

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

Part I - Professional Services Agreement

This Agreement, entered into this 22nd day of November 2010 by and between Hidalgo County Precinct No. 4, (hereinafter called the "Party") and Millennium engineers, Group, Inc. duly authorized Engineer, herein acting by Raul Palma, P.E., (hereinafter called the "Engineer").

WITNESSETH THAT:

WHEREAS, Hidalgo County has received CDBG funds from the U.S. Dept. of Housing and Urban Development to be used by Urban County Participants. It is understood and agreed that the Party's obligation under this Agreement is contingent upon the actual receipt of adequate federal funds to meet the liabilities under this Agreement; and

WHEREAS, the Party is interested in obtaining Engineering Services; and

WHEREAS, the Engineer, duly licensed and registered to practice engineer in the State of Texas, has the professional abilities to undertake the study, evaluation, analysis and recommendations in a manner which shall provide the necessary public service while preserving and enhancing to the greatest degree possible the natural and proposed environment in the PROJECT area; and

WHEREAS, the Party desires to engage the Engineer to render certain services in connection therewith;

NOW, THEREFORE, the participants do mutually agree as follows:

**SECTION I
EMPLOYMENT OF THE ENGINEER**

The Party agrees to employ the Engineer to furnish and provide the engineering services as stated in the following sections and upon receipt of such satisfactory services, the Party agrees to pay the Engineer as stated in the sections to follow.

**SECTION II
BASIC SERVICES OF THE ENGINEER**

The Engineer shall perform the following Basic Services in connection with the proposed Street Improvements Account(s) 5008-94-0311-5000-9400. (See Exhibit A)

2.1 Preliminary Phase

- a. Attend preliminary conferences with the Party and, if requested, with the funding agency and other government agencies or interested parties regarding the project.
- b. As may be required, comply and receive the Party and the funding agencies approval on all work.
- c. Prepare preliminary engineering plans on the Project in sufficient detail to indicate clearly the problems involved and solutions recommended with the cost estimates.
- d. Obtain the Party's approval of the work of this Preliminary Phase before proceeding with the next phase.

2.2 Design Phase

- a. Attend the respective Party's meetings as requested for the purpose of explaining completed design work activities.
- b. Advise the Party of any soil investigations or tests which, in the opinion of the Engineer, may be required for the proper execution of the Project.
- c. Provide all field information and surveys required for the design of the Project.
- d. Plot field data and other survey information for the design of the Project.
- e. Prepare detailed plans specification and contract documents and drawings (reproducible tracings) for construction authorized by the Party.
- f. Furnish, if requested, the engineering data necessary for the Party to obtain permits required by local, state, and federal authorities.
- g. Prepare cost estimates of authorized construction, based on prices for work. If such estimated costs exceed the monies available, the Party shall be consulted so that revisions can be made to reduce the cost as required.
- h. Prepare all documents required for the advertisement and bidding of the Project in cooperation with the Party's staff.
- i. Preparation of property or easement descriptions.

2.3 Construction Phase

The Construction Phase will commence with the execution of the prime construction contract(s). The Party will issue a ten (10) day commence work notice which will signal the commencement of work under any

construction contracts and will terminate upon the Party's approval of the Engineer's written approval of final payment to the Contractor(s). During the Construction Phase, the Engineer will:

- a. Assist the Party in opening and tabulating bids for the construction of the Project, and advise the Party in establishing the procedure for entering into construction phase.
- b. Prepare the formal Contract Documents for the Contractor.
- c. Make periodic visits to the site as required pursuant to the standards of Professional Engineers on projects of this nature, provide project construction supervision, to observe the progress and quality of the executed work and to determine if the work is proceeding in accordance with the contract documents.
- d. Consult and advise with the Party and issue all instructions and Change Orders to the Contractor requested by the Party.
- e. During the progress of actual construction, Engineer will keep the Owner informed with brief and concise information. A monthly progress report will be prepared which will give the Party a quick glance at the Project insofar as monies spent, construction time elapsed, percent of Project completed, a brief narrative of what problems have been encountered and the anticipated completion date.
- f. Review shop and working drawings furnished by Contractors for general compliance with design concept and with information given in contract documents.
- g. Review and provide a recommendation concerning samples, catalog data, schedules, shop drawings, laboratory, shape and mill tests of material and equipment and other data which the Contractor is required to submit, in compliance with the Contract Documents.
- h. Prepare monthly and final estimates for payments to Contractors.
- i. Upon receipt of notification by the Party that the work has been completed, the Engineer shall accompany the Party on the Final Inspection to assure that the total work has been completed in accordance with the Contract Documents.
- j. Prior to the Party's dispersal of any retainage of funds, render a written opinion to the Party that the construction has been completed according to the Contract Documents and provide the Party with a certificate of completion and release of liens documents from subcontractors.
- k. Provide the Party with sepia copies of as-built drawings of the constructed improvements, when requested.
- l. The Engineer will be responsible for interim and final inspection.

