

ARTICLE 1. Employment of Engineer. The **Owner** agrees to employ the **Engineer** and the **Engineer** agrees to perform professional *management* and *engineering* services in connection with the **Project** as stated in the articles to follow, and for having rendered such services, the **Owner** agrees to pay the **Engineer** compensation as stated in the articles to follow.

ARTICLE 2. Character and Extent of Services. This Agreement will provide for the development of the **Project** with the following:

2.1. Scope of Work. The **Owner** will furnish items and provide those services for the development of the **Project** and fulfillment of this Agreement, as identified in **EXHIBIT “A” -Services to be Provided by the Owner**, attached hereto and made a part of this Agreement. The **Engineer** shall render professional *management* and *engineering* services for the development of the **Project** and fulfillment of this Agreement as follows (and more particularly identified in **EXHIBIT “B”-Services to be Provided by the Engineer**, attached hereto and made a part of this Agreement):

(a) Hidalgo County Portion

- (1) General Contract Management (hereinafter referred to as “GCM”)
- (2) Finalize hydrology & hydraulics for final design
- (3) Finalize plan formulation
- (4) Finalize economic studies
- (5) Plans, Specifications, and Estimates (Edinburg Lake thru Guerra Detention Pond)
- (6) Coordinate / update Environmental Document

(b) Willacy County Portion

- (1) GCM
- (2) Hydrology & Hydraulics (model only)
- (3) Engineering Site Development

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- (4) Engineering Design Analysis
- (5) Plan Formulation
- (6) Economic Studies
- (7) Cost Estimates
- (8) Environmental / Public Involvement

2.2 Classification of Services. For this Agreement, the professional services to be provided by the **Engineer**, as more particularly identified in **EXHIBIT "B"**, attached hereto, shall be classified as follows:

- (1) **Basic Services:** Basic services, incorporated herein by reference as "**Basic Services**", includes those professional services not otherwise identified under Article 5.2 of this Agreement.
- (2) **Special Services:** Special services, incorporated herein by reference as "**Special Services**", includes those professional services identified under Article 5.2 of this Agreement.

Expanded task descriptions for both **Basic Services** and **Special Services** are more particularly identified in **EXHIBIT "B"**, attached hereto.

2.3 Schedule of Work. The **Engineer** shall prepare a schedule of work (hereinafter referred to as "**Work Schedule**") in accordance with the terms identified in **EXHIBIT "C"-Work Schedule**, attached hereto and made a part of this Agreement.

ARTICLE 3. Period of Service. After execution of this Agreement, the **Engineer** shall not proceed with the work outlined under Article 2 hereof until authorized in writing by the **Owner**.

3.1 Termination Date. This Agreement shall terminate at the close of business on **December 31, 2011** (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. The **Owner** assumes no liability or obligation for payment to the **Engineer** for work performed or costs incurred by the **Engineer** prior to the date authorized by the **Owner** for the **Engineer** to begin work, during periods when work is suspended, or subsequent to the

Termination Date.

3.2 Extension of the Termination Date. The **Engineer** shall notify the **Owner** in writing as soon as possible if it is determined, or reasonably anticipated, that the work under this Agreement cannot be completed before the **Termination Date**, and the **Owner** may, at the **Owner's** sole discretion, extend the **Termination Date** by written supplemental agreement as provided in Article 8 hereof. The **Engineer** shall allow adequate time for review and approval by the **Owner** of the written notice and request by the **Engineer** to extend the **Termination Date**.

3.3 Suspension of Work. Should the **Owner** desire to suspend the work under this Agreement, but not terminate this Agreement, the **Owner** shall provide thirty (30) calendar days verbal notification to the **Engineer**, followed by written confirmation from the **Owner** to the **Engineer** to that effect. The thirty-day notice may be waived as agreed in writing by both the **Owner** and the **Engineer**. The work under this Agreement may be reinstated and resumed in full force and effect within sixty (60) days of receipt of written notice from the **Owner** to the **Engineer**. The sixty-day notice may be waived as agreed in writing by both the **Owner** and the **Engineer**.

If the **Owner** suspends the work, the **Termination Date** as identified above is not affected, and this Agreement will terminate on the date specified, 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**.

3.4 Termination of Agreement. This Agreement may be terminated before the stated **Termination Date** identified in Article 3.1 herein by any of the following conditions:

- (1) **Commitment of Current Revenues.** In the event that, during any term hereof, the **Owner** does not appropriate sufficient funds to meet to the obligations of this Agreement, the **Owner** may terminate this Agreement upon ninety (90) days written notice to the **Engineer**. The **Owner** agrees, however, to use reasonable efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each

budget period of the **Owner** pursuant to the provisions of Tex. Loc. Govt. Code Ann. § 271.903 (Vernon Supp.1995).

- (2) By mutual agreement and consent, in writing, of both the **Engineer** and the **Owner**.
- (3) By the **Owner**, upon failure of the **Engineer** to fulfill the **Engineer's** obligations set forth herein in a satisfactory manner as determined by the **Owner** and in sole opinion of the **Owner**, after the **Owner** provides written notice to the **Engineer** of such failure and the **Engineer** has not corrected such failure within (30) days of such written notice by the **Owner**.
- (4) By the **Engineer**, upon failure of the **Owner** to fulfill the **Owner's** obligations set forth herein, after the **Engineer** provides written notice to the **Owner** of such failure and the **Owner** has not corrected such failure within thirty (30) days of such written notice by the **Engineer**.
- (5) By the **Owner** without cause upon ninety (90) days written notice to the **Engineer**.
- (6) By satisfactory completion of all services and obligations described herein.

Should the **Owner** terminate this Agreement as herein provided, no fees other than fees due and payable at the time of termination shall thereafter be paid to the **Engineer** notwithstanding anything herein to the contrary. In determining the value of the work performed by the **Engineer** prior to termination, the **Owner** shall be the sole judge of the value of such work performed. Compensation for work at termination will be based on a percentage of the work completed at that time. Should the **Owner** terminate this Agreement under (5) of the paragraph above, the amount charged during the ninety (90) day notice period shall not exceed the amount charged during the preceding ninety (90) days.

If the termination of this Agreement is due to the failure of the **Engineer** to fulfill the **Engineer's** obligations under this Agreement, the **Owner** may take over the **Project** and prosecute the work to completion. In such case, the **Engineer** shall be liable to the **Owner** for any additional cost occasioned by the **Owner**.

If the **Engineer** defaults in the performance of this Agreement or if the **Owner** terminates this Agreement for fault on the part of the **Engineer**, the **Owner** will give consideration to payment of an amount in settlement to include: the actual costs incurred by the **Engineer** in performing the work to the date of default, the amount of work required which was satisfactorily completed to date of default, the value of the work which is usable to the **Owner**, the cost to the **Owner** of employing another consultant and/or firm to complete the work required and the time required to do so, and other factors which affect the value to the **Owner** of the work performed at the time of default. This Agreement shall not be considered as specifying the exclusive remedy for any default by the **Engineer**, but all remedies existing at law and in equity may be availed of by either party and shall be cumulative.

The termination of the Agreement and payment of an amount in settlement as prescribed above shall extinguish all rights, duties, and obligations of the **Owner** and the **Engineer** under this Agreement, except the obligations set forth in Articles 11.2, 12, 13, 15, 16, 17, 18.3, 19, 22, and 26, hereto.

ARTICLE 4. Progress and Coordination. The **Engineer** shall, from time to time during the progress of the work, confer with the **Owner**. The **Engineer** shall prepare and present such information as may be pertinent and necessary, or as may be requested by the **Owner**, in order to evaluate features of the **Engineer's** services and work.

At the request of the **Owner** or the **Engineer**, conferences shall be provided at the **Engineer's** office, the office of the **Owner**, or at other locations designated by the **Owner**. These conferences shall also include evaluation of the **Engineer's** services and work when requested by the **Owner**.

All applicable study reports shall be submitted in preliminary form for approval by the **Owner** before the final report is issued. The **Owner's** comments regarding the **Engineer's** preliminary report will be addressed by the **Engineer** in the final report.

If funds by other agencies or entities are to be used for the development of the **Project** under this Agreement, the **Engineer's** services and work may be subject to periodic review and approval by other agencies

or entities, including those of the city, county, state, and/or federal agencies.

Should it be determined that the progress in the production of the **Engineer**'s services and work does not satisfy the requirements of the approved **Work Schedule** as provided by **EXHIBIT "C"**, attached hereto, the **Owner** shall review the approved **Work Schedule** with the **Engineer** to determine the corrective action needed by either the **Owner** or the **Engineer**.

The **Engineer** shall promptly advise the **Owner** in writing of events which have a significant impact upon the progress of the **Engineer**'s services and work and the approved **Work Schedule**, including:

- (1) problems, delays, adverse conditions which will materially affect the ability to attain contract objectives, prevent the meeting of time schedules and goals, or preclude the timely completion and submittal of **Project** deliverables by the **Engineer** within established time periods; this disclosure will be accompanied by a statement by the **Engineer** of recommended or immediate action taken, or contemplated, and any **Owner** or other agency or entity assistance needed to resolve the situation; and
- (2) favorable developments or events which enable meeting the **Work Schedule** goals sooner than anticipated.

ARTICLE 5. Compensation and Fees. For and in consideration of the services to be rendered by the **Engineer** more particularly described in **EXHIBIT "B"**, attached hereto, the **Engineer** estimated the fee for the Project to be **six million dollars (\$6,000,000)**, as shown in the cost proposals included in **EXHIBIT "D3" – Cost Proposals**. The final fee will be determined in accordance with the following:

5.1 Basic Services. For and in consideration of the **Basic Services** to be rendered by the **Engineer**, as identified in Article 2 and **EXHIBIT "B"**, the amount payable by the **Owner** to the **Engineer** for **Basic Services**, subject to adjustment in accordance with Article 6.1 herein, is equal to nine percent (9%) of the construction cost of the Project, as mutually agreed between the **Owner** and the **Engineer**, (hereinafter referred to as the "**Basic Services Fee**"), plus up to an additional one-half percent (0.5%) if the **Engineer** meets the

requirements for incentives specified in Article 5.3 herein and **EXHIBIT “D2” –Funding Incentives**, and **Article 6.1** herein. An outline and breakdown of the Basic Services Fee is more particularly identified in **EXHIBIT “D1”-Fee Breakdown**. Payments to the **Engineer** for Basic Services shall be made by the **Owner**, upon presentation by the **Engineer** of the monthly Request for Payment, in accordance with the terms and provisions of **Article 6** herein.

5.2 Special Services. Those services to be provided by the **Engineer** as *Special Services* are set forth below and more particularly described in **EXHIBIT “B”**, attached hereto. For and in consideration of these *Special Services* rendered as required by the **Engineer**, the **Owner** shall pay the **Engineer** a negotiated lump sum fee (hereinafter referred to as “**Special Services Fee**”) at the hourly labor rates and non-labor rates (hereinafter referred to as “**Contract Rates**”) specified in **EXHIBIT “D”-Contract Rates**, attached hereto and made a part of this Agreement, and as follows:

<u>Special Service</u>	<u>Basis of Compensation</u>
1. FIELD SURVEYING Actual performance of field surveying for the purpose of establishing horizontal and vertical control and obtaining topographic information for preliminary project planning and development, preliminary engineering, final design, right of way data, monumentation or staking and construction staking.	By Engineer at Contract Rates shown in EXHIBIT “D” , attached hereto, and/or negotiated subcontract expense plus a 10% service charge.
2. AERIAL PHOTOGRAMMETRY Actual performance of services to develop and provide photogrammetric products (contact prints, mosaics, planimetric maps, contour maps, cross-sections, and digital terrain models).	By Engineer at Contract Rates shown in EXHIBIT “D” , attached hereto, and/or negotiated subcontract expense plus a 10% service charge.
3. RIGHT OF WAY MAPPING Actual performance of services to develop and provide abstracting, right of way map, field note descriptions, and parcel plats.	By Engineer at Contract Rates shown in EXHIBIT “D” , attached hereto, and/or negotiated subcontract expense plus a 10% service charge.
4. GEOTECHNICAL ENGINEERING Actual performance of obtaining test borings, sampling and testing, analyses, recommendations,	By Engineer at Contract Rates shown in EXHIBIT “D” , attached hereto, and/or negotiated

Special Service

reports for foundation investigations and other related analyses.

Basis of Compensation

subcontract expense plus a 10% service charge.

5. LABORATORY OR SITE TESTING

Actual performance of laboratory, shop and mill tests, or site testing of materials or equipment provided and construction work performed, including actual performance of record testing and independent assurance testing.

By **Engineer** at **Contract Rates** shown in **EXHIBIT "D"**, attached hereto, and/or negotiated subcontract expense plus a 10% service charge.

6. RESIDENT OR SITE ENGINEER, INSPECTOR

Actual performance of construction phase services of project site engineer, resident engineer and/or inspector, if required by **Owner**.

By **Engineer** at **Contract Rates** shown **EXHIBIT "D"**, attached hereto, and/or negotiated subcontract expense plus a 10% service charge.

7. DOCUMENT COPIES

Actual performance and / or providing of additional copies (over 5) of reports; additional copies (over 5) of plans (contract drawings), specifications, and estimates (PS&E); additional copies (over 5) of bidding documents; additional copies (over 5) of as-built drawings.

By **Engineer** at **Contract Rates** shown in **EXHIBIT "D"**, attached hereto, and/or negotiated subcontract expense plus a 10% service charge.

8. EXTRA TRAVEL

Extra travel required of **Engineer** and authorized by **Owner** to points outside of Hidalgo County.

At the rates authorized by Hidalgo County for its County officials (shown in **EXHIBIT "D"**, attached hereto).

9. EXPERT WITNESS

Assistance to the **Owner** as expert witness in any litigation with third parties, arising from the development or construction of the **Project**.

