



Request for Proposals

City of Lexington

The Uptown Municipal Service District

RFP sent to vendors.....	Date:	08/12/26	
Deadline for written questions to the City.....	Date:	08/26/26	5:00pm EST
City responses to Contractor questions.....	Date:	09/01/26	5:00pm EST
Proposals due.....	Date:	09/09/26	5:00pm EST

"LATE PROPOSALS WILL NOT BE ACCEPTED"

Direct all inquiries concerning this RFP:

Britt Smith, CLGPO
City of Lexington Purchasing Officer
28 West Center Street
Lexington, NC 27292
Office: 336-248-3928
[**BSSmith@LexingtonNC.gov**](mailto:BSSmith@LexingtonNC.gov)

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1 REQUEST FOR PROPOSALS (RFP)

1.1 Background

The City of Lexington, NC (the “City”) is seeking proposals from qualified organizations to provide services that promote, maintain and enhance the City’s Uptown Municipal Service District (“MSD”) and to work with the City and its staff and the MSD Community to achieve mutually developed goals. We are sending out this Request for Proposals as required by NCGS § 160A-536 related to Municipal Service Districts.

1.2 Information about the City of Lexington

The City of Lexington (hereinafter referred to as the “City”) is located on the I-85 Corridor representing a growing area that connects large metropolitan regions. The mild climate, diverse workforce and proximity to the Piedmont and Triad combine to make Lexington a great place to live, work and play.

The community

Lexington, North Carolina, is a city that beautifully blends its historic charm with a newly emerging and vibrant atmosphere. Nestled in the center of Davidson County, Lexington is a place that proudly carries its heritage while embracing progress and growth. Lexington boasts a rich history dating back to the 18th century, evident in its well-preserved architecture and landmarks. Visitors and residents can explore the historic uptown, which features beautifully restored buildings, creating a nostalgic and charming ambiance. Over the past decade, Lexington has experienced a wave of development and revitalization. As a result, new businesses, restaurants, and cultural offerings have emerged, breathing new life into the city and drawing both locals and visitors to experience its transformation. The city's population (~ 20,000) and economy have been steadily growing, making it an attractive destination for individuals and families seeking opportunities and a vibrant community.

The vibrant Lexington community is swiftly establishing itself as a prominent nucleus for employment opportunities in the heart of the Piedmont Triad Region. Strategically positioned at a central nexus, the subject site enjoys the advantage of being just a mere 15-minute drive away from numerous significant employment hubs. A testament to its rising stature, the City of Lexington has garnered attention by securing the prestigious selection from [Siemens Mobility](#) to house an international train manufacturing facility. This landmark decision not only underscores the City's prowess but also promises a boost to the local economy and job market. Adding to its momentum, the City has further expanded its horizons by annexing an expansive 700-acre tract of land that is currently undergoing intensive development for industrial purposes, spearheaded by the acclaimed [Samet Construction](#). This progressive step is set to enhance the city's industrial landscape and provide a fertile ground for economic growth. Within the vicinity, two prominent industrial players are shaping the employment landscape. [Egger Wood Products](#) and the current construction of [Nucor](#) not only stand as industrial powerhouses but also represent a wellspring of job opportunities, collectively contributing to the generation of hundreds of jobs. In essence, the Lexington community is not merely evolving; it is emerging as a dynamic force within the region, fostering economic advancement, job proliferation, and a future brimming with potential.

Lexington's vibrant atmosphere is palpable, with a variety of events, festivals, and cultural activities taking place throughout the year. From lively street markets to music festivals and art exhibitions, there's always something happening to engage the community and visitors alike. While embracing its history, Lexington has also shown a progressive attitude toward innovation and modernization. The city actively supports local businesses and startups, fostering an environment conducive to entrepreneurship and technological advancement. Lexington exudes authenticity, from its friendly and welcoming locals to its traditional southern cuisine and genuine sense of community. Visitors often find themselves immersed in a down-to-earth atmosphere that celebrates its roots and traditions. Lexington, North Carolina, is a city that strikes a perfect balance between preserving its heritage and embracing the future. It offers a vibrant, growing community with an authentic spirit that makes it an inviting destination for anyone looking to experience the best of both worlds.

The MSD

The North Carolina General Statutes, at Chapter 160A, Article 23 prescribe purposes for which a Municipal Service District (MSD) may be established. A city council may define any number of service districts in order to finance, provide, or maintain for the districts one or more services, facilities, or functions in addition to or to a greater extent than those financed, provided or maintained for the entire city. The statute provides that districts may be established for purposes of downtown revitalization. Downtown revitalization projects are defined as improvements, services, functions, promotions, and developmental activities intended to further the public health, safety, welfare, convenience, and economic well-being of the central city or uptown area.

