

**AGREEMENT FOR THE RENOVATION, CONSTRUCTION,  
OWNERSHIP AND OPERATION OF A  
CITY OF BROWNWOOD/BROWN COUNTY HEALTH DEPARTMENT**

This Agreement is made and entered into effective as of the 15<sup>th</sup> day of February 2024 (the "Effective Date"), by and between the CITY OF BROWNWOOD, a municipal corporation and body politic (hereinafter referred to as the "City"), and the COUNTY OF BROWN, STATE OF TEXAS, hereinafter referred to as the "County".

WHEREAS, the current building housing the City of Brownwood/Brown County Health Department (the "Health Department"), located at 510 East Lee, Brownwood, Texas is no longer sufficient for the operations of the Health Department;

WHEREAS, the City and County are presently exploring plans for the renovation and/or construction of a building to house the Health Department at 305 Booker, Brownwood, Texas (the "New Health Department Building");

WHEREAS, the City and the County believe that the New Health Department Building will be beneficial to the City and County and their citizens by providing healthcare facilities that will be better suited to the needs of the community;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements of the Parties as provided herein, it is hereby agreed by and between the City and County as follows:

**I. DEFINITIONS**

1.1 For purposes of this Agreement, the following terms shall have the following meanings:

- (a) "Agreement" shall mean this document, entitled "AGREEMENT FOR THE RENOVATION, CONSTRUCTION, OWNERSHIP AND OPERATION OF A CITY OF BROWNWOOD/BROWN COUNTY HEALTH DEPARTMENT", all as may be amended from time to time.
- (b) "Agreement for Engineering Services" shall mean the agreement entered into by and between the City and Don Hatcher (or other engineer or architect), for engineering or architectural services as required by Government Code, Chapter 2269, Section 2269.305 to act as the City's independent representative.
- (c) "New Health Department Building" or "Building" shall mean the approximately 19,000 square foot building located at 305 Booker, Brownwood, Texas, approximately 13,400 square feet of which will be designed, renovated, and constructed by the City to be occupied

February 12, 2024  
(Exhibit #7)

by the City of Brownwood/Brown County Health Department pursuant to the terms of this Agreement.

- (d) “Design-Build Agreement” shall mean the agreement for design and construction services to be entered into by and between the City and a design build firm to be selected by the City using the design-build procurement method as described in Subchapter G, Section 2269.301 et. al. of the Government Code pursuant to the terms of this Agreement.
- (e) “Design-Build Firm” shall mean the firm to be selected and agreed on by the City and the County to design, renovate and construct the New Health Department Building.
- (f) “Party” or “Parties” shall mean the City or the County, or both, as the context may require.

## II. DEVELOPMENT, RENOVATION AND CONSTRUCTION OF THE NEW HEALTH DEPARTMENT BUILDING

2.1 Design-Build Procurement. The City has determined that the design- build procurement method, pursuant to Subchapter G, Section 2269.301 et. al. of the Government Code, will provide the best value for the City. The City will prepare a request for qualifications/request for proposals to select the design-build firm that will enter into a single contract with the City for the design and construction of the renovations to the New Health Department Building.

2.2 Guaranteed Maximum Price. In the selection of the Design-Build Firm, the City and County agree on the following guaranteed maximum price, \$1,649,202 (the “Guaranteed Maximum Price”) to pay the Design-Build Firm for the construction and renovation of the New Health Department Building. The construction and renovation of the New Health Department Building shall include all necessary construction and renovation of the approximately 13,400 square feet portion of the Building that will be occupied by the City of Brownwood/Brown County Health Department (excluding the remaining portion of the Building, which is approximately 5,600 square feet in size (the “Unoccupied Portion of the Building”)).

2.3 Approval of Design Documents. After the selection of the Design-Build Firm, the Design-Build Firm shall submit all design elements (the “Preliminary Design Documents”) for review by the City to determine the preliminary design of the renovations to the New Health Department Building. The City will provide a copy of the Preliminary Design Documents to the County for its review and approval. The County shall have a reasonable amount of time to respond and provide comments and suggested changes on the Preliminary Design Documents. In response to comments and suggested changes made by the City and County, the

Design-Build Firm shall promptly revise the Preliminary Design Documents to reflect the results of such reviews and comments and submit same to the City and the County for their respective review. After final approval by the City and the County and implementation of all required revisions to the Preliminary Design Documents, the Design-Build Firm shall construct and renovate the New Health Department Building in accordance with the Preliminary Design Documents authorized by the City and the County. Following completion of the renovation and construction of the New Health Department Building, the Design-Build Firm shall provide a set of final construction documents for the completed project at the conclusion of construction, noting any changes made during construction (the "Final Design Documents"). A copy of the Final Design Documents will be provided to the County..

### III. ALLOCATION OF EXPENSES FOR THE RENOVATION AND CONSTRUCTION OF THE NEW HEALTH DEPARTMENT BUILDING

3.1 Expenses for Design and Construction. The City and County shall each pay equally for the costs and expenses for the design, construction, and renovation of the New Health Department Building, including, without limitation, all costs charged by the Design-Build Firm for design and construction and costs for engineering incurred by the City pursuant to the Agreement for Engineering Services, which is currently estimated to be \$1,671,125.00 (the "Total Construction Costs").