By **Engineer** at **Contract Rates** shown in **EXHIBIT "D"**, attached hereto, and/or negotiated subcontract expense plus a 10% service charge. Notwithstanding the previous sentence, compensation to the Engineer for condemnation hearing testimony will only include expense for time involved in actual testimony, no preparation time will be eligible for reimbursement as **Special Service**. Expert witness for condemnation hearings shall not be subcontracted.

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Special Service

10. MISCELLANEOUS

Investigations involving detailed consideration of operation, maintenance and overhead expenses and (unless otherwise agreed) the preparation of rate schedules, earning and expense statements; preparation of feasibility studies; environmental document preparation; appraisals, valuations, and material audits; or inventories required for certification of force account construction performed by the **Owner**; preparation of change orders for extra work done by the **Contractor**.

Basis of Compensation

By **Engineer** at **Contract Rates** shown in **EXHIBIT "D"**, attached hereto, and/or negotiated subcontract expense plus a 10% service charge.

Payments to the **Engineer** for *Special Services* authorized by the **Owner**, not included in the **Basic Services Fee** stipulated in Article 5.1 herein, will be made, in accordance with the terms and provisions of Article 6 hereof, by the **Owner**, upon presentation of monthly **Request for Payment** by the **Engineer** of such *Special Services*.

5.3 Incentives. The **Owner** shall provide an incentive opportunity to the **Engineer** in consideration for services rendered regarding the corporate sponsorship performed by the **Engineer**, as more particularly identified in **EXHIBIT "B"** (under Funding Sources), attached hereto, for obtaining funding from potential funding sources for the **Project**. This incentive is stated in **EXHIBIT "D2"-Funding Source Incentive**, attached hereto and made a part of this Agreement. Payments to the **Engineer** for meeting the incentive requirements will be made by the **Owner**, upon presentation of a **Request for Payment** by the **Engineer** in accordance with the terms and provisions of Article 6 hereof.

ARTICLE 6. Method of Payment.

6.1 Request for Payment. Payments to the **Engineer** for services rendered will be made while work is in progress. The **Engineer** shall prepare and submit to the **Owner** monthly progress reports in sufficient detail to support the progress of the work and in support of a request for payment (hereinafter referred to as "**Request for Payment**"). The progress report shall indicate the percent completion of the work accomplished by the **Engineer** during the billing period and to the date of the **Request for Payment**. On or before noon of the first

Monday of each month during the performance of the services, the **Engineer** shall submit to the **Owner** for approval a **Request for Payment**. Payment of the amount identified in the **Request for Payment** will be in proportion to the percent completion of the work tasks, together with a detailed breakdown of the amount and the sum of all prior payments. The **Owner** shall review each such **Request for Payment** and may make such exceptions as the **Owner** reasonably deems necessary or appropriate under the circumstances then existing. About ten (10) working days after the Commissioners Court of the **Owner** meets approving such payment, the **Owner** shall make payment to the **Engineer** in the amount approved as aforesaid subject to Article 6.3 herein and below.

Should the **Project** or portions of the **Project** be awarded for construction, the **Owner** and **Engineer** will mutually agree upon the final maximum amount payable for the **Basic Services Fee**, as identified in Article 5.1 hereof, for that portion of the **Project** that has been awarded for construction as follows:

(1) Construction Cost – An estimated construction cost will be developed for each phase of the project, and be updated throughout engineering (advance planning, final design and plans and specifications) development. A construction cost will be mutually agreed between the Owner and the Engineer in writing at the time of submittal of the final plans and specifications to the Owner (and called the “Final Estimated Construction Cost”). A fee will be calculated as nine percent (9%) of the Final Estimated Construction Cost (“Preliminary Basic Services Fee”). After the project is constructed, and the final construction cost of the project is determined, the Preliminary Basic Services Fee will be adjusted no more than plus or minus ten percent (+/- 10%) as follows:

- (a) If the actual construction cost of the project is more than the Final Estimated Construction Cost, the Basic Services Fee for engineering will be adjusted up, but the adjustment will be no more than plus ten percent (+10%) of the Preliminary Basic Services Fee; or,
- (b) If the final construction cost of the project is less than the Final Estimated Construction

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Cost, the Basic Services Fee for engineering will be adjusted down, but the adjustment will be no more than minus ten percent (-10%) of the Preliminary Basic Services Fee.

Example calculations of these formulas are shown in Figure 1 below.

Final Estimated Construction Cost (A)	Preliminary Basic Services Fee (9%) (B)	Actual Construction Cost		Max Adjustment (C)	Revised Basic Services Fee
		Costs	(Greater or Lower)	(.10 X (B))	
Engineer's Estimate	.09 X (A)				(B) + (C)
\$100,000	\$9,000	\$120,000	Greater	+ \$900	\$9,900
\$100,000	\$9,000	\$80,000	Lower	- \$900	\$8,100

Figure 1: Example Calculations of Basic Services Fee

(2) Incentives – The portion of the Basic Services Fee for funding incentive will be reconciled and based on funding received at the time of reconciliation.

This reconciliation and determination by the **Owner** will be performed on a yearly basis throughout the development of the **Project**, and within the period of service established in Article 3. Payment due to the **Engineer** or credit owed to the **Owner** by the **Engineer** in the amount of this reconciliation and determination shall be applied to the next applicable **Request for Payment**.

If the **Project**, or any portion(s) thereof, are deleted or otherwise not constructed, compensation to the **Engineer** by the **Owner** for the **Project** or such portions of the **Project** shall be only the amounts paid the **Engineer** for actual work performed in **EXHIBIT "B"** attached hereto.

6.2 Final Payment. After final completion of the work and acceptance thereof by the **Owner**, the **Engineer** shall submit a final request for payment ("**Final Request for Payment**") which shall set forth all amounts due and remaining unpaid to the **Engineer** and upon approval thereof by the **Owner**, the **Owner** shall pay to the **Engineer** the amount due ("**Final Payment**") under such **Final Request for Payment** in accordance

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with the provisions of Article 6.1 hereof. The **Final Payment** shall not be made until the **Engineer** delivers to the **Owner** an affidavit that so far as the **Engineer** has knowledge or information any and all amounts due for materials and services over which the **Engineer** has control have been paid.

6.3 Qualification on Obligations to Pay. Any provision hereof to the contrary notwithstanding, the **Owner** shall not be obligated to make any payment (whether a payment under Article 6.1 hereof or **Final Payment**) to the **Engineer** hereunder if any one or more of the following conditions precedent exist:

- (1) The **Engineer** is in default of any of its obligations hereunder or otherwise is in default under this Agreement or under any contract documents related to this Agreement;
- (2) Any part of such payment is attributable to the **Engineer's** services which are not performed in accordance with this Agreement; provided, however, such payment shall be made as to the part thereof attributable to the **Engineer's** services which were performed in accordance with this Agreement;
- (3) The **Engineer** has failed to make payments promptly to consultants or other third parties used in connection with the **Project** for which the **Owner** has made payment to the **Engineer**;
- (4) If the **Owner**, in good faith judgment, determines that the portion of the compensation then remaining unpaid will not be sufficient to complete the **Engineer's** services in accordance with this Agreement, no additional payments will be due the **Engineer** hereunder unless and until the **Engineer**, at its sole cost, performs a sufficient portion of the **Engineer's** services so that such portion of the compensation then remaining unpaid is determined by the **Owner** to be sufficient to so complete the **Engineer's** services.

6.4 No partial payment made hereunder shall be or construed to be final acceptance or approval of that part of the **Engineer's** services to which such partial payment related or relieves the **Engineer** of any of its obligations hereunder with respect thereto.

6.5 The **Engineer** shall promptly pay all bills for labor and material performed and furnished by others in connection with the performance of the **Engineer's** services.

6.6 Waiver. The making of the **Final Payment** shall constitute a waiver of all claims by the **Owner** except those arising from (1) faulty or defective services of the **Engineer** appearing after completion of the **Project**, (2) failure of the **Engineer's** services to comply with the requirements of this Agreement or any contracts or Agreements related to the **Project**, or (3) terms of any special warranties required by this Agreement

or provided at law or in equity. The acceptance of **Final Payment** shall constitute a waiver of all claims by the **Engineer** except those previously made in writing and identified by the **Engineer** as unsettled at the time of the **Final Request for Payment**.

ARTICLE 7. Work Authorization. Intentionally Not Used.

ARTICLE 8. Supplemental Agreements. The terms of this Agreement may be amended by supplemental agreement if the **Owner** determines that (1) there is a need to extend the **Termination Date** identified in Article 3.1 hereof, (2) there has been a significant change in the scope, complexity or character of the services to be performed by the **Engineer**, and/or (3) for any other reason agreeable to the **Owner** and the **Engineer**. All supplemental agreements will be developed in the form identified in **EXHIBIT "E" – Supplemental Agreement Form**, attached hereto and made a part of this Agreement, and incorporated herein by reference as "**Supplemental Agreement**".

If determined appropriate by the **Owner**, additional compensation to the **Engineer** for (1), (2) and/or (3) above shall be paid as a negotiated fee at the **Contract Rates** specified in **EXHIBIT "D"**, attached hereto. The negotiated fee shall be incorporated into the **Supplemental Agreement**.

Any **Supplemental Agreement** must be executed by both the **Engineer** and the **Owner** prior to the **Termination Date** specified in Article 3 hereof.

It is distinctly understood and agreed that no claim by the **Engineer** for additional work, as identified in Article 9 hereof, or changes or revisions in work, as identified in Article 10 hereof, shall be made by the **Engineer** until full execution of the **Supplemental Agreement** and authorization to proceed is granted by the **Owner**. The **Owner** reserves the right to withhold payment to the **Engineer** pending verification of satisfactory work performed by the **Engineer**.

Article 9. Additional Work. If the **Engineer** is of the opinion that any work it has been directed to perform is beyond the scope of this Agreement and constitutes extra work, the **Engineer** shall promptly notify the **Owner** in writing. In the event the **Owner** finds that such work does constitute extra work or requests that

the **Engineer** provide services for extra work, the **Owner** shall so advise the **Engineer** and a written supplemental agreement will be executed between the **Owner** and the **Engineer** as provided herein. The **Engineer** shall not perform any proposed additional work or incur any additional costs prior to the execution by both the **Engineer** and the **Owner** of a supplemental agreement. Additional compensation from the **Owner** to the **Engineer** shall be paid as a negotiated fee at the **Contract Rates** specified in **EXHIBIT "D"**, attached hereto. The negotiated fee shall be incorporated into the supplemental agreement as specified in Article 8 hereof. The **Owner** shall not be liable or under any obligation to compensate the **Engineer** for work performed or costs incurred by the **Engineer** relating to additional work not directly associated with the performance of the work authorized in this Agreement or as amended through supplemental agreement.

ARTICLE 10. Changes or Revisions in Work. If the **Owner** finds it necessary to request changes to the work, and the changes are within the applications of sound engineering principles, the **Engineer** shall make such revisions if requested and directed by the **Owner**.

10.1 Preliminary Work. The **Engineer** will make, without expense to the **Owner**, such revisions of any preliminary reports or drawings as may be required to meet the needs of the **Owner** and the applications of sound engineering principles.

10.2 Previously Approved or Satisfactorily Completed Work. If the **Owner** finds it necessary to request the **Engineer** to make changes to work previously approved by the **Owner** or work satisfactorily completed for which the **Owner** approves or, after a definite plan has been approved by the **Owner**, if a decision is subsequently made by the **Owner**, which for proper execution involves extra services and expenses for changes in or additions to the drawings, specifications or other documents, this will be considered as additional work, and compensation from the **Owner** to the **Engineer** will be in accordance with Article 9 hereof.

10.3 Project Delays. If the **Engineer** is required to perform additional work due to delays by the imposition of causes not within the **Engineer's** control, such as by the re-advertisement of bids or by the delinquency or insolvency of contractors, such work associated with these delays shall be considered additional

work, and the **Engineer** shall be compensated by the **Owner** for such extra services and expense in accordance with Article 9 hereof.

10.4 Reduction of Project Cost. Notwithstanding any provision herein to the contrary, in the event it is necessary for the **Owner** to require changes in the final plan of the **Project** to enable it to reduce the construction cost of the **Project** to an amount within the sum estimated by the **Engineer**, the **Engineer** will be required to make such revisions or changes. These changes will only be considered additional work by the **Engineer**, if the **Engineer** previously provided these same changes as options to the **Owner** at the stage of preliminary work or prior to the approval of the final plan of the **Project**, and the option or options were not selected or approved by the **Owner** to be incorporated into the final plan of the **Project**. Payment for this additional work will then be made to the **Engineer** in accordance with Article 9 hereof. If the **Engineer** failed to provide these changes as an option or options to the **Owner** at the stage of preliminary work or prior to the approval of the final plan of the **Project**, these changes will not be considered additional work and no additional compensation will be made to the **Engineer**.

ARTICLE 11. Ownership and Release of Documents.

11.1 Ownership of Documents. Original drawings and specifications are the property of the **Engineer**; however, the **Project** is the property of the **Owner**, and the **Engineer** may not use the drawings and specifications thereof for any purpose not relating to the **Project** without the **Owner's** consent. The **Owner** shall be furnished with such reproductions of drawings and specifications as the **Owner** may reasonably require. Upon completion of the work or any earlier termination of this Agreement under Article 3.4 hereof, the **Engineer** will revise drawings to reflect changes made during construction and will promptly furnish the **Owner** with one complete set of reproducible record prints. Prints shall be furnished by the **Engineer**, as an additional service, at any other time requested by **Owner**. All such reproductions shall be the property of the **Owner** who may use them without the **Engineer's** permission for any proper purpose relating to the **Project**, including, but not limited to, additions to or completion of the **Project**. Any additions or revisions by the **Owner** to a drawing

signed, sealed, and dated by a registered professional engineer, shall be made in accordance with the Texas Engineering Practice Act and the Rules of the State Board of Registration for Professional Engineers.