The MSD consists of approximately 55.6 acres and is a broad mix of general commercial properties, retailers, offices, restaurants, residential and bars that serve and cater to visitors, professionals and resident population of the City. The City's vision for Uptown is a thriving community crossroads that serves as a social, cultural and professional center of Lexington. A map of all of the parcels included within the MSD is attached hereto as Exhibit A and incorporated herein by reference.

A North Carolina municipal service district is a defined area in which the municipality's governing board levies an additional property tax to provide enhanced services to the residents or properties in the district. The additional tax collected can be used for functions specifically defined in state statutes including downtown and urban revitalization. The City of Lexington has one MSD in its uptown area.

In September, 2015, the NC State General Assembly adopted legislation impacting the process by which cities contract with private and non-profit agencies to provide services within an MSD. The legislation outlined certain contractual requirements including specifying the purposes for which city funding is to be used in the MSD and appropriately accounting for the funding at the end of each fiscal year.

The City desires to partner with a private or non-profit agency that has experience and expertise managing a municipal service district, and the NC Main Street Program in a manner that positively positions the City as an attractive vibrant destination for those who live, work and play within the MSD through provisions of services that follow and utilize the Main Street® Philosophy and Four Point Approach® of Organization, Design, Promotion and Economic Vitality in its uptown revitalization efforts to enhance its status as a North Carolina Main Street community. In addition to the foregoing these services will require a strong knowledge in providing services within an uptown area, while understanding the needs for both commercial and residential stakeholders. Also, required is a strong knowledge of local government practices, federal and state regulations.

Program activities should result in an uptown that experiences increased marketing of its uptown, reductions in building vacancies, increases in business activity, property values and the number of uptown residents.

Subject to approval by the Lexington City Council, and subject to the availability of funding the City expects to negotiate a contract for services with the selected agency during the month of September, 2026.

1.3 RFP Response Time

The RFP process shall adhere to the following schedule.

RFP Process	Date	Time
RFP Posted	Wednesday, 08/12	
Contractor's Written Questions Due	Wednesday, 08/26	5:00 pm
City Responses to Contractor questions	Tuesday, 09/01	5:00 pm
RFP Due Date/Time	Wednesday, 09/09	5:00 pm

Note: All times shown as Eastern Standard Time (EST).

1.4 Pre-Proposal Questions

Questions concerning the specifications and requirements of this Request for Proposals (RFP) shall be submitted in writing to Purchasing Officer, Brith Smith at bssmith@lexingtonnc.gov no later than 5:00 pm on Wednesday, August 26, 2026.

Responses to all questions received and any modifications to this RFP will be issued by formal addendum. All addenda will be posted and made available to all prospective vendors no later than 5:00 pm on Tuesday, September 1, 2026, at the following link:

LINK TO DOWNLOAD ADDENDUMS: <https://cloud.lexingtonnc.gov/s/wlEg5gcfJRFIlb>

No oral statement, explanation, interpretation or commitment made by any person shall be binding or have any force or effect unless expressly incorporated into a written addendum issued by the City. It is the responsibility of each vendor to access and review all addenda posted at the link provided above and to acknowledge receipt of all addenda by signing and returning the required documentation with its proposal submission.

1.5 Proposal Submission Requirements and Contact Information

Proposals shall be prepared and submitted in the format prescribed in Section (2) **PROPOSALS**.

Proposers must submit one (1) electronic copy of their proposal in PDF format via document upload at the link provided below no later than 5:00 pm on Wednesday, September 9, 2026. Proposals received after the stated deadline will not be accepted or considered.

PROPOSAL UPLOAD LINK: <https://cloud.lexingtonnc.gov/s/GwNQxcILCdduSJX>

The City of Lexington reserves the right to reject any or all proposals, in whole or in part, and to waive any informalities, irregularities, or technicalities when it is determined to be in the best interest of the City to do so.

Any requirement of this RFP that a proposer cannot satisfy must be clearly identified and explained within the proposal submission. Proposers are required to respond to all sections and requirements of this Request for Proposals (RFP). Failure to provide complete responses or required information may result in the proposal being deemed non-responsive and may constitute grounds for disqualification.

1.6 Rights to Submitted Material

All proposals, responses, inquiries, or correspondence relating to or in reference to this RFP, and all reports, charts, and other documentation submitted by Proposers (other than materials submitted as and qualifying as trade secrets under North Carolina law) shall become the property of the City when received and the entire proposal shall be subject to the public records laws of the State of North Carolina except where a proper trade secrets exception has been made by the Proposer in accordance with the procedures allowed by North Carolina law.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the Proposer of the conditions contained in this Request for Proposal.

