



**PUBLIC SERVICE BOARD MEETING
AGENDA ITEM
REGULAR MEETING
Wednesday, December 10, 2025**

SUBJECT

Second Amendment to Services Agreement with WorkQuest

BACKGROUND

Janitorial services are currently provided to EPWater facilities under a Services Agreement with WorkQuest. Operational needs across the Utility have evolved, driven by expanded facility usage, increased staffing levels, enhanced cleanliness standards, and the addition of new service locations. As a result, existing contract capacity is no longer sufficient to meet projected service levels. It is necessary to increase the contract amount to maintain uninterrupted janitorial coverage and allow for responsive scaling of services in alignment with facility demands.

PRIOR PSB ACTION

- On April 12, 2023, the Public Service Board (PSB) approved a janitorial Services Agreement with WorkQuest pursuant to Section 252.022(a)(13) of the Texas Local Government Code, in the estimated annual amount of \$889,000 for a term of one year with the option for two one-year extensions, and authorized future amendments for additional janitorial services in an estimated annual amount of \$100,000.
- Pursuant to the PSB delegated authorization for future amendments, the first amendment to the services agreement with WorkQuest was approved for an additional annual estimated amount of \$81,580 for option year one and two.

UTILITY KPI ALIGNMENT

Employee Satisfaction

EVALUATION PROCESS

WorkQuest is a private non-profit organization that coordinates employment opportunities for individuals with disabilities and subcontracts with entities such as Goodwill Industries of El Paso Inc. Services provided under this contract are exempt from competitive bidding requirements pursuant to Texas Local Government Code Section 252.022(a)(13).

Staff reviewed the current service utilization, anticipated needs, and available funding, and determined that an increase to the contract amount is necessary to support expanded janitorial coverage. The existing agreement remains in good standing, and WorkQuest has demonstrated continued capacity to deliver the required services.

FINANCIAL IMPLICATIONS

Sufficient funds are available in various accounts. This expenditure is part of the FY2025-26 budget.

PROPOSED ACTION REQUESTED

Consider and approve a second amendment to the Services Agreement with WorkQuest to increase the annual contract capacity for janitorial services by \$300,000 for a total estimated annual amount of \$1,270,580 for the current contract year pursuant to Section 252.022(a)(13) of the Texas Local Government Code, and to amend the term of the agreement by an additional two-year options to extend, for a total estimated annual amount of \$1,270,580 for each additional option period.

SUPPORTING DOCUMENTATION PROVIDED

- Master contract

STATE OF TEXAS §
 §
COUNTY OF EL PASO §

SERVICES AGREEMENT

THIS SERVICES AGREEMENT (this “Agreement”) is made and entered on May 8, 2023 (“Effective Date”) by and between **WORKQUEST**, a Texas nonprofit corporation (the “Contractor”) and the **EL PASO WATER UTILITIES- PUBLIC SERVICE BOARD**, a component unit of the City of El Paso, Texas, a home rule municipal corporation, hereinafter referred to as (“EPWater”). The Contractor and EPWater may be hereinafter referred to collectively as the “*Parties*” or individually as a “*Party*”.

RECITALS

WHEREAS, EPWater has a need to engage a contractor to provide janitorial services; and

WHEREAS, in accordance with Section 252.022(a)(13) of the Texas Local Government Code, expenditures for services performed by blind or severely disabled persons are exempt from the requirements of the bidding statute; and

WHEREAS, Contractor demonstrated competence and possesses the skills to render said services to EPWater and employs individuals with disabilities; and

WHEREAS, EPWater enters into this Agreement pursuant to the action of the Public Service Board on April 12, 2023 authorizing EPwater to enter into this Agreement.

NOW THEREFORE, for and in consideration of the mutual promises, obligations, and benefits contained herein, EPWater and Contractor agree as follows:

AGREEMENT

1. **Scope of Services**. Contractor agrees to perform services as further described in the Scope of Work attached hereto as Exhibit “A”, which is incorporated into this Agreement.
2. **Term**. This Agreement shall be in full force and effect on the Effective Date and shall continue for one (1) year unless terminated sooner as permitted in this Agreement (“Initial Term”). EPWater may extend the Initial Term by two (2) one-year options (“Option Terms”).
3. **Payment of Services**. EPWater shall pay Contractor an estimated annual amount of \$889,000 for the services performed during the Initial Term and each year of the Option Terms that EPWater exercises, based on the rates established in Exhibit “A”.