All documents furnished to the **Engineer** by the **Owner** shall be delivered to the **Owner** upon completion or termination of this Agreement. The **Engineer**, at the **Engineer's** own expense, may retain copies of such documents or any other data under this Agreement.

11.2 Release of Documents or Information. Release of information to the public or others regarding the **Project** will be in accordance with the Texas Public Information Act.

ARTICLE 12. Discounts, Rebates, Refunds. In connection with procurement services rendered by the **Engineer**, if procurement services are required of the **Engineer** hereunder, all discounts, rebates and refunds shall accrue to the **Owner**. For some purchases, the **Engineer** may deem that payment within the discount period is not safe; and/or inspection, guarantees, or other considerations may dictate delay. In such cases, the **Engineer** shall promptly notify the **Owner** so that a course of action may be mutually agreed upon by the **Owner** and the **Engineer**.

ARTICLE 13. Records, Accounting, Inspection. The **Engineer** shall keep full and detailed records and accounts in a manner approved by the **Owner**. The **Engineer** shall afford the **Owner's** authorized personnel and independent auditors, if any, full access to the work performed by the **Engineer** regarding the **Project** and to all of the **Engineer's** books, records, correspondence, instructions, drawings, receipts, vouchers and other documents relating to such work under this Agreement, and the **Engineer** shall preserve all such records for three (3) years after final payment. The **Engineer** shall deliver to the **Owner** upon completion of such work, a statement of the cost of such work detailed according to the accounting procedures of the **Owner**.

ARTICLE 14. Subcontracting and Assignment. For this Agreement, the **Engineer** may not assign the role of **GCM** through subcontract. As **GCM**, the **Engineer** shall assign other portions or tasks of this Agreement through subcontract. As **GCM**, the **Engineer** shall make the final decision regarding the participation and participation requirements of any subconsultant for work under this Agreement. The **Engineer**

shall bind every subconsultant by written subcontract to observe all the terms of this Agreement to the extent that they may be applicable to such subconsultants.

The **Engineer**, and the **Owner**, do hereby bind themselves, their successors, executors, administrators and assigns to each other party of this agreement and to the successors, executors, administrators, and assigns of such other party in respect to all covenants of this contract. The **Engineer** shall not assign, subcontract or transfer its interest in this contract without the prior written consent of the **Owner**.

ARTICLE 15. Patents. The **Engineer** shall indemnify and save the **Owner** harmless from all liability for alleged or actual infringement of any patent resulting from the use of apparatus or equipment furnished or designed by the **Engineer** or from the use of any process designed by the **Engineer** or effected by said apparatus or equipment, and the **Engineer** shall indemnify and save the **Owner** harmless from and against all costs, legal fees, expenses and liabilities incurred in or about any claim of or action for such infringement; provided, however, that the **Owner** shall promptly transmit to the **Engineer** all papers served on the **Owner** in any suit involving such claim of infringement, and provided further, that the **Owner** permits the **Engineer** to have entire charge and control of the defense of any such suit. If because of actual infringement the use of such apparatus, equipment, or process is enjoined, the **Engineer** shall refund the purchase price thereof in proportion to the length of service uncompleted, the life of such apparatus or equipment being assumed as five years. The **Engineer** hereby grants to the **Owner** a non-exclusive, royalty-free license under patents now or hereafter owned by the **Engineer** covering any machines, apparatus, processes, articles, or products included in the **Engineer's** work hereunder.

ARTICLE 16. Confidential Information, Inventions and Other Restrictions.

16.1 Confidential Information. The **Engineer** shall not use in any way, commercial or otherwise, except to the extent required by the proper performance of this Agreement; and shall hold in confidence and not disclose to any person, for any reason or at any time, any information relating to the secret processes, products, compositions, machinery, apparatus or trade secrets of the **Owner**, or any other confidential information given to

the **Engineer** by any of the **Owner's** commissioners, elected officials, employees, or representatives or acquired by the **Engineer** during the term of or as a result of this Agreement. Any information not generally available to the public shall be considered secret and confidential for the foregoing purposes; provided, however, that any technical information which was lawfully in the **Engineer's** possession prior to such disclosure to the **Engineer** by the **Owner** or which is or shall lawfully be published or become part of general knowledge from sources other than the **Engineer** or which otherwise shall lawfully become available to the **Engineer** from a source other than the **Owner**, shall not be subject to these provisions. All the foregoing stipulations shall apply to such information and work hereunder as well as to any information and ideas originated or developed by the **Engineer** in performing such work. Such information may, of course, be disclosed to the proper officials or employees of the **Owner** if necessary to perform the work hereunder. The **Engineer** shall, however, inform each of its employees who receive such information of these restrictions and the **Engineer** shall take all reasonable precautions and exert all reasonable efforts to assure conformance with such restrictions by all of its officers, employees, and agents, obtaining from them if necessary, agreements satisfactory to the **Owner**, effectuating the purposes of this Article.

16.2 Inventions. The **Engineer** shall communicate to the **Owner** at once, and require the **Engineer's** employees assigned to this **Project** to communicate to the **Owner** all inventions and improvements which any of the **Engineer's** employees, either alone or in conjunction with any of the **Owner's** employees may conceive, make or discover during the course of or as a result of work on this **Project** under this or any ensuing agreement with the **Owner** that relates to the processes, products, compositions, machinery or plants of the **Owner**, or relating in any way to any of the operations in which the **Owner** has been or is engaged at the time, and such inventions and improvements shall become the sole, exclusive property of the **Owner** without any obligation on its part to make any payment therefor in addition to any sums which the **Owner** may be obligated to pay to the **Engineer** as compensation for services rendered by the **Engineer** under contract with the **Owner**. The **Engineer** shall require its employees to execute patent applications and assignments thereof to the **Owner** or its

nominees, and powers of attorney relating thereto for any country the **Owner** may designate, and shall take all other actions as the **Owner** may request to maintain and protect such inventions and improvements. The **Owner** shall pay all costs or charges incurred in protecting such inventions and improvements if the **Owner** desires to protect them. Before assigning any of the **Engineer's** employees to work under any contract with the **Owner** concerning this **Project**, the **Engineer** shall obtain from them agreements satisfactory to **Owner** complying in all respects with the terms and provisions of this Article.

16.3 The rights and obligations set forth in Article 16 shall survive the performance of this Agreement, or any termination, discharge or cancellation thereof.

ARTICLE 17. Engineer's Seal, Responsibility and Warranties.

17.1 Engineer's Seal. The **Engineer** shall assign a responsible engineer or engineers licensed to practice in the State of Texas, who shall sign, seal and date all appropriate engineering submissions to the **Owner** in accordance with the Texas Engineering Practice Act and the Rules of the State Board of Registration for Professional Engineers.

17.2 Engineer's Responsibility. The **Engineer** shall be responsible for the accuracy of the work for the **Project**, and shall promptly make necessary revisions or corrections resulting from errors, omissions, or negligent acts by the **Engineer**. No additional compensation will be made to the **Engineer** for any necessary revisions or corrections resulting from errors, omissions, or negligent acts by the **Engineer**.

The **Engineer's** responsibility for all questions arising from design errors and/or omissions will be determined by the **Owner** or a designee appointed by the **Owner**. The **Engineer** will not be relieved of the responsibility for subsequent correction of any such errors or omissions or for clarification of any ambiguities until after the construction phase of the **Project** has been completed.

17.3 Warranties.

(a) The **Engineer** warrants that engineering design work performed by the **Engineer** hereunder shall be in accordance with sound engineering design practices and in conformance with applicable code and

standards established for such work.

(b) Notwithstanding anything to the contrary contained in this Agreement, the **Owner** and the **Engineer** agree and acknowledge that the **Owner** is entering into this Agreement in reliance on the **Engineer's** experience and abilities with respect to performing the **Engineer's** services hereunder. The **Engineer** accepts the relationship of trust and confidence established between it and the **Owner** by this Agreement. The **Engineer** covenants with the **Owner** to use the **Engineer's** best efforts, skill, judgment and abilities to design the **Project** and to further the interests of the **Owner** in accordance with the **Owner's** requirements and procedures, in accordance with all professional standards, and in compliance with all applicable national, federal, state, county and municipal laws, regulations, codes, ordinances, orders and with those of any other body having jurisdiction. Prior to the commencement of construction, the **Engineer** shall certify in writing to the **Owner** that the plans, specifications, and estimates ("PS&E") for the **Project**, as identified in Article 2.1 hereof, and the improvements when built in accordance therewith conform to all applicable governmental regulations, statutes and ordinances then in effect. The **Engineer** represents, covenants and agrees that there are no obligations, commitments or impediments of any kind that will limit or prevent performance of the **Engineer's** services.

(c) The **Engineer** represents, covenants and agrees that all of **Engineer's** services to be furnished by the **Engineer** under or pursuant to this Agreement from the inception of the Agreement until the **Project** has been fully completed, shall be of the standard and quality which prevail among engineers of similar experience, knowledge, skill and ability engaged in engineering practice throughout Texas under the same or similar circumstances involving the design and construction of a **Project** such as the **Project** with all the amenities as set forth in the **PS&E**.

(d) The **Engineer** represents, covenants and agrees that the **Engineer's** special talent, training and experience cause the **Engineer** to be the prime professional on the **Project**; that because of such talent and training, the **Engineer** envisions the construction of the **Project** in its entirety, and possesses the special skills which enable the **Engineer** to recognize dangerous conditions that a reasonable, prudent engineer having such



special skills could anticipate may arise from the proper use of the **Project** after acceptance by **Owner**; that as the design professional, the **Engineer** has some measure of control over any such dangerous conditions; that the **Engineer** has knowledge which will enable the **Engineer** to recognize specific dangers that may arise from the proper use of the **Project** after acceptance by **Owner**; and, that the **Engineer** recognizes that any commissioners, elected officials, employees, and agents of the **Owner**, plus residents and owners of property within the area affected by the **Project** are within a class of foreseeable persons who will be relying on the **Project** being designed in a professional and safe manner.

(e) The **Engineer** represents, covenants and agrees that the **PS&E** of the **Project** will be accurate and free from any material errors. The **Engineer** additionally represents, covenants, and agrees to the following: that the design of the **Project** will conform to its foreseeable use as a **Project** with all the amenities as set forth in the **PS&E** of the **Project**; that the result of the **PS&E**, if built in accordance therewith, will be suitable for purposes for which the **Project** is designed; that the result of **Engineer's** inspection of the **Project** will be suitable for purposes for which the **Project** is designed; and, the **Project** will be inspected in a workmanlike, professional manner and will be suitable for the **Project's** intended purpose. The **Engineer's** responsibilities as set forth herein shall at no time be in any way diminished by reason of any approval by the **Owner** of the **PS&E** nor shall the **Engineer** be released from any liability by reason of such approval by the **Owner**, it being understood that the **Owner** at all times is ultimately relying upon the **Engineer's** skill and knowledge in preparing the **PS&E**.

(f) In connection with the **Engineer's** performance of procurement services hereunder, if any, the **Engineer** shall use its best efforts to obtain from all vendors of equipment and materials, fullest possible warranties against defective materials and workmanship for the benefit the **Owner**.

ARTICLE 18. Engineer's Resources. The **Engineer** shall furnish and maintain, at the **Engineer's** own expense, office space for the performance of all services, skilled and sufficient personnel, as well as adequate and sufficient equipment to perform the services as required under this Agreement.

18.1 Project Manager. The **Engineer** shall provide a manager (**Project Manager**) for the **Project** that is a registered professional engineer in the State of Texas. The **Project Manager** shall have such knowledge and experience as will enable the **Project Manager** to perform the duties required for the services under this Agreement. The **Engineer** may not change the **Project Manager** during the course of the **Project** without prior consent of the **Owner**. If, due to situations beyond the control of the **Engineer**, the **Engineer** must change the **Project Manager** prior to the completion and acceptance of the **Project**, the **Engineer** will submit a request to change the **Project Manager** to the **Owner** for approval.

18.2 Employees of the Engineer. All employees of the **Engineer** shall have such knowledge and experience as will enable them to perform the duties assigned to them and required for the services under this Agreement. Any employee of the **Engineer** who, in the opinion of the **Owner**, is incompetent, or whose conduct becomes detrimental to the work required under this Agreement, shall immediately be removed from association with the **Project** when so instructed by the **Owner**. The **Engineer** certifies that the **Engineer** presently has employed sufficient and qualified personnel, and will maintain sufficient and qualified personnel for performance of the services under this Agreement.

18.3 Documents/Information Exchange. The purpose of this Article is to define the required automated resources, format for graphics files, and information exchange pertaining to the **Project**. Recognizing that there will be several members of the **Project Team** participating in the development of the **Project**, and taking into consideration that the **Owner** has a significant investment in the development of the **Project**, there is a need for the **Engineer** to provide consistency in document development for information exchange. Consistency in document development for information exchange and production will help facilitate an economically efficient **Project**. Therefore, the **Engineer** shall provide the **Owner** with documents and information in accordance with the special requirements outlined in **EXHIBIT "G"- Computer Documents and Information Exchange**, attached hereto and made a part of this Agreement.

