations

Title

05/21/2024

Date

Date

ATTEST:

Laura Richard, County Clerk

AUDITOR'S CERTIFICATE

I hereby certify that funds are available in the amount of \$_____ to accomplish and pay the obligation of Fort Bend County under this contract.

Robert Ed Sturdivant, County Auditor

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EXHIBIT A

Scope of Service



Sales & Use Tax Project and Administration Services

Proposal

May 20, 2024

Fort Bend County Assistance
Districts



The County has opted for full-service sales tax administration for all CADs and initial calculation of revenue split for shared CADs as well as ongoing management and annual audit of all shared CADs, below is the description of service with initial price and basis for future pricing.

Initial Shared CAD Revenue Split Calculation, Full-Service Sales Tax Administration and On-going Management of Split

Assessment of CADs within Fort Bend County

HdL Companies will provide a comprehensive analysis of the sales and use tax revenues of the CADs that are shared between two Precincts. After arriving at an agreed upon method, HdL will provide a final report including details required for the County to calculate the revenue split by CAD. The CADs that share sales and use tax revenues between two Fort Bend County Precincts include: 1, 2, 6, 9, 11, 12, 16, 19, and 22. These are the CADs that will be assessed in the project.

Scope of Project / Deliverables for Revenue Split

- Obtain confidential data for each CAD.
- Review and analyze data.
- Identify method(s) to calculate revenue split.
- Note additional factors for consideration in determining revenue split, such as multiple outlets, list filers, and telecommunications revenue.
- Present options and recommendations to the County Officials to agree on methodology.
- Complete final report by CAD with final revenue share percentages.
- 30-60 days to complete project from receipt of confidential data.

Sales Tax Report & Consultation Fee (All CADs)

Report and consultation fee includes monthly access to Sales Tax Analysis Report Service (STAR- Summary), STAR Detail (EXCEL), HdL Consensus Statewide Sales & Use Tax Forecast, and Forecast Tool through online portal access, *unlimited* consultation on taxpayers or general sales tax matters, as well as assistance with budget and forecast as needed.

Sales Tax Audit & Recovery (All CADs)

Audit and recovery are included in the full-service where our work results in sales tax revenue improvements to the CAD(s) from recovered, future, or increased taxes. Recovered taxes are taxes incorrectly paid to another jurisdiction which are subsequently re-allocated to the CAD(s) as a result of HdL recommendations or work. Future taxes are taxes received by the CAD(s) as a result of HdL finding and fixing errors which result in taxes received going forward from the error correction. Increased taxes are taxes received by the CAD(s) as a result of HdL finding and fixing errors which result in an increase in tax received above historic levels from the point of error correction. Incorrectly received tax review and correction service is included at no additional charge.

Management of the Split CADs Revenues (CAD 1, 2, 6, 9, 11, 12, 16, 19, and 22)

HdL will continue to manage the on-going changes of the revenue split and will conduct an audit of the shared CADs annually to evaluate and establish updated revenue split as needed. This updated criterion will be utilized for the next fiscal year.

Example:

In year one, it is determined that the distribution for the split of CAD “X” will be 45% for “Precinct A” and 55% for “Precinct B”. At the end of year one, HdL Companies will conduct an audit of all taxpayers in CAD X to potentially establish new distribution criterion between Precinct A and B for year two. If the annual audit determines that the split distribution criterion has changed, then these percentages will be utilized for year two. For illustration purposes, it is determined at the end of year one that Precinct A has 40% of the total sales and use tax revenues collected in shared CAD X, and Precinct B has 60% of the total. These new percentages would be established in year two for the distribution of the sales and use tax revenues that are shared between Precinct A and B in CAD X. This process would be conducted annually for all shared CADs. At the end of each year, an audit for each shared CAD would determine if the distribution percentages have changed, and if so, the new percentages would be utilized in the next year to determine the appropriate revenue distribution for the Precincts in each shared CAD.

The Annual Fee for Proposed Services is **\$225,600**.

FORT BEND CAD #	ASSOCIATED PRECINCT(S) CAD LIES WITHIN	SALES TAX ANNUAL REVENUE 2022	FULL SALES TAX ADMIN.	CALCULATE SPLIT + FULL SALES TAX ADMIN + ONGOING MANAGEMENT OF SPLIT	
1	1 & 4	\$6,727,542		\$28,800	
2	3 & 4	\$2,588,091		\$28,800	
4	2	\$1,027,155	\$18,000		
5	2	\$187,965	\$3,600		
6	3 & 4	\$1,767,845		\$24,000	
7	1	\$1,728,650	\$18,000		
8	1	\$70,974	\$0		
9	1 & 4	\$1,236,414		\$24,000	
10	1	\$878,878	\$14,400		
11	1 & 4	\$5,060,140		\$28,800	
12	2 & 4	\$133,608		\$4,800	
16	2 & 4	\$195,885		\$4,800	
17	2	\$3,063	\$0		
18	4	\$35,240	\$0		
19	1 & 4	\$152,542		\$4,800	
20	2	\$142,996	\$3,600		
21	4	\$5,033	\$0		
22	2 & 3	\$502,562		\$19,200	
			\$57,600	\$168,000	Total
					\$225,600

***Fees are based on a tiered pricing structure and are subject to increases as CAD revenue increases. Prior to beginning of each Fiscal Year an updated fee schedule will be presented to County for approval. The fee determination will be based on the immediate prior 12 months of net payment and tiered fee schedule below.**

Fee Schedule for Full Sales Tax Administration:

HdL Companies Tiered Pricing - Full Sales Tax Administration	
Annual Sales Tax Revenues	Fee for Full Sales Tax Administration
Under \$100,000	\$0
\$100,001 - \$500,000	\$3,600
\$500,001 - \$1,000,000	\$14,400
\$1,000,001 - \$2,500,000	\$18,000
\$2,500,001 - \$8,000,000	\$21,600
\$8,000,001 +	\$25,500

Fee Schedule for Full Sales Tax Administration & Split:

HdL Companies Tiered Pricing - Full Administration + Split + On-going Management of Split	
Annual Sales Tax Revenues	Fee for Full Sales Tax Administration, Split, & On-going Management of Split
Under \$100,000	\$0
\$100,001 - \$500,000	\$4,800
\$500,001 - \$1,000,000	\$19,200
\$1,000,001 - \$2,500,000	\$24,000
\$2,500,001 - \$8,000,000	\$28,800
\$8,000,001 +	\$34,000