- m. Furnish to the Party of Hidalgo County Precinct No. 4 Four (4) sets of plans and four (4) sets of specifications and contract documents.

**SECTION III
ADDITIONAL SERVICES OF THE ENGINEER**

If authorized in writing by the Party, the Engineer will furnish or obtain from others Additional Services of the following types which are not considered normal or customary basic services; these will be paid for by the Party as indicated in Section VI.

- 3.1 Services of a Resident Project Representative, and other field personnel as required, for on-the-site observations of construction, other than periodic visits covered in Section 2.3a herein.
- 3.2 Detailed mill, shop and/or laboratory inspection of materials or equipment.
- 3.3 Major revision of Contract drawings as distinguished from modifications due to change orders, modifications to reduce the cost of the project or modifications requested to meet federal, state, or local regulations.

**SECTION IV
REIMBURSABLE EXPENSES**

- 4.1 Travel and subsistence required for the Engineer and authorized by the Party to points other than within the County and Project site.
- 4.2 Additional copies of reports and specifications over six (6) copies and additional prints of drawings over six (6) copies.
- 4.3 Reimbursable expenses as provided in Section IV herein shall be paid to the Engineer on the basis of 1.1 times the Engineers actual cost.

**SECTION V
THE PARTY'S RESPONSIBILITIES**

The Party will:

- 5.1 Provide full information as to requirements for the Project.
- 5.2 Assist the Engineer by providing all available information pertinent to the Project including reports and any other data relative to design and construction of the Project.
- 5.3 Furnish the Engineering services or data as required such as appropriate professional interpretations of all of the foregoing; property, boundary, easement, right-of-way, zoning, and deed restrictions; all of which the Engineer may rely upon in performing his services under this agreement.

- 5.4 Guarantee access to and make all provisions for the Engineer to enter upon public and private property as required for the Engineer to perform his services under this Agreement.
- 5.5 Examine all studies, reports, sketches, estimates, specifications, drawings, proposals, and other documents presented by the Engineer.
- 5.6 Pay for all costs incident to advertising and obtaining bids or proposals from Contractors.
- 5.7 Provide such legal and accounting services required to discharge the Party's responsibility under the terms of this Agreement and any Agreement with any governmental agency as may be required for the project, and such auditing services as the Party may require to ascertain how or for what the purpose any Contractor has used the monies paid to him under the construction contract.
- 5.8 Give prompt written notice to the Engineer whenever the Party observes or otherwise becomes aware of any defect in the Project.

SECTION VI PAYMENTS TO THE ENGINEER

The Party agrees to pay the Engineer for completed services as identified by the Party:

- 6.1 The Engineer shall be paid a total fixed amount of \$ 10,786.00 for services rendered under this contract. Payment shall be based on request for reimbursements with documentation requested by the Party. The Engineer's fee shall be due and payable as outlined in Sections 6.2, 6.3, and 6.4 as follows.
- 6.2 At Engineer's completion and Party's approval of the Engineer's services under the Preliminary Phase, Section II of this Agreement, Party shall pay a maximum of 15% of the sum set forth in Section 6.1 above.
- 6.3 At Engineer's completion and Party's approval of the Engineer's services under the Design Phase, Section II of this Agreement, Party shall pay a maximum of 60% of the sum set forth in Section 6.1 above.
- 6.4 At Engineer's completion and Party's approval of the Engineer's services under the Construction Phase, Section II of this Agreement, Party shall pay a maximum of 25% of the sum set forth in Section 6.1 above. Such sum to be paid periodically proportionately to the percentage of construction completed by the Contractor as determined by Engineer's reports.
- 6.5 For Additional Services as provided in Section III herein the Engineer shall be paid a sum of 1.1 times the Engineer's actual cost for such services.