3.2 County Reimbursement. The County shall reimburse and pay the City for the County's equal share of the Total Construction Costs on a monthly or quarterly basis (such time to be determined by the City) as the costs are incurred by the City. The City will provide invoices to the County and the County agrees to pay the invoice no later than thirty (30) days after receipt of the invoice. Notwithstanding the foregoing, the City will not issue a change order under the Design-Build Agreement which increases the Total Construction Costs by more than three percent (3%), without the prior approval of the County, such approval to not be unreasonably withheld.

### IV. OWNERSHIP OF NEW HEALTH DEPARTMENT BUILDING

4.1 Ownership of Building. The City, in its own name, shall solely own the New Health Department Building and the real property upon which it is located.

### V. OCCUPANCY AND OPERATION OF BUILDING

5.1 Occupancy. Upon the completion of the New Health Department Building, the Building will be occupied by the City of Brownwood/Brown County Health

Department. The City of Brownwood/Brown County Health Department shall not be required to pay rent for as long as it occupies the New Health Department Building.

5.2 Maintenance of the Building. The City and the County, and their respective designees, shall be responsible for establishing a schedule and procedures for maintenance of the Building and the costs of such maintenance shall be borne equally by each of the Parties.

5.3 Responsibility for Operating Expenses. The City and County shall each be responsible equally for all expenses for any of the following:

- (a) Any maintenance or repair costs for the Building;
- (b) The costs of any repairs to the Building;
- (c) The internal operating costs, such as costs of personnel, supplies, equipment, and other internal operating costs, applicable to, the operation of the City of Brownwood/Brown County Health Department;
- (d) All utility charges applicable to the Building; and
- (e) All costs of insurance for the Building, including liability insurance, as provided herein.

## VI. RISK OF LOSS; INSURANCE

6.1 Risk of Loss; Property Insurance. The City shall assume all risk of loss for the Building, and the City shall procure and maintain fire and casualty insurance upon the real estate and improvements for so long as the Building is used and occupied as the City of Brownwood/Brown County Health Department. Such insurance shall always be maintained in an amount equal to the full replacement cost of the Building and improvements, or in such other amount as the City and County may hereafter agree.

6.2 Public Liability Insurance. As long as the Building is used and occupied as the City of Brownwood/Brown County Health Department, the City will purchase, keep and maintain in full force and effect, comprehensive public liability insurance providing bodily injury benefits to the full extent of the liability exposure under the Texas Tort Claims Act as to any claims or liability for injuries or damages that may occur in, on, or about the Building.

6.3 Proof of Insurance. The City shall at all times provide to the County proof of all insurance coverages required under the terms of this Agreement, upon the request of the County.

6.4 Waiver of Subrogation. The City shall in all policies of insurance related to the Building provide that each underwriter shall release, assign to the other Party, and its successors and assigns and waive all of its rights of recovery, under subrogation or otherwise, against the other Party.

## VII. MISCELLANEOUS

7.1 Past-Due Amounts. Except as otherwise provided for herein, any amount owed to either Party hereunder which is not paid by the owing Party within thirty (30) days after the date such amount is due under this Agreement and is not in dispute shall accrue interest each Day such amount is not paid at the lesser of (a) an annual rate equal to the Prime Rate plus 2% or (b) the maximum rate permitted by applicable laws.

7.2 Choice of Law. This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Texas, including with respect to all matters of construction, validity and performance, without giving effect to any choice of law rules thereof that may direct the application of the laws of another jurisdiction.

7.3 Severability. In the event that any of the provisions, or portions or applications thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the Parties shall negotiate an equitable adjustment in the provisions of this Agreement with a view toward effecting the purposes of this Agreement, and the validity and enforceability of the remaining provisions, or portions or applications thereof, shall not be affected.

7.4 Notices and Correspondence. Any correspondence or notices required or permitted to be given by the City to the County hereunder shall be in writing and shall be addressed to:

Brown County  
200 S. Broadway  
Brownwood, Texas 76801  
Attn: County Judge

and any correspondence or notices required or permitted to be given by the County to the City hereunder shall be in writing and shall be addressed to:

City of Brownwood  
501 Center  
P.O. Box 1389  
Brownwood, Texas 76804  
Attn: City Manager

7.5 Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous written and oral agreements, proposals, negotiations, understandings and representations pertaining to the subject matter hereof.

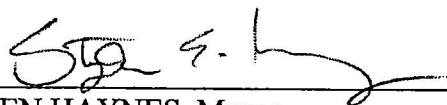
7.6 Amendments. No amendments or modifications of this Agreement shall be valid unless evidenced in writing and signed by a duly authorized representative of both Parties.

7.7 Survival of Provisions. All provisions of this Agreement that are to come into or continue in force and effect after the expiration or termination of this Agreement shall remain in effect and be enforceable following such expiration or termination.

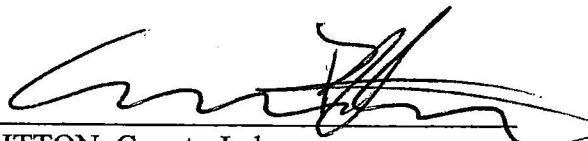
7.8 Counterparts. This Agreement may be signed in any number of counterparts and each counterpart shall represent a fully executed original as if signed by both Parties.

IN WITNESS WHEREOF, the City and the County have executed this Agreement as of the 15<sup>th</sup> day of February 2024.

CITY OF BROWNWOOD:

  
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STEPHEN HAYNES, Mayor

BROWN COUNTY

  
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SHANE BRITTON, County Judge