
R. Gutierrez Engineering Corporation

February 5, 2008

Hector "Tito" Palacios
County Commissioner
Hidalgo County Precinct No. 2
301 E. State Street
Pharr, TX 78577

RE: Nolana Loop – Supplemental Agreement No. 3
ENG01.001

Dear Commissioner Palacios:

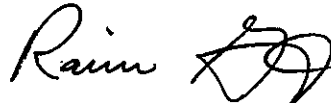
Enclosed is a proposed Supplemental Agreement No. 3 for the Nolana Loop contract. The change in the contract is necessitated due to a change in the scope of work, to extend the termination date, and to divide the project into four parts. As this is a federally funded project, we have negotiated with TxDOT on the proposed fee and their total approved fee is \$1,352,800. However, they refused to consider some additional work which was requested of us and was performed by us in their fee approval. I am requesting an additional \$55,000 for those additional services that TxDOT refused to consider. The details of the negotiated fee and the additional fees being requested is as follows.

First, the TxDOT approved fee for the work they considered is \$1,352,800. This fee is for the development of the project schematic and environmental assessment as an urban boulevard section. The fee also includes the development of the PS&E as both an urban and rural roadway section. The first 1.35-mile length of roadway will be developed as an urban 64-foot wide curb and gutter section. An urban section provides for curb and gutter as well as for drainage via an underground conveyance system. The remaining 8.55 miles of project is to be developed as a rural roadway section. A rural roadway does not have curb and gutter and provides for drainage by the utilization of roadside ditches. We are in agreement with the negotiated fee for that work.

However, TxDOT did not consider the fact that we developed the schematic as a 44-foot rural roadway for the entire length first. Then later a decision was made to develop the schematic as a 64-foot urban roadway for the entire length. We are requesting an additional \$35,000 for those additional services. Another issue is that the original negotiated fee for the environmental documentation of this project did not consider the enormous changes that the environmental clearance process has undergone since the conception of the project. We have had to hire additional consultants to provide expertise in areas that were not previously needed. The body of the document has increased in magnitude significantly. What used to be a 15 to 20 page document is now a 55 page document with very detailed information about the potential effects of the project on the natural and human environment. We are requesting an additional \$20,000 to cover the additional work.

A spreadsheet indicating the changes in the contract by the different supplemental agreements to this contract is also enclosed. Please let me know if you need additional information on this project. If you have any questions, please call me so that we may discuss them. You can call me at 956-782-2557 or on my mobile at 956-227-2554.

Sincerely,

A handwritten signature in black ink, appearing to read "Ramiro" followed by a stylized monogram or initials.

Ramiro Gutierrez, P.E.
President

encl

(5) revise Exhibit D – “Engineer’s Contract Rates” of this **Agreement** to add additional years to the rates table previously submitted as needed to cover the extended work schedule of the project.

(6) revise Exhibit D1 – Cost Proposal of this **Agreement** to allow for additional compensation due the **Engineer** for the additional work required to be performed due to the increased complexity of developing the preliminary engineering phase of the entire length of project, a 9.90 mile section, as an urban boulevard type roadway with curb & gutter and a storm sewer system, and developing the plans, specifications and estimate for the project as follows: the first 1.35 miles to be developed as a 5-lane curb and gutter section with storm sewer and the remaining 8.55 miles as a 2-lane rural farm-to-market type roadway with shoulders.

Additional compensation is also due for developing the preliminary engineering schematic as a 2-lane rural farm-to-market type roadway with shoulders, and as a 5-lane urban roadway with curb and gutter and storm sewer system.

Additional compensation is also due for developing the environmental assessment with increasing demands of TxDOT and the other resource agencies than when the project was started.

(7) revise Article 5 “Compensation and Fees” of the **Agreement** to increase the lump sum fee payable by the **Owner** to the **Engineer**.

