



HOLLIS RUTLEDGE AND ASSOCIATES INC.

Business Management • Marketing Consultants • Real Estate • Governmental Affairs

HOLLIS V. RUTLEDGE, JR.
President

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May 20, 2008

Vangie Y. Garcia, Contract's Manager
For: Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
2802 S. Business Hwy. 281
Edinburg, Texas 78539

RE: Professional Consulting Services to Seek Funding
And Assistance through Federal, State, Private Sector(s) and Other
Sources for Hidalgo County Sheriff's Office

Dear Ms. Garcia:

Thank you very much for the opportunity to meet to negotiate submittal of a "best and final offer for discussion and consideration". Prior to proceeding with presentation of our firm's "best and final offer for discussion and consideration", we would respectfully like to clarify some of the discussions at the negotiation meeting. In your memorandum dated June 3, 2009, you state that:

"A \$3,000.00 Retainer Fee based on the minimum of twenty (20) hours not to exceed thirty (30) hours per month at the hourly rate of \$150.00 per hour (as submitted in the RFQ for the pool) was proposed by you. A possible percentage amount per funding per project was also discussed and was concluded as per your response that not all funding sources are applicable. If this is not a consideration, please provide as to why it is not in the best interest of the County to proceed in the direction."

During negotiations we proposed that to facilitate payment for the County, a monthly retainer of \$3,000 would be proposed estimating the firm would work an average of 20 hours a month at the \$150.00 per hour submitted in the original proposal. The firm, however, would propose to work up to 30 hours per month for the retainer fee of \$3,000.00 which averages out to \$100.00 per hour which is lower than the amount proposed in the original proposal to the County. Any hours worked over that retainer base hours of 30 hours would be charged at \$150.00 per hour. A discussion based on a question by your Office followed about what would happen if a grant allowed the County to be reimbursed for grant-writing expenses. We were questioned as to whether we would want the grant-writing reimbursement in addition to our monthly retainer. We indicated that for grants that allowed for grant-writing to be reimbursed we would report the specific hours for the grant and the County would retain the funds as part of their budget for

June 5, 2009

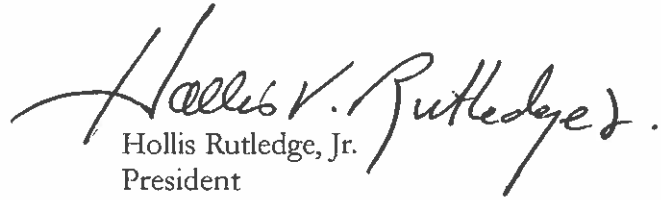
payment of the HRA Inc. monthly retainer. There was never a discussion during negotiations or in your procurement requirements of reimbursement of the firm's services as a percentage of a grant.

Our firm is proposing to provide the services and perform the tasks – grant-writing services-requested under the Professional Consulting Services To Seek Funding And Assistance through Federal, State, Private Sector(s) And Other Sources For Hidalgo County Sheriff's Office at a rate of \$100.00 per hour and to be paid as a monthly retainer of \$3,000.00, estimating 30 hours per month in services. Hours worked will be reported and hours not used in a month by the Sheriff's Department will accrue to the following months. The firm will seek funding and assistance through Federal, State, Private Sector(s) and Other Sources as available and permitted for the Sheriff's Office including but not limited to the following projects:

1. Construction of a Second Substation
2. New Communication System
3. Implementation of Fixed & Remote Surveillance System for Hidalgo County
4. Others as developed by Sheriff's Office

We look forward to working together for the benefit of the County of Hidalgo. I would like to thank you for your consideration of our firm and look forward to a successful working relationship. If you have any questions, please call me at 583-0002 (office) or 956-497-9979 (cell).

Sincerely,



Hollis Rutledge, Jr.

President

Hollis Rutledge and Associates, Inc.