Contractor hereby agrees that at no time will it make a claim against EPWater for more than the rate provided under the terms of this Agreement.

4. Invoicing. Contractor shall submit to EPWater a monthly invoice reflecting the services performed the prior month, which will include the details of the work completed. All work will be preceded by approval by the EPWater Project Manager or designee. Invoices shall be submitted in writing via email to the following email address: purchasing.invoices@epwater.org.

EPWater agrees to pay invoices for all services performed in accordance with Chapter 2251 of the Texas Government Code. Upon dispute, however, EPWater may, upon notice to Contractor, withhold payment to Contractor for the amount in dispute only, until such time as the exact amount of the disputed amount due to Contractor is determined. EPWater shall provide notice of errors or disputes in invoices in accordance with Chapter 2251 of the Texas Government Code. The total amount paid to Contractor shall not exceed the amount contracted herein, except by written amendment to this Agreement, executed by both parties.

5. Fringe Benefits. No benefits will be provided to Contractor by EPWater.
6. Location of Performance. Contractor shall perform the services in El Paso, Texas, or at such place(s) as may be necessary or appropriate to fulfill the terms of this Agreement.
7. Independent Contractor Relationship. Nothing contained herein shall be construed as creating the relationship of employer and employee between EPWater and Contractor. Contractor's employees shall be deemed at all times to be independent contractors employed by Contractor. EPWater shall not be subject to any obligations or liabilities of the Contractor incurred in the performance of this Agreement. The Contractor is an independent contractor and nothing contained herein will constitute or designate the Contractor or any of his employees as employees of the EPWater. Neither the Contractor nor his employees will be entitled to any of the benefits established for EPWater employees, nor be covered by the EPWater's Workers' Compensation Program.
8. Insurance.
 - (a) Contractor shall maintain in effect at all times during performance of the services described in this Agreement at least the coverage and limits of insurance with insurers satisfactory to EPWater set forth in this section. Certificates of such insurance and evidence of policy endorsement for additional insured(s) and waiver of subrogation requirements, executed by the insurer in form satisfactory to EPWater, shall be furnished to EPWater immediately upon execution of this Agreement and prior to Contractor commencing work. Electronic copies of the policy documents associated with the insurance policies covered in this section shall be forwarded to EPWater no less than (5) days from the commencement of work.
 - (b) Certificates of insurance shall, without any qualification thereto, contain the following statement relative to cancellation:

"Should any of the described policies be canceled or changed before the expiration date thereof, the issuing company will mail thirty (30) days written notice to the named Certificate Holder and EPWater".

(c) If required by Texas state law, Worker's Compensation and Employer's Liability shall be provided in accordance with the statutory limits required by law and include the following endorsement:

"The policy is endorsed to provide that insurer waives any right of subrogation it may acquire against EPWater, its partners, agents and employees by reason of any payment made on account of injury, including death resulting therefrom, sustained by any employee of the insured."

(d) The following liability policies, except the Professional Liability policy, shall be endorsed to provide that EPWater be named as additional primary insured(s) thereunder, and such policies shall contain each of the following types of insurance indicated:

(i) Commercial Liability Insurance required as set forth below:

(1) Bodily injury and property damage coverage in limits not less than \$1,000,000 Combined Single Limit for one occurrence.

(2) Coverage shall be at least as broad as the standard ISO occurrence, CG 00-01 and specifically include independent contractor and products/completed operations coverages.

(ii) Automobile Liability required as set forth below:

(1) Bodily Injury and Property Damage coverages in limits not less than \$1,000,000 Combined Single Limits per accident.

(2) Policy shall be in a comprehensive form including coverage for all owned, hired, leased or non-owned vehicles.

(iii) If Contractor is to use watercraft or aircraft in the performance of his Agreement, the craft must be insured for liability limits not less than \$1,000,000 Combined Bodily Injury and Property Damage per occurrence.

(iv) Professional Liability insurance shall be required with limits at \$1,000,000 on a claims made basis.

(v) Umbrella or Excess Liability Insurance: \$5,000,000 per occurrence.

(e) The above insurance policies shall be endorsed to include a requirement that the insurer will provide EPWater with thirty (30) days written notice prior to the effective date of any cancellation or change in the insurance and, with the exception of the Professional Liability and Workers Compensation policies, shall be endorsed to name EPWater as an additional insured. Policies written on a claims-made form (along with required endorsements) shall be kept in force during and for three (3) years following work done under this Agreement.