SECTION VII OWNERSHIP OF DOCUMENTS

Original documents, plans, designs and survey notes developed in connection with services performed hereunder belong to, and remain the property of the Party, in consideration of which it is mutually agreed that the Party will use them solely in connection with the Project and as base material for possible future projects.

SECTION VIII TERMINATION

The Party may terminate this Agreement at any time by a 30-day notice in writing to the Engineer. Upon receipt of such notice, the Engineer shall, unless the notice directs otherwise immediately discontinue all services in connection with the performance of this Agreement and shall proceed to cancel promptly all existing orders and contracts insofar as such orders or contracts are chargeable to this Agreement. As soon as practical after receipt of notice of termination, the Engineer shall submit a statement showing in detail the actual services that were performed under this Agreement to date of termination, the date such services were performed and the length of time spent by each person or party engaged in performing such services on each day,

The Party shall pay the Engineer a sum of money equal to the reasonable value of the service rendered by the Engineer to the Party in connection with the services performed under this Contract, less payments previously made by the Party to Engineer on work performed and expenses incurred by Engineer under the provisions of this Contract. Copies of all completed or partially completed designs, plans and specifications prepared under this Agreement shall be delivered to the Party when and if this Agreement is terminated, but subject to the restrictions as to their use, as set forth above.

Notwithstanding the above, the Engineer shall not be relieved of liability to the Party for damages sustained by the Party arising from Engineer's negligent acts, errors or omissions related to Engineer's obligations created under this Agreement.

SECTION IX COUNTY AND CITY OFFICIALS

Engineer agrees that no County or City official or Party employee shall be personally liable for any of the obligation created under this Agreement, or for any matter which may arise out of the Project, or any activities related thereto and hereby holds the Party, its political bodies and its employees harmless from and indemnifies them from any liability from any matter arising from Engineer's negligent acts, errors or omissions related to Engineer's obligations created under this Agreement.

SECTION X SUCCESSORS AND ASSIGNS

Party and Engineer each binds themselves, their partners, successors, executors, administrators, and assigns to the other party of Agreement in respect to all covenants of this Agreement. Neither the Party nor Engineer shall assign, sublet, or transfer interest in this Agreement without the written consent of the other.

SECTION XI TIME OF PERFORMANCE

The Engineer contracts and agrees to commence work within ten (10) days from the date of written authorization to proceed and will complete the preparation of the preliminary phase and estimates by 90 days and will proceed upon authorization with final drawings, specifications, and contracts documents and complete same within the earliest practical time from such notice to proceed.

**SECTION XII
VENUE**

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Contract shall lie exclusively in Hidalgo County, Texas.

**SECTION XIII
CHANGES**

The Party may, from time to time, request changes in the Scope of Services of the Engineer as may be mutually agreed to be performed hereunder. Such changes, including any increase or decrease in the amount of the Engineer's compensation, which are mutually agreed upon by and between the Party and the Engineer shall be incorporated in written amendments to the Contract.

**SECTION XIV
COMPLIANCE WITH LOCAL LAWS**

The Engineer shall comply with all applicable laws, ordinances, and codes of the State and local governments, and the Engineer shall save the Party harmless with respect to any damages arising from any Engineer's negligence done in performing any of the work embraced by this Contract.

**SECTION XV
ASSIGNABILITY**

The Engineer shall not assign any interest in this Contract, and shall not transfer any interest in the same (whether by assignment or novation) without the prior written consent of the Party thereof; provided however, that claims for money due or to become due to the Engineer from the Party under this Contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Party.