ARTICLE 19. Indemnification. To the fullest extent permitted by applicable law, the **Engineer** and

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its agents, partners, subcontractors, and consultants (collectively "**Indemnitors**") shall and do agree to indemnify, protect, defend and hold harmless the **Owner**, the **Owner's** respective directors, elected officials, employees and agents (collectively "**Indemnitees**") from and against all claims, damages, losses, liens, causes of action, suits, judgments and expenses, including attorney fees, of any nature, kind or description (collectively "**Liabilities**") of any person or entity whomsoever arising out of, caused by or resulting from the performance of the **Engineer's** services through activities of the **Engineer**, its agents, partners, subcontractors and/or consultants performed under this Agreement, and which are caused by or result from error, omission, or negligent act of the **Engineer** or of any person employed or contracted by the **Engineer** provided that any such **Liabilities** (1) are attributable to bodily injury, personal injury, sickness, disease or death of any person, or to the injury to or destruction of tangible personal property including the loss of use and consequential damages resulting therefrom and (2) are caused in whole or in part by any negligent act or omission of the **Engineer**, anyone directly or indirectly employed by the **Engineer** or anyone for whose acts the **Engineer** may be legally liable. The **Engineer** shall also save harmless the **Owner** from any and all expense, including, but not limited to, attorney fees which may be incurred by the **Owner** in litigation or otherwise resisting said claim or liabilities which may be imposed on the **Owner** as a result of such activities by the **Engineer**, its agents, partners, subcontractors and/or consultants. In this connection, it is agreed and understood that the **Engineer** shall not be responsible for any portion of the liability proximately caused by the **Owner's** negligence.

ARTICLE 20. Joint and Several Liability. In the event more than one of the **Indemnitors** are connected with an accident or occurrence covered by the indemnification in Article 19 hereof, then each of such **Indemnitors** shall be jointly and severally responsible to the **Indemnitees** for indemnification and the ultimate responsibility among such **Indemnitors** for the loss and expense of any such indemnification shall be settled by separate proceedings and without jeopardy to any **Indemnitee**. The provisions of this Article shall not be construed to eliminate or reduce any other indemnification or right which the **Owner** or any of the **Indemnitees** has by law.

ARTICLE 21. Insurance. The **Engineer** shall obtain and maintain insurance in the minimum limits of liability for each of the types of insurance coverage identified as follows:

- (1) Workers' Compensation, endorsed with a waiver of subrogation in favor of the **Owner** in limits of liability not less than the benefits allowed under the Texas Workers' Compensation Law ("**Statutory Texas**").
- (2) Commercial General & Professional Liability, endorsed with the **Owner** as an additional insured and endorsed with a waiver of subrogation in favor of the **Owner**, in limits of liability not less than two million dollars (**\$2,000,000**) combined single limit each occurrence and in the aggregate for bodily injury and property damage. *Subconsultants will only be required to maintain limits of liability not less than one million dollars (**\$1,000,000**) combined single limit each occurrence and in the aggregate for bodily injury and property damage.*
- (3) Texas Business Automobile Policy, endorsed with the **Owner** as an additional insured and endorsed with a waiver of subrogation in favor of the **Owner**, in limits of liability not less than two hundred fifty thousand dollars (**\$250,000**) each person for bodily injury, five hundred thousand dollars (**\$500,000**) each occurrence for bodily injury, and one hundred thousand dollars (**\$100,000**) each occurrence for property damage.

The **Engineer** covenants and agrees to maintain an insurance policy in the minimum limits of liability for each of the types of insurance coverage identified above. The **Engineer** shall furnish the **Owner** with a certificate of insurance (*Hidalgo County Certificate of Insurance*) showing the said policy to be in full force and effect during the period of service, identified in Article 3 hereto, for this Agreement. The completed *Hidalgo County Certificate of Insurance* shall be attached hereto and identified as **EXHIBIT "F"- Hidalgo County Certificate of Insurance**. The **Engineer** will be considered in breach of contract should the **Engineer** fail to maintain an insurance policy in the minimum limits of liability and requirements identified above while performing services for and under this Agreement, and will be subject to default and termination of the Agreement as outlined in

Article 3.4 hereto. Additionally, the **Engineer** covenants and agrees to use its best efforts to maintain an insurance policy in the minimum limits of liability and requirements identified above until one year following the date of the acceptance of the **Project** by the **Owner**.

ARTICLE 22. Compliance with Laws. The **Engineer** shall comply with all applicable Federal, State and local laws, statutes, codes, ordinances, rules and regulations, and the orders and decrees of any court, or administrative bodies or tribunals in any manner affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the **Engineer** shall furnish the **Owner** with satisfactory proof of its compliance therewith.

ARTICLE 23. Noncollusion. The **Engineer** warrants that the **Engineer** has not employed or retained any company or persons, other than a bona fide employee working solely for the **Engineer**, to solicit or secure this Agreement, and that the **Engineer** has not paid or agreed to pay any company, engineer or any other person or entity any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or execution of this Agreement. For breach or violation of this warranty, the **Owner** shall have the right to annul this Agreement without liability or, in the **Owner's** discretion, to deduct from the *Basic Services Fee*, *Special Services Fee*, and/or the *Incentives* as identified in Articles 5.1, 5.2, and 5.3 hereto and respectively, or otherwise recover, the full amount of each fee, commission, percentage, brokerage fee, gift or contingent fee.

ARTICLE 24. Gratuities. The **Owner** mandates that employees of the **Owner** shall not accept any benefits, gifts or favors from any person doing business or who reasonably speaking may do business with the **Owner** under this Agreement; the only exceptions allowed are ordinary business meals. Any person doing business with or who may reasonably seeking to do business with the **Owner** under this Agreement may not make any offer of benefits, gifts or favors to **Owner** employees, except as mentioned herein above. Failure on the part of the **Engineer** to adhere to this provision may result in the termination of this Agreement.

ARTICLE 25. Payment of Franchise Tax. The **Engineer** hereby certifies that the **Engineer** is not delinquent in Texas franchise tax payments, or that the **Engineer** is exempt from, or not subject to, such a tax. A false statement concerning corporation's franchise tax status shall constitute grounds for termination of the Agreement at the sole option of the **Owner**.

ARTICLE 26. Disputes. The **Engineer** shall be responsible for the settlement of all contractual and administrative issues arising out of any procurement made by the **Engineer** in support of the services under this Agreement.

ARTICLE 27. Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

ARTICLE 28. Notices. All notices to either party by the other required under this Agreement shall be personally delivered or mailed to such party at the following respective addresses:

OWNER:	<i>Hidalgo County</i>	ENGINEER:	<i>S&B Infrastructure, Ltd.</i>
	<i>100 East Cano, 2nd Floor</i>		<i>5408 North 10th Street</i>
	<i>Edinburg, Texas 78539</i>		<i>McAllen, Texas 78504</i>

The address may be changed by either party by written notice, and notice so mailed shall be effective upon mailing.

ARTICLE 29. Miscellaneous Provisions.

(a) This Agreement constitutes the entire Agreement between the **Engineer** and the **Owner** relating to the work herein described, and supersedes any prior understanding or written or oral contracts between the parties respecting the subject matter defined herein. There are no previous or contemporary representations or warranties of the **Owner** or the **Engineer** not set forth herein.

(b) Except as specifically provided herein, no modification, waiver, termination, rescission,



discharge, or cancellation of this Agreement or of any terms thereof shall be binding on the **Owner** unless in writing and executed by an officer or employee of the **Owner** specifically authorized to do so.

(c) No waiver of any provision of or a default under this Agreement shall affect the right of the **Owner** thereafter to enforce said provision or to exercise any right or remedy in the event of any other default, whether or not similar.

(d) No modification, waiver, termination, discharge or cancellation of this Agreement or of any terms thereof shall impair the **Owner's** rights with respect to any liabilities, whether or not liquidated, of the **Engineer** to the **Owner** theretofore accrued.

(e) All rights and remedies of the **Owner** specified in this Agreement are in addition to the **Owner's** other rights and remedies.

(f) The **Engineer** shall remain an independent contractor and shall have no power, nor shall the **Engineer** represent that the **Engineer** has any power, to bind the **Owner** or to assume or to create any obligation express or implied on behalf of the **Owner** except as specifically authorized in advance by the **Owner**.

(g) The Agreement shall be construed under the laws of the State of Texas and is performable in Hidalgo County, Texas.

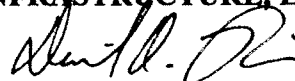
(h) This Agreement may only be amended by a written document executed by the **Owner** and the **Engineer** as provided by Article 8 herein.

ARTICLE 30. Signatory Warranty The undersigned signatory or signatories for the **Engineer** hereby represent and warrant that the signatory is an officer of the organization for which he or she has executed this Agreement, and that he or she has full and complete authority to enter into this Agreement on behalf of the **Engineer**. The above-stated representations and warranties are made for the purpose of inducing the **Owner** to enter into this Agreement.


TAB

IN WITNESS WHEREOF, the **Engineer** and the **Owner** have caused this **Agreement for Professional Services** to be effective as of the **20th** day of **April, 2010**.

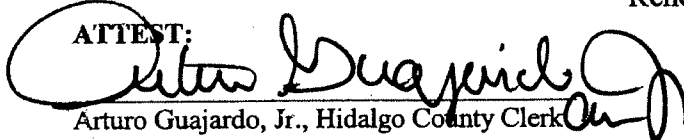
ENGINEER:
S&B INFRASTRUCTURE, LTD.

BY:  **7513**
Daniel O. Rios, PE, Senior Vice-President

OWNER:
HIDALGO COUNTY

BY: 
Rene A. Ramirez, County Judge

ATTEST:


Arturo Guajardo, Jr., Hidalgo County Clerk

ATTACHMENTS:

- | | |
|-------------------|---|
| EXHIBIT A | -Scope of Services to be Provided by the Owner |
| EXHIBIT B | -Scope of Services to be Provided by the Engineer |
| EXHIBIT B1 | -Project Description |
| EXHIBIT C | -Work Schedule |
| EXHIBIT D | -Engineer's Contract Rates |
| EXHIBIT D1 | -Fee Breakdown |
| EXHIBIT D2 | -Funding Source Incentive |
| EXHIBIT D3 | -Cost Proposals |
| EXHIBIT E | -Supplemental Agreement Form |
| EXHIBIT F | -Certificate of Insurance |
| EXHIBIT G | -Computer Graphics Files |

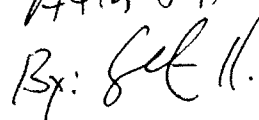
APPROVED AS TO FORM:
Atlas & Holly, LLP
By: 

EXHIBIT “A”

Services to be Provided by the Owner

The following provides an outline of the services to be provided by the **Owner** in the development of the **Project** (as defined and more particularly identified in **EXHIBIT “B1”** attached to this Agreement).

The **Owner** will provide to the **Engineer** the following:

- (1) Payment for work performed by the **Engineer** and accepted by the **Owner** in accordance with Article 5 and Article 6, both of this Agreement.
- (2) Assistance to the **Engineer**, as necessary, to obtain the required data and information from other local, regional, **State** and Federal agencies that the **Engineer** cannot easily obtain.
- (3) Provide any available relevant data the **Owner** may have on file concerning the project.
- (4) Provide timely review and decisions in response to the **Engineer**'s request for information and/or required submittals and deliverables, in order for the **Engineer** to maintain the agreed-upon work schedule prepared in accordance with **EXHIBIT “C”** attached to this Agreement.
- (5) Attend and participate in progress meetings as required and as coordinated and conducted by the **Engineer**.
- (6) Approve the **Work Plan** prepared by the **Engineer**.
- (7) Approve the **Project Development Schedule** prepared by the **Engineer**.
- (8) **Construction Estimate.** Provide the **Engineer** a copy of historical bid tabulations, if available, for similar projects and periodically review and approve the **Construction Estimate** as developed and prepared by the **Engineer**.
- (9) Submit all required applications prepared by the **Engineer** to funding sources.
- (10) **Public Involvement.** Assist the **Engineer** in the preparation of the project mailing list; provide representation at all public meetings; provide representation at all public hearings; additionally:

Public Meetings

- a. Approve agenda and all exhibits prior to each public meeting.
- b. Approve date and location of the public meeting.
- c. Review/approve Public Meeting Report.

Public Hearings

- d. Upon US Army Corps of Engineer (USACE) and other applicable approval of the schematic and environmental document, authorize the **Engineer** to conduct a public hearing for each County, as required.
- e. Approve agenda and all exhibits prior to the public hearing.
- f. Approve date and location of the public hearing.

Hidalgo County / S&B Infrastructure, Ltd.
“Master Drainage System Phase II – Raymondville Drain Outfall System ”

- g. Review/approve Public Hearing Report.
- (13) Attend the **Design Concept Conference** coordinated and conducted by the **Engineer**.
- (14) Assist the **Engineer** as required in the coordination with the USACE and the Federal Emergency Management Agency (FEMA) and any other coordinating agency or entity.
- (15) Assist the **Engineer** in acquiring data-base research for environmental document preparation.
- (16) Review and approve plan, specifications, and estimate (PS&E) for the Project or portions of the **Project** as prepared by the **Engineer**.

EXHIBIT “B”

Services to be Provided by the Owner

I. GENERAL CONTRACT MANAGEMENT (GCM)

The following outline provides details for the *basic* and *special services* to be provided by the **Engineer** under **GCM** services of this Agreement.