Contractor shall submit certificates for each of the above insurances to the EPWater before commencing work.

9. INDEMNIFICATION.

CONTRACTOR OR ITS INSURER WILL INDEMNIFY, DEFEND AND HOLD EPWATER, ITS OFFICERS, AGENTS AND EMPLOYEES, HARMLESS FOR AND AGAINST ANY AND ALL CLAIMS, CAUSES OF ACTION, LIABILITY, DAMAGES OR EXPENSE, (INCLUDING BUT NOT LIMITED TO ATTORNEY FEES AND COSTS) FOR ANY DAMAGE TO OR LOSS OF ANY PROPERTY, OR ANY ILLNESS, INJURY, PHYSICAL OR MENTAL IMPAIRMENT, LOSS OF SERVICES, OR DEATH TO ANY PERSON ARISING OUT OF OR RELATED TO THIS AGREEMENT, UNLESS SUCH DAMAGE, INJURY, LOSS, ILLNESS, PHYSICAL OR MENTAL IMPAIRMENT, LOSS OF SERVICE, OR DEATH RESULTS SOLELY FROM OR SOLELY INVOLVES NEGLIGENCE, OR ALLEGATIONS OF NEGLIGENCE ON THE PART OF EPWATER, ITS OFFICERS, AGENTS, OR EMPLOYEES. WITHOUT MODIFYING THE CONDITIONS OF PRESERVING, ASSERTING OR ENFORCING ANY LEGAL LIABILITY AGAINST EPWATER, EPWATER WILL PROMPTLY FORWARD TO CONTRACTOR EVERY DEMAND, NOTICE, SUMMONS OR OTHER PROCESS RECEIVED BY EPWATER IN ANY CLAIM OR LEGAL PROCEEDING CONTEMPLATED HEREIN. CONTRACTOR WILL 1) INVESTIGATE OR CAUSE THE INVESTIGATION OF ACCIDENTS OR OCCURRENCES INVOLVING SUCH INJURIES OR DAMAGES; 2) NEGOTIATE OR CAUSE TO BE NEGOTIATED THE CLAIM AS THE CONTRACTOR MAY DEEM EXPEDIENT; AND 3) DEFEND OR CAUSE TO BE DEFENDED ON BEHALF OF EPWATER ALL SUITS FOR DAMAGES EVEN IF GROUNDLESS, FALSE OR FRAUDULENT, BROUGHT BECAUSE OF SUCH INJURIES OR DAMAGES. CONTRACTOR WILL PAY ALL JUDGMENTS FINALLY ESTABLISHING LIABILITY OF EPWATER IN ACTIONS DEFENDED BY CONTRACTOR PURSUANT TO THIS SECTION ALONG WITH ALL ATTORNEYS' FEES AND COSTS INCURRED BY EPWATER INCLUDING INTEREST ACCRUING TO THE DATE OF PAYMENT BY CONTRACTOR, AND PREMIUMS ON ANY APPEAL BONDS. EPWATER, AT ITS ELECTION, WILL HAVE THE RIGHT TO PARTICIPATE IN ANY SUCH NEGOTIATIONS OR LEGAL PROCEEDINGS TO THE EXTENT OF ITS INTEREST. EPWATER WILL NOT BE RESPONSIBLE FOR ANY LOSS OF OR DAMAGE TO THE CONTRACTOR'S PROPERTY FROM ANY CAUSE.

10. Termination.

(a) **Termination for Convenience:** EPWater may terminate this Agreement, in whole or in part, at any time by written notice to the Contractor. The Contractor will be paid its costs, including the contract close out costs, and profit for work performed up to the time of termination. The Contractor will promptly submit its termination claim to EPWater. If the Contractor has any property in its possession belonging to EPWater, the Contractor will account for the same, and dispose of it in the manner EPWater directs.

(b) **Termination for Default:** If the Contractor fails to comply with any provision of the Agreement, EPWater may terminate this Agreement for default. Termination shall be effectuated by serving a notice of intent to terminate the contract setting forth the manner in which the Contractor is in default. The Contractor will be given an opportunity to correct the problem within a reasonable time before termination notice is rendered. The Contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the Agreement. EPWater shall have the right to immediately terminate the Agreement for default if the Contractor violates any local, state, or federal laws, rule or regulations that relate to the performance of this Agreement.