2 PROPOSALS

2.1 Proposal Content

Proposals must be clear, succinct, and not exceed thirty (30) pages in length. Responses must follow the format outlined herein. The City may reject as non-responsive at its sole discretion any proposal or any part thereof that is incomplete, inadequate in its response, or departs in any substantive way from the required format. Proposal responses shall be organized in the following manner:

- A. Cover Letter / Letter of Intent
 - B. Executive Summary
 - C. Project Understanding, Approach and Schedule
 - D. Team Organization, Experience and Certifications/Qualifications
 - E. Consultants and/or Subcontractors
 - F. References
 - G. Cost Proposal
 - H. Financial Statement (If Applicable)
 - I. Additional Proposal Requirements
- A. Cover Letter/Letter of Intent
- The cover letter shall be addressed to Mr. Britt Smith, Purchasing Officer. It may be up to two pages (which do not count toward the 30-page maximum) and, at a minimum, must contain

the following:

- Identification of organization, including name, address, email address and telephone number.
- Name, title, address, email address and telephone number of contact person during period of proposal evaluation.
- A statement to the effect that the proposal shall remain valid for a period of not less than 90 calendar days from the date of submittal.
- Signature of a person authorized to bind the Firm to the terms of the proposal.

B. Executive Summary

In a brief narrative, describe the overall approach and plans to meet the requirements of the RFP. The intent of this narrative is to convey to the City that the Vendor understands the nature of the work and the level of effort necessary to successfully provide the defined services.

C. Project Understanding, Approach and Schedule

This section shall include, in narrative, outline, and/or graph form the vendor's approach to accomplishing the tasks outlined ***in the Scope of Services section of this RFP***. A description of each task and deliverable and the schedule for accomplishing each shall be included.

D. Team Organization, Experience and Certifications/Qualifications

The information requested in this section should describe the qualifications of the firm and key staff to demonstrate the Proposer's ability to perform the requested services. In addition, include the following information:

- Experience of all executive, managerial, legal, and professional personnel providing the defined services.
- Resumes for proposed lead staff and previous work completed that is applicable.
- Team Organization Chart showing all firms, contractual relationship between firms, and names of specific staff proposed for this project, including their titles. (Identify certified Minority Business Enterprises (MBE) or Women Business Enterprises (WBE) firms, if any.)
- A summary of your firm's demonstrated capability, including length of time that your firm has provided the type of services being requested in this RFP.

E. Consultants and/or Subcontractors

The City desires to enter a contract with one Proposer that will be responsible for all defined services. If the Proposer plans on using consultants and/or subcontractors as part of its implementation plan, then provide the company profile, name, address, email address and telephone for all consultants and/or subcontractors providing support. Define the responsibilities and give a description of services to be provided by consultants and/or subcontractors. Describe the Firm's business and reporting relationship with any consultants and/or subcontractors. Identify certified Minority Business Enterprises (MBE) or Women Business Enterprises (WBE) firms, if any. Include references and resumes for all third party consultants and/or subcontractors in the proposal. The City has the right to accept or reject any changes made to the proposed project team members, including the use of consultants and/or subcontractors.

F. References

The Proposer must provide a minimum of three references whom the City may contact regarding qualifications and past performance (within 5 years). The City may randomly select

references to contact as part of the Proposer's evaluation process.

The following must be included for each reference:

- a. Name of Organization and Contact
- b. Title of Contact
- c. Address (delivery and email)
- d. Telephone Number(s)

G. Cost Proposal

Provide two (2) cost proposals in response to the Scope of Services:

1. A cost proposal based upon service levels achievable consistent with the most recent funding allocation from the City; and
2. An alternative proposal that may include a proposed level of service that would require a different funding allocation to achieve.

Cost Proposals should include at a minimum:

1. Itemized estimated cost to deliver each project requirement defined in the Scope of Services;
2. Overhead cost estimates including proposed direct and indirect compensation by job title;
3. Subcontractor cost estimates (if any);
4. Other leveraged funds (any non-City sources of revenue).

The MSD funding allocation for fiscal year 2026 was \$99,500.00.

H. Financial Statement

The vendor shall provide the following financial information:

- Recent audited or reviewed financial statements prepared by an independent certified public accountant (CPA) that shall include, at a minimum, a balance sheet, income statement (i.e., profit/loss statement) and cash flow statement **and**, if the audited or reviewed financial statements were prepared more than six (6) months prior to the issuance of this RFP, the vendor shall submit its most recent internal financial statements (balance sheet, income statement and cash flow statement or budget with entries reflecting revenues and expenditures from the date of the audited or reviewed financial statements to the end of the most recent financial reporting period (i.e., the quarter or month preceding the issuance date of this RFP); or
- Recent compiled financial statements prepared by an independent CPA that shall include, at a minimum, a balance sheet, income statement (i.e., profit/loss statement) and cash flow statement and, if the compiled financial statements were prepared more than three (3) months prior to the issuance of this RFP, the vendor shall submit its most recent internal financial statements (balance sheet, income statement and cash flow statement or budget with entries reflecting revenues and expenditures to date), and other evidence of financial stability such as most recently filed income tax return, evidence of a line of credit/loans/other type of financing with statement of amount in use/outstanding balance (e.g., a complete copy commitment letter, loan agreement, billing statement reflecting the line of credit or statement from lender acknowledging the commitment to fund the vendor's stated financing), performance bond, personal guaranty with copies of personal income tax filing and statement of net worth or such other evidence that is accurate, reliable and trustworthy regarding the vendor's financial stability.