For these services, the primary role of the **Engineer** will be to manage, as **GCM Manager**, the **Project Team**, consisting of various sub-providers, in the development of the **Project** as defined and more particularly described in EXHIBIT “B1” attached to this Agreement. The **GCM** services will include the following:

GCM for Preliminary Project Planning and Development. In general, this will include the *management* of the preliminary planning process, advance project development (APD), final design, and plans, specifications, and estimates (PS&E) that is required for the **Project**. (Specific requirements for *engineering* activities are outlined later in this exhibit.) Specific work activities to be provided by the **Engineer** will include:

- (1) **Project Development Schedule.** The **Engineer** will prepare a **Project Development Schedule**. This schedule will be developed from the notice to proceed with work through final project work tasks. The schedule will be monitored, by the **Engineer**, throughout **Project** development. It will be provided, as well as any updates, to the **Owner** and each **Project Team** member as a part of the **Work Plan** identified in (1). The schedule will identify all major milestones and **Project** deliverables. 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 schedule.
- (2) **Construction Estimate.** The **Engineer** shall prepare an estimate for the construction of the **Project**. The construction estimate shall be monitored, verified and updated throughout the course of **Project** development.
- (3) **Quality Control / Quality Assurance (QC/QA).** The **Engineer** shall develop a quality control and quality assurance program for the **Project** to ensure the **Project Team** is producing quality work for the **Project**.
- (4) **Subcontract Administration.** The **Engineer** shall initiate, execute and monitor all subcontracts for the duration of the **Project**. The **Engineer** shall advise and/or provide recommendations to the **Owner**, as the **Project** progresses, should additional sub-providers be required. All subcontracting and assignment will be in accordance with Article 14.
- (5) **Funding Sources.** The development and construction of the **Project** may be eligible for funding from outside sources. The **Engineer**'s responsibilities regarding funding sources will include the following:
 - (a) **Liaison.** S&B Infrastructure, Ltd. (**Engineer**) will act as Corporate Sponsor for obtaining funding from all potential funding sources for the **Project**. The Corporate Sponsor will act as liaison for the **Owner** to applicable State and Federal resource agencies (i.e. Army Corps of Engineers, Federal Emergency Management Agency, US Fish and Wildlife Service, Texas Parks and Wildlife, etc.).
 - (b) The **Engineer** will identify and develop a list of all funding sources for the **Project**.

Hidalgo County / S&B Infrastructure, Ltd.

“Master Drainage System Phase II – Raymondville Drain Outfall System”

EXHIBIT “B”

Services to be Provided by the Owner

- (c) The **Engineer** will prepare all required applications to funding sources.
- (6) **Capital Improvement Program (CIP).** The **Engineer** will prepare a CIP based on a conceptual sequence of construction for the Project. The CIP will be continuously monitored and updated by the **Engineer** throughout **Project** development.
- (7) The **Engineer** shall *manage and coordinate* the specific *engineering* work activities, tasks, and/or special services for Environmental Document Preparation, Public Involvement, Planning, Preliminary Engineering, Final Design, and PS&E.
- (8) **Implement QC/QA.** The **Engineer** will monitor and perform the QC/QA program developed to ensure the quality of the project deliverables and their compliance with applicable standards and requirements.
- (9) **Design Concept Conference.** The **Engineer** will coordinate and conduct a design concept conference (DCC) with the **Owner**, and any other stakeholders approved by the **Owner**. At the DCC, the **Engineer** will outline the issues and aspects involved in the development of the project identify existing conditions and design requirements, and present the approach to the development of the report for approval by the **Owner**.
- (10) **Coordination with the US Army Corps of Engineer (USACE) and the Federal Emergency Management Agency (FEMA).** The development of the project will require documentation and/or coordination with the USACE and FEMA. The **Engineer** will act as a liaison for the **Owner**, and will attend any meetings, and develop / prepare any required correspondence, documentation, permits and/or applications to satisfy USACE, FEMA, and other applicable federal, state, and local regulations.

II. ENVIRONMENTAL DOCUMENT PREPARATION AND PUBLIC INVOLVEMENT

- (1) The **Engineer** shall prepare an environmental document in accordance with the National Environmental Policy Act (NEPA) and the applicable Code(s) of Federal Regulations. The **Engineer** will prepare an environmental document *in anticipation of a Finding of No Significant Impact (FONSI)*, as identified by the NEPA process. This document will include, at a minimum, the following:
 - (a) **Project** description
 - (b) need for **Project**
 - (c) alternatives considered
 - (d) impacts (socioeconomic, cultural resource, water resource, air quality, noise quality, biological, prime/unique farmland, construction impacts, hazardous materials)
 - (e) conclusion
 - (f) Project location map
 - (g) preliminary structure and channel locations/layouts
 - (h) scanned photographs

EXHIBIT “B”

Services to be Provided by the Owner

- (2) The **Engineer** shall conduct and coordinate all public involvement in accordance with the National Environmental Policy Act (NEPA) and the applicable Code(s) of Federal Regulations.
- (3) The **Engineer** shall coordinate with all resource agencies, government entities, and private landowners involved or impacted in the development of the **Project**. This will include individual meetings, newsletters and notices, as required.
- (4) The **Engineer** shall coordinate and conduct the following formal public meetings:
- (5) The **Engineer** shall develop a **Project** coordination and mailing list.
- (6) The **Engineer** shall prepare required presentation materials (including hand-outs, agenda, and sign-in roster) and exhibits for two public meetings and two public hearings.
- (7) The **Engineer** shall prepare and submit a written document summarizing each proceeding: two Public Meeting Reports and two Public Hearing Reports.

III. ENGINEERING & DESIGN

- (1) The **Engineer** shall obtain data for existing drainage facilities and/or structures, including size, type, and flowline (upstream & downstream) elevations of structures.
- (2) The **Engineer** shall obtain profiles of intersecting roadways that cross existing and proposed channels.
- (3) The **Engineer** shall obtain floodplain and channel cross-sections (along with appropriate overbank data), and establish reach lengths, as required.
- (4) The **Engineer** shall perform site visits for field reconnaissance.
- (5) The **Engineer** shall identify and obtain data to include, but not be limited to:

Previous Studies:

- (a) Available previous hydraulic and/or engineering studies
- (b) Previous documentation and/or studies for Federal Emergency Management Agency (FEMA) floodway requirements.

Land Records:

- (c) Parcel mapping
- (d) Property assessment
- (e) USGS topographic mapping

Property and Facility Management

- (f) Land acquisition and disposition
- (g) Building and property inventory

Land Use Planning and Zoning

- (h) General plan mapping
- (i) Zoning mapping
- (j) Demographic mapping

EXHIBIT “B”

Services to be Provided by the Owner

- (k) Economic development
- (l) Linking to permitting systems
- (m) Existing aerial photographs and/or mapping

Engineering

- (n) Storm drain mapping
- (o) Subdivision review/lot mapping
- (p) Street mapping

Public Safety

- (q) Emergency preparedness plans

Environmental Assessment

- (r) Wetland mapping
- (s) National Pollution Discharge Elimination System (NPDES) permitting
- (t) Facility mapping
- (u) Vegetation mapping
- (v) Coastal zone management

Elections

- (w) District Boundary definition

Geographical Information System

- (6) The **Engineer** shall develop a Geographical Information System (GIS) utilizing Environmental Systems Research Institute, Inc. (ESRI) ArcView with 3-D Analyst and GIS StreamPro. Import the collected data into ArcView for mapping purposes and presentations to facilitate the decision-making and analytical process. ArcView will also be used to export data to the USACE Hydrologic Center’s computer program HEC-River Analysis System (HEC-RAS), which will be used to develop the engineering models required for the hydraulic analysis of each channel (and associated tributaries) and the plotting of the resultant floodplains. Specifically, ArcView will be used to export this data to HEC-RAS where it will be combined with the field surveyed channel data in order to construct full flood plain cross sections that reflect accurate channel and overbank data for the HEC-RAS models.

Note: During the performance of the following hydrologic/ hydraulic analysis and the development of the alternate solutions and final recommendation, the **Engineer** will address and incorporate any findings of the environmental documentation process.

Hydrologic Analysis

- (7) The **Engineer** shall verify the hydrologic analyses of the Raymondville drainage watershed(s); the drainage area of the watershed will be divided into sub-areas and peak flow rate computations will be based on standard design storms, unit hydrographs, and routing routines.
- (8) The **Engineer** shall verify the comparison of peak flow rates with any available data from the National Flood Insurance Program (NFIP) or other studies to determine consistency of results.

Hydraulic Analysis

- (9) The **Engineer** shall verify the hydraulic analysis for each existing and proposed structure location utilizing the HEC-RAS computer program; utilizing Manning’s Equation to compute water surface profiles with the inputs of cross-section data, roughness coefficients, and flow rates. Specific steps for the hydraulic analysis are outlined in tasks (11) through (16) below.

EXHIBIT “B”

Services to be Provided by the Owner

- (10) The **Engineer** shall create the terrain Triangulated Irregular Network (TIN). This will be developed from a combination of field survey, aerial photogrammetry, and topographic mapping data in the development of a point table. With this point table, an event theme will be created in ArcView, which will create the terrain TIN with 3-D Analyst.
- (11) The **Engineer** shall create 2-dimensional lines representing the channel centerline, high bank locations, flow path lines, and cross-section locations by locating the various and required polylines over the terrain TIN; develop the watershed layout over the base map.
- (12) The **Engineer** shall create the HEC-RAS GIS import file (ASCII text file); this will involve the correlation of the alignment of the cross-sections with the terrain TIN by extracting the elevations from the terrain TIN and creating a 3-dimensional cross-section theme.
- (13) For verification of measured elevations, the **Engineer** shall edit the HEC-RAS GIS import file by selectively replacing the points taken from the terrain TIN at the channel with actual channel points obtained by the field survey. (In lieu of editing the HEC-RAS GIS import file, verification of measured elevations may also be accomplished by snapping to the survey points in the CAD file and copied to the 2-dimensional cross-section them.)
- (14) The **Engineer** shall verify the HEC-RAS modeling of the existing and proposed structures within the Raymondville drainage watershed, and compare the hydraulic results to the effective FIS and existing 100-year flood levels for the Raymondville outfall and its tributaries.
- (15) After the HEC-RAS model is satisfactory and the output deemed acceptable, the **Engineer** shall apply the GIS export function to create the HEC-RAS GIS export file in preparation for the flood plain mapping.

Flood Plain Mapping

- (16) Utilizing the HEC-RAS GIS export file, and ArcView GIS StreamPro, the **Engineer** shall map the floodplain over the terrain TIN.
- (17) The **Engineer** shall compare the results by placing the resulting floodplain mapping over the existing Flood Insurance Rate Map (FIRM): scan the FIRM and bring into ArcView an image for this comparison.

Alternate Solutions and Recommendations

- (18) The **Engineer** shall prepare cost estimates for each alternate solution and final recommendation.
- (19) The **Engineer** shall summarize each alternate solution in sufficient detail to indicate clearly the problems involved in order for the **Owner** to make the appropriate comparisons to the **Engineer’s** final recommendations and provide the approval for the final design of the **Project**.
- (20) The **Engineer** shall provide a formal and clearly outlined recommendation regarding the final design of the **Project**.

Final Report

- (21) The **Engineer** shall prepare five (5) bound, color copies of the final report, including all attachments, exhibits, preliminary layouts, sketches, profiles, and cost estimates.

EXHIBIT “B”

Services to be Provided by the Owner

Final Design

(22) After the **Owner** has approved the **Engineer’s** final recommendations and the recommendations meet all federal, state, and county regulations and requirements (including permitting), the **Engineer** will perform all required *engineering* activities to provide the **Owner** with a complete and approved set of plans, specifications, and estimate (PS&E) for each phase of construction of the **Project**. Specific *engineering* activities, tasks, and/or special services to be provided by the **Engineer** will include:

Permitting

The **Engineer** shall furnish the necessary engineering data required to apply for regulatory permits from local, state, or federal authorities.

Final Channel/Drainage Design

The **Engineer** shall perform channel / drainage design for the proposed improvements to existing channels and/or facilities, as well as the proposed channels of the **Project**. The design of drainage improvements shall conform to the **Project** design criteria, and when possible the standard designs, required by the owner (city, county, or state) of any associated roadways. These designs shall in all respects combine the application of sound engineering principles with a high degree of economy, and shall be submitted to the applicable city, county, state, and/or federal agencies for approval.

Roadway Design

The **Engineer** shall perform roadway design for any intersecting roadway approaches to the proposed improvements to the existing channels and / or proposed channels of the **Project**. The design of these roadways shall conform to the **Project** design criteria, and when possible the standard designs, required by the owner (city, county, or state) of the associated roadway. These designs shall in all respects combine the application of sound engineering principles with a high degree of economy, and shall be submitted to the applicable city, county, state, and/or federal agencies for approval.

Bridge Design

- (a) The **Engineer** shall perform bridge design required for any roadway crossings to the proposed improvements to the existing channels and / or proposed channels of the **Project**. The design of these bridges shall conform to the **Project** design criteria required by the owner (city, county, or state) of the associated bridge structure and/or roadway, and the requirements set forth by the American Association of State Highway and Transportation Officials (AASHTO), “Standard Specifications for Highway Bridges”. These designs shall in all respects combine the application of sound engineering principles with a high degree of economy, and shall be submitted to the applicable city, county, state, and/or federal agencies for approval.
- (b) Prior to performing structural detailing, the **Engineer** shall provide a bridge layout to the governing entity of the associated bridge structure and/or roadway for approval. Each bridge layout will include the required information set forth by the governing entity.

Plans, Specifications & Estimates (PS&E)

EXHIBIT “B”

Services to be Provided by the Owner

- (c) The **Engineer** shall prepare contract drawings, specifications and estimates for construction of the **Project** or portions of the **Project** as authorized by the **Owner**. These documents shall in all respects combine the application of sound engineering principles with a high degree of economy, and shall be submitted to the applicable city, county, state, and/or federal agencies for approval.
- (d) All final plan sheets shall be developed, by the **Engineer**, on 11” x 17” reproducible, 4 mil, double-matte, white, opaque film.
- (e) Graphics files shall be developed by the **Engineer** in Microstation design file format, and must plot consistent with the reproducible plots submitted.
- (f) **Plan Sheets.** Plan sheets developed by the **Engineer** shall include, but not be limited to, title sheet, typical sections, sequence of construction, traffic control (as applicable), specification data (including schedules for minimum sampling and testing), estimate and quantity, plan-profile, channel details, roadway details (as applicable), bridge and culvert details, hydraulic details, and standards. (Standards may be used from governing entities, but must be signed and dated by the **Project Engineer** of responsible supervision as being applicable to the **Project**.)
- (g) **Specifications.** Whenever possible, the **Engineer** shall use the Texas Department of Transportation’s 1993 Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges. Other specifications may be developed by the **Engineer**, but must incorporate, to the extent possible, references to standard requirements of AASHTO design and AASHTO testing procedures.
- (h) **Estimates.** The **Engineer** shall prepare detailed cost estimates and proposals of authorized construction, which shall include summaries of bid items and quantities based, insofar as practicable, on the unit price system of bidding. The **Engineer** shall not be required to guarantee the accuracy of those estimates.