(c) **Termination for Failure to Comply with Subchapter J, Chapter 552, Government Code:**

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

(d) **Availability of Funds:** this Agreement is dependent upon the availability of funding. In the event that funds do not become available, the Agreement may be terminated or the scope may be amended. A 30-day written notice will be given to Contractor and there will be no penalty nor removal charges incurred by EPWater.

(e) **Survival:** The provisions of sections 9,10,11,12,13, and 15(b) of this Agreement shall survive the termination of this Agreement and remain in full force and effect thereafter.

11. Contracting Information.

The Contractor must preserve all contracting information related to this Agreement as provided by the records retention schedule requirements applicable to EPWater for the duration of this Agreement. Contractor will promptly provide EPWater any contracting information related to this Agreement that is in the custody or possession of the Contractor on request of EPWater. On completion of this Agreement, Contractor will either provide at no cost to EPWater all contracting information related to this Agreement that is in the custody or possession of the Contractor or preserve the contracting information related to this Agreement as provided by the records retention requirements applicable to EPWater.

12. Right to Audit.

The Contractor agrees that EPWater shall, until the expiration of three (3) years after final payment under this Agreement, have access to and the right to examine and copy any directly pertinent books, computer and digital files, documents, papers, and records of the Contractor involving transactions relating to this Agreement. Contractor agrees that EPWater shall have access during normal working hours to all necessary Contractor facilities, and shall be provided adequate and appropriate workspace in order to conduct audits in compliance with the provisions of this section. EPWater shall give Contractor reasonable advance notice of intended audits. EPWater will pay Contractor for reasonable costs of any copying EPWater performs on the Contractor's equipment or requests the Contractor to provide. The Contractor agrees to refund to EPWater any overpayments disclosed by any such audit.

The Contractor agrees that it will include this requirement into any subcontract entered into in connection with this Agreement.

13. Confidentiality and Data Ownership.

(a) Contractor understands that in the performance of the work under this Agreement, Contractor may have access to confidential information owned or controlled by EPWater, and that such information may contain proprietary details, disclosures, or sensitive information which disclosure to or use by an unauthorized third party will be damaging and/or illegal. Contractor agrees that all information disclosed by EPWater to Contractor which is in written form shall be held in confidence and used only in performance of services under this Agreement. Any requests for information related to this Agreement shall be forwarded to EPWater.

(b) Contractor understands that EPWater is subject to the Texas Public Information Act ("Act") and that EPWater will follow all the requirements of the Act. EPWater will not be liable for disclosure of information pursuant to the Act or under court order.

(c) All presentations, drawings, models, designs, formulas, methods, documents, and tangible items prepared for and submitted to EPWater by Contractor in connection with the services rendered under this Agreement shall belong exclusively to EPWater and shall be deemed to be works made for hire (the "Deliverable Items"). To the extent that any of the Deliverable Items may not, by operation of law, be works made for hire, Contractor hereby assigns to EPWater a no-cost, perpetual right of ownership in the Deliverable Items, and EPWater shall have the right to obtain and hold in its own name any registration, and any other registrations and similar protection which may be available in the Deliverable Items. Contractor agrees to give EPWater or its designees all assistance reasonably required to perfect such rights.

(d) **Property of the EPWater.** Contractor agrees that promptly upon the expiration or termination of this Agreement, or upon the request of EPWater, Contractor shall return to EPWater all Deliverable Items, including, without limitation, all confidential information together with all copies and abstracts thereof.

14. Compliance with Non-Discrimination Laws.

The Contractor agrees that it, its employees, officers, agents, and subcontractors, will comply with all applicable federal and state laws and regulations and local ordinances in the performance of this Agreement, including, but not limited to, the American with Disabilities Act, the Occupational Safety and Health Act, or any environmental laws.

The Contractor further agrees that it, its employees, officers, agents, and subcontractors will not engage in any employment practices that have the effect of discriminating against employees or prospective employees because of sex, race, religion, age, disability, ethnic background or national origin, or political belief or affiliation of such person, or refuse, deny, or withhold from any person, for any reason directly or indirectly, relating to the race, gender, gender identity, sexual orientation, color, religion, ethnic background or national origin of such person, any of the accommodations, advantages, facilities, or services offered to the general public by place of public accommodation.

15. Miscellaneous.

(a) **Notices.** All notices under this Agreement shall be either hand-delivered or mailed, postage pre-Paid in the United States Postal Service, to the respective parties at the respective addresses shown below, unless and until either party is otherwise notified in writing:

EPWATER: El Paso Water Utilities – Public Service Board
Attn: President / CEO
1154 Hawkins Blvd.
El Paso, TX 79925

With copy to: El Paso Water Utilities – Public Service Board
Attn: Mirtha Solis
1154 Hawkins Blvd.
El Paso, TX 79925

CONTRACTOR: WorkQuest
Attn: Henry Hernandez
5603 Grissom Rd
SAN ANTONIO TX 78238

(b) **Governing Law and Venue.** For the purpose of determining the place of contract and the law governing same, this Agreement is entered into in the City and County of El Paso, State of Texas, and shall be governed by the laws of the State of Texas. Venue and jurisdiction of any suit or right or cause of action arising under or in connection with this Agreement shall be exclusively in a court of competent jurisdiction sitting in El Paso County, Texas.

(c) **Successor and Assigns.** This Agreement shall be binding on EPWater and Contractor and their successors and assigns. Neither party may assign, sublet, or transfer its interest in this Agreement without the written consent of the other. Any attempted assignment or delegation by the Contractor will be wholly void and totally ineffective for all purposes unless made in conformity with this paragraph.

(d) **No Waiver.** No claim or right arising out of a breach of this Agreement can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party.

(e) **Captions.** The captions of this Agreement are for information purposes only and shall in no way affect the substantive terms or conditions of this Agreement.

(f) **Severability.** The sections, paragraphs, sentences, clauses, and phrases of this Agreement are severable and, if any phrase, clause, sentence, paragraph, or section of this Agreement should be declared invalid by a final decision of a court of competent jurisdiction, such invalidity will not affect any of the remaining provisions of this Agreement.

(g) **Approval Is Not Release.** Approval by EPWater shall not constitute nor be deemed release of the responsibility and liability of Contractor, his employees, subcontractors, agents and consultants for the accuracy and competency of the work produced by Contractor, his employees, subcontractors, agents and consultants as a result of this Agreement; nor shall such approval be deemed to be an assumption of such responsibility by EPWater for any defect in the work prepared by Contractor, his employees, subcontractors, agents and consultants as a result of this Agreement.

(h) **Compliance with Laws.** The Contractor shall comply with all Federal, State, and local laws and ordinances applicable to the work covered hereunder and all applicable rules and regulations promulgated by all local, state and national boards, bureaus and agencies.

(i) **Israel.** Contractor affirms it does not boycott Israel and will not boycott Israel during the term of this Agreement.

(j) **Energy Companies.** In accordance with Chapter 2274 of the Texas Government Code, Contractor affirms it does not boycott energy companies and will not boycott energy companies during the term of this Agreement.

(k) **Firearm Entity or Trade Association.** In accordance with Section 2274.002 of the Texas Government Code, Contractor does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

(l) **Amendments.** By mutual written consent of the Parties, the scope of work and payment provisions of this Agreement may be amended prior to its expiration.

(m) **Recitals.** The recitals are hereby incorporated to this Agreement by reference.

16. **Signatory Warranty.**

Each signatory warrants that the signatory has necessary authority to execute this Agreement on behalf of the entity represented.

17. **Entire Agreement.**

This writing and accompanying Exhibit are intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their contract.

(Signatures Begin on the Following Page)

IN WITNESS WHEREOF, Contractor and EPWater have executed this Agreement as of the Effective Date:


EPWater:

**EL PASO WATER UTILITIES
- PUBLIC SERVICE BOARD**



Mirtha Solis
Senior Purchasing Agent

APPROVED AS TO FORM:



Sol M. Cortez
Deputy General Counsel

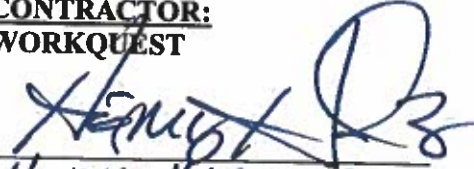
APPROVED AS TO CONTENT:



Ivan Ibarra
Fleet & Building Maintenance

(Signatures Continue on the Following Page)

CONTRACTOR:
WORKQUEST


HENRY HERNANDEZ
REGIONAL MARKETING MANAGER