Recent shall be defined as financial statements that were prepared within the 12 months preceding the issuance date of this RFP.

Consolidated financial statements of the vendor's parent or related corporation/business entity shall not be considered, unless: (1) the vendor's actual financial performance for the designated period is separately identified in and/or attached to the consolidated statements; (2) the parent or related corporation/business entity provides the State with a document wherein the parent or related corporation/business entity will be financially responsible for the vendor's performance of the contract and the consolidated statement demonstrates the parent or related corporation's/business entity's financial ability to perform the contract, financial stability and/or such other financial considerations identified in the evaluation criteria; and/or (3) vendor provides its own internally prepared financial statements and such other evidence of its own financial stability identified above.

The vendor's failure to provide any of the above-referenced financial statements or failure to submit all the requested financial statements may result in the rejection of the vendor's proposal and rejection is more likely to occur if other vendors provide financial documentation in compliance with the foregoing provisions. Vendors are also encouraged to explain any negative financial information in its financial statements and are encouraged to provide documentation supporting those explanations.

All financial information, statements and/or documents are provided in response to this proposal

requirement shall be kept confidential, IF THE VENDOR COMPLIES WITH PARAGRAPH 13 OF THE GENERAL INFORMATION ON SUBMITTING PROPOSALS BY MARKING THE FINANCIAL INFORMATION, STATEMENTS AND/OR DOCUMENTS CONFIDENTIAL.

I. Additional Proposal Requirements

Items included on the list of additional proposal requirements may be a reiteration of information included in previous sections. Proposer should reference if a response to one of the following is included in a separate section.

- Proposer shall:
 - Describe the service levels provided to deliver defined services, such as frequency and methods used.
 - Provide measurable and quantifiable metrics that support outlined services and that will measure success.
 - Discuss the mechanism(s) the organization will use for ongoing feedback on services.
 - Discuss how the organization will leverage funding from other sources.
 - Examine board composition and membership to identify actual or perceived conflicts of interest. If needed, include proposed changes to board membership to avoid conflicts of interest.
 - Examine board composition for inclusiveness of residents, tenants and property owners of both small and large businesses.
 - At minimum, maintain an office in the Lexington Uptown District that is staffed during normal business hours, Monday – Friday.
 - Follow NCGS § 160A-536 including but not limited to submitting a yearly report and presentation to City Council.
 - Address the development of a long-term strategic plan for the MSD.
 - Outline the desired mix of goods and services offered in the MSD.
 - Outline priority of work/efforts needed in the MSD
 - Include a retail economic strategy that considers diversity of retail choices.
 - Structure annual work plan and metrics to align with the MSD strategic plan

goals and objectives and align with the City's annual budget process.

2.2 Evaluation Criteria

This is not a bid. There will not be a public bid opening. Proposals will be evaluated based on but not necessarily limited to the following criteria:

Criteria	Weights
Qualifications and experience of the proposed team members for the requested services	30%
Overall quality and detail of submittal and demonstrated understanding of scope of services	25%
Time required to implement all aspects of the scope of services and ability to measure and report on future success	20%
Demonstration of prior successes with similar services and projects	15%
Proposed Cost	10%

2.3 Final Selection

A team, comprised of City staff, will be responsible for the proposal evaluations. This team, in accordance with the criteria listed above, will evaluate all proposals received as specified. The City team members, in applying the major criteria to the proposals, may consider additional sub-criteria beyond those listed. During the evaluation period, the City of Lexington reserves the right to interview firms if it is determined to be beneficial in determining the top firm.

The final selection will be the firm which, in the City's opinion, is the most responsive and responsible, meets the City's requirements in providing this service, and is in the City's best interest. The City maintains the sole and exclusive right to evaluate the merits of the proposals received.

Firms will be objectively evaluated based on their responses to the project scope outlined in the RFP. The written proposal should clearly demonstrate how the firm could best satisfy the requirements of City.

Price quoted must be held firm for 90 days after the RFP is due. The City reserves the right to make an award without further discussion of the proposal submitted. The City shall not be bound or in any way obligated until both parties have executed a contract. The City also reserves the right to delay the award of a contract or to not award a contract. The RFP may be awarded by individual task or total proposal, whichever is most advantageous to the City.

The general conditions and specifications of the RFP and the selected proposal, as amended by agreement between the City and the Contractor including e-mail or written correspondence relative to the RFP, may become part of the contract documents. Failure of the Contractor to perform as represented may result in elimination of the Contractor from competition or in contract cancellation or termination. The Proposer selected will be notified by telephone.