**SECTION XVI
GENERAL**

- 16.1 Audit. The Party and/or any of its duly authorized representatives shall have access to any books, documents, papers, and records of the Engineer which are directly pertinent to this project for the purpose of making the audit, examination, excerpts, and transcriptions.
- 16.2 The Engineer agrees to compliance with the following Executive orders, Titles and Program Regulations, including any additional requirements that may be set forth by the Party.
- a. Title VI of the Civil Rights Act - requires that no one may be denied access to benefits from projects which receive federal assistance.
 - b. Section 109 of the Housing and Community Development Act of 1974 - Nondiscrimination related to benefits from projects funded specifically under Title I of the Act.
 - c. Section 3 of the HUD Act of 1968 - requires that maximum effort be made to provide employment, training, and business opportunities to low income families and/or residents of the project area.

- d. The Engineer shall give the United States Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, the Auditor of the State of Texas, access to and the right to examine all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by Engineer pertaining to this Agreement. Such rights to access shall continue as long as the records are retained by Engineer. Engineer agrees to maintain such records in an accessible location for a period of three (3) years.
- e. Executive Order 11246 (paragraph a-c for contracts under \$10,000; paragraphs a-g for contracts over \$10,000) - Equal Employment Opportunity.

Executive Order 11246. Executive Order 11246 and the regulations issued pursuant thereto (24 CFR Part 130) which provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federal or federally assisted contracts. Such consultants or subcontractors shall take affirmative action to ensure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination rates of pay or other forms of compensation and selection for training and apprenticeship.

Equal Employment Opportunity for Activities and Contracts not Subject to Executive Order 11246, as amended. In carrying out the program, the Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Engineer shall take affirmative action to ensure that applicants for employment are employed and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not limited to the following: Employment, upgrading, demotion, or transfer; recruitment or other forms of compensation; and selection for training, including apprenticeship. The Engineer shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Government setting forth the provisions of this paragraph in all of its contracts for program work and will require all of its consultants for such work to incorporate such requirements in all subcontracts for program.

- 16.3 Interest of Certain Federal Officials: No member of or Delegate to the Congress of the United States and no Resident Commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same.
- 16.4 Interest of Members, Officers, or Employees of Public Body, Member of Local Governing Body, or other Public Officials: No member, officer, or employee of the County or City, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure for one year thereafter, shall have any interest, direct or indirect, to be performed in connection with the program assisted under the Agreement. The Engineer shall incorporate or cause to be incorporated in all such interest pursuant to the purpose of this Section.

SECTION XVII INSURANCE

The Engineer shall obtain and keep in force during the term of its engagement on the Project, the insurance as follows:

- 17.1 A comprehensive automobile liability policy covering liability exposure to bodily injury and property damages. The Engineer shall furnish Party Certificates of Insurance showing the comprehensive automobile liability insurance policies to be in effect, commencing when Engineers commence operations under this Agreement, in the sum of \$300,000 for bodily injury and \$100,000 for property damages.
- 17.2 Uninsured/Underinsured motorist coverage in an amount equal to the bodily injury limits set forth immediately above;
- 17.3 A Five Hundred Thousand Dollar (\$500,000.00) Comprehensive General Liability Insurance Policy providing additional coverage to all underlying liabilities of County consistent with potential exposure of County under the Texas Tort Claims Act;
- 17.4 Workers Compensation Insurance in amount established by Texas law, under the bidder is specifically exempted from the Texas Worker's Compensation Act, Texas Labor Code Chapter 401, et. seq.
- 17.5 All insurance policies must be written by an insurance company or companies acceptable to the Party.

**SECTION XVIII
WARRANTY**

- 18.1 Engineer represents and warrants to Owner all services rendered to Owner under this Agreement shall, at a minimum, comply with the Texas Engineering Practices Act (Tex. Civ. St. Ann., Article 3271) and rules of the Texas Board of Professional Engineers.

Exhibit "A"
(Scope of Services)

see attached



November 11, 2010

Ms. Gloria Beltran
Hidalgo County Precinct #4
1051 N. Doolittle
Edinburg, Texas 78542

Subject: Letter of Proposal
Ingle Road - East of Muse Drive to Tower Road
Construction Materials Testing Services
MEG Proposal No. 01-10-111

Dear Ms. Beltran

Millennium Engineers Group, Inc. (MEG) is pleased to submit this proposal for the subject project to Hidalgo County Precinct #4 (CLIENT) to offer our services in the following area(s):

- **Construction Materials Testing Services**

This master contract is general in nature and will cover the services requested by the CLIENT for the subject project. This agreement will remain in effect for the duration of the subject project.