AGREEMENT

NOW THEREFORE, premises considered, the **Owner** and the **Engineer** agree that the **Agreement** is amended as follows:

- I. Exhibit B of the **Agreement** (Services to be Provided by the Engineer) as follows:

PHASE I – PRELIMINARY ENGINEERING

The first sentence is deleted and the following is inserted in lieu thereof:

“The **Engineer** will perform, or provide for, professional engineering, surveying, environmental and public involvement services for the preliminary engineering part of the development and upgrading of a 9.9 mile section of Nolana Loop from county road standards to urban curb & gutter (boulevard type) standards. The **Engineer** will also perform, or provide for, professional engineering services to develop the preliminary engineering schematic as a 2-lane rural farm-to-market type roadway with shoulders, and as a 5-lane urban roadway with curb and gutter and storm sewer system”

PHASE III – PLANS DEVELOPMENT

The first sentence is deleted and the following is inserted in lieu thereof:

“The **Engineer** will perform, or provide for, professional, surveying, geotechnical and engineering design services for the preparation of plans for the development and upgrading of 9.9 mile section of Nolana Loop from county road standards to

Hidalgo County / R. Gutierrez Engineering Corporation
Nolana Loop – FM 1426 to FM 88

both a 5-lane urban curb & gutter standards and a 2-lane with shoulders rural farm-to-market standards. The first 1.35 miles of roadway will be 64-foot face-to-face urban curb and gutter section with storm sewer system. The remaining 8.55 miles of roadway will be a 44-foot rural two-lane with shoulders roadway.

- II. Exhibit B of the **Agreement** (Services to be Provided by the **Engineer**), as follows:

Amendment I of Supplemental Agreement No. 1 is deleted and the following is inserted in lieu thereof::

“The project will be developed in four parts. Part 1 will include Phase I work on the entire 9.9 mile section of project, Phase II and Phase III work on a 2.25 mile section of road with limits from FM 1426 (Raul Longoria Road) east to 0.25 miles east of FM 907 (Alamo Road). Part 2 will include Phase II and Phase III work on a 2.35 mile section of road with limits from 0.25 miles east of FM 907 (Alamo Road) to 0.25 miles east of FM 1423 (Val Verde Road). Part 3 will include Phase II and Phase III work on a 2.60 mile section of road with limits from 0.25 miles east of FM 1423 (Val Verde Road) to 0.25 miles east of FM 493 (La Blanca Road). Part 4 will include Phase II and Phase III work on a 2.70 mile section of road with limits from 0.25 miles east of FM 493 (La Blanca Road) east to FM 88 (Ruben Hinojosa Highway).”

- III. Exhibit C of the **Agreement** (Work Schedule) is replaced with the “Exhibit C” attached hereto bearing a footnoted revision date of 02-11-08.

- IV. Article 3.1 of the **Agreement** (Termination Date) is deleted and the following is inserted in lieu thereof:

“This **Agreement** shall terminate at the close of business on **December 31, 2012** (hereinafter referred to as the “**Termination Date**”), unless extended by written supplemental agreement, as provided in Article 8 hereof, duly executed by the **Engineer** and the **Owner** prior to the **Termination Date**, or otherwise terminated as provided in Article 3.4 herein and below.

- V. Exhibit D of the **Agreement** (Engineer’s Contract Rates) is supplemented with “Exhibit D” attached hereto bearing a footnoted revision date of 02-11-08.

- VI. Exhibit D1 of the **Agreement** (Cost Proposal) is replaced with “Exhibit D1” attached hereto bearing a footnoted revision date of 02-11-08.

- VII. Article 5 of the **Agreement** (Compensation and Fees) first sentence is amended to read as follows:

“For and in consideration of the services to be rendered by the **Engineer**, as identified in Article 2 and more particularly identified in **EXHIBIT “B”**, attached

Hidalgo County / R. Gutierrez Engineering Corporation
Nolana Loop -- FM 1426 to FM 88

hereto, the lump sum fee (hereinafter referred to as the "Fee") payable by the **Owner** to the **Engineer** is One Million Four Hundred Seven Thousand Eight Hundred dollars (\$ 1,407,800)."

Except as amended by this Supplemental Agreement, the remaining provisions of the Agreement are unchanged and shall remain in full force and effect.

IN WITNESS WHEREOF, the **Engineer** and the **Owner** have caused this Supplemental Agreement to the Agreement for Professional Services to be executed as of the _____ day of _____, 20__.