Notification may not be given to those Proposers not selected. Once a Proposer is selected, the City and the Proposer will negotiate a contract for services subject to approval by the Lexington City Council and subject to availability of funding. The City Council will conduct a public hearing prior to awarding the contract.

3 SCOPE OF SERVICES

3.1 Purpose

The purpose of the municipal service district management service contract is to identify a private or non-profit agency to enter into a contract to administer and manage projects within the MSD.

- A. Administer the City of Lexington's Main Street Program and utilize the Main Street® philosophy and Four Point Approach® of Organization, Design, Promotion, and Economic Vitality in its uptown revitalization efforts. The organization would provide the following services: Marketing and Communications, Economic Development, Event Management, Planning and Development, and Public Space Management.
- B. Work with the NC Main Street Program, financial institution, City Staff and others to identify additional funding opportunities for uptown development.
- C. Serve as a conduit between the MSD and the City Council for the recommendation of appropriation and expenditure of MSD funds.

3.2 Core Program Areas and General Objectives of the Main Street Four Point Approach®

Economic Vitality

- Support existing businesses
- Recruit new businesses
- Support new development opportunities
- Develop strategies to increase business activity
- Support the planning and implementation of capital projects

Organization – Planning & Development

- Work to ensure that all organizational resources (partners, funding, volunteers, etc.) are mobilized to effectively work together
- Maintain a viable 501©(3) structure with a governing board of directors and standing volunteer committees composed of the stakeholders for the downtown community
- Build consensus and cooperation among various groups and individuals that have a stake in the MSD district
- Identify sources of funding for revitalization activities

Promotions

- Market Lexington District as a destination for living, working, shopping, and entertainment
- Market and promote businesses, events, and cultural programs downtown
- Advocate on behalf of Uptown stakeholders
- Educate the public on Uptown opportunities and issues
- Communicate with Uptown stakeholders
- Communicate with the public sector

- Support existing events with management services and/or funding support
- Support the production of new events
- Develop strategies to increase utilization of Uptown for cultural programs and events

Design

- Support the planning and implementation of streetscape improvements
- Support the preservation of historic structures
- Provide and support improvements to the downtown aesthetics enhancing the visual quality of the district
- Provide and support place making and street activation enhancements (art installations, street furniture, decorations, signage, etc.)

3.3 Role, Scope and Authority of Contractor

Under no circumstances may the contractor commit City funds outside of the program budget to any businesses or projects. Contractor works in a supportive role with the City to facilitate connections that may result in economic development agreements.

3.4 Annual Program Budget Allocation

Budgets shall be established annually by the City Council. The anticipated funding amount is subject to annual tax receipts which may fluctuate over the term of the contract.

3.5 Negotiation of Final Scope of Work

The City will negotiate the final scope of services with the selected finalist.

3.6 Discretion of the City

The City of Lexington City Council reserves the right to reject any and all proposals.

4 CONTRACT TERMS

The City will negotiate contract terms upon selection. All contracts are subject to review by City of Lexington's City Attorney. The Project will be awarded upon signing an Agreement or Contract, which outlines terms, scope, budget and other necessary terms. The selected Proposer shall be subject to and shall maintain compliance with certain statutory, budgeting and reporting requirements, and the general terms of the Contract shall be as follows:

4.1 Annual Cost Proposal

Proposers must submit an annual cost proposal to manage the uptown City of Lexington MSD based upon the complete Scope of Services described in the RFP, to include all administrative costs, expenses, and overhead (including staff salaries and benefits). Proposers should submit proposals which include anticipated revenues from non-City sources (if any), including ticket sales, grants, donations, etc.

4.2 Annual City Budget Allocation

The Lexington City Council may modify the City budget allocation annually, in total and/or per each budget subcategory. The annual City budget allocation is additionally subject to adjustment based upon the approved MSD tax rate established by the Lexington City Council as part of its annual budget adoption process, as well as by actual revenue receipts collected from the MSD tax.

The City of Lexington's Uptown Municipal Service District funding allocation for Fiscal Year 2026 was \$99,500.00.

4.3 Mandatory Reporting

The selected Proposer shall submit a detailed report for each quarter (with the beginning of each fiscal year being July 1) of program activities and accomplishments in accordance with the Scope of Services. Reports shall be submitted to the implementing department within 20 days of the end of each quarter. Reports shall conform to the reasonable requirements of the implementing department.

Consistent with MSD statute, the selected Proposer shall additionally compile and deliver an annual report and presentation to the City Council prior to the end of each fiscal year on a date and time specified by the City. In addition to other data mandated by statute, annual reports shall include a record of community engagement activities undertaken during the prior 12 months, as well as the name, location, purpose, and amount paid to any person or entity with whom the selected Proposer subcontracted to perform or complete any purpose for which the City moneys were used for in the MSD.