It is our understanding that the subject project is for Ingle Road located East of Muse Drive to Tower Road in Hidalgo County, Texas. The attached authorization for professional services includes basic engineering services for construction materials testing. The estimated cost of services is \$10,786.00, the actual cost for providing the subject services to this project will depend on the contractor's construction process. This may include such items as construction methods, construction sequence and scheduling and weather. If there is any change in the project requirements from those mentioned, please notify us of the changes.

Please provide project plans and construction documents other information pertinent to the subject project. You may send electronic files to meq@megengineers.com. If you have any questions please contact us at our office.

Upon your authorization we will begin immediately on the services you have requested.

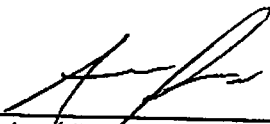
Qv

We appreciate the opportunity to submit this agreement and look forward to working with you on this project. Our professional services will be carried out in accordance with the scope of work that has been outlined.

Please sign the attached agreement with initials on each page and return one signed copy of this master contract that provides written authorization for our firm to complete work on the services outlined herein. Our invoices are due and payable upon receipt at P.O. Box 4569, Edinburg, Texas 78540-4569.

Sincerely yours,

MILLENNIUM ENGINEERS GROUP, INC.



Raul Palma, P.E.
President

Attachments: Proposal 01-10-111
 Authorization for Professional Services and Provisions
 Attachment "A", Scope of Services
 Attachment "B", Engineer's Contract Fee Schedule



Proposal No. 01-10-111



Consultants: Geotechnical Testing

Millennium Engineers Group, Inc.
 PO Box 4569
 Edinburg, Texas 78540-4569

Proposal

Date	Proposal No.
11/11/2010	01-10-111

Name / Address
Hidalgo County Precinct 4-Urban County Ms. Gloria Beltran 1051 N. Doolittle Rd Edinburg, Texas 78542

Project Name
Ingle Road (East of Muse Dr to Tower Rd)

Description	Qty	Cost	Total
Atterberg Limits	6	59.00	354.00
Gradation (Dry)	2	50.00	100.00
Passing No. 200 Sieve	2	42.00	84.00
Standard Proctor	4	175.00	700.00
Field Density (Soils)	26	22.00	572.00
Wet Ball Mill	2	175.00	350.00
Extraction, Grad. and % Asphalt	8	225.00	1,800.00
Asphalt Cores	10	55.00	550.00
Asphalt Density (In-Place, Cores)	10	22.00	220.00
Vehicle Trip Charge	28	35.00	980.00
Engr. Technician (Soils)	40	40.00	1,600.00
Engr. Technician (Asphalt)	32	43.00	1,376.00
Principal Engineer	3	125.00	375.00
Test Report	20	30.00	600.00
Clerical/Administrative	20	40.00	800.00
Project Management & Coordination	5	65.00	325.00
Helping to Build the Rio Grande Valley		Total	\$10,786.00

AUTHORIZATION FOR PROFESSIONAL SERVICES

PROJECT NAME: Ingle Road - East of Muse Drive to Tower Road
Hidalgo County, Texas
PROPOSAL NUMBER: 01-10-111
CLIENT: Ms. Gloria Beltran
Hidalgo County Precinct #4
ADDRESS: 1051 N. Doolittle
Edinburg, Texas 78542

hereby requests and authorizes Millennium Engineers Group, Inc. to perform the following services:

SCOPE: Services to be performed by Millennium Engineers Group, Inc. to be as outlined and further described in "Attachment A – Scope of Services" attached, herewith and made a part of this authorization.

COMPENSATION: Compensation to be on a unit cost basis for each testing and/or inspection service. The unit cost for each testing and/or inspection item are identified in "Attachment B – Engineer's Fee Schedule". Compensation will be determined by the actual quantity of units of services rendered and applying the appropriate unit cost to determine the cost of services rendered. The actual cost for providing the subject services to this project will depend on the construction process. This may include such items as construction methods, construction sequence and scheduling and weather. If the general scope, extent or character of this authorization is increased materially through no fault of Millennium Engineers Group, Inc., the amount of compensation provided herein shall be subject to adjustment in accordance with Article 9 "Additional Services" of the attached PROVISIONS.