**THE ENGINEER:
R. GUTIERREZ ENGINEERING CORPORATION**

BY: _____
Ramiro Gutierrez, P.E., President

**THE OWNER:
HIDALGO COUNTY**

BY: _____
County Judge

LIST OF ATTACHMENTS:

- "Exhibit C" – Revised 02-11-08
- "Exhibit D" – Revised 02-11-08
- "Exhibit D1" – Revised 02-11-08

EXHIBIT “C”

Work Schedule

For this Agreement, the **Engineer** shall perform the work identified in EXHIBIT “B” in accordance with the following schedule:

PART 1

PROJECT MILESTONES

SCHEDULE *

Phase I – Preliminary Engineering - (Entire Length of Project – 9.9 Miles)

Project Notice to Proceed	February 1, 2001
Surveying for Planimetrics	Sep 1 to Nov 1, 2002
Develop Planimetrics	Dec 1, 2002 to Feb 1, 2003
Preliminary Schematic Design	Jan 1, 2003 to Aug 1, 2006
Informal Public Meetings	Aug 1, 2006 to Sep 1, 2006
Environmental Assessment	Feb 1, 2003 to September 1, 2007
Receive Authorization for Public Hearings	March 1, 2008
Public Hearing Process	March 1, 2008 to April 1, 2008
Final Schematic Design	April 1, 2008 to May 1, 2008
Obtain Environmental Clearance	May 1, 2008 to June 1, 2008

Phase II – Right-of-Way Map - (Raul Longoria Road to 0.25 miles east of Alamo Road – 2.25 miles)

Title Reports	Aug 1, 2002 to Apr 1, 2005
Abstract Right-of-Way Map	Sep 1, 2002 to May 1, 2005
Surveying for Right-of-Way Map	Oct 1, 2002 to Oct 1, 2005
Prepare Field Notes & Parcel Sketches	Oct 1, 2002 to Oct 1, 2005
Final Right-of-Way Map	October 1, 2005

Phase III – Plans Development - (Raul Longoria Road to 0.25 miles east of Alamo Road – 2.25 miles)

Begin Plan Development	Dec 1, 2002
Surveying – Field Verification	Feb 1, 2003 to Aug 1, 2005
Geotechnical Investigation	Feb 1, 2003 to Aug 1, 2005
Develop Detailed Plans	Feb 1, 2003 to Oct 1, 2008
TxDOT Review	Oct 1, 2008 to Feb 1, 2009
Project Letting	March 7, 2009

The **Engineer** will diligently pursue to complete Phases I, II and III for a 2.25 mile section from Raul Longoria Road to 0.25 miles east of Alamo Road. Phase I work for the entire length of project will proceed as expeditiously as possible but Phase II & III of the work for the 2.25 mile section will be completed by March 7, 2009.

Hidalgo County / R. Gutierrez Engineering Corporation
Nolana Loop – From FM 1426 to FM 88

PART 2

PROJECT MILESTONES

SCHEDULE *

Phase II – Right-of-Way Map – (0.25 miles east of Alamo Road to 0.25 miles east of FM 1423 – 2.35 miles)

Title Reports	Sep 1, 2008 to Apr 1, 2009
Abstract Right-of-Way Map	Sep 1, 2008 to May 1, 2009
Surveying for Right-of-Way Map	Oct 1, 2008 to Jul 1, 2009
Prepare Field Notes & Parcel Sketches	Oct 1, 2008 to Jul 1, 2009
Final Right-of-Way Map	August 1, 2009

Phase III – Plans Development – (0.25 miles east of Alamo Road to 0.25 miles east of FM 1423 – 2.35 miles)

Begin Plan Development	Aug 1, 2009
Surveying – Field Verification	Apr 1, 2009 to Aug 1, 2009
Geotechnical Investigation	Apr 1, 2009 to Aug 1, 2009
Develop Detailed Plans	Sep 1, 2009 to Aug 1, 2010
TxDOT Review	Aug 1, 2010 to Dec 1, 2010
Project Letting	December 8, 2010

PART 3

PROJECT MILESTONES

SCHEDULE *

Phase II – Right-of-Way Map – (0.25 miles east of FM 1423 to FM 493 – 2.6 Miles)

Title Reports	Sep 1, 2009 to Apr 1, 2010
Abstract Right-of-Way Map	Sep 1, 2009 to May 1, 2010
Surveying for Right-of-Way Map	Oct 1, 2009 to Jul 1, 2010
Prepare Field Notes & Parcel Sketches	Oct 1, 2009 to Jul 1, 2010
Final Right-of-Way Map	August 1, 2010

Phase III – Plans Development – (0.25 miles east of FM 1423 to FM 493 – 2.6 Miles)