4.4 Community Engagement

The selected Proposer shall solicit opinions, feedback, and input annually, or more as needed, regarding the effectiveness of MSD operations consistent with minimum requirements provided by MSD statute, and otherwise to the reasonable satisfaction of the City.

4.5 Term of Contract

The City intends to execute a five-year contract with selected Proposer to commence on the date of the contract approved by Council. Services within the MSD will be performed during the City's annual fiscal year, which runs July 1 through June 30. In the first year, the services will be performed from the date of the contract approval to June 30, 2027. Annual contract amendments may be required consistent with the City's annual budget adoption and allocation process.

4.6 Payment by the City

The Contract shall be payable within 30 days of receipt of an invoice supported by applicable reports and/or other documentation evidencing provisions of certain aspects of the Scope of Services. The Contractor shall send invoices to the City monthly, in an amount equal to one-twelfth (1/12) of the annual budget allocation approved by City Council. The City shall not be obligated to pay Contractor any payments, fees, expenses or compensation other than those authorized by the Contract.

4.7 Non-discrimination

The Contractor contractually agrees to administer all functions pursuant to this agreement without discrimination because of race, creed, sex, national origin, economic status, sexual orientation, gender identity or gender expression.

4.8 Assignment

This Contract may not be assigned without the express written consent of the City.

4.9 Jurisdiction

This Agreement shall be governed by the laws of the State of North Carolina. Venue for any dispute arising from this Agreement shall be the Superior Court Division of the General Court of Justice, Davidson County, North Carolina or the United States District Court for the Middle District of North Carolina.

4.10 Insurance

Certificate of Insurance

The Contractor agrees to provide the City a Certificate of Insurance evidencing that all categories, limits and endorsements required herein are maintained and in full force and effect. Certificates of Insurance shall provide a minimum of 30 days endeavor to notify, when available, by Contractor's insurer. If Contractor receives a non-renewal or cancellation notice from an insurance carrier affording coverage required herein or receives notice that coverage no longer complies with the insurance requirements herein, Contractor agrees to notify the City within 5 business days with a copy of the non-renewal or cancellation notice or written specifics as to which coverage is no longer in compliance. Certificate holder address should read:

City of Lexington
ATTN:
28 W Center Street
Lexington, NC 27292

Professional Liability

Limits of no less than \$1,000,000.00 each claim. This coverage is only necessary for professional services such as engineering, architecture or when otherwise required by the City. All insurance companies must be authorized to do business in North Carolina and be acceptable to the City of Lexington's Risk Management.

Insurance Requirements

Certificates for Workers Compensation, General Liability and Vehicle/Equipment Insurance will be required and submitted as part of the bid package. The Contractor, at its own expense, shall keep in force and at all times maintain during the Agreement:

<u>Insurance Type</u>	<u>Each Occurrence</u>	<u>Aggregate</u>
<u>General Liability</u>		
Bodily Injury & Property Damage Combined-Single Limit	\$1,000,000	\$3,000,000
<u>Automobile Liability</u>		
Bodily Injury & Property Damage Combined Single Limit	\$1,000,000	
<u>Owners Protective Liability or Project Specific Aggregate</u>		
Bodily Injury & Property Damage Combined Single Limit	\$1,000,000	\$3,000,000

Excess Liability

\$5,000,000

\$10,000,000

The City of Lexington must be named as an additional named insured on the Contractor's insurance policy.

The following statement must be on the certificate of insurance: a blanket waiver of subrogation shall apply in favor of the City of Lexington and all additional insured's as required by contract.

Workers' Compensation Coverage

Full and complete Worker's Compensation Coverage, as required by the State of North Carolina, shall be required.

4.11 Indemnity and Hold Harmless

The Contractor agrees to indemnify and hold harmless the City of Lexington and its officers, agents, and employees from all loss, liability, claims, or expense (including reasonable attorneys' fees) arising from bodily injury, including death or property damage to any person or persons proximately caused in whole or in part by the negligence or willful misconduct of the Contractor, except to the extent same are caused by the negligence or misconduct of the City. Contrary to any provision that may be contained in any exhibit attached hereto, the City shall not consent to limitations of Contractor liability for amounts less than the amount of insurance coverage under this agreement. Any provision that may be contained in any exhibit attached hereto that calls for the City to indemnify the Contractor shall be only to the extent allowed by law.

4.12 Intellectual Property

Any information, data, instruments, documents, studies, reports or deliverables given to, exposed to, or prepared or assembled by the Contractor under this Contract shall be kept as confidential proprietary information of the City and not divulged or made available to any individual or organization without the prior written approval of the City. Such information, data, instruments, documents, studies, reports or deliverables will be the sole property of the City and not the Contractor.

All intellectual property, including, but not limited to, patentable inventions, patentable plans, copyrightable works, mask works, trademarks, service marks and trade secrets invented, developed, created or discovered in performance of this Contract shall be the property of the City.

Copyright in and to any copyrightable work, including, but not limited to, copy, art, negatives, photographs, designs, text, software, or documentation created as part of the Contractor's performance of this project shall vest in the City. Works of authorship and contributions to works of authorship created by the Contractor's performance of this project are hereby agreed to be 'works made for hire' within the meaning of 17 U.S.C. 201.

4.13 Force Majeure

Except as otherwise provided in any environmental laws, rules, regulations or ordinances applicable to the parties and the services performed under this Contract, neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by an act of war, hostile foreign actions, nuclear explosion, earthquake, hurricane, tornado, or other catastrophic natural event or act of God. Either party to the Contract must take reasonable measures and implement reasonable protections when a weather event otherwise defined as a force majeure event is forecast to be eligible to be excused from the performance otherwise required under this Contract by this provision.

4.14 Advertising

The Contractor shall not use the existence of this Contract, or the name of the City of Lexington, as part of any advertising without the prior written approval of the City.

4.15 Cancellation

The City may terminate this Contract at any time by providing sixty (60) days written notice to the Contractor. In addition, if Contractor shall fail to fulfill in timely and proper manner the obligations under this Contract for any reason, including the voluntary or involuntary declaration of bankruptcy, the City shall have the right to terminate this Contract by giving written notice to the Contractor and termination will be effective upon receipt. Contractor shall cease performance immediately upon receipt of such notice.

In the event of early termination, Contractor shall be entitled to receive just and equitable compensation for costs incurred prior to receipt of notice of termination and for the satisfactory work completed as of the date of termination and delivered to the City. Notwithstanding the foregoing, in no event will the total amount due to Contractor under this section exceed the total amount due Contractor under this Contract. The Contractor shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Contract, and the City may withhold any payment due to the Contractor for the purpose of setoff until such time as the City can determine the exact amount of damages due the City because of the breach.

Payment of compensation specified in this Contract, its continuation or any renewal thereof, is dependent upon and subject to the allocation or appropriation of funds to the City for the purpose set forth in this Contract.

4.16 Applicability of North Carolina Public Records Law/Open Records

Information submitted to the City of Lexington is public information and is available upon request in accordance with the North Carolina Public Information Act. As provided by North Carolina statute and rule, the City will consider keeping confidential the trade secrets, which the Provider does not wish to be disclosed. For such information, the Provider must mark each page in bold face at the top and bottom as "CONFIDENTIAL". In spite of what is labeled as a trade secret, the determination of whether it is or not will be determined by North Carolina General Statute § 132-1.2(1). Once a final price is negotiated, the cost information will not remain confidential.

4.17 Miscellaneous

The Contractor shall be responsible for the proper custody and care of any property furnished or purchased by the City for use in connection with the performance of this Contract, and will reimburse the City for the replacement value of its loss or damage.

The Contractor shall be considered to be an Independent Contractor and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. Nothing herein is intended or will be construed to establish any agency, partnership, or joint venture. Contractor represents that it has, or will secure at its own expense, all personnel required in performing the services under this Contract. Such employees shall not be employees of or have any individual contractual relationship with the City.

This Contract may be amended only by written agreement of the parties executed by their

authorized representatives.

4.18 Audit

The City of Lexington Finance Department may conduct an audit of Contractor's financial, performance and compliance records maintained in connection with the operations and services performed under this Contract. The City or its designee may conduct such audits or inspections throughout the term of this Contract and for a period of three years after final payment or longer if required by law.

In the event of such an audit, Contractor agrees that the City, or its designated representative, shall have the right to review and to copy any work, materials, payrolls, records, data, supporting documentation, or any other sources of information and matters that may in City's judgment have any bearing on or pertain to any matters, rights, duties or obligations under or covered by any Contract Document.

The Contractor agrees that the City, or its designated representative, shall have access to Contractor personnel pertaining to the performance of this contract, including but not limited to financial, performance, operations and compliance records. Contractor agrees to maintain such records for possible audit for a minimum of three years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the City's auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. City's authorized representative or designee shall have reasonable access to the Contractor's facilities, shall be allowed to interview all current or former employees to discuss matters pertinent to the performance of this Contract and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with this article.

Further, Contractor agrees to include a similar right to the City to audit and interview staff in any subcontract related to performance of this contract. Contractor shall require all payees to comply with the provisions of this article by including the requirements hereof in a written contract agreement between Contractor and payee. Contractor will ensure that all payees have the same right to audit provisions contained in this Contract.

The City agrees to provide Contractor with an opportunity to discuss and respond to any findings before a final audit report is issued.

City's rights under this provision shall survive the termination of this agreement. The City may conduct an audit up to three years after this agreement terminates.

4.19 E - Verify

The Contractor shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. If any subcontractors are used, they also must comply with these requirements. Pursuant to North Carolina General Statute § 143-133.3(c)(2), contracts solely for the purchase of apparatus, supplies, materials, and equipment are exempt from this E-Verify provision.

4.20 Federal and State Legal Compliance

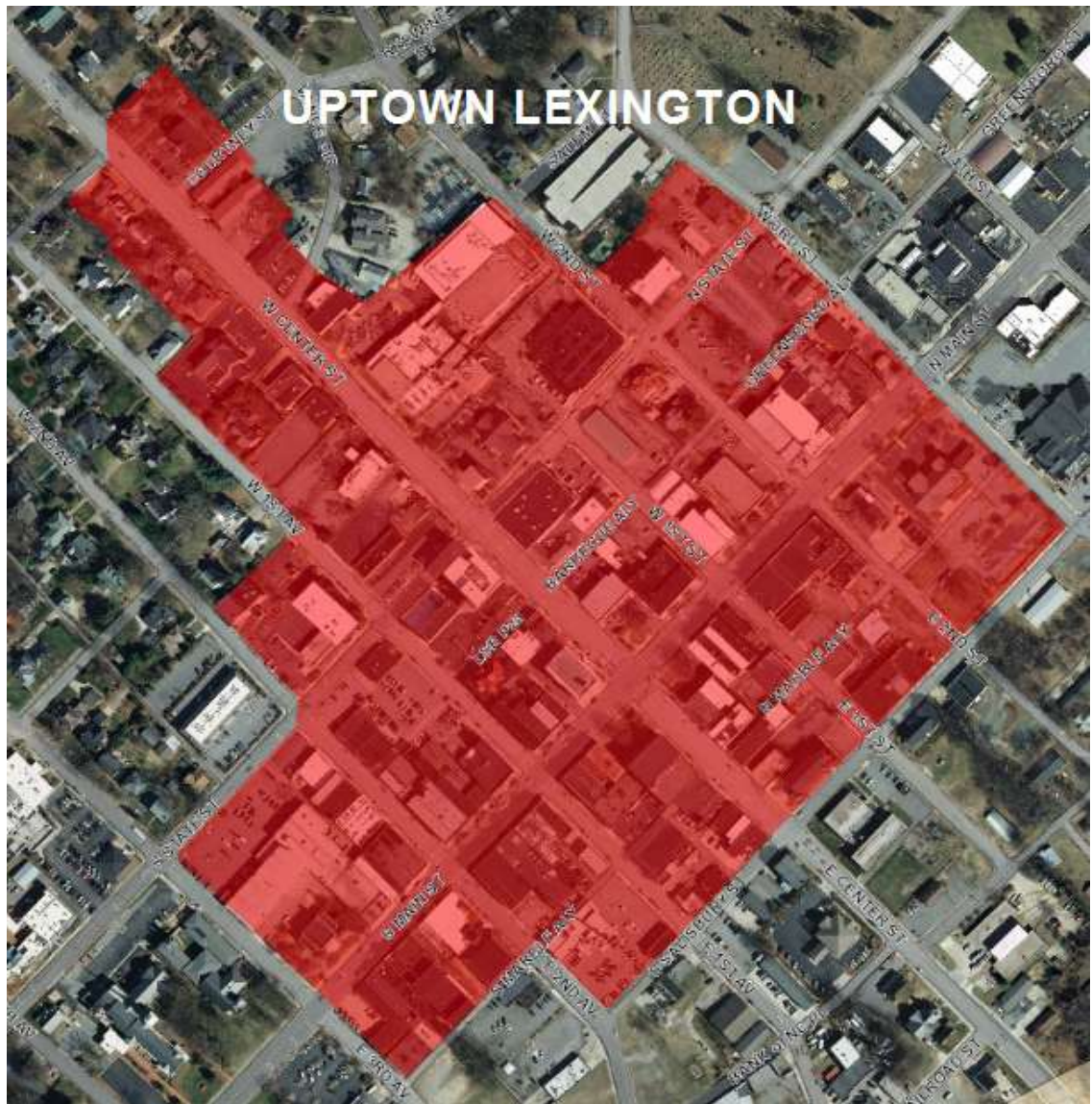
The Contractor must be in full compliance with all applicable Federal and State laws,

including those on immigration.

4.21 State Treasurer's List Regarding Iran and Boycott of Israel

If the value of the contract is \$1,000 or more, the following applies unless the Proposer otherwise states in its proposal: the Proposer affirms (by submitting a proposal) that (1) its name does not appear on the list of companies that are engaged in a boycott of Israel developed by the N. C. State Treasurer under NCGS § 147-86.81(a)(1) or on a list created by the Treasurer pursuant to NCGS § 147-86.58 as a company engaging in investment activities in Iran, and (2) it has no reason to expect that its name will appear on either of those lists. Take notice that a contract between an entity named on either list and the City may be void.

EXHIBIT A
MAP OF MSD AREA



Map of Lexington Uptown MSD