If technical or professional services are furnished by an outside source, an additional 15% shall be added to the cost of the services for Millennium Engineers Group, Inc.'s administrative costs.

Approved for Hidalgo County Precinct 4

Approved for Millennium Engineers Group Inc.

By: Gloria A. Beltran
Printed Name: Gloria A. Beltran
Title: Executive Assistant
Date: 11/15/10

By: Raul Palma
Raul Palma
President
Date: 11/11/10



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Proposal No. 01-10-111

PROVISIONS

1. **AUTHORIZATION TO PROCEED**
Signing this form shall be construed as authorization by CLIENT for MILLENNIUM ENGINEERS GROUP, INC. to proceed with the work, unless otherwise provided for in the authorization.
2. **TECHNICIAN SERVICES**
MILLENNIUM ENGINEERS GROUP, INC. will charge overtime at the rate of 1.3 applicable for technician services performed before 7 AM and after 6 PM on Monday through Friday, after 8 continuous hours on the Client's project and on Saturday, Sunday and holidays. Laboratory testing performed after normal work hours of 7 AM to 6 PM on Monday through Friday, Saturday, Sunday and Holidays will be billed the test rate plus applicable overtime hourly charges. Hours billed will be from our office at 705 Dawson Drive, Edinburg, Texas, portal to portal. Fractions of hours will be billed as whole hours.
3. **PROJECT MANAGEMENT**
Project management will be billed for coordination and management of project and personnel.
4. **OUTSIDE SERVICES**
When technical or professional services are furnished by an outside source, when approved by CLIENT, an additional amount shall be added to the cost of these services for MILLENNIUM ENGINEERS GROUP, INC.'s administrative costs, as provided on the previous page of the authorization.
5. **COST ESTIMATES**
Any cost estimate provided by MILLENNIUM ENGINEERS GROUP, INC. will be on a basis of experience and judgement, but since it has no control over the construction process, construction methods, construction sequence, construction scheduling and weather conditions MILLENNIUM ENGINEERS GROUP, INC. cannot and does not warrant that actual costs for services performed will not vary from these cost estimates.
6. **PROFESSIONAL STANDARDS**
MILLENNIUM ENGINEERS GROUP, INC. shall be responsible, to the level of competency presently maintained by other practicing professional engineers in the same type of work in CLIENT's community, for the professional and technical soundness, accuracy, and adequacy of all design, drawings, specifications, and other work and materials furnished under this Authorization. MILLENNIUM ENGINEERS GROUP, INC. makes no other warranty, expressed or implied.
7. **TERMINATION**
Either CLIENT or MILLENNIUM ENGINEERS GROUP, INC. may terminate this authorization by giving 30 days' written notice to the other party. In such event CLIENT shall forthwith pay MILLENNIUM ENGINEERS GROUP, INC. in full for all work previously authorized and performed prior to effective date of termination. If no notice of termination is given, relationships and obligations created by this Authorization shall be terminated upon completion of all applicable requirements of this Authorization.
8. **LEGAL EXPENSES**
In the event legal action is brought by CLIENT or MILLENNIUM ENGINEERS GROUP, INC. against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the party such reasonable amounts for fees, costs and expenses as may be set by the court.



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Proposal No. 01-10-111

9. PAYMENT TO MILLENNIUM ENGINEERS GROUP, INC. / INTEREST ON PAST DUE AMOUNTS

Monthly invoices will be issued by MILLENNIUM ENGINEERS GROUP, INC. for all work performed under the terms of this authorization. Invoices are due and payable on receipt. Interest at the rate of 1½% per month will be charged on all past-due amounts, unless not permitted by law. Any interest charged or collected in excess of the highest legal rate will be applied to the principal amount owing to MILLENNIUM ENGINEERS GROUP, INC., and if such interest exceeds the principal balance of CLIENT's indebtedness to MILLENNIUM ENGINEERS GROUP, INC. will be returned to the CLIENT. It is the intent of MILLENNIUM ENGINEERS GROUP, INC. and CLIENT to abide by all applicable laws regulating the maximum amount of interest, which may be charged. To the greatest extent allowed by applicable law, CLIENT and MILLENNIUM ENGINEERS GROUP, INC. agree that in the event CLIENT and MILLENNIUM ENGINEERS GROUP, INC. enter into any compromise or settlement calling for the payment of past due principal and accrued and unpaid interest on any past due invoice, MILLENNIUM ENGINEERS GROUP, INC. may charge and CLIENT agrees to pay interest on such combined past due principal and accrued and unpaid interest amount (the "New Principal Balance") at the rate of 1½% per month or the highest rate allowed by law, subject, as provided herein, to MILLENNIUM ENGINEERS GROUP, INC.'s agreement to credit excess interest or return same to CLIENT after the New Principal Balance is paid.

10. LIMITATION OF LIABILITY

MILLENNIUM ENGINEERS GROUP, INC.'s liability to the CLIENT for any cause or combination of causes is in the aggregate, limited to an amount no greater than the fee earned under this agreement.

11. ADDITIONAL SERVICES

Services in addition to those specified in Scope will be provided by MILLENNIUM ENGINEERS GROUP, INC. if authorized in writing by the CLIENT. Additional services will be paid for by the CLIENT as indicated in the Letter of Proposal, Task Authorization, or such other document as deemed appropriate by CLIENT and MILLENNIUM ENGINEERS GROUP, INC., and which is referenced under Compensation.

12. SALES TAX

In accordance with the State Sales Tax Codes, engineering services are non-taxable at the present time. If the State of Texas, at any time, changes the State Sales Tax Code and engineering services become taxable, the applicable sales tax will be included for the services rendered. Sales tax, if applicable, will be indicated on invoice statements.

13. TERMINATION FOR NON-PAYMENT OF FEES

MILLENNIUM ENGINEERS GROUP, INC. may terminate this contract by giving written notice if any MILLENNIUM ENGINEERS GROUP, INC. invoice remains unpaid for more than sixty (60) days. MILLENNIUM ENGINEERS GROUP, INC.'s right to terminate this contract shall not be waived by MILLENNIUM ENGINEERS GROUP, INC.'s continued performance during any period of investigation by MILLENNIUM ENGINEERS GROUP, INC. to determine the reasons for CLIENT's nonpayment.

In case any one or more of the provisions contained in this Authorization shall be held illegal, the enforceability of the remaining provisions contained herein shall not be impaired thereby.



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Proposal No. 01-10-111

ATTACHMENT "A"
SCOPE OF SERVICES

This part of the project consists of providing basic engineering services for construction materials testing for Ingle Road located East of Muse Drive to Tower Road in Hidalgo County, Texas.

Environmental, Geotechnical Engineering and Inspection services if requested from the Engineer, will be considered additional services.

TASK I – Project Construction Materials Testing and Field Services

- A. Review of plans, specifications and other construction documents as provided by the client.
- B. Provide periodic project construction materials testing in the field as requested by the client and/or client's representative.

TASK II – Laboratory Testing and Report Preparation

- A. Provide laboratory testing of project construction materials as requested by the client and/or client's representative.
- B. Provide review of the project reports for compliance with project plans, specifications and other construction documents as provided by the client.
- C. Provide a copy of the project reports to the client. Fax or electronic copy of project reports will be provided to the client and/or client's designees when requested by client.

ADDITIONAL SERVICES

Any items requested by the Owner that are not outlined in the above scope would be considered additional services and would be provided as requested and authorized by you. Millennium Engineers Group, Inc. can provide or obtain the following services but they are not included in the limited scope of this agreement. This is not an all-inclusive list of additional services and additional tasks may be added as deemed necessary on a project-by-project basis.

- 1. Environmental Services.
- 2. Geotechnical Engineering Services.
- 3. Construction Inspections or Resident Project Representative Services.
- 4. Special investigations.
- 5. Coordination and/or attendance of meetings, unless otherwise specified.
- 6. Court appearances, depositions, or any other involvement in litigation.



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Proposal No. 01-10-111

FEE AND BILLING

Millennium Engineers Group, Inc. will accomplish the services described in Task I through Task II on the basis of a unit cost fee. Services rendered will be billed as defined in Attachment "B". Services will be billed as services are rendered and are due upon receipt. Additional services by Millennium Engineers Group, Inc. will be billed as defined in Attachment "B". Additional services provided by an outside source will be billed at invoice cost plus 15% for administration purposes. We anticipate basic service fees for project to be as budgeted below:

Expected Basic Engineering Services for Construction Materials Testing:	<u>\$ 10,786.00</u>
Expected Total Fee:	\$ 10,786.00



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Proposal No. 01-10-111

ATTACHMENT "B"

**CONSTRUCTION MATERIALS ENGINEERING & TESTING SERVICES
ENGINEER'S CONTRACT FEE SCHEDULE**

For the services to be provided by the ENGINEER the charge will be on the basis of the units and unit fee rates established in this schedule of tests, staff personnel services and additional services. Services will be rendered on an as needed basis and are dependent on the contractor's work schedule and progress. The overtime premium, required by the Fair Labor Standards Act for nonexempt classifications, will be charged for overtime hours worked because of the Client's requirements and its authorization. However, except for the overtime premium, the maximum charges shall not exceed the rates shown in this schedule.

Soils Testing Services

SERVICE DESCRIPTION	UNIT	UNIT FEE
Atterberg Limits	Each	\$59.00
Sieve Analysis (4 Sieves)(Up to No. 40)	Each	\$50.00
Amount Passing No. 200 Sieve	Each	\$42.00
Moisture Density Relationship - ASTM D698 (Standard)	Each	\$175.00
Moisture Density Relationship - ASTM D1557 (Modified Proctor)	Each	\$185.00
Field Density (Soils)	Each	\$22.00
Depth/Thickness Determination	Each	\$6.00
Wet Ball Mill (Tex 116-E)	Each	\$175.00
Soil-Lime Testing	Each	\$275.00
Moisture Content (Large)	Each	\$35.00
Moisture Content (Small)	Each	\$8.00
Linear Shrinkage (Tex 107E)	Each	\$65.00
Resistivity of Soils (Tex 129E)	Each	\$85.00

Concrete/Masonry Testing Services

SERVICE DESCRIPTION	UNIT	UNIT FEE
Air Content of Fresh Concrete (Pressure Method)(In conjunction w/ inspection.)	Each	\$20.00
Normal Weight Concrete Compressive Strength (6"dia.x12" Cylinder)(ASTM C39 & C617, TxDOT 418A)(Delivered to Lab)(Min. of 4)	Each	\$16.00
Normal Weight Concrete Flexure Strength (6"x6"x22")(ASTM C78 or Tex 448A)(Delivered to Lab)(Min. of 2)	Each	\$30.00
Saw Concrete Specimen Ends	Each	\$25.00
Mortar Prism (Compression)(Set of 4)	Each	\$20.00
Other Concrete Services	Each	By Quote



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Technician Inspection Services

	SERVICE DESCRIPTION	UNIT	UNIT FEE
	Engineering Technician (Sampling Subgrade, Base or Fill; Subgrade & Fill Embankment Observations; Material Preparation; Nuclear Density Testing, Etc.)(Min. 2 hrs)	Hour	\$40.00
	Asphalt or Concrete Engineering Technician (Asphaltic Paving Observation & Testing; Portland Cement Concrete, Etc.)(Min. 2 hrs)	Hour	\$43.00
	Senior Engineering Technician	Hour	\$48.00
	Engineering Specialist	Hour	\$65.00

Note: Overtime at the rate of 1.3 is applicable for technicians for services performed as outlined in the provisions of the authorization for this contract.

Engineering Services

	SERVICE DESCRIPTION	UNIT	UNIT FEE
	Principal Engineer	Hour	\$125.00
	Engineer	Hour	\$95.00

Coordination, Administrative and Other Services

	SERVICE DESCRIPTION	UNIT	UNIT FEE
	Outside Consulting, Other Services or Supplies	Lump Sum	By Quote or Cost Plus 15%
	Vehicle Trip Charge (within 30 miles of Edinburg Office) Subject to Change due to Changes in Fuel Cost	Trip	\$35.00
	Vehicle Trip Charge (Outside 25 miles of Edinburg Office)	Mile	\$0.60
	Project Management and Coordination	Hour	\$65.00
	Test Report	Each	\$30.00
	Clerical and Administration	Each	\$40.00



Initials HAB

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