Begin Plan Development	Aug 1, 2010
Surveying – Field Verification	Jun 1, 2009 to Aug 1, 2010
Geotechnical Investigation	Jun 1, 2009 to Aug 1, 2010
Develop Detailed Plans	Sep 1, 2010 to Aug 1, 2011
TxDOT Review	Aug 1 to Dec 1, 2011
Project Letting	December 9, 2011

PART 4

PROJECT MILESTONES

SCHEDULE *

Phase II – Right-of-Way Map – (0.25 miles east of FM 493 to FM 88 – 2.7 Miles)

Title Reports	Sep 1, 2010 to Apr 1, 2011
Abstract Right-of-Way Map	Sep 1, 2010 to May 1, 2011
Surveying for Right-of-Way Map	Oct 1, 2010 to Jul 1, 2011
Prepare Field Notes & Parcel Sketches	Oct 1, 2010 to Jul 1, 2011
Final Right-of-Way Map	August 1, 2011

Phase III – Plans Development – (0.25 miles east of FM 493 to FM 88 – 2.7 Miles)

Begin Plan Development	Aug 1, 2011
Surveying – Field Verification	Jun 1, 2003 to Aug 1, 2011
Geotechnical Investigation	Jun 1, 2003 to Aug 1, 2010
Develop Detailed Plans	Sep 1, 2011 to Aug 1, 2012
TxDOT Review	Aug 1 to Dec 1, 2012
Project Letting	December 9, 2012

* - This schedule is based on the expectations that Federal Funding will be made available for this project on October 1, 2005. This project will become an Hidalgo County MPO funded project.

The **Engineer** will diligently pursue the completion of this work authorization as defined by the milestones and deliverable due dates outlined in the approved work schedule. Whenever possible and when it is considered advantageous to the **Owner**, **Engineer** may commence work items prior to the dates outlined in the approved work schedule.

The **Engineer** will inform the **Owner** (in reasonable advance of the delay) should the **Engineer** encounter delays that would prevent the performance of all work in accordance with the established work schedule.

EXHIBIT "D"
Engineer's Contract Rates

OVERHEAD RATE = 2.73

Position/Title	FY 2007 Hourly Rate	FY 2008 Hourly Rate	FY 2009 Hourly Rate	FY 2010 Hourly Rate	FY 2011 Hourly Rate	FY 2012 Hourly Rate
Principal	\$ 103.64/HR	\$ 108.82/HR	\$ 114.26/HR	\$ 119.97/HR	\$ 125.97/HR	\$ 132.27/HR
Project Manager	\$ 74.03/HR	\$ 77.73/HR	\$ 81.62/HR	\$ 85.70/HR	\$ 89.98/HR	\$ 94.48/HR
Senior Engineer	\$ 53.30/HR	\$ 55.97/HR	\$ 58.76/HR	\$ 61.70/HR	\$ 64.79/HR	\$ 68.03/HR
Engineer	\$ 41.46/HR	\$ 43.53/HR	\$ 45.71/HR	\$ 47.99/HR	\$ 50.39/HR	\$ 52.91/HR
Graduate Engineer	\$ 35.54/HR	\$ 37.31/HR	\$ 39.18/HR	\$ 41.14/HR	\$ 43.19/HR	\$ 45.35/HR
Senior Engineering Tech	\$ 30.80/HR	\$ 32.34/HR	\$ 33.96/HR	\$ 35.65/HR	\$ 37.44/HR	\$ 39.32/HR
CADD-Design Technician	\$ 24.64/HR	\$ 25.87/HR	\$ 27.16/HR	\$ 28.52/HR	\$ 29.95/HR	\$ 31.45/HR
Clerical	\$ 22.51/HR	\$ 23.63/HR	\$ 24.82/HR	\$ 26.06/HR	\$ 27.36/HR	\$ 28.73/HR
Survey Crew (3-man)	\$50.49/HR	\$53.01/HR	\$55.66/HR	\$58.44/HR	\$61.36/HR	\$64.43/HR

Cost Proposal

TASK	CONTRACT AMOUNT	FEE BREAKDOWN		
		PART 1 WORK (2.25 MI)	PART 2 WORK (2.35 MI)	PART 4 WORK (2.70 MI)
PHASE I - PRELIMINARY ENGINEERING				
SURVEYING - SETTING PANELS FOR FLIGHT	\$38,000	\$38,000	\$0	\$0
SCHEMATIC DESIGN	\$132,300	\$132,300	\$0	\$0
ENVIRONMENTAL ASSESSMENT	\$95,000	\$95,000	\$0	\$0
PUBLIC HEARING	\$0	\$0	\$0	\$0
SUB-TOTAL	\$265,300	\$265,300	\$0	\$0
PHASE II - RIGHT-OF-WAY ACQUISITION				
R.O.W. MAP	\$441,600	\$100,364	\$104,824	\$120,436
SUB-TOTAL	\$441,600	\$100,364	\$104,824	\$120,436
PHASE III - PLANS DEVELOPMENT				
SURVEYING - FIELD VERIFICATION	\$0	\$0	\$0	\$0
GEOTECHNICAL INVESTIGATION	\$30,000	\$6,818	\$7,121	\$8,182
ENGINEERING	\$670,900	\$152,477	\$159,254	\$182,973
SUB-TOTAL	\$700,900	\$159,295	\$166,375	\$191,155
TOTAL LUMP SUM FEE	\$1,407,800	\$524,959	\$271,199	\$311,591

REVISED SECTION	SUPPLEMENTAL AGREEMENT NO. 1	SUPPLEMENTAL AGREEMENT NO. 2	SUPPLEMENTAL AGREEMENT NO. 3
Exhibit B	Divided into 3 Parts 1) 0.2 mile E of Cesar Chavez Rd to 0.2 mile E of FM 1423 2) 0.2 mile E of FM 1423 to FM 88 3) 0.2 mile E of FM 88	Modified Scope of Work - 2.25 miles urban section road & 7.65 miles FM type road.	Modified Scope of Work - 9.9 miles urban boulevard 1) 9.9 miles urban boulevard type road for schematic and environmental assessment. 2) 1.35 miles of 5-lane urban curb & gutter with storm sewer system and 8.55 miles of 44-foot rural two-lane road with shoulders for PS&E.
Exhibit B	Revised Limits of 3 Parts - 1) FM 1426 to 0.25 mi E of FM 907 2) 0.25 mi E of FM 907 to 0.25 mi E of FM 1423 3) 0.25 mi E of FM 1423 to FM 88	Divided Project into 4 Parts - 1) FM 1426 to 0.25 mi E of FM 907 2) 0.25 mi E of FM 907 to 0.25 mi E of FM 1423 3) 0.25 mi E of FM 1423 to 0.25 miles E of FM 493 4) 0.25 mi E of FM 493 to FM 88	
Exhibit C	Modified Work Schedule	Modified Work Schedule	Modified Work Schedule
Article 3.1	Extended Termination Date	Extended Termination Date	Extended Termination Date
Exhibit D	Revised Engineer's Contract Rates	Revised Engineer's Contract Rates	Revised Engineer's Contract Rates
Exhibit D1	Revised Cost Proposal	Revised Cost Proposal	Revised Cost Proposal
Article 5	Increased Fee to \$980,000	Increased Fee to \$980,000	Increased Fee to \$1,407,800

R. Gutierrez Engineering Corporation

Transmittal Form

TO: Comm. Palacios
Hidalgo County Pet. 2
301 E. State St
Pharr, TX 78577

FROM: Ramiro Gutierrez
 SUBJECT: Nolana Loop - Supplemental Agree No. 3
 PROJECT NO.: ENG01.001
 DATE: 2/5/08

WE ARE SENDING YOU ATTACHED UNDER SEPARATE COVER VIA Hand Delivery THE FOLLOWING ITEMS:

BLUEPRINTS PLANS SHOP DRAWINGS CD
 CHANGE ORDER SAMPLES PAYMENT REQUEST OTHER: INVOICE
 BID TABULATION CONTRACT DOCUMENTS RECORD DRAWINGS 3 1/2" DISKETTE

QUANTITY / SETS	DATED	ITEM DESCRIPTION
1	2/5/08	Supplemental Agreement No. 3
1	2/5/08	Cover Letter

THESE ARE TRANSMITTED AS CHECKED BELOW:

FOR BIDS DUE APPROVED AS NOTED FOR YOUR RECORDS
 FOR APPROVAL APPROVED AS SUBMITTED FOR YOUR ACKNOWLEDGEMENT
 FOR YOUR USE RETURN FOR CORRECTIONS RESUBMIT FOR APPORVAL
 AS REQUESTED FOR FURTHER PROCESSING ON LOAN
 FOR REVIEW AND COMMENT FOR SIGNATURE OTHER

COMMENTS: _____

Copy Distribution: file

Received by: X