EXHIBIT “B1”

Project Description

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1 MASTER DRAINAGE SYSTEM PHASE II

BACKGROUND

The development and implementation of Hidalgo County Drainage District No. 1 Master Drainage System Phase II for the design and expansion of the Raymondville Drain Outfall System involves advance planning, preliminary engineering and design, final design and plans, specifications, and estimates (PS&E), right of way map preparation, and construction of proposed improvements. The proposed improvements include approximately 12.0 miles of new storage channel/ditch facilities, as well as the widening of 48.0 miles of existing channels/ditches. In addition, the “La Sal Vieja Lake” will serve as a storage pond in order to facilitate drainage of the expanded Raymondville Drain Outfall System. Also included along the drainage outfall system, are the proposed improvements involving associated facilities such as bridges, culverts, headwalls, utility crossings, and downdrains.

The MDS Phase II is located in both Hidalgo and Willacy Counties. The MDS Phase II limits start on the east side of Lake Edinburg where the new storage ditch will drain north for about 4.0 miles, then east for 8.0 miles toward the existing West Hargill Drain. At this point, it involves improvements of the existing West Hargill Drain, which spans 11.0 miles where it connects to the existing Raymondville Drain and the “La Sal Vieja Lake” Ditch. At this connection point, Raymondville Drain, as well as the “La Sal Vieja Lake” Ditch, will be improved along the existing Raymondville Drain which spans approximately 33.0 miles to the final outfall point, the Laguna Madre.

PROPOSED PROJECT WORK TASKS UNDER THIS AGREEMENT

Essentially, the proposed project work tasks under this agreement, include two parts:

1. **Hidalgo County, from Edinburg Lake to Willacy County Line** – Finalize the hydrologic and hydraulic models, update the environmental document to incorporate downstream information of Willacy County, and prepare plans, specifications, and estimates for portions of the within the limits of Edinburg Lake to the Gueraa Detention Facility south of the Edinburg Airport. Specific work items include:
 - GCM Services
 - Finalize H&H for Final Design
 - Finalize Plan Formulation
 - Finalize Economic Studies
 - PS&E
 - Coordinate and update environmental

2. **Willacy County, from Willacy County Line to Laguna Madre** – Perform advance project development, planning, and preliminary engineering activities, including

Hidalgo County / S&B Infrastructure, Ltd.
“Master Drainage System Phase II – Raymondville Drain Outfall System”

environmental document preparation, public involvement. Specific work items include:

- GCM Services
- H&H (APD only)
- Preliminary Engineering Site Development
- Preliminary Engineering Design Analysis
- Preliminary Plan Formulation
- Preliminary Economic Studies
- Preliminary Cost Estimates
- Environmental / Public Involvement

EXHIBIT “C”

Work Schedule

A detailed Work Schedule shall be prepared by the **Engineer** to be submitted and approved at the Design Concept Conference. The Work Schedule will provide specific work sequence and definite review times by the **Owner** and the **Engineer** of the work performed

The **Engineer** will diligently pursue the completion of the Work as defined by the milestones and deliverable due dates outlined in the 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"
CONTRACT RATES

S & B INFRASTRUCTURE, LTD.

LABOR:

Job Description (NSPE Grade)	Base Rate*	Contract Rate**	Base Rate*	Contract Rate**	Base Rate*	Contract Rate**
	2009	2009	2010	2010	2011	2011
Principal (XV)	98.75	303.10	103.69	318.27	108.87	334.17
Director of QC/QA (XII)	82.69	253.81	86.82	266.49	91.16	279.81
Project Manager (VIII)	54.06	165.93	56.76	174.22	59.60	182.94
Engineer (V) Structural	53.81	165.16	56.50	173.42	59.33	182.11
Engineer (V) Hydraulic/Civil	53.25	163.45	55.91	171.61	58.71	180.20
Engineer (III,IV) Civil	37.49	115.07	39.36	120.81	41.33	126.86
Environmental Scientist	49.25	151.17	51.71	158.72	54.30	166.67
Biologist	28.00	85.94	29.40	90.24	30.87	94.75
GIS / CADD)	35.00	107.43	36.75	112.80	38.59	118.45
Secretary	12.60	38.67	13.23	40.61	13.89	42.63
CADD	22.25	68.29	23.36	71.70	24.53	75.29

Direct labor = 100.00%
 Overhead = 166.90% Overhead rate shall be adjusted each year, based on audited rates.
 Direct Labor + Overhead = 266.90%

* Base Rate = estimated raw salary without burden

**These are the labor rates to be used to negotiate work orders for special or excluded services, and/or additional work.

NON-LABOR:***

Mileage	\$ 0.500/mi.
Car Rental	\$70.00/day
Lodging	∅
Meals	∅
Air Travel	at cost
Overnight Carrier cost	\$20/letter
Copies	\$.10/ea
Bond Plots	\$0.75/sq. ft.
Color Plots	\$1.60/sq. ft.
Mylar Plots	\$1.20/sq. ft.

∅ GSA per diem rates

***These are the anticipated non-labor rates to be used to negotiate work orders for special or excluded services, and/or additional work.

Other non-labor rates may be determined at time of negotiation.

**EXHIBIT “D1”
Fee Breakdown**

For and in consideration of the *Basic Services* as more particularly identified in **EXHIBIT “B”** attached to this Agreement and to be rendered by the **Engineer**, the **Owner** shall pay the **Engineer** the **Basic Services Fee** as defined in Article 5.1 of this Agreement, and as more particularly identified as follows:

Basic Services Fee = 9% of the construction cost of the **Project**

Basic Services Fee = **GCM Fee** + **Engineering Fee**

Whereas, **GCM Fee** is the compensation to the **Engineer** for *Basic Services* provided by the **Engineer** under General Contract Management and more particularly described in **EXHIBIT “B”** attached to this Agreement; and,

Whereas, **Engineering Fee** is the compensation to the **Engineer** for *Basic Services* provided by the **Engineer**, which are more particularly described in **EXHIBIT “B”** attached to this Agreement; and,

Further breakdown of the **Basic Services Fee** is as follows:

GCM Fee = 2.75% of the **Basic Services Fee**

Engineering Fee = 6.25% of the **Basic Services Fee**

EXHIBIT “D2”

Funding Source Incentive

In accordance with Article 5.3 of this Agreement, the **Owner** shall provide an incentive opportunity to the **Engineer** in consideration for services rendered regarding the corporate sponsorship performed by the **Engineer** for obtaining funding from potential funding sources for the development and construction of the **Project**.

The **Owner** will increase the **GCM Fee**, as identified in **EXHIBIT “D1”** attached to this Agreement, for compensation to the **Engineer**, from two and three-quarter percent (2.75%) up to a maximum of three and one-quarter percent (3.25%) of the construction cost of the **Project** for obtaining funding from potential funding sources for **Project** development and construction. The basis of compensation will be as follows:

<u>(Funding Obtained / Construction Cost)%</u>	<u>Increase GCM Fee up to:</u>
00.01% ~ 12.50%	2.8125%
12.51% ~ 25.00%	2.8750%
25.01% ~ 37.50%	2.9375%
37.51% ~ 50.00%	3.0000%
50.01% ~ 62.50%	3.0625%
62.51% ~ 75.00%	3.1250%
75.01% ~ 87.50%	3.1875%
87.51% ~ 100.00%	3.2500%

Payments to the **Engineer** in meeting the incentive requirements stated above will be made, in accordance with the terms and provisions of Article 6 of this Agreement, by the **Owner**, upon presentation of a **Request for Payment** by the **Engineer**. Previous payments made to the **Engineer** for the **GCM Fee** will be ultimately reconciled to the increased fee for **GCM Fee** as obtained through these incentive requirements, and the amount of reconciled payment to the **Engineer** for the increased fee for **GCM Fee** shall be applied in the next applicable **Request for Payment** by the **Engineer**.

PROJECT: MDS Raymondville Drain - Hidalgo County
 CLIENT: Hidalgo County

EXHIBIT "D3(a)" Cost Proposal - HIDALGO COUNTY

S&B JOB NO.:

TASK CODE	DESCRIPTION from EXHIBIT "B" & "B1"	SERVICE	ESTIMATED FEE	TOTALS
LABOR				
HIDALGO COUNTY				
	(1) Provide GCM Services for administration and management.	BASIC	\$197,931.00	
	(2) Finalize H&H for final design of new ditch, Edinburg Lake to Guerra Detention Facility.	BASIC	\$168,000.00	
	(3) Finalize Plan Formulation for Hidalgo County	BASIC	\$100,000.00	
	(4) Finalize Economic Studies for Hidalgo County	BASIC	\$100,000.00	
	(5) PS&E for new ditch, Edinburg Lake to Guerra Detention Facility.	BASIC	\$1,333,333.00	
	(6) Coordinate and update Environmental for Hidalgo County portion.	SPECIAL	\$100,000.00	
	Sub Total (TASKS)			\$1,999,264.00
	Sub Total (LABOR)			\$1,999,264.00

PROJECT: MDS Raymondville Drain - Hidalgo County
 CLIENT: Hidalgo County

EXHIBIT "D3(a)" Cost Proposal - HIDALGO COUNTY

S&B JOB NO.:

TASK CODE	DESCRIPTION from EXHIBIT "B" & "B1"	SERVICE	Principal (XV)	Director of QC/QA (XII)	MAN-HOURS			Biologist	GIS / CADD	ESTIMATED FEE	TOTALS
					Engineer (V) Structural	Environmental Scientist					
NON LABOR											
TRAVEL											
Washington DC - 5 trips											
	Travel (Airfare - Round-trip, McAllen, TX to DC)	SPECIAL	Persons = 2	Trips = 2	5		Cost per Ticket=	\$ 1,000.00	\$10,000.00		
	Travel (Rental Car - 4 days per trip)	SPECIAL	Days = 4	Trips = 4	5		Cost per Day =	\$ 70.00	\$1,400.00		
	Travel (Rental Car - gas)	SPECIAL	Days = 4	Trips = 4	5		Cost per Day =	\$ 25.00	\$500.00		
	Travel (Lodging: 3 nights per trip)	SPECIAL	People = 2	Night = 2	15		Hotel Rate=	\$ 229.00	\$6,870.00		
	Travel (Meals)	SPECIAL	People = 2	Days = 2	15		Rate=	\$ 71.00	\$2,130.00		
Galveston - 3 trips											
	Travel (Airfare - Round-trip, McAllen, TX to Galveston)	SPECIAL	Persons = 2	Trips = 2	3		Cost per Ticket=	\$ 400.00	\$2,400.00		
	Travel (Rental Car - 2 days per trip)	SPECIAL	Days = 2	Trips = 2	3		Cost per Day =	\$ 70.00	\$420.00		
	Travel (Rental Car - gas)	SPECIAL	Days = 2	Trips = 2	3		Cost per Day =	\$ 25.00	\$150.00		
	Travel (Lodging: 2 nights per trip)	SPECIAL	People = 2	Night = 2	6		Hotel Rate=	\$ 128.00	\$1,536.00		
	Travel (Meals)	SPECIAL	People = 2	Days = 2	6		Rate=	\$ 71.00	\$852.00		
Fort Worth - 1 trips											
	Travel (Airfare - Round-trip, McAllen, TX to DFW)	SPECIAL	Persons = 2	Trips = 2	1		Cost per Ticket=	\$ 580.00	\$1,160.00		
	Travel (Rental Car - 2 days per trip)	SPECIAL	Days = 2	Trips = 2	2		Cost per Day =	\$ 70.00	\$280.00		
	Travel (Rental Car - gas)	SPECIAL	Days = 2	Trips = 2	2		Cost per Day =	\$ 25.00	\$100.00		
	Travel (Lodging: 1 night per trip)	SPECIAL	People = 2	Night = 2	1		Hotel Rate=	\$ 122.00	\$244.00		
	Travel (Meals)	SPECIAL	People = 2	Days = 2	2		Rate=	\$ 71.00	\$284.00		
	Mileage (Site Visit)	BASIC							\$2,500.00		
	Reproduction / Miscellaneous	BASIC							\$10,585.00		
	Sub Total (NON-LABOR)									\$41,411.00	
	PROJECT TOTAL									\$2,040,675.00	

PROJECT: MDS Raymondville Drain - Hidalgo County
 CLIENT: Hidalgo County

EXHIBIT "D3(b)"

Cost Proposal - WILLACY COUNTY

S&B JOB NO.:

TASK CODE	DESCRIPTION from EXHIBIT "B" & "B1"	SERVICE	ESTIMATED FEE	TOTALS
LABOR				
HIDALGO COUNTY				
(1)	Provide GCM Services for administration and management.	BASIC	\$143,750.00	
(2)	Develop H&H model (APD only); revise / update downstream model, perform preliminary hydraulics.	BASIC	\$383,333.00	
(3)	Engineering Site Development	BASIC	\$181,125.00	
(4)	Engineering Design Analysis	BASIC	\$221,375.00	
(5)	Plan Formulation	BASIC	\$201,250.00	
(6)	Economic Studies	BASIC	\$251,562.00	
(7)	Cost Estimates	BASIC	\$50,313.00	
	Sub Total (TASKS)			\$1,432,708.00
	Sub Total (LABOR)			\$1,432,708.00

PROJECT: MDS Raymondville Drain - Hidalgo County
 CLIENT: Hidalgo County

EXHIBIT "D3(b)" Cost Proposal - WILLACY COUNTY

S&B JOB NO.:

TASK CODE	DESCRIPTION from EXHIBIT "B" & "B1"	SERVICE	Principal (XV)	Director of QC/QA (XII)	Project Manager (VIII)	MAN-HOURS		Biologist	GIS / CADD)	ESTIMATED FEE	TOTALS
						Engineer (V) Structural	Environmental Scientist				
NON LABOR											
TRAVEL											
Washington DC - 5 trips											
	Travel (Airfare - Round-trip, McAllen, TX to DC)	SPECIAL	Persons = 2 Trips = 5	2	Trips = 5			Cost per Ticket= \$ 1,000.00		\$10,000.00	
	Travel (Rental Car - 4 days per trip)	SPECIAL	Days = 4	4	Trips = 5			Cost per Day = \$ 70.00		\$1,400.00	
	Travel (Rental Car - gas)	SPECIAL	Days = 4	4	Trips = 5			Cost per Day = \$ 25.00		\$500.00	
	Travel (Lodging: 3 nights per trip)	SPECIAL	People = 2	2	Night = 15			Hotel Rate= \$ 229.00		\$6,870.00	
	Travel (Meals)	SPECIAL	People = 2	2	Days = 15			Rate= \$ 71.00		\$2,130.00	
Galveston - 3 trips											
	Travel (Airfare - Round-trip, McAllen, TX to Galveston)	SPECIAL	Persons = 3	2	Trips = 3			Cost per Ticket= \$ 400.00		\$2,400.00	
	Travel (Rental Car - 2 days per trip)	SPECIAL	Days = 2	2	Trips = 3			Cost per Day = \$ 70.00		\$420.00	
	Travel (Rental Car - gas)	SPECIAL	Days = 2	2	Trips = 3			Cost per Day = \$ 25.00		\$150.00	
	Travel (Lodging: 2 nights per trip)	SPECIAL	People = 2	2	Night = 6			Hotel Rate= \$ 128.00		\$1,536.00	
	Travel (Meals)	SPECIAL	People = 2	2	Days = 6			Rate= \$ 71.00		\$852.00	
Fort Worth - 1 trips											
	Travel (Airfare - Round-trip, McAllen, TX to DFW)	SPECIAL	Persons = 1	2	Trips = 1			Cost per Ticket= \$ 580.00		\$1,160.00	
	Travel (Rental Car - 2 days per trip)	SPECIAL	Days = 2	2	Trips = 1			Cost per Day = \$ 70.00		\$140.00	
	Travel (Rental Car - gas)	SPECIAL	Days = 2	2	Trips = 1			Cost per Day = \$ 25.00		\$50.00	
	Travel (Lodging: 1 night per trip)	SPECIAL	People = 1	2	Night = 1			Hotel Rate= \$ 122.00		\$244.00	
	Travel (Meals)	SPECIAL	People = 2	2	Days = 2			Rate= \$ 71.00		\$283.00	
Mileage (Site Visit)											
		BASIC								\$1,250.00	
Reproduction / Miscellaneous											
		BASIC								\$7,232.00	
Sub Total (NON-LABOR)										\$36,617.00	
PROJECT TOTAL										\$1,469,325.00	

PROJECT: MDS Raymondville Drain - Willacy County Supplemental EIS
 CLIENT: Hidalgo County Drainage District No. 1

EXHIBIT "D3(c)"

Cost Proposal - ENVIRONMENTAL WILLACY COUNTY

S&B JOB NO.:

TASK CODE	DESCRIPTION from EXHIBIT "B" & "B1"	SERVICE	ESTIMATED FEE	TOTALS
LABOR				
PHASE I - SCOPING AND PRELIMINARY ANALYSIS				
(1)	Identify stakeholders and affected agencies.	SPECIAL	\$12,187.80	
(2)	Develop / maintain stakeholder list; identify state, federal, and local agencies; identify non-profit organizations.	SPECIAL	\$10,250.30	
(3)	roster, coordinate, conduct, meeting notes; follow-up.	SPECIAL	\$14,357.10	
(3)	Project Development Meeting (USACE) - attend.	SPECIAL	\$2,841.48	
(4)	Review preliminary data, review land use maps; review tax records, etc.	SPECIAL	\$50,606.40	
(5)	Identify evaluation issues	SPECIAL	\$17,187.80	
(6)	Identify design concerns	SPECIAL	\$23,993.60	
(7)	Conduct preliminary field reconnaissance:			
	Land use/Socio-economic/Relocation data	SPECIAL	\$28,800.00	
	Ecology/Wetlands/Endangered Species	SPECIAL	\$28,800.00	
	Hazardous Materials	SPECIAL	\$28,800.00	
	Cultural Historical Survey	SPECIAL	\$28,800.00	
(8)	Develop constraints matrix	SPECIAL	\$23,213.10	
(9)	Document project need and description	SPECIAL	\$20,456.05	
(10)	Prepare preliminary scoping document and write coordination letters (as applicable) to SHC, USFWS, TPWD, USCG, IBWC, NRCs, FEMA, TNRCC, etc.	SPECIAL	\$31,691.90	
(11)	Scoping Meeting (Resource Agencies) - agenda, roster, coordinate, conduct, meeting notes, follow-up.	SPECIAL	\$24,458.20	
(11)	Scoping Meeting 1 (Resource Agencies) - prep. and attend.	SPECIAL	\$2,841.48	
(11)	Scoping Meeting 2 (Resource Agencies) - prep. and attend.	SPECIAL	\$2,841.48	
(11)	Scoping Meeting 3 (Resource Agencies) - prep. and attend.	SPECIAL	\$2,841.48	
Sub Total (SCOPING)				\$354,968.17

PROJECT: MDS Raymondville Drain - Willacy County Supplemental EIS
 CLIENT: Hidalgo County Drainage District No. 1

EXHIBIT "D3(c)"

Cost Proposal - ENVIRONMENTAL WILLACY COUNTY

S&B JOB NO.:

TASK CODE	DESCRIPTION from EXHIBIT "B" & "B1"	SERVICE	ESTIMATED FEE	TOTALS
PHASE II - DETAILED FIELD STUDIES AND MODELING				
A. Data Collection / Analysis for Affected Environme				
(1)	Socio-Economic Resources			
	(a) land use	SPECIAL	\$37,913.00	
	(b) neighborhood cohesion issues	SPECIAL	\$29,222.00	
	(c) residential/business relocations	SPECIAL	\$20,531.00	
	(d) public owned lands and facilities	SPECIAL	\$20,531.00	
	(e) population demographics and env justice	SPECIAL	\$37,913.00	
(2)	Physical Resources			
	(a) topography	SPECIAL	\$29,222.00	
	(b) geology	SPECIAL	\$20,531.00	
	(c) soils (prime/unique farmland; hydric soils)	SPECIAL	\$20,531.00	
	(d) groundwater/surface water	SPECIAL	\$20,531.00	
	(e) floodplain and drainage issues	SPECIAL	\$20,531.00	
	(f) water quality	SPECIAL	\$20,531.00	
	(g) air quality	SPECIAL	\$20,531.00	
	(h) noise impacts	SPECIAL	\$29,222.00	
(3)	Biological Resources			
	(a) native vegetation	SPECIAL	\$29,551.00	
	(b) natural ecology	SPECIAL	\$29,551.00	
	(c) wildlife habitat	SPECIAL	\$29,551.00	
	(d) potential wetlands	SPECIAL	\$29,551.00	
	(e) endangered/threatened species	SPECIAL	\$29,551.00	
(4)	Cultural/Urban Resources			
	(a) historical sites	SPECIAL	\$18,356.00	
	(b) archaeological sites	SPECIAL	\$18,356.00	

PROJECT: MDS Raymondville Drain - Willacy County Supplemental EIS
 CLIENT: Hidalgo County Drainage District No. 1

EXHIBIT "D3(c)"

Cost Proposal - ENVIRONMENTAL WILLACY COUNTY

S&B JOB NO.:

TASK CODE	DESCRIPTION from EXHIBIT "B" & "B1"	SERVICE	ESTIMATED FEE	TOTALS
(5)	Hazardous Materials Assessment			
	Hazardous Materials	SPECIAL	\$20,531.00	
(6)	Special Studies	BASIC	\$250,000.00	
	Cultural Resources	SPECIAL	\$974.00	
	(1) Historic research (Estimated)	SPECIAL	\$15,962.00	
	(2) Coordination with Subproviders on cultural resource services (Estimated)	SPECIAL	\$24,430.00	
	(3) Coordination with Subproviders on archeological resource services (Estimated)	SPECIAL	\$7,494.00	
	Biological Resources	SPECIAL	\$25,008.00	
	(1) Wetland evaluation, permitting, alternatives, and mitigation (Estimated)	SPECIAL	\$61,138.50	
	(2) Bio-community assessment, benthic studies (Estimated)	SPECIAL	\$39,666.00	
	(3) Threatened/endangered species, habitat assessment, presence/absence survey, Section 7 of ESA, Biological Opinion, impact mitigation (Estimated)	SPECIAL	\$122,277.00	
	(4) Ecological investigations	SPECIAL	\$68,466.00	
	Physical Resources	SPECIAL		
	(1) Air Quality Analysis	SPECIAL	\$32,466.00	
	(2) Sediment Analysis	SPECIAL	\$58,631.00	
	(3) Water Quality Analysis	SPECIAL	\$53,835.00	
	B. Permits / Certifications and/or Notifications			
(1)	Coordination with City, County, and Agency Officials	SPECIAL	\$29,222.00	
(2)	Develop and maintain list of local permit requirements.	SPECIAL	\$24,878.50	
(3)	Water Quality Certifications	SPECIAL	\$30,585.50	
(4)	Pre-consultation Notifications (NWP, SW3P NOI, etc.)	SPECIAL	\$23,385.50	
	C. Miscellaneous			
(1)	Examine / determine need for modeling.	SPECIAL	\$17,435.50	
(2)	Finalize Constraints Mapping	SPECIAL	\$13,090.00	
(3)	Benthic Studies	SPECIAL	\$50,000.00	
Sub Total (DATA COLLECTION / ANALYSIS FOR AFFECTED ENVIRONMENT)				\$1,481,686.50

PROJECT: MDS Raymondville Drain - Willacy County Supplemental EIS
 CLIENT: Hidalgo County Drainage District No. 1

EXHIBIT "D3(c)" Cost Proposal - ENVIRONMENTAL WILLACY COUNTY

S&B JOB NO.:

TASK CODE	DESCRIPTION from EXHIBIT "B" & "B1"	SERVICE	ESTIMATED FEE	TOTALS
D. Draft Environmental Document (SEIS)				
(1)	Data review / evaluation; identify cumm impacts.	SPECIAL	\$36,625.90	
(2)	Write/submit draft SEIS - anticipate FONSI	SPECIAL	\$45,316.90	
(3)	Incorporate comments and submit revised draft	SPECIAL	\$27,934.90	
(4)	Incorporate final comments	SPECIAL	\$27,455.30	
	Sub Total (DRAFT ENV DOCUMENT)			\$137,333.00
PHASE III - FINAL SEIS AND PUBLIC INVOLVEMENT				
A. Final SEIS				
(1)	Data review / evaluation; identify cumm impacts.	SPECIAL	\$22,905.90	
(2)	Write/submit final draft SEIS - anticipate FONSI	SPECIAL	\$31,596.90	
(3)	Incorporate comments and submit revised draft	SPECIAL	\$22,905.90	
(4)	Incorporate final comments	SPECIAL	\$21,647.10	
B. Public Involvement				
(1) Public Information Workshop #1 - Willacy County:				
	Coordinate, advertise, prepare agenda, roster, meeting room, court reporter, pictures, mail-outs.	SPECIAL	\$8,692.00	
	Attend.	SPECIAL	\$4,812.32	
	Conduct mtng, prepare Meeting Report	SPECIAL	\$4,495.70	
(2) Public Information Workshop #2 - Willacy County:				
	Coordinate, advertise, prepare agenda, roster, meeting room, court reporter, pictures, mail-outs.	SPECIAL	\$8,692.00	
	Attend.	SPECIAL	\$4,812.32	
	Conduct mtng, prepare Meeting Report	SPECIAL	\$4,495.70	
(3) Public Meeting #1 - Willacy County:				
	Coordinate, advertise, prepare agenda, roster, meeting room, court reporter, pictures, mail-outs.	SPECIAL	\$8,692.00	
	Attend.	SPECIAL	\$4,812.32	
	Conduct mtng, prepare Meeting Report	SPECIAL	\$4,495.70	

PROJECT: MDS Raymondville Drain - Willacy County Supplemental EIS
 CLIENT: Hidalgo County Drainage District No. 1

EXHIBIT "D3(c)"

Cost Proposal - ENVIRONMENTAL WILLACY COUNTY

S&B JOB NO.:

TASK CODE	DESCRIPTION from EXHIBIT "B" & "B1"	SERVICE	ESTIMATED FEE	TOTALS
(4)	Public Meeting #2 - Willacy County			
	Coordinate, advertise, prepare agenda, roster, meeting room, court reporter, pictures, mail-outs.	SPECIAL	\$8,692.00	
	Attend.	SPECIAL	\$4,812.32	
	Conduct mtg, prepare Meeting Report	SPECIAL	\$4,495.70	
(5)	Public Hearing #1 - Willacy County:			
	Coordinate, advertise, prepare agenda, roster, meeting room, court reporter, pictures, mail-outs.	SPECIAL	\$13,037.60	
	Attend.	SPECIAL	\$4,812.32	
	Conduct mtg, prepare Meeting Report	SPECIAL	\$8,991.40	
(6)	Public Hearing #2 - Willacy County			
	Coordinate, advertise, prepare agenda, roster, meeting room, court reporter, pictures, mail-	SPECIAL	\$11,299.40	
	Attend.	SPECIAL	\$4,812.32	
	Conduct mtg, prepare Meeting Report	SPECIAL	\$8,991.40	
	C. Agency Coordination - Document Review			
(1)	Coordinate with USACE on the Notice of Intent (NOI)	SPECIAL	\$10,640.40	
(2)	Prepare and publish NOI	SPECIAL	\$14,116.80	
(3)	Coordinate with USACE on the Draft EIS	SPECIAL	\$19,422.40	
(4)	Assist USACE with SAFETEA-LU requirements for the Draft EIS	SPECIAL	\$5,664.56	
(5)	Prepare and publicize the Draft EIS Notice of Availability	SPECIAL	\$6,054.16	
(6)	Coordinate with USACE on Final EIS	SPECIAL	\$11,989.00	
(7)	Assist USACE with SAFETEA-LU requirements for the Final EIS	SPECIAL	\$5,664.56	
(8)	Prepare and publicize the Final EIS Notice of Availability	SPECIAL	\$6,054.16	
	Sub Total (FINAL SEIS AND PUBLIC INVOLVEMENT)			\$302,606.36

PROJECT: MDS Raymondville Drain - Willacy County Supplemental EIS
 CLIENT: Hidalgo County Drainage District No. 1

EXHIBIT "D3(c)"

Cost Proposal - ENVIRONMENTAL WILLACY COUNTY

S&B JOB NO.:

TASK CODE	DESCRIPTION from EXHIBIT "B" & "B1"	SERVICE	ESTIMATED FEE	TOTALS
MANAGEMENT, MEETINGS, AND PROGRESS				
	Progress Meetings			
	(1) Meet every other month with USACE; Engineer prepares meeting minutes.	SPECIAL	\$30,852.55	
	Quality Control/Quality Assurance			
	(2) Engineer performs QA/QC on deliverables.	SPECIAL	\$114,919.20	
	Sub Total (MANAGEMENT, MEETINGS, PROGRESS)			\$145,771.75
	Sub Total (LABOR)			\$2,422,365.78
	Total Hours			
	CONTRACT RATES: (\$/MAN-HOUR)			
	BASE RATES: (\$/MAN-HOUR)			
NON LABOR				
Phase 1	FedEx Courier / Runner Service	SPECIAL	\$300.00	
	Outside reproduction	SPECIAL	\$500.00	
	Film / Video	SPECIAL	\$250.00	
	Exhibits	SPECIAL	\$250.00	
	GPS Equipment	SPECIAL	\$3,000.00	
	Photocopies (8-1/2" x 11")	SPECIAL	\$500.00	
	Photocopies (11" x 17")	SPECIAL	\$250.00	
	Color Photocopies (8-1/2" x 11")	SPECIAL	\$150.00	
	Color Photocopies (11" x 17")	SPECIAL	\$175.00	
	Travel - (inside Willacy County) - Mileage	SPECIAL	\$2,000.00	
	Travel (outside Willacy County) - Mileage	SPECIAL	\$1,000.00	
	Travel - Lodging	SPECIAL	\$1,000.00	
	Travel - Meals	SPECIAL	\$700.00	
	Travel - Airfare	SPECIAL	\$2,500.00	
	Travel - Rental Vehicle	SPECIAL	\$400.00	

PROJECT: MDS Raymondville Drain - Willacy County Supplemental EIS
 CLIENT: Hidalgo County Drainage District No. 1

EXHIBIT "D3(c)"

Cost Proposal - ENVIRONMENTAL WILLACY COUNTY

S&B JOB NO.:

TASK CODE	DESCRIPTION from EXHIBIT "B" & "B1"	SERVICE	ESTIMATED FEE	TOTALS
Phase 2	FedEx Courier / Runner Service	SPECIAL	\$299.22	
	Regular Mail Letters	SPECIAL	\$500.00	
	Reproductions (8 1/2" x 11")	SPECIAL	\$500.00	
	Reproductions (24" x 36")	SPECIAL	\$2,700.00	
	Exhibits	SPECIAL	\$250.00	
	Environmental Data Reports	SPECIAL	\$6,000.00	
	Travel - (inside Willacy County) - Mileage	SPECIAL	\$2,000.00	
	Travel (outside Willacy County) - Mileage	SPECIAL	\$1,000.00	
	Travel - Lodging	SPECIAL	\$300.00	
	Travel - Meals	SPECIAL	\$120.00	
	Travel - Airfare	SPECIAL	\$440.00	
	Travel - Rental Vehicle	SPECIAL	\$400.00	
Pub Inv	Outside reproduction	SPECIAL	\$1,500.00	
	Film / Video	SPECIAL	\$150.00	
	Exhibits	SPECIAL	\$2,500.00	
	Postage	SPECIAL	\$2,000.00	
	Court Reporter (6 mtgs)	SPECIAL	\$3,000.00	
	Meeting Room (6 mtgs)	SPECIAL	\$1,200.00	
	Advertisement (12)	SPECIAL	\$6,000.00	
	Mylar Plots Outside reproduction	SPECIAL	\$400.00	
	Travel - (inside Willacy County) - Mileage	SPECIAL	\$2,000.00	
	Travel (outside Willacy County) - Mileage	SPECIAL	\$1,000.00	
	Travel - Lodging	SPECIAL	\$0.00	
	Travel - Meals	SPECIAL	\$0.00	
	Travel - Airfare	SPECIAL	\$0.00	
	Travel - Rental Vehicle	SPECIAL	\$0.00	
	FedEx Courier / Runner Service	SPECIAL	\$550.00	
	Outside reproduction	SPECIAL	\$3,000.00	
	Film / Video	SPECIAL	\$150.00	
	Exhibits, Map Resources	SPECIAL	\$250.00	
	Plant Taxonomist Services	SPECIAL	\$500.00	
	Travel - (inside Willacy County) - Mileage	SPECIAL	\$2,500.00	
	Travel (outside Willacy County) - Mileage	SPECIAL	\$1,000.00	
	Travel - Lodging (2 people X 30 days/each)	SPECIAL	\$6,000.00	
	Travel - Meals (2 people X 30 days/each)	SPECIAL	\$3,000.00	
	Travel - Airfare (2 people x 6 trips/each)	SPECIAL	\$3,000.00	
	Travel - Rental Vehicle (6 trips)	SPECIAL	\$450.00	
	Sub Total (NON-LABOR)			\$67,634.22
	PROJECT TOTAL			\$2,490,000.00

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:
S&B INFRASTRUCTURE, LTD.**

BY: _____
_____, (officer title)

**THE OWNER:
HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

BY: _____
_____, Chairman of the Board

LIST OF ATTACHMENTS

(as required)

EXHIBIT "F"

Certificate of Insurance Form – Hidalgo County

Hidalgo County CERTIFICATE OF INSURANCE



NOTE: Copies of the endorsements listed below are not required as attachments to this certificate.

The named Engineer, Consultant or Contractor shall not commence work until he/she has obtained the minimum insurance specified in Section II, below, and obtained the following endorsements: **Hidalgo County** as an **Additional Insured** for coverages 3 and 4, and a **Waiver of Subrogation** in favor of the **Hidalgo County** under coverages 2, 3 and 4. Only certificates of insurance published by **Hidalgo County** are acceptable as proof of insurance; commercial carriers' certificates are unacceptable.

SECTION I IDENTIFICATION DATA

1.1 Insured Name (of Engineer, Consultant or Contractor)

1.2 Street/Mailing Address

1.3 City

1.4 State

1.5 Zip

1.6 Phone Number

Area Code ()

SECTION II TYPE OF INSURANCE

Type	Policy Number:	Effective Date:	Expiration Date:	Limits of Liability Not Less Than:
2. WORKERS' COMPENSATION				
	2.1 _____	2.2 _____	2.3 _____	Statutory Texas
Endorsed with a Waiver of Subrogation in favor of Hidalgo County				
3. COMMERCIAL GENERAL LIABILITY				
Bodily Injury/Property Damage	3.1 _____	3.2 _____	3.3 _____	\$2,000,000 combined single limit each occurrence and in the aggregate
Endorsed with Hidalgo County as an Additional Insured and endorsed with a Waiver of Subrogation in favor of Hidalgo County .				
4. TEXAS BUSINESS AUTOMOBILE POLICY				
A. Bodily Injury	4.1 _____	4.2 _____	4.3 _____	\$250,000 ea. Person \$500,000 ea. Occurrence
B. Property Damage	4.4 _____	4.5 _____	4.6 _____	\$100,000 ea. Occurrence
Endorsed with Hidalgo County as an Additional Insured and endorsed with a Waiver of Subrogation in favor of Hidalgo County .				
5. PROFESSIONAL LIABILITY				
	5.1 _____	5.2 _____	5.3 _____	\$2,000,000 combined single limit each occurrence and in the aggregate

SECTION III CERTIFICATION

This Certificate of Insurance neither affirmatively or negatively amends, extends, or alters the coverage afforded by the above insurance policies issued by the insurance company named below. Cancellation of the insurance policies shall not be made until THIRTY DAYS AFTER the undersigned agent or his/her company has sent written notices by certified mail to the Engineer, Consultant or Contractor and **Hidalgo County**.

THIS IS TO CERTIFY to **Hidalgo County** that the insurance policies above meet all the requirements stipulated above and such policies are in full force and effect.

6.1 Name of Insurance Company			7.1 Name of Authorized Agent		
6.2 Company Address			7.2 Agent's Address		
6.3 City	6.4 State	6.5 Zip	7.3 City	7.4 State	7.5 Zip
7.6 Authorized Agent's Phone No. Area Code ()			Original Signature of Authorized Agent Date		

Hidalgo County

Hidalgo County / S&B Infrastructure, Ltd.
"Master Drainage System Phase II – Raymondville Drain Outfall System"

CERTIFICATE OF INSURANCE (Back of Form)

Hidalgo County
Certificate of Insurance Requirements

Only the Hidalgo County Certificate of Insurance (COI) forms are acceptable as proof of insurance.

The named insured on the COI and the name of the Engineer, Consultant, or Contractor, as it appears on the Agreement for Professional Services, must be the same.

The signature of the agent must be original in ink; stamped/typed/printed signatures are unacceptable.

WORKER'S COMPENSATION

The following requirements apply to *WORKER'S COMPENSATION* coverage:

- If the Engineer, Consultant, or Contractor has *any* employees, in addition to himself/herself, then the Engineer, Consultant, or Contractor is required to have workers' compensation insurance.
- The word STATUTORY, under limits of liability, means that the benefits allowed under the Texas Workers' Compensation Law will be paid by the insurer.
- Relatives of the Engineer, Consultant or Contractor (spouse, sons, daughters) must be covered by workers' compensation insurance if such relatives are employees of the named insured.

GROUP HEALTH insurance may not be substituted for *WORKERS' COMPENSATION* insurance.

COMMERCIAL GENERAL LIABILITY

COMMERCIAL GENERAL LIABILITY insurance is usually sold in only Combined Single Limit coverage. In the event the coverages are specified separately, they must be *at least* these amounts:

Bodily Injury	-	\$1,500,000 each occurrence
Property Damage	-	\$500,000 each occurrence
		\$2,000,000 aggregate

Note: This coverage was previously known as Comprehensive General Liability insurance. Some older policies may still carry this identification. This is acceptable.

MANUFACTURERS' AND CONTRACTORS' LIABILITY insurance is not an acceptable substitute for COMMERCIAL GENERAL LIABILITY insurance.

TEXAS BUSINESS AUTOMOBILE POLICY

The coverage amount for a *TEXAS BUSINESS AUTOMOBILE POLICY* may be shown as a minimum of \$850,000 Combined Single Limit by a typed or printed entry and deletion of the specific amounts listed for Bodily Injury and Property Damage.

BASIC AUTOMOBILE LIABILITY insurance is *not* an acceptable substitute for a TEXAS BUSINESS AUTOMOBILE POLICY or COMPREHENSIVE AUTOMOBILE LIABILITY insurance.

EXHIBIT "G"

Computer Documents and Information Exchange

PURPOSE. The purpose of this exhibit is to define the format for computer files and information exchange pertaining to the **Project** as identified and more particularly described in **EXHIBIT "B1"** attached to this Agreement. Recognizing that there will be several team members participating in the development of the overall **Project**, and taking into consideration that the **Owner** has a significant investment in the development of the **Project**, there is a need for consistency in document development for the purpose of review and production to help facilitate an economically efficient product.

FORMAT OF COMPUTER FILES FURNISHED TO THE OWNER BY THE ENGINEER. All computer document files furnished to the **Owner** by the **Engineer** shall be furnished on a CD-ROM created utilizing DOS software. Retrieval documentation relating to file storage on the designated delivery media shall be prepared by the **Engineer** and provided to the **Owner**. It is the intent of the **Engineer** and this Agreement to secure computer files from all **Project Team** members that are composed of elements of the same precision, integrity, singularity and attributes.

GRAPHIC FILES. The **Engineer** shall prepare graphic files that can be reviewed and plotted utilizing Microstation software. The graphics files submitted must be compatible with the Microstation Cad System without conversion or modifications and must plot consistent with the reproducible plots submitted. Minimum graphic file requirements (element definitions, graphic entities and attributes) shall be outlined in the "*Design Policy & Procedures Manual*" as identified and more particularly described in **EXHIBIT "B"** attached to this Agreement.

MISCELLANEOUS

All plots and graphics media provided by the **Engineer**, as a result of this Agreement, shall be delivered to the **Owner**. Final payment for plan sheet documents and/or associated, applicable engineering files will not be made until the files furnished by the **Engineer** have been demonstrated to be usable in the formats described